IOWA WORKFORCE DEVELOPMENT UNEMPLOYMENT INSURANCE APPEALS BUREAU

LINDSEY KNOEDEL Claimant

APPEAL 21A-UI-12566-AR-T

ADMINISTRATIVE LAW JUDGE DECISION

IOWA AVENUE LLC Employer

> OC: 02/23/2020 Claimant: Appellant (2R)

Iowa Code § 96.6(2) – Timeliness of Appeal Iowa Code § 96.5(2)a – Discharge for Misconduct

STATEMENT OF THE CASE:

On May 18, 2021, claimant, Lindsey Knoedel, filed an appeal from the September 1, 2020, reference 01, unemployment insurance decision that denied benefits based upon the determination that the employer, Iowa Avenue, LLC, discharged claimant for excessive, unexcused absenteeism. The parties were properly notified about the hearing held by telephone on July 29, 2021. The claimant participated personally, with witness Anthony Cavanary. The employer participated through John Maske. Pursuant to notice, the hearing was consolidated with 21A-UI-12568-AR-T. Department's Exhibit D-1 was received, and the administrative law judge took official notice of the administrative record.

ISSUES:

Is the claimant's appeal timely? Did the employer discharge claimant for job-related misconduct?

FINDINGS OF FACT:

Having reviewed all of the evidence in the record, the administrative law judge finds: The claimant was employed full-time as an assistant manager beginning on July 29, 2019, and was separated from employment on February 13, 2020, when she was discharged.

At hire, claimant was told she would be trained as the general manager, and the employer would see how she performed during a trial period of employment before promoting her to the position. At some point, the employer hired Aubrianna Knoss as the general manager. At that time, claimant assumed she would not be promoted to the position as originally expected.

On February 13, 2020, Cory Kent called claimant into a meeting and told her, "This is not working out, we should go our separate ways." He offered to provide a recommendation for her future employment. Claimant did not receive formal warnings during her employment, and was not aware that her job was in jeopardy at the time she was discharged.

A disqualifying decision was mailed to claimant's address of record on September 1, 2020. Claimant did not receive that decision. The first notice she had of the disqualification was when she received the overpayment decision, mailed to her on May 13, 2021. She promptly appealed the overpayment decision, as well as the underlying disqualification, at that time.

REASONING AND CONCLUSIONS OF LAW:

For the reasons that follow, the administrative law judge concludes claimant was discharged from employment for no disqualifying reason.

The first issue to be considered in this appeal is whether the appellant's appeal is timely. The administrative law judge determines it is.

lowa Code § 96.6(2) provides, in pertinent part: "[unless the claimant or other interested party, after notification or within ten calendar days after notification was mailed to the claimant's last known address, files an appeal from the decision, the decision is final and benefits shall be paid or denied in accordance with the decision."

Iowa Admin. Code r. 871–24.35(1) provides:

1. Except as otherwise provided by statute or by division rule, any payment, appeal, application, request, notice, objection, petition, report or other information or document submitted to the division shall be considered received by and filed with the division:

(a) If transmitted via the United States Postal Service on the date it is mailed as shown by the postmark, or in the absence of a postmark the postage meter mark of the envelope in which it is received; or if not postmarked or postage meter marked or if the mark is illegible, on the date entered on the document as the date of completion.

(b) If transmitted via the State Identification Date Exchange System (SIDES), maintained by the United States Department of Labor, on the date it was submitted to SIDES.

(c) If transmitted by any means other than [United States Postal Service or the State Identification Data Exchange System (SIDES)], on the date it is received by the division.

Iowa Admin. Code r. 871—24.35(2) provides:

2. The submission of any payment, appeal, application, request, notice, objection, petition, report or other information or document not within the specified statutory or regulatory period shall be considered timely if it is established to the satisfaction of the division that the delay in submission was due to division error or misinformation or to delay or other action of the United States postal service.

The Iowa Supreme Court has declared that there is a mandatory duty to file appeals from representatives' decisions within the time allotted by statute, and that the administrative law judge has no authority to change the decision of a representative if a timely appeal is not filed.

