

**IOWA WORKFORCE DEVELOPMENT  
UNEMPLOYMENT INSURANCE APPEALS**

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

**BILLY J SHILTZ**  
Claimant

**APPEAL NO: 11A-UI-16237-DWT**

**ADMINISTRATIVE LAW JUDGE  
DECISION**

**C AND C MACHINING INC**  
Employer

**OC: 12/05/10  
Claimant: Appellant (2)**

Iowa Code § 96.5(2)a - Discharge

**PROCEDURAL STATEMENT OF THE CASE:**

The claimant appealed a representative's December 14, 2011 determination (reference 01) that disqualified him from receiving benefits and held the employer's account exempt from charge because he had been discharged for disqualifying reasons. The claimant participated in the hearing. Geoff Cowan, the vice president, appeared on the employer's behalf. Based on the evidence, the arguments of the parties, and the law, the administrative law judge finds the claimant qualified to receive benefits.

**ISSUE:**

Did the employer discharge claimant for reasons constituting work-connected misconduct?

**FINDINGS OF FACT:**

The claimant started working for the employer in May 2010. The claimant worked as a full-time welder. Prior to November 16, 2011, the claimant's job was not in jeopardy.

On November 16, law enforcement officials went to the claimant's workplace. The claimant was working and the employer paged to go to the front. The claimant punched out and went outside to talk to the law enforcement officials. After the claimant told law enforcement officials he had no idea what they were talking about, the officials considered the claimant uncooperative and arrested him.

The claimant was arrested on drug charges and taken to jail. After the claimant was released from jail on November 18, he talked to the employer. The employer sent the claimant a letter on November 17 informing him he had been discharged on November 16. The employer discharged the claimant because his arrest was not good for the employer's business or image. The claimant has pled not guilty the charges and a trial is scheduled in May.

**REASONING AND CONCLUSIONS OF LAW:**

A claimant is not qualified to receive unemployment insurance benefits if an employer discharges him for reasons constituting work-connected misconduct. Iowa Code § 96.5(2)a.

The employer has the burden to prove the claimant was discharged for work-connected misconduct as defined by the unemployment insurance law. Cosper v. Iowa Department of Job Service, 321 N.W.2d 6 (Iowa 1982). The propriety of a discharge is not at issue in an unemployment insurance case. An employer may be justified in discharging an employee, but the employee's conduct may not amount to misconduct precluding the payment of unemployment compensation. The law limits disqualifying misconduct to willful wrongdoing or repeated carelessness or negligence that equals willful misconduct in culpability. Lee v Employment Appeal Board, 616 N.W.2d 661, 665 (Iowa 2000).

For unemployment insurance purposes, misconduct amounts to a deliberate act and a material breach of the duties and obligations arising out of a worker's contract of employment. Misconduct is a deliberate violation or disregard of the standard of behavior the employer has a right to expect from employees or is an intentional and substantial disregard of the employer's interests or of the employee's duties and obligations to the employer. Inefficiency, unsatisfactory conduct, unsatisfactory performance due to inability or incapacity, inadvertence or ordinary negligence in isolated incidents, or good faith errors in judgment or discretion are not deemed to constitute work-connected misconduct. 871 IAC 24.32(1)(a).

The employer established justifiable business reasons for discharging the claimant. Even though the claimant was arrested just outside the employer's business, the fact the claimant was arrested and charged with a drug charge does not mean he is guilty. The facts do not establish that claimant committed work-connected misconduct. Therefore, as of November 20, 2011, the claimant is qualified to receive benefits.

**DECISION:**

The representative's December 14, 2011 determination (reference 01) is reversed. The employer discharged the claimant for business reasons, but the evidence does not establish that the claimant committed work-connected misconduct. As of November 20, 2011, the claimant is qualified to receive benefits. The employer's account is subject to charge.

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Debra L. Wise  
Administrative Law Judge

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Decision Dated and Mailed

dlw/css