

**IOWA WORKFORCE DEVELOPMENT
UNEMPLOYMENT INSURANCE APPEALS BUREAU**

JENNIFER L SCHULER
Claimant

APPEAL 20A-UI-02779-CL-T

**ADMINISTRATIVE LAW JUDGE
DECISION**

IOWA WORKFORCE DEVELOPMENT
Respondent

OC: 03/15/20
Claimant: Appellant (4)

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

STATEMENT OF THE CASE:

On April 1, 2020, the claimant filed an appeal from the March 24, 2020, (reference 01) unemployment insurance decision that concluded claimant was not eligible for unemployment insurance benefits due to an unpaid fraud overpayment balance. Iowa Workforce Development mailed a hearing notice to the claimant for a telephone hearing scheduled for May 8, 2020, at 3:00 p.m. Claimant participated personally. Iowa Workforce Development did not participate personally, but its Exhibits 1 through 4 were entered in the record.

ISSUE:

Is the claimant eligible for unemployment insurance benefits due to an unpaid fraud overpayment balance?

FINDINGS OF FACT:

Claimant filed a claim for unemployment insurance benefits with an effective date of April 24, 2016. Claimant received benefits during that benefit year. After an investigation, Iowa Workforce Development issued a decision on June 6, 2017, finding claimant overpaid benefits in the amount of \$2,849.63 for weeks between November 6, 2016, through January 21, 2017, based on inaccurate reporting of wages. Iowa Workforce Development also issued a 15 percent penalty based on a finding of misrepresentation.

Claimant did not participate in the investigation or receive a copy of the decision at the time it was mailed as claimant's address had changed.

Claimant filed a claim for unemployment insurance benefits with an effective date of March 15, 2020. Sometime after filing the claim, claimant learned there was a fraud overpayment balance of at least \$3,277.00. After reviewing the information, claimant did not disagree with the finding.

On April 1, 2020, claimant paid the fraud overpayment balance in full.

REASONING AND CONCLUSIONS OF LAW:

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.

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.

The claimant owed an overpayment balance due to a decision issued on June 6, 2017, which found that the claimant was overpaid benefits and engaged in misrepresentation pursuant to Iowa Code § 96.16(4). Claimant did not appeal that decision, but did repay the overpayment balance in full on April 1, 2020. Therefore, claimant is eligible for unemployment insurance benefits as of April 1, 2020.

DECISION:

The March 24, 2020, (reference 01) unemployment insurance decision is modified in favor of the appellant. The claimant paid the fraud overpayment balance on April 1, 2020, and is eligible for benefits effective that date. Benefits prior to April 1, 2020, are denied.



Christine A. Louis
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May 14, 2020
Decision Dated and Mailed

cal/scn