Franklin v. Iowa Dep't of Job Serv., 277 N.W.2d 877, 881 (Iowa 1979). Compliance with appeal notice provisions is jurisdictional unless the facts of a case show that the notice was invalid. *Beardslee v. Iowa Dep't of Job Serv.*, 276 N.W.2d 373, 377 (Iowa 1979); *see also In re Appeal of Elliott* 319 N.W.2d 244, 247 (Iowa 1982).

The appellant did not have an opportunity to appeal the fact-finder's decision because the decision was not received. Without notice of a disqualification, no meaningful opportunity for appeal exists. See Smith v. Iowa Emp't Sec. Comm'n, 212 N.W.2d 471, 472 (Iowa 1973). The claimant timely appealed the overpayment decision, which was the first notice of disqualification. Therefore, the appeal shall be accepted as timely.

Iowa Code § 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.

Iowa Admin. Code r. 871—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 Dep't of Job Serv.*, 275 N.W.2d 445, 448 (Iowa 1979).

The employer has the burden of proof in establishing disqualifying job misconduct. *Cosper v. lowa Dep't of Job Serv.*, 321 N.W.2d 6 (lowa 1982). The issue is not whether the employer made a correct decision in separating claimant, but whether the claimant is entitled to unemployment insurance benefits. *Infante v. Iowa Dep't of Job Serv.*, 364 N.W.2d 262 (lowa Ct. App. 1984). Misconduct must be "substantial" to warrant a denial of job insurance benefits. *Newman v. Iowa Dep't of Job Serv.*, 351 N.W.2d 806 (lowa Ct. App. 1984).

In an at-will employment environment an employer may discharge an employee for any number of reasons or no reason at all if it is not contrary to public policy, but if it fails to meet its burden of proof to establish job related misconduct as the reason for the separation, it incurs potential liability for unemployment insurance benefits related to that separation.

The decision in this case rests, at least in part, on the credibility of the witnesses. It is the duty of the administrative law judge as the trier of fact in this case, to determine the credibility of witnesses, weigh the evidence and decide the facts in issue. *Arndt v. City of LeClaire*, 728 N.W.2d 389, 394–95 (Iowa 2007). The administrative law judge may believe all, part or none of any witness's testimony. *State v. Holtz*, 548 N.W.2d 162, 163 (Iowa App. 1996). In assessing the credibility of witnesses, the administrative law judge should consider the evidence using his or her own observations, common sense and experience. *Id.* In determining the facts, and deciding what testimony to believe, the fact finder may consider the following factors: whether the testimony is reasonable and consistent with other believable evidence; whether a witness has made inconsistent statements; the witness's appearance, conduct, age, intelligence, memory and knowledge of the facts; and the witness's interest in the trial, their motive, candor, bias and prejudice. *Id.*

After assessing the credibility of the witnesses who testified during the hearing, reviewing the exhibits submitted by the parties, considering the applicable factors listed above, and using her own common sense and experience, the administrative law judge finds the claimant's version of events to be more credible than the employer's recollection of those events. The employer's witness did not have personal knowledge or a clear recollection of the facts of the case. However, though claimant's witness, Cavanary, was not present for the testimony early in the call, he unequivocally corroborated claimant's version of events. The testimony of claimant and Cavanary was credible, and indicated that claimant was not discharged for any job-related misconduct, as the employer's witness asserted. Rather, she was discharged because the employer was dissatisfied with her performance. The employer has not carried its burden of establishing that claimant's discharge was due to job-related misconduct. Claimant was discharged for no disqualifying reason. Benefits are allowed.

DECISION:

The September 1, 2020, (reference 01) unemployment insurance decision is reversed. Claimant was discharged from employment for no disqualifying reason. Benefits are allowed, provided she is otherwise eligible.

REMAND:

The issue of whether claimant has requalified for benefits by earning 10 times her weekly benefit amount is remanded to the Benefits Bureau of Iowa Workforce Development for an initial investigation and determination.

AuDRe

Alexis D. Rowe Administrative Law Judge

August 4, 2021 Decision Dated and Mailed

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