

**IOWA WORKFORCE DEVELOPMENT  
UNEMPLOYMENT INSURANCE APPEALS BUREAU**

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**RICHARD H FELTS**  
Claimant

**APPEAL 22A-UI-05494-DG-T**

**ADMINISTRATIVE LAW JUDGE  
DECISION**

**IOWA WORKFORCE DEVELOPMENT  
DEPARTMENT**

**OC: 01/02/22  
Claimant: Appellant (1)**

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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 filed an appeal from the February 16, 2022, (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 April 27, 2022. The claimant participated personally with his witness Jeanette Felt. Sean Clark, Investigator II participated on behalf of IWD. IWD Exhibits 1-4 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 October 18, 2019. During that claim year, an investigatory audit was conducted regarding the claimant’s failure to report all wages while he concurrently filed weekly continued claims for benefits. The claimant was aware of the investigation, possible overpayment and penalties, and spoke with IWD Investigator.

Consequently, a decision was issued on October 18, 2019, which found that the claimant was overpaid benefits of \$4,176.00, including interest and a 15% penalty due to fraud. That decision has become final.

IWD imposed the disqualification sanction through its decision on February 16, 2022, (reference 01 ), as an administrative penalty for claimant’s prior false statements during previous claim

years. IWD imposed a disqualification period of the remainder of the benefit year for underreporting wages during those prior claim years. Those prior decisions concluded that he made false statements and received benefits because he failed to report wages he had received from his employer. The penalty is consistent with prior agency action for claimants who have made similar misrepresentations for similar periods of time.

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

For the reasons that follow, the administrative law judge concludes that the claimant is ineligible for benefits for the remainder of the benefit year. Benefits are denied.

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.

“Fraud” means the intentional misuse of facts or truth to obtain or increase unemployment insurance benefits for oneself or another or to avoid the verification and payment of employment security taxes; a false representation of a matter of fact, whether by statement or by conduct, by false or misleading statements or allegations; or by the concealment or failure to disclose that which should have been disclosed, which deceives and is intended to deceive another so that they, or the department, shall not act upon it to their, or its, legal injury. Iowa Admin. Code r. 871- 25.1. “Misrepresentation” means to give misleading or deceiving information to or omit material information; to present or represent in a manner at odds with the truth. Iowa Admin. Code r. 871- 25.1

The undisputed evidence is the claimant participated in an investigatory audit which resulted in Iowa Workforce Development establishing an overpayment and imposing a penalty due to misrepresentation. That decision is final at this time. Therefore, the administrative law judge concludes the claimant has an established overpayment derived from fraud/misrepresentation

Iowa Code section 96.5(13) provides:

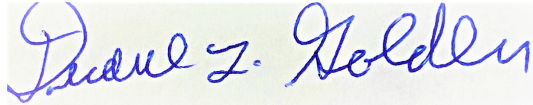
Overpayment resulting in disqualification. If the department finds that an individual has received benefits by reason of misrepresentation pursuant to section 96.16, such individual shall be disqualified for benefits until the balance of the benefits received by the individual due to misrepresentation,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

An IWD investigator may exercises his or her discretion to determine the degree and severity of the penalty, based on the nature of the offense and facts, and Investigator, Sean Clark,

described his rationale for the imposition of penalty. Mr. Clark correctly determined that based upon the repeated misrepresentation of wages for prior claims, that the claimant should be disqualified from benefits for the remainder of his benefit year. Therefore, claimant is not eligible for benefits for the remainder of his benefit year.

**DECISION:**

The February 16, 2022, (reference 01) unemployment insurance decision is affirmed. The claimant is ineligible for benefits for the remainder of his benefit year.



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Duane L. Golden  
Administrative Law Judge

May 16, 2022

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Decision Dated and Mailed

dlg/ac