

**IN THE IOWA ADMINISTRATIVE HEARINGS DIVISION
UNEMPLOYMENT INSURANCE APPEALS BUREAU**

CHARLA R LANE
Claimant

DOLGENCORP LLC
Employer

APPEAL 23A-UI-08889-DZ-T
**ADMINISTRATIVE LAW JUDGE
DECISION**

OC: 08/06/23
Claimant: Respondent (2)

Iowa Code § 96.5(2)a – Discharge for Misconduct

STATEMENT OF THE CASE:

Dolgencorp LLC, the employer/appellant,¹ appealed the Iowa Workforce Development (IWD) September 7, 2023 (reference 03) unemployment insurance (UI) decision. IWD found Ms. Lane eligible for REGULAR (state) UI benefits because IWD concluded the employer dismissed her from work on July 15, 2023 for a reason that did not disqualify her from receiving UI benefits. On September 19, 2023 the Iowa Department of Inspections, Appeals, and Licensing (DIAL), UI Appeals Bureau mailed a notice of hearing to the employer and Ms. Lane for a telephone hearing scheduled for October 2, 2023.

The undersigned administrative law judge held a telephone hearing on October 2, 2023. The employer participated in the hearing through Jen Peters, district manager and Cheska Cruz, Equifax unemployment insurance claims specialist. Ms. Lane participated in the hearing personally. The undersigned took official notice of the administrative record. The undersigned rescheduled the hearing because Ms. Lane had not yet received the employer's documents. The parties agreed to a new hearing date of October 10, 2023. On October 5, 2023 the DIAL UI Appeals Bureau mailed a notice of hearing to the employer and Ms. Lane for a new telephone hearing scheduled for October 10, 2023.

The undersigned held a telephone hearing on October 10, 2023. The employer participated in the hearing through Jen Peters, district manager and Cheska Cruz, Equifax unemployment insurance claims specialist. Ms. Lane participated in the hearing personally. The undersigned took official notice of the administrative record and admitted Employer's Exhibit 1 (ER docs 2) as evidence. The undersigned did not admit Employer's Exhibits 2 (Appeal attachments) and 3 (ER docs 1) because they are duplicates of Employer's Exhibit 1.

ISSUE:

Did the employer discharge Ms. Lane from employment for disqualifying job-related misconduct?

Did IWD overpay Ms. Lane UI benefits?

If so, should she repay the benefits?

¹ Appellant is the person or employer who appealed.

FINDINGS OF FACT:

Having reviewed the evidence in the record, the administrative law judge finds: Ms. Lane began working for the employer, a Dollar General retail store, in December 2022. She worked as a part-time lead sales associate, and as of February 2023, a full-time store manager. Her employment ended on July 15, 2023.

On June 26, Ms. Lane's then-boyfriend sent the employer pictures of products from the employer's store and accused Ms. Lane of stealing the products from the employer. The employer opened an investigation. Ms. Peters reviewed the employer's video footage on, or about, June 26 and saw Ms. Lane marking products as damaged and taking the products from the store. Ms. Peters forwarded the matter to the employer's asset protection manager.

On July 13, the asset protection manager reviewed the employer's video footage going back to May 2023. The asset protection manager saw Ms. Lane mark products as damaged and either take the products from the store herself, or give the products to others, including her then-boyfriend, who took the products from the store. This occurred over multiple days. The employer calculated the losses for each day. The biggest daily loss the employer calculated was for July 4 in the amount of \$799.15. On this day, the employer's video footage showed Ms. Lane, her then-boyfriend, and the assistant manager taking two full shopping carts full of products from the store. In total, the employer calculated losses of over \$2,000.00.

The employer asked Ms. Lane about the matter. Ms. Lane did not deny taking the employer's products. She explained that she took the products to stop customers from taking the products from the dumpster and asking for a refund as if they had purchased the product. Ms. Lane stated that she took the damaged products to her home and burned them in her burn pile.

The employer's policy prohibits employees from taking the employer's property without permission. Ms. Lane received a copy of the policy on her hire date. The employer's practice is to throw away damaged products in the employer's dumpster.

IWD paid Ms. Lane REGULAR (state) UI benefits in the total gross amount of \$2,005.00 for 5 weeks between August 6, 2023 and October 7, 2023. The employer participated in the fact-finding interview.

REASONING AND CONCLUSIONS OF LAW:

For the reasons that follow, the undersigned concludes the employer discharged Ms. Lane from employment for job-related misconduct.

Iowa Code section 96.5(2)(a) and (d) provide, in relevant part:

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.

d. For the purposes of this subsection, "misconduct" means a deliberate act or omission by an employee that constitutes a material breach of the duties and obligations arising out of the employee's contract of employment. Misconduct is 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. Misconduct by an individual includes but is not limited to all of the following:

...

(13) Theft of an employer or coworker's funds or property.

