

**IOWA WORKFORCE DEVELOPMENT
UNEMPLOYMENT INSURANCE APPEALS BUREAU**

MEGAN LEAS
Claimant

VIBRANT CREDIT UNION
Employer

APPEAL 21A-UI-07749-ML-T
**ADMINISTRATIVE LAW JUDGE
DECISION**

OC: 08/30/20
Claimant: Appellant (1)

Iowa Code § 96.5(1) – Voluntary Quitting
Iowa Code § 96.5(2)a – Discharge for Misconduct

STATEMENT OF THE CASE:

The claimant/appellant filed an appeal from the March 9, 2021, (reference 02) unemployment insurance decision that denied benefits based upon her voluntarily quitting work without good cause attributable to the employer. The parties were properly notified of the hearing. A telephone hearing was conducted on May 12, 2021. The claimant, Megan Leas, participated personally. The employer, Vibrant Credit Union, participated through witnesses Stephany Reimers and Tiffany Haedt.

Claimant's Exhibits A and B were admitted into the evidentiary record.

ISSUES:

Did claimant voluntarily quit the employment with good cause attributable to employer?
Was the claimant discharged for disqualifying job-related misconduct?

FINDINGS OF FACT:

Having reviewed all of the evidence in the record, the administrative law judge finds: Claimant was employed full-time as a collections manager. She began working for this employer on October 19, 2020, and her employment ended on February 2, 2021, after she gave written notice of her intent to resign. Her immediate supervisor was Wesley Felton.

Claimant voluntarily left her employment with Vibrant Credit Union due to various situations and practices she found unethical and/or uncomfortable.

On January 22, 2021, claimant e-mailed her two-week notice to Mr. Fenton and the human resources (HR) department. The e-mail did not provide a reason for her resignation; however, the correspondence did provide that claimant's last day would be February 5, 2021. The employer accepted claimant's resignation. Ms. Reimers was under the impression that claimant was resigning so she could stay at home with her children. Ms. Reimers could not recall how this theory came into existence.

At hearing, claimant testified that she initially made the decision to resign based on what she perceived to be a toxic and unethical work environment. Claimant's Exhibit A provides four

examples of the ethical conflicts claimant faced while working for the employer. The examples include: (1) the employer allegedly misusing the company's skip tracing process to run background checks on potential employees; (2) the employer not enforcing paid time off (PTO) guidelines; (3) the employer enforcing excessive overdraft fees; and (4) the employer's handling of stimulus checks.

On cross-examination, claimant could not recall specific instances of unethical practices occurring.

The employer has procedures in place whereby claimant could escalate a concern so that it could be appropriately addressed by the employer. Ms. Haedt testified that issues (1) and (4) above would fall under the purview of human resources, while issues (2) and (3) would be handled by business operations. There was no record of claimant reporting issues (1) and (4) to human resources.

Claimant testified that she brought several of her concerns to Mr. Felton's attention, beginning in approximately November 2020. On or about December 23, 2020, Mr. Felton relayed claimant's concerns regarding the employer's overdraft fees/overdraft privilege and right of offset practices to Chief Executive Officer Matt McCombs. Additionally, claimant began reaching out to HR representative Nicole Roach about her concerns in January 2021. More specifically, claimant testified to telling Ms. Roach about the employer not following the established PTO guidelines.

On January 29, 2021, claimant received a telephone call from Ms. Haedt where she was questioned as to why she was resigning. During the conversation, Ms. Haedt asked claimant about an allegation of sexual harassment in the workplace. At some point in time after claimant submitted her letter of resignation, Christina Rios of Payroll and Benefits contacted Ms. Haedt about a conversation claimant had with Ms. Roach. In this conversation, claimant allegedly raised some concerns regarding sexism in the workplace. Claimant told Ms. Haedt that the concern was better characterized as a lack of professionalism from Mr. Felton. According to claimant, Mr. Felton would call her "little girl" at times. Other times, Mr. Felton would tell claimant that he was happy he hired her so that Jen, a co-worker, could not say that he was sexist. At the conclusion of the January 29, 2021, telephone conversation, claimant asked if she could type up a written statement providing that she was not sexually harassed by Mr. Felton. At hearing, claimant testified that she was caught off guard by Ms. Haedt's call and she offered to write a letter regarding Mr. Felton because she wanted to leave on good terms and she did not want to get anyone else in trouble.

