

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

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Appeal Number: 05A-UI-04678-H2T  
OC: 04-03-05 R: 02  
Claimant: Appellant (1)

**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, 4th 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/Misconduct

STATEMENT OF THE CASE:

The claimant filed a timely appeal from the April 20, 2005, reference 01, decision that denied benefits. After due notice was issued, a hearing was held on May 23, 2005. The claimant did participate. The employer did participate through Mark Grittmann, Customer Service Manager. Employer's Exhibit One was received. Claimant's Exhibit A was received.

FINDINGS OF FACT:

Having reviewed all of the evidence in the record, the administrative law judge finds: The claimant was employed as a Quality Assurance Monitor I full time beginning August 27, 2001 through March 31, 2005 when he was discharged. On March 28 the employer discovered that the claimant was kiting checks. When the claimant was questioned he admitted to the practice

of writing checks on his Wells Fargo account to be deposited into his Blue Plan Credit Union account when he did not have funds to cover those checks. The claimant was repeatedly writing checks between his Wells Fargo account and his Blue Plans Credit Union account and visa versa. On numerous occasions the claimant wrote checks on his Wells Fargo account when there were not funds in that account to cover the checks he had written. The claimant was obligated to have funds in the account on the date the checks were written, not the date the checks were expected to be presented for payment. The employer's explanation of the claimant's behavior clearly indicates that the claimant was engaging in check kiting between his Wells Fargo account and his Blue Plans Credit Union account. Employer's Exhibit One illustrates numerous instances where the claimant wrote checks on his Wells Fargo account when there were not funds in the account to cover the checks. The claimant admitted that on numerous occasions he wrote checks on his Wells Fargo account to his Blue Plan account that would not have cleared if presented for payment on the date written. The claimant had access to a web site that clearly spelled out that check kiting was an offense that would result in his termination. This is evident by Claimant's Exhibit A submitted by the claimant which clearly spells out that "some types of conduct are serious enough to warrant immediate termination of employment, such as check kiting (floating funds between two or more different accounts to cover withdrawals)...". Claimant's Exhibit A.

#### REASONING AND CONCLUSIONS OF LAW:

For the reasons that follow, the administrative law judge concludes the claimant was discharged from employment due to job-related misconduct.

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).

An employer has a right to expect employees to conduct themselves in a certain manner. The claimant disregarded the employer's rights by kiting checks in contravention of the employer's explicit policy as well as state law. The claimant's disregard of the employer's rights and interests is misconduct. As such, the claimant is not eligible to receive unemployment insurance benefits.

DECISION:

The April 20, 2005, reference 01, decision is affirmed. The claimant was discharged from employment due to job-related misconduct. Benefits are withheld until such time as he has worked in and been paid wages for insured work equal to ten times his weekly benefit amount, provided he is otherwise eligible.

tkh/s