

**IOWA WORKFORCE DEVELOPMENT  
UNEMPLOYMENT INSURANCE APPEALS**

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

**TERESA R GWENNAP**  
Claimant

**APPEAL NO. 07A-UI-05608-NT**

**ADMINISTRATIVE LAW JUDGE  
DECISION**

**TELCO TRIAD COMMUNITY CREDIT UNION**  
Employer

**OC: 04/29/07 R: 01**  
**Claimant: Appellant (1)**

Section 96.5-2-a – Discharge for Misconduct

**STATEMENT OF THE CASE:**

Teresa Gwennap filed an appeal from a representative's decision dated May 21, 2007, reference 01, which denied benefits based upon her separation from Telco Triad Community Credit Union. After due notice was issued, a telephone conference hearing was scheduled for and held on June 21, 2007. Ms. Gwennap participated. The employer participated by Ms. Kay Beyerink, CEO.

**ISSUE:**

At issue in this matter is whether Ms. Gwennap was separated from her employment for misconduct in connection with her work.

**FINDINGS OF FACT:**

The administrative law judge having heard the testimony and considered all of the evidence in the record, finds: The claimant worked for this employer from November 25, 1985 until April 30, 2007 when she was discharged from employment. Ms. Gwennap last held the position of branch manager, paid by salary and employed on a full-time basis. The claimant's immediate supervisor was Kay Beyerink.

The claimant was discharged after it was determined that the claimant had not followed required and defined auditing procedures following a disclosure that a company teller had misappropriated over \$17,000.00 over a period of time from the facility under Ms. Gwennap's management. As a branch manager the claimant was required, among other duties, to do surprise cash audits of tellers at least once per month. The claimant was also required to complete and document cash in the branch office's vault once per week. Although aware of these primary responsibilities, Ms. Gwennap did not follow these procedures, but relied upon the representations of employees under her supervision that the amounts were correct. Due in part, to the claimant's failure to follow defined audit procedures, a branch office teller under the supervision of Ms. Gwennap began and continued to misappropriate credit union funds over an extended period of time. All management personnel are aware of the defined audit procedures and the credit union's strict expectation that these procedures will be followed.

It is the claimant's position that due to the press of other business obligations and responsibilities, the defined audit procedures were not followed.

#### **REASONING AND CONCLUSIONS OF LAW:**

The administrative law judge concludes based upon the evidence in the record that the employer has sustained its burden of proof in establishing that the claimant's discharge took place under disqualifying conditions. The record establishes that Ms. Gwennap was aware that her primary responsibility as a branch manager was to insure the integrity of the funds deposited in her branch location. The claimant was a long-term employee and as a salaried management employee was reasonably expected by the employer to spend extra time, if necessary, to complete her necessary job responsibilities. Although the claimant was aware of her primary responsibilities to follow defined audit procedures, she did not do so. Due to the crush of other work obligations the claimant relied upon representations made by others that counts and cash handling procedures were being followed. Due in part to the claimant's failure to do surprise cash audit of tellers and to personally count and verify all cash on hand, another worker was enabled to misappropriate substantial amounts of money over a period of time without detection by the company. Although the claimant had complained to management of numerous job responsibilities, the claimant did not indicate any matter that she was not following defined audit procedures until after a facility teller had misappropriated over \$17,000.00 and had made that admission to Ms. Gwennap.

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.

For the reasons stated herein the administrative law judge finds that the claimant's failure to follow required and defined audit procedures demonstrated a disregard for her employer's interest and reasonable standards of behavior that the employer had a right to expect of its employees under the provisions of the Iowa Employment Security Act. It must therefore be held that the claimant's discharge took place under disqualifying conditions. Benefits are withheld.

#### **DECISION:**

The representative's decision dated May 21, 2007, reference 01, is hereby affirmed. Ms. Gwennap was discharged for misconduct in connection with her employment. Benefits are

withheld until such time as she has worked in and been paid wages for insured work equal to ten times her weekly job insurance benefit amount, provided she satisfies all other conditions of eligibility.

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Terence P. Nice  
Administrative Law Judge

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Decision Dated and Mailed

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