The employer has the burden of proof in establishing disqualifying job misconduct.² The issue is not whether the employer made a correct decision in separating the claimant from employment, but whether the claimant is entitled to unemployment insurance benefits.³ Misconduct must be "substantial" to warrant a denial of job insurance benefits.⁴

In this case, the employer has established that Ms. Lane stole from the employer by marking products as damaged and then taking the products to her home. Ms. Lane's position as store manager makes her behavior even more egregious as she was the senior leader of the store. Theft is misconduct under the explicit statutory definition of misconduct. In addition, the Iowa Supreme Court has found a single attempted theft to be misconduct as a matter of law.⁵ Even the theft of a small value item can be misconduct. The Iowa Court of Appeals has found an employee who took a wasted \$10.00 container of soup from a dumpster was disqualified for misconduct. Since the employer has established disqualifying, job-related misconduct, Ms. Lane is not eligible for UI benefits.

The undersigned further concludes IWD overpaid Ms. Lane REGULAR (state) UI benefits in the total gross amount of \$2,005.00 for 5 weeks between August 6, 2023 and October 7, 2023.

Iowa Code §96.3(7) provides, in pertinent part:

7. 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. 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.

b. (1) (a) If the department determines that an overpayment has been made, the charge for the overpayment against the employer's account shall be removed

² *Cosper v. Iowa Dep't of Job Serv.*, 321 N.W.2d 6 (Iowa 1982).

³ *Infante v. Iowa Dep't of Job Serv.*, 364 N.W.2d 262 (Iowa Ct. App. 1984).

⁴ *Newman v. Iowa Dep't of Job Serv.*, 351 N.W.2d 806 (Iowa Ct. App. 1984).

⁵ *Ringland Johnson Inc. v. Employment Appeal Board*, 585 N.W.2d 269 (Iowa 1998).

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 employer shall not be relieved of charges if benefits are paid because the employer or an agent of the employer failed to respond timely or adequately to the department's request for information relating to the payment of benefits. This prohibition against relief of charges shall apply to both contributory and reimbursable employers. If the department determines that an employer's failure to respond timely or adequately was due to insufficient notification from the department, the employer's account shall not be charged for the overpayment.

(b) However, provided the benefits were not received as the result of fraud or willful misrepresentation by the individual, benefits shall not be recovered from an individual if the employer did not participate in the initial determination to award benefits pursuant to section 96.6, subsection 2, and an overpayment occurred because of a subsequent reversal on appeal regarding the issue of the individual's separation from employment.

Iowa Admin. Code r. 871-24.10 provides:

Employer and employer representative participation in fact-finding interviews.

(1) "Participate," as the term is used for employers in the context of the initial determination to award benefits pursuant to Iowa Code section 96.6, subsection 2, means submitting detailed factual information of the quantity and quality that if unrebutted would be sufficient to result in a decision favorable to the employer. The most effective means to participate is to provide live testimony at the interview from a witness with firsthand knowledge of the events leading to the separation. If no live testimony is provided, the employer must provide the name and telephone number of an employee with firsthand information who may be contacted, if necessary, for rebuttal. A party may also participate by providing detailed written statements or documents that provide detailed factual information of the events leading to separation. At a minimum, the information provided by the employer or the employer's representative must identify the dates and particular circumstances of the incident or incidents, including, in the case of discharge, the act or omissions of the claimant or, in the event of a voluntary separation, the stated reason for the quit. The specific rule or policy must be submitted if the claimant was discharged for violating such rule or policy. In the case of discharge for attendance violations, the information must include the circumstances of all incidents the employer or the employer's representative contends meet the definition of unexcused absences as set forth in 871—subrule 24.32(7). On the other hand, written or oral statements or general conclusions without supporting detailed factual information and information submitted after the fact-finding decision has been issued are not considered participation within the meaning of the statute.

(2) "A continuous pattern of nonparticipation in the initial determination to award benefits," pursuant to Iowa Code section 96.6, subsection 2, as the term is used for an entity representing employers, means on 25 or more occasions in a calendar quarter beginning with the first calendar quarter of 2009, the entity files appeals after failing to participate. Appeals filed but withdrawn before the day of

the contested case hearing will not be considered in determining if a continuous pattern of nonparticipation exists. The division administrator shall notify the employer's representative in writing after each such appeal.

(3) If the division administrator finds that an entity representing employers as defined in Iowa Code section 96.6, subsection 2, has engaged in a continuous pattern of nonparticipation, the division administrator shall suspend said representative for a period of up to six months on the first occasion, up to one year on the second occasion and up to ten years on the third or subsequent occasion. Suspension by the division administrator constitutes final agency action and may be appealed pursuant to Iowa Code section 17A.19.

(4) "Fraud or willful misrepresentation by the individual," as the term is used for claimants in the context of the initial determination to award benefits pursuant to Iowa Code section 96.6, subsection 2, means providing knowingly false statements or knowingly false denials of material facts for the purpose of obtaining unemployment insurance benefits. Statements or denials may be either oral or written by the claimant. Inadvertent misstatements or mistakes made in good faith are not considered fraud or willful misrepresentation.

