

**IOWA WORKFORCE DEVELOPMENT
UNEMPLOYMENT INSURANCE APPEALS**

68-0157 (9-06) - 3091078 - EI

MICHAEL T GORDON
Claimant

APPEAL NO. 09A-UI-00386-L

**ADMINISTRATIVE LAW JUDGE
DECISION**

KERRY INC
Employer

OC: 07/06/08 R: 04
Claimant: Respondent (2R)

Iowa Code § 96.5(2)a – Discharge/Misconduct
Iowa Code § 96.3(7) – Recovery of Benefit Overpayment

STATEMENT OF THE CASE:

The employer filed a timely appeal from the January 2, 2009, reference 02, decision that allowed benefits. After due notice was issued, a hearing was held on March 3, 2009 in Decorah, Iowa. Claimant did not appear in response to the hearing notice instructions. Employer participated through Heather Damro, Human Resources Representative; Randy Nolan, Senior Technical Supervisor and Safety Coordinator; and David Johnson, Warehouse Worker. Employer's Exhibit 1 was received.

ISSUE:

The issue is whether claimant was discharged for reasons related to job misconduct sufficient to warrant a denial of unemployment benefits and if so, whether he is overpaid benefits as a result.

FINDINGS OF FACT:

Having reviewed all of the evidence in the record, the administrative law judge finds: Claimant was employed as a full-time warehouse team member from July 30, 2008 through October 24, 2008 when he was discharged. On October 20, Production Manager Jim Mugler reported an incident between claimant and Johnson. Employer has a zero-tolerance policy on harassment which calls for immediate termination upon a threat of violence. On October 20, Johnson moved cheese out of the freezer aisle to get access to the product he needed. He was then going to put that back. When he returned, claimant had begun to fill that space. Johnson told him he needed that space in order to return the other product. Claimant said he did not have time to do that and sat the pallet down blocking in Johnson. Johnson moved product out of the aisle to give claimant space and changed the move tickets as appropriate. Claimant drove around the corner, got off his forklift, yelled, "get the hell out of this room," gave Johnson a body bump, swore and yelled to the point of spitting. Johnson asked him to stop spitting and claimant replied, "get out of my room or I'll kick your ass." Johnson thought it looked like he was going to start throwing punches. Alex Kroser and Damro interviewed the parties on October 21. A week earlier Johnson talked to the shipping clerk and returned and found claimant had taken the forklift with Johnson's paperwork in the freezer. When he asked for it back claimant approached him yelling and gave Johnson a body bump. Johnson reported the incident to Alex Krosier. On

October 8 Nolan went into a room with claimant and heard him say in an irate manner, "we hire 'fricking' morons." Nolan also observed him with a "bad attitude" on other days.

The claimant has received unemployment benefits in the amount of \$4,890.00 since filing a claim with an effective date of July 6, 2008.

REASONING AND CONCLUSIONS OF LAW:

For the reasons that follow, the administrative law judge concludes the claimant was discharged from employment due to job-related misconduct.

Iowa Code § 96.5-2-a provides:

An individual shall be disqualified for benefits:

2. Discharge for misconduct. If the department finds that the individual has been discharged for misconduct in connection with the individual's employment:

a. The individual shall be disqualified for benefits until the individual has worked in and has been paid wages for insured work equal to ten times the individual's weekly benefit amount, provided the individual is otherwise eligible.

871 IAC 24.32(1)a provides:

Discharge for misconduct.

(1) Definition.

a. "Misconduct" is defined as a deliberate act or omission by a worker which constitutes a material breach of the duties and obligations arising out of such worker's contract of employment. Misconduct as the term is used in the disqualification provision as being limited to conduct evincing such willful or wanton disregard of an employer's interest as is found in deliberate violation or disregard of standards of behavior which the employer has the right to expect of employees, or in carelessness or negligence of such degree of recurrence as to manifest equal culpability, wrongful intent or evil design, or to show an intentional and substantial disregard of the employer's interests or of the employee's duties and obligations to the employer. On the other hand mere inefficiency, unsatisfactory conduct, failure in good performance as the result of inability or incapacity, inadvertencies or ordinary negligence in isolated instances, or good faith errors in judgment or discretion are not to be deemed misconduct within the meaning of the statute.

Employer has an interest and duty in protecting the safety of all of its employees. Claimant's physical aggression and threats of physical harm were in violation of specific work rules and against commonly known acceptable standards of work behavior. This behavior was contrary to the best interests of employer and the safety of its employees and is disqualifying misconduct even without prior warning. Benefits are denied.

Iowa Code § 96.3-7, as amended in 2008, provides:

7. Recovery of overpayment of benefits.

a. If an individual receives benefits for which the individual is subsequently determined to be ineligible, even though the individual acts in good faith and is not otherwise at fault, the benefits shall be recovered. The department in its discretion may recover the overpayment of benefits either by having a sum equal to the overpayment deducted from any future benefits payable to the individual or by having the individual pay to the department a sum equal to the overpayment.

b. (1) If the department determines that an overpayment has been made, the charge for the overpayment against the employer's account shall be removed and the account shall be credited with an amount equal to the overpayment from the unemployment compensation trust fund and this credit shall include both contributory and reimbursable employers, notwithstanding section 96.8, subsection 5. However, provided the benefits were not received as the result of fraud or willful misrepresentation by the individual, benefits shall not be recovered from an individual if the employer did not participate in the initial determination to award benefits pursuant to section 96.6, subsection 2, and an overpayment occurred because of a subsequent reversal on appeal regarding the issue of the individual's separation from employment. The employer shall not be charged with the benefits.

(2) An accounting firm, agent, unemployment insurance accounting firm, or other entity that represents an employer in unemployment claim matters and demonstrates a continuous pattern of failing to participate in the initial determinations to award benefits, as determined and defined by rule by the department, shall be denied permission by the department to represent any employers in unemployment insurance matters. This subparagraph does not apply to attorneys or counselors admitted to practice in the courts of this state pursuant to section 602.10101.

Because the claimant's separation was disqualifying, benefits were paid to which the claimant was not entitled. The unemployment insurance law provides that benefits must be recovered from a claimant who receives benefits and is later determined to be ineligible for benefits, even though the claimant acted in good faith and was not otherwise at fault. However, the overpayment will not be recovered when it is based on a reversal on appeal of an initial determination to award benefits on an issue regarding the claimant's employment separation if: (1) the benefits were not received due to any fraud or willful misrepresentation by the claimant and (2) the employer did not participate in the initial proceeding to award benefits. The employer will not be charged for benefits whether or not the overpayment is recovered. Iowa Code § 96.3(7). In this case, the claimant has received benefits but was not eligible for those benefits. The matter of determining whether the overpayment should be recovered under Iowa Code § 96.3(7)b is remanded to the Agency.

DECISION:

The January 2, 2009, reference 02, decision is reversed. The claimant was discharged from employment due to job-related misconduct. Benefits are withheld until such time as he has

worked in and been paid wages for insured work equal to ten times his weekly benefit amount, provided he is otherwise eligible. The claimant is potentially overpaid benefits in the amount of \$4,890.00.

Dévon M. Lewis
Administrative Law Judge

Decision Dated and Mailed

dml/css