

**IOWA WORKFORCE DEVELOPMENT
UNEMPLOYMENT INSURANCE APPEALS BUREAU**

JOHNATHON GRIGSBYCROSS
Claimant

APPEAL 20A-UI-02691-DB-T

**ADMINISTRATIVE LAW JUDGE
DECISION**

**IOWA WORKFORCE
DEVELOPMENT DEPARTMENT**

**OC: 03/15/20
Claimant: Appellant (1)**

Iowa Code § 96.5(13) – Disqualification due to Outstanding Fraud Overpayment
Iowa Code § 96.16(4) – Offenses and Misrepresentation

STATEMENT OF THE CASE:

The claimant/appellant, Johnathon Grigsbycross, filed an appeal from the March 25, 2020 (reference 01) Iowa Workforce Development (“IWD”) unemployment insurance decision which concluded the claimant was ineligible for unemployment insurance benefits due to an outstanding fraud overpayment balance. The parties were properly notified of the hearing. A telephone hearing was held on May 19, 2020. The claimant participated personally. IWD participated in writing only. IWD Exhibits A through C were admitted. The administrative law judge took official notice of the claimant’s unemployment insurance benefits records. Based on the evidence, the arguments presented, and the law, the administrative law judge enters the following findings of fact, reasoning and conclusions of law, and decision.

ISSUE:

Is the claimant ineligible for benefits due to an outstanding fraud overpayment balance?

FINDINGS OF FACT:

Having reviewed all of the evidence in the record, the administrative law judge finds: The claimant filed a claim for unemployment insurance benefits with an effective date of November 12, 2017. See Exhibit C. An investigatory audit was conducted regarding the claimant’s failure to report all wages while concurrently filing weekly continued claims for benefits and for not being able to and available for work while filing weekly continued claims for benefits. See Exhibit C. Consequently, two decisions were issued on October 4, 2018 which found that the claimant was overpaid benefits due to fraud and misrepresentation. See Exhibit C. The October 4, 2018 (reference 03) decision found that the claimant was overpaid benefits of \$4,828.16 for the thirteen weeks between November 26, 2017 and May 19, 2018 for his failure to be able to and available for work. See Exhibit C. The October 4, 2018 (reference 04) decision found that the claimant was overpaid benefits of \$4,748.00 for the thirteen weeks between November 12, 2017 and May 12, 2018 due to his failure to report wages earned with SCE Partners LLC. See Exhibit C. The claimant did not appeal either of the two decisions and they both became final.

The claimant then established a claim with an effective date of March 25, 2020. To date, the claimant has failed to pay the outstanding overpayment amount owed, including interest, penalties, and lien fees. See Exhibit B. The current balance owed is \$11,032.84. See Exhibit B.

REASONING AND CONCLUSIONS OF LAW:

For the reasons that follow, the administrative law judge concludes that the claimant is ineligible for benefits due to an outstanding fraud overpayment. Benefits are denied until the balance owed, (including interest, penalties, and lien fees) is paid in full and the claimant is otherwise eligible.

Iowa Code section 96.16(4)(a) provides:

4. Misrepresentation.

a. An individual who, by reason of the nondisclosure or misrepresentation by the individual or by another of a material fact, has received any sum as benefits under this chapter while any conditions for the receipt of benefits imposed by this chapter were not fulfilled in the individual's case, or while the individual was disqualified from receiving benefits, shall, be liable to repay to the department for the unemployment compensation fund, a sum equal to the amount so received by the individual. If the department seeks to recover the amount of the benefits by having the individual pay to the department a sum equal to that amount, the department may file a lien with the county recorder in favor of the state on the individual's property and rights to property, whether real or personal. The amount of the lien shall be collected in a manner similar to the provisions for the collection of past-due contributions in section 96.14, subsection 3.

IWD established an overpayment and imposed a penalty due to misrepresentation/fraud. The claimant did not appeal the decisions and they both became final. Therefore, the administrative law judge concludes the claimant has an established overpayment derived from fraud/misrepresentation.

Iowa Code section 96.5(13) provides:

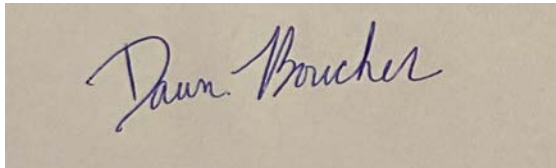
Overpayment resulting in disqualification. If the department finds that an individual has received benefits by reason of misrepresentation pursuant to section 96.16, such individual shall be disqualified for benefits until the balance of the benefits received by the individual due to misrepresentation, including all penalties, interest, and lien fees, is paid in full.

Based on the evidence presented, the administrative law judge concludes the claimant currently owes a balance of \$11,032.84 due to two decisions issued on October 4, 2018 (reference 03 and reference 04) which found that the claimant was overpaid benefits and engaged in misrepresentation pursuant to Iowa Code § 96.16(4). The claimant owes any additional interest, penalties and lien fees. Because this unpaid fraud overpayment balance remains unpaid, the claimant is not eligible for benefits at this time.

Note to Claimant: This decision determines you are not eligible for regular unemployment insurance benefits. If you disagree with this decision you may file an appeal to the Employment Appeal Board by following the instructions on the first page of this decision. Individuals who do not qualify for regular unemployment insurance benefits, but who are currently unemployed for reasons related to COVID-19 may qualify for Pandemic Unemployment Assistance (PUA). **You will need to apply for PUA to determine your eligibility under the program.** Additional information on how to apply for PUA can be found at: <https://www.iowaworkforcedevelopment.gov/pua-information>.

DECISION:

The March 25, 2020 (reference 01) unemployment insurance decision is affirmed. The claimant is ineligible for benefits at this time due to an unpaid fraud overpayment balance. Benefits are withheld until the claimant has paid the unpaid fraud overpayment balance, plus penalties, interest, and lien fees, and provided claimant is otherwise eligible.

A rectangular area containing a handwritten signature in blue ink that reads "Dawn Boucher".

Dawn Boucher
Administrative Law Judge

May 26, 2020
Decision Dated and Mailed

db/scn