This rule is intended to implement Iowa Code section 96.3(7)"b" as amended by 2008 Iowa Acts, Senate File 2160.

Since Ms. Lane is not eligible to receive REGULAR (state) UI benefits per this decision, but IWD already sent her benefits, IWD overpaid Ms. Lane. IWD overpaid Ms. Lane REGULAR (state) UI benefits in the amount of \$2,005.00 between August 6, 2023 and October 7, 2023. Since the employer participated in the fact-finding interview, Ms. Lane is required to repay these benefits.

DECISION:

The September 7, 2023, (reference 03) UI decision is REVERSED. The employer discharged Ms. Lane from employment for job-related misconduct. Ms. Lane is not eligible for UI benefits until she has worked in and been paid wages for insured work equal to ten times her weekly UI benefit amount, as long as no other decision denies her UI benefits.

IWD overpaid Ms. Lane REGULAR (state) UI benefits in the total gross amount of \$2,005.00. Since the employer participated in the fact-finding interview, Ms. Lane is required to repay these benefits.



Daniel Zeno
Administrative Law Judge

October 13, 2023
Decision Dated and Mailed

dz/te

APPEAL RIGHTS. If you disagree with this decision, you or any interested party may:

1. Appeal to the Employment Appeal Board within fifteen (15) days of the date under the judge's signature by submitting a written appeal via mail, fax, or online to:

**Employment Appeal Board
4th Floor – Lucas Building
Des Moines, Iowa 50319
Fax: (515)281-7191
Online: eab.iowa.gov**

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.

AN APPEAL TO THE BOARD SHALL 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.

An Employment Appeal Board decision is final agency action. If a party disagrees with the Employment Appeal Board decision, they may then file a petition for judicial review in district court.

2. If no one files an appeal of the judge's decision with the Employment Appeal Board within fifteen (15) days, the decision becomes final agency action, and you have the option to file a petition for judicial review in District Court within thirty (30) days after the decision becomes final. Additional information on how to file a petition can be found at Iowa Code §17A.19, which is online at <https://www.legis.iowa.gov/docs/code/17A.19.pdf> or by contacting the District Court Clerk of Court <https://www.iowacourts.gov/iowa-courts/court-directory/>.

Note to Parties: YOU MAY REPRESENT yourself in the appeal or 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.

Note to Claimant: It is important that you file your weekly claim as directed, while this appeal is pending, to protect your continuing right to benefits.

SERVICE INFORMATION:

A true and correct copy of this decision was mailed to each of the parties listed.

DERECHOS DE APELACIÓN. Si no está de acuerdo con la decisión, usted o cualquier parte interesada puede:

1. Apelar a la Junta de Apelaciones de Empleo dentro de los quince (15) días de la fecha bajo la firma del juez presentando una apelación por escrito por correo, fax o en línea a:

**Employment Appeal Board
4th Floor – Lucas Building
Des Moines, Iowa 50319
Fax: (515)281-7191
En línea: eab.iowa.gov**

El período de apelación se extenderá hasta el siguiente día hábil si el último día para apelar cae en fin de semana o día feriado legal.

UNA APELACIÓN A LA JUNTA DEBE ESTABLECER CLARAMENTE:

- 1) El nombre, dirección y número de seguro social del reclamante.
- 2) Una referencia a la decisión de la que se toma la apelación.
- 3) Que se interponga recurso de apelación contra tal decisión y se firme dicho recurso.
- 4) Los fundamentos en que se funda dicho recurso.

Una decisión de la Junta de Apelaciones de Empleo es una acción final de la agencia. Si una de las partes no está de acuerdo con la decisión de la Junta de Apelación de Empleo, puede presentar una petición de revisión judicial en el tribunal de distrito.

2. Si nadie presenta una apelación de la decisión del juez ante la Junta de Apelaciones Laborales dentro de los quince (15) días, la decisión se convierte en acción final de la agencia y usted tiene la opción de presentar una petición de revisión judicial en el Tribunal de Distrito dentro de los treinta (30) días después de que la decisión adquiera firmeza. Puede encontrar información adicional sobre cómo presentar una petición en el Código de Iowa §17A.19, que se encuentra en línea en <https://www.legis.iowa.gov/docs/code/17A.19.pdf> o comunicándose con el Tribunal de Distrito Secretario del tribunal <https://www.iowacourts.gov/iowa-courts/court-directory/>.

Nota para las partes: USTED PUEDE REPRESENTARSE en la apelación u obtener un abogado u otra parte interesada para que lo haga, siempre que no haya gastos para Workforce Development. Si desea ser representado por un abogado, puede obtener los servicios de un abogado privado o uno cuyos servicios se paguen con fondos públicos.

Nota para el reclamante: es importante que presente su reclamo semanal según las instrucciones, mientras esta apelación está pendiente, para proteger su derecho continuo a los beneficios.

SERVICIO DE INFORMACIÓN:

Se envió por correo una copia fiel y correcta de esta decisión a cada una de las partes enumeradas.