

**IOWA WORKFORCE DEVELOPMENT
UNEMPLOYMENT INSURANCE APPEALS**

TERESA HYDE
Claimant

APPEAL NO. 20A-UI-01702-JTT

**ADMINISTRATIVE LAW JUDGE
DECISION**

**IOWA WORKFORCE DEVELOPMENT
INVESTIGATIONS & RECOVERY**

OC: 02/16/20
Claimant: Appellant (1)

Iowa Code Sections 96.16(4) and 96.5(13) – Unpaid Fraud-based Overpayment

STATEMENT OF THE CASE:

Teresa Hyde filed a timely appeal from the February 20, 2020, reference 02, decision that denied benefits, based on an Agency representative's determination that Ms. Hyde has an unpaid fraud-based overpayment balance. The decision further indicated that Ms. Hyde must pay the outstanding overpayment balance, plus penalty, interest and lien fees in full before she could become eligible for unemployment insurance benefits and must meet all other eligibility requirements. After due notice was issued, a hearing was held on March 12, 2020. Ms. Hyde participated. Kevan Irvine, Unemployment Insurance Manager with Iowa Workforce Development Integrity Bureau, Investigations & Recovery Unit, participated in the hearing. Exhibits 1, 2 and 3 were received into evidence.

ISSUE:

Whether Ms. Hyde has an unpaid fraud-based overpayment balance that disqualifies her for unemployment insurance benefits.

FINDINGS OF FACT:

Having reviewed all of the evidence in the record, the administrative law judge finds: Teresa Hyde established an original claim for benefits that was effective February 16, 2020. At the time Ms. Hyde established her new claim for benefits, she had an unpaid fraud overpayment balance of \$1,209.00. The outstanding overpayment balance was based on a March 19, 2009 overpayment decision and on a June 17, 2009 overpayment decision. Both decisions were based on an August 3, 2008 original claim date. Both decisions concluded the overpayment of benefits was fraud-based, in other words, that Ms. Hyde had misrepresented material facts. Ms. Hyde elected not to appeal either of the 2009 decisions and each became a final agency decision. The original overpayment amounts were \$984.00 and \$1,186.00. In 2009, Ms. Hyde commenced making small payments toward repayment of the overpaid benefits. Ms. Hyde most recently made a payment in July 2015.

REASONING AND CONCLUSIONS OF LAW:

Iowa Code 96.3(7)(a) provides, in relevant part, as follows:

Recovery of overpayment of benefits.

- a. If an individual receives benefits for which the individual is subsequently determined to be ineligible, even though the individual acts in good faith and is not otherwise at fault, the benefits shall be recovered.

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

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.

b. The department shall assess a penalty equal to fifteen percent of the amount of a fraudulent overpayment. The penalty shall be collected in the same manner as the overpayment. The penalty shall be added to the amount of any lien filed pursuant to paragraph "a" and shall not be deducted from any future benefits payable to the individual under this chapter. Funds received for overpayment penalties shall be deposited in the unemployment trust fund.

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.

Pursuant to Iowa Code sections 96.4(4) and 96.5(13), Ms. Hyde is disqualified for unemployment insurance benefits until the outstanding balance of the fraud-based overpayments, including all penalties, interest, and lien fees, are paid in full. That has not yet happened. Accordingly, Ms. Hyde is not eligible for benefits in connection with the February 16, 2020 original claim. Ms. Hyde must meet all other eligibility requirements.

DECISION:

The February 20, 2020, reference 02, decision is affirmed. The claimant is disqualified for unemployment insurance benefits until she pays in full the outstanding balance of the fraud-based overpayments, including all penalties, interest, and lien fees. The claimant is not eligible for benefits in connection with the February 16, 2020 original claim. The claimant must meet all other eligibility requirements.

A handwritten signature in cursive script that reads "James E. Timberland". The signature is written in dark ink on a light-colored background.

James E. Timberland
Administrative Law Judge

March 24, 2020
Decision Dated and Mailed

jet/scn