

**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**

**SHANE L CARTER
9480 ELMCREST
NORWALK IA 50211**

**BEST BUY STORES LP
c/o EMPLOYERS UNITY INC
P O BOX 749000
ARVADA CO 80006-9000**

**Appeal Number: 04A-UI-02673-HT
OC: 02/08/04 R: 04
Claimant: Respondent (2)**

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.

(Administrative Law Judge)

(Decision Dated & Mailed)

Section 96.5-2-a – Discharge
Section 96.3-7 – Overpayment

STATEMENT OF THE CASE:

The employer, Best Buy, filed an appeal from a decision dated March 4, 2004, reference 01. The decision allowed benefits to the claimant, Shane Carter. After due notice was issued, a hearing was held by telephone conference call on March 29, 2004. The claimant did not provide a telephone number where he could be contacted and did not participate. The employer participated by General Manager Andy Callio and was represented by Employers Unity in the person of Judy McBroom. Exhibits One and Two were admitted into the record.

FINDINGS OF FACT:

Having heard the testimony of the witnesses and having examined all of the evidence in the record, the administrative law judge finds: Shane Carter was employed by Best Buy from November 6, 1996 until January 31, 2004. He was the full-time sales manager, but had only recently been promoted from the position of operations manager. As operations manager he was responsible for supervising and training the customer service representatives.

On January 29, 2004, General Manager Andy Callio was reviewing a binder containing communications from the corporate office as well as internal memos from the operations manager to the representatives. He discovered a "best practices" memo which had been distributed to the sales staff and generated by Mr. Carter. Within the memo were outlined several unethical business practices which were designed to manipulate customers into signing up for various services by not fully discussing the available options with them as well as concealing certain parts of the application form. This resulted in a substantially higher percentage of customer purchases of insurance, financing and protection packages and higher benefits for Mr. Carter.

When the memo was discovered Mr. Callio consulted with corporate human resources and his district managers. He interviewed Mr. Carter and had him write a statement in which he admitted to certain of the practices. After that he was suspended pending a final determination by the employer. He was discharged by Mr. Callio on January 31, 2004.

Shane Carter has received unemployment benefits since filing a claim with an effective date of February 8, 2004.

REASONING AND CONCLUSIONS OF LAW:

The issue is whether the claimant is disqualified. The judge concludes he is.

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).

The claimant engaged in, and encouraged others, unethical business practices. Customers were pressured into purchasing certain services and signing up for financing, without the benefit of full disclosure and with manipulation by the sales staff. This is a violation of fair business practices and impairs the employer's ability to provide honesty and fairness to its customers. It is conduct not in the best interests of the employer and the claimant is disqualified.

Iowa Code Section 96.3-7 provides:

7. Recovery of overpayment of benefits. 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. The department in its discretion may recover the overpayment of benefits either by having a sum equal to the overpayment deducted from any future benefits payable to the individual or by having the individual pay to the department a sum equal to the overpayment.

If the department determines that an overpayment has been made, the charge for the overpayment against the employer's account shall be removed and the account shall be credited with an amount equal to the overpayment from the unemployment compensation trust fund and this credit shall include both contributory and reimbursable employers, notwithstanding section 96.8, subsection 5.

The claimant has received unemployment benefits to which he is not entitled. These must be recovered in accordance with the provisions of Iowa law.

DECISION:

The representative's decision of March 4, 2004, reference 01, is reversed. Shane Carter is disqualified, and benefits are withheld until he has earned ten times his weekly benefit amount provided he is otherwise eligible. He is overpaid in the amount of \$600.00.

bgh/d