Ms. Haedt testified to the employer's plan of action when allegations of sexual harassment were made. Ms. Haedt testified that the employer's response is based on the severity of the alleged infraction. After learning of claimant's discussion with Ms. Roach, Ms. Haedt began an investigation of the alleged conduct of Mr. Felton. Ms. Haedt testified she did not engage Ms. Roach because she was no longer employed with the employer. Instead, she decided to reach out to claimant directly. After talking with claimant, Ms. Haedt determined that the conduct or infraction was not severe, but still warranted a conversation with Mr. Felton about how his comments could be perceived as offensive. However, Ms. Haedt decided she was not going to share claimant's concerns with Mr. Felton until after claimant's last day of employment. Ms. Haedt did, however, relay the allegations to Mr. Felton's immediate supervisor.

On February 2, 2021, claimant presented to work for her regularly scheduled shift. When claimant presented for the morning meeting, Mr. Felton began making jokes about sexual harassment. Mr. Felton told Jen, a co-worker, to "be careful, we wouldn't want anyone to think what you're saying is harassment" and "we have a new hire... wouldn't want her to get the wrong idea." According to claimant, Mr. Felton made the same or similar comments over 6 times. Claimant further testified that she was the only employee in the room that was not asked about their plan for the day.

After the morning meeting, claimant handed in her key to Mr. Felton and let him know that she was moving her last day from February 5, 2021, to February 2, 2021. Mr. Felton responded by saying, "thank you." Claimant's updated resignation was documented in an electronic correspondence.

Later that day, claimant received a call from Ms. Haedt, asking her why she expedited her departure. Claimant told Ms. Haedt that she and her husband made the decision that she needed to get out of what she perceived to be a toxic work environment. Claimant also aired her frustrations with the fact that she was not having her previously discussed concerns addressed in a timely manner. Without being prompted, Ms. Haedt told claimant that she had not discussed their January 29, 2021, conversation with Mr. Felton. She further relayed that she had planned to talk to Mr. Felton about claimant's concerns after claimant's last day with the employer. At hearing, Ms. Haedt testified that she did not speak to Mr. Felton about claimant's concerns; however, she did speak with Mr. Felton's direct supervisor shortly after the January 29, 2021, discussion.

Claimant provided that she did not feel comfortable discussing the allegations of sexism/sexual harassment with Ms. Haedt due to the lack of confidentiality exhibited by the HR department leading up to her last day of employment. Claimant testified it was a mistake to not report everything, and she wishes she had felt more comfortable discussing things with the HR department.

At hearing, claimant testified the aforementioned new hire, Elizabeth, asked other employees if claimant was quitting due to harassment. Elizabeth would later tell claimant that Mr. Felton told her to "make sure you pay attention during the sexual harassment meeting," and "I'm not sure what you've heard about me, but I apparently need help in that area." Claimant testified that Elizabeth was unavailable to testify at hearing because of a scheduling conflict.

There was continuing work available to claimant had she not resigned.

REASONING AND CONCLUSIONS OF LAW:

For the reasons that follow, the administrative law judge concludes as follows:

As a preliminary matter, the administrative law judge finds that the claimant was not terminated for misconduct; rather claimant voluntarily quit her employment.

Iowa Code §96.5(1) provides:

An individual shall be disqualified for benefits:

1. Voluntary quitting. If the individual has left work voluntarily without good cause attributable to the individual's employer, if so found by the department.

A voluntary quitting means discontinuing the employment because the employee no longer desires to remain in the relationship of an employee with the employer and requires an intention to terminate the employment. *Wills v. Emp't Appeal Bd.*, 447 N.W. 2d 137, 138 (Iowa 1989). A voluntary leaving of employment requires an intention to terminate the employment relationship accompanied by an overt act of carrying out that intention. *Local Lodge #1426 v. Wilson Trailer*, 289 N.W.2d 608, 612 (Iowa 1980); *Peck v. Emp't Appeal Bd.*, 492 N.W.2d 438 (Iowa Ct. App. 1992).

In this case, the claimant voluntarily quit her employment. Claimant's written resignation is both evidence of her intention to sever the employment relationship and an overt act of carrying out

her intention. As such, claimant must prove that the voluntary leaving was for good cause attributable to the employer. Iowa Code § 96.6(2). "Good cause" for leaving employment must be that which is reasonable to the average person, not the overly sensitive individual or the claimant in particular. *Uniweld Products v. Indus. Relations Comm'n*, 277 So.2d 827 (Fla. Dist. Ct. App. 1973).

Claimant is asserting that her leaving was for good cause attributable to the employer. More specifically, claimant is asserting that she left due to a toxic work environment. Claimant asserts that ethical conflicts and sexist comments contributed to the toxic work environment.

Where a claimant gives numerous reasons for leaving employment the agency is required to consider all stated reasons which might combine to give the claimant good cause to quit in determining any of those reasons constitute good cause attributable to the employer. *Taylor v. Iowa Dep't of Job Serv.*, 362 N.W.2d 534 (Iowa 1985).

Leaving because of unlawful, intolerable, or detrimental working conditions would be good cause. 871 IAC 24.26(3),(4). Leaving because of dissatisfaction with the work environment is not good cause. 871 IAC 24.25(1). The claimant has the burden of proving that the voluntary leaving was for good cause attributable to the employer. Iowa Code section 96.6-2.

Iowa Admin. Code r. 871-24.26(4) provides:

Voluntary quit with good cause attributable to the employer and separations not considered to be voluntary quits. The following are reasons for a claimant leaving employment with good cause attributable to the employer:

(4) The claimant left due to intolerable or detrimental working conditions.

Iowa Admin. Code r. 871-24.25(22) provides:

Voluntary quit without good cause. In general, a voluntary quit means discontinuing the employment because the employee no longer desires to remain in the relationship of an employee with the employer from whom the employee has separated. The employer has the burden of proving that the claimant is disqualified for benefits pursuant to Iowa Code § 96.5. However, the claimant has the initial burden to produce evidence that the claimant is not disqualified for benefits in cases involving Iowa Code § 96.5, subsection (1), paragraphs "a" through "i," and subsection 10. The following reasons for a voluntary quit shall be presumed to be without good cause attributable to the employer:

(21) The claimant left because of dissatisfaction with the work environment.

(22) The claimant left because of a personality conflict with the supervisor.

Employer is a credit union. The work environment described during the hearing does not sound out of the ordinary from what an employee could expect in the banking industry. The conditions were no doubt unpleasant for claimant, but they were not sufficient to meet the standard of intolerable working conditions.

Although the administrative law judge believes the claimant sincerely felt ethically compromised by the employer's practices, the evidence does not show that the employer's practices were unlawful. Moreover, the evidence does not show that the employer forced the claimant to act unethically. While the employer ultimately decided not to act on claimant's concerns or suggestions, Mr. Felton nevertheless followed the chain of command and reported claimant's concerns to the CEO of the company.

While the practices implemented by the employer were clearly different from what claimant had come to expect throughout her career, there is little to no evidence that the employer's practices were unlawful. Claimant has every right to choose not to work for Vibrant Credit Union due to her ethical concerns. In this case, the claimant clearly determined that her ethical concerns were too great to continue working for the employer.

Turning to the allegations of sexism and/or sexual harassment in the workplace, I believe it goes without saying that the manager's statements were wholly inappropriate and unprofessional. Such statements reflect poorly on an individual's character and overall fitness for a leadership position. The alleged comments have no place in modern society. It is entirely possible claimant did not testify to every inappropriate comment or incident that occurred in the workplace. It was clear to the undersigned that claimant did not feel comfortable when discussing the same. That being said, the behavior that claimant did describe would not cause the average person to leave employment and does not rise to the level of intolerable or detrimental working conditions.

While the administrative law judge is sympathetic to the claimant's situation and the fact she was dissatisfied with the work environment, the claimant has not established that her leaving was for unlawful, intolerable, or detrimental working conditions as required by Iowa law. Therefore, benