

**IOWA WORKFORCE DEVELOPMENT  
Unemployment Insurance Appeals Section  
1000 East Grand—Des Moines, Iowa 50319  
DECISION OF THE ADMINISTRATIVE LAW JUDGE  
68-0157 (7-97) – 3091078 - EI**

**GARY R WANBERG  
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PO BOX 103  
GALVA IA 51020**

**VTI ARCHITECTURAL PRODUCTS INC  
1000 INDUSTRIAL PARK  
HOLSTEIN IA 51025**

**VTI ARCHITECTURAL PRODUCTS INC  
c/o TALX EMPLOYER SERVICES  
PO BOX 283  
ST LOUIS MO 63166-0283**

**Appeal Number: 06A-UI-01143-DT  
OC: 01/01/06 R: 01  
Claimant: Respondent (2)**

**This Decision Shall Become Final**, unless within fifteen (15) days from the date below, you or any interested party appeal to the Employment Appeal Board by submitting either a signed letter or a signed written Notice of Appeal, directly to the **Employment Appeal Board, 4<sup>th</sup> Floor—Lucas Building, Des Moines, Iowa 50319**.

The appeal period will be extended to the next business day if the last day to appeal falls on a weekend or a legal holiday.

STATE CLEARLY

1. The name, address and social security number of the claimant.
2. A reference to the decision from which the appeal is taken.
3. That an appeal from such decision is being made and such appeal is signed.
4. The grounds upon which such appeal is based.

YOU MAY REPRESENT yourself in this appeal or you may obtain a lawyer or other interested party to do so provided there is no expense to Workforce Development. If you wish to be represented by a lawyer, you may obtain the services of either a private attorney or one whose services are paid for with public funds. It is important that you file your claim as directed, while this appeal is pending, to protect your continuing right to benefits.

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(Administrative Law Judge)

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(Decision Dated & Mailed)

Section 96.5-2-a – Discharge  
Section 96.3-7 – Overpayment

STATEMENT OF THE CASE:

VTI Architectural Products, Inc. (employer) appealed a representative's January 18, 2006 decision (reference 01) that concluded Gary R. Wanberg (claimant) was qualified to receive unemployment insurance benefits after a separation from employment. After hearing notices were mailed to the parties' last known addresses of record, a telephone hearing was held on February 22, 2006. The claimant participated in the hearing. April Ruble appeared on the employer's behalf. Two other witnesses, Pam Rohlk and Kathy Sindt, were available on behalf of the employer but did not testify. During the hearing, Employer's Exhibits One (A and B), Three (A, B, D, E and F), Four (A and B), Five (A through E), Seven, and Eight (A through D) were entered into evidence. Based on the evidence, the arguments of the parties, and the law,

the administrative law judge enters the following findings of fact, reasoning and conclusions of law, and decision.

ISSUE:

Was the claimant discharged for work-connected misconduct?

FINDINGS OF FACT:

The claimant started working for the employer on March 24, 1997. He worked full time as an estimator at the employer's architectural wood door, cabinet top, and cabinet door manufacturing business. His last day of work was December 29, 2005. The employer discharged him on that date. The stated reason for the discharge was manipulation and falsification of documentation.

The claimant had received prior unsatisfactory ratings on some of his performance reviews for having too high an error percentage. On or about December 29, 2005, the employer discovered that there had been three instances where the claimant had made some level of error in providing estimate bids to customers and had failed to take remedial action, and had even taken action to conceal the errors.

The most notable incident involved an order for 23 doors for which the employer's cost was nearly \$15,900.00 because of a special veneer requested by the customer. The claimant's final estimate to the customer was about \$5,700.00. He had discovered the error prior to the final bid, but did not take the matter to his supervisor, but rather processed a number of fictional discounts and waste reductions to the actual cost of the product to reduce the cost to the \$5,700.00 figure; his final documentation did not reflect the discounts that had gotten him to that low amount. (Employer's Exhibit Five.) On another bid, there had been a data entry error so that a bid for 52 doors were discounted to the employer's cost. The claimant noticed the error before the final bid, but did not take the problem to his supervisor; rather, he processed the bid at cost. (Employer's Exhibit Eight.)

The claimant established a claim for unemployment insurance benefits effective January 1, 2006. The claimant has received unemployment insurance benefits after the separation from employment in the amount of \$1,446.00.

REASONING AND CONCLUSIONS OF LAW:

The issue in this case is whether the employer discharged the claimant for reasons establishing work-connected misconduct. The issue is not whether the employer was right or even had any other choice but to terminate the claimant's employment, but whether the claimant is entitled to unemployment insurance benefits. Infante v. IDJS, 364 N.W.2d 262 (Iowa App. 1984). What constitutes misconduct justifying termination of an employee and what is misconduct that warrants denial of unemployment insurance benefits are two separate decisions. Pierce v. IDJS, 425 N.W.2d 679 (Iowa App. 1988). A claimant is not qualified to receive unemployment insurance benefits if an employer has discharged the claimant for reasons constituting work-connected misconduct. Iowa Code §96.5-2-a. Before a claimant can be denied unemployment insurance benefits, the employer has the burden to establish the claimant was discharged for work-connected misconduct. Cosper v. IDJS, 321 N.W.2d 6 (Iowa 1982); Iowa Code §96.5-2-a.

Iowa Code Section 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.

This definition has been accepted by the Iowa Supreme Court as accurately reflecting the intent of the legislature. Huntoon v. Iowa Department of Job Service, 275 N.W.2d 445, 448 (Iowa 1979).

While the claimant's original errors might have been made in good faith, his failure to disclose the errors upon discovery and even more so the steps he took to conceal the errors were misconduct. White v. Employment Appeal Board, 448 N.W.2d 691 (Iowa 1989). The claimant's actions showed a willful or wanton disregard of the standard of behavior the employer has the right to expect from an employee, as well as an intentional and substantial disregard of the employer's interests and of the employee's duties and obligations to the employer. The employer discharged the claimant for reasons amounting to work-connected misconduct.

Iowa Code Section 96.3-7 provides:

7. Recovery of overpayment of benefits. 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.

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.

Because the claimant's separation was disqualifying, benefits were paid to which the claimant was not entitled. Those benefits must be recovered in accordance with the provisions of Iowa law.

**DECISION:**

The representative's January 18, 2006 decision (reference 01) is reversed. The employer discharged the claimant for disqualifying reasons. The claimant is disqualified from receiving unemployment insurance benefits as of December 29, 2005. This disqualification continues until the claimant has been paid ten times his weekly benefit amount for insured work, provided he is otherwise eligible. The employer's account will not be charged. The claimant is overpaid benefits in the amount of \$1,446.00.

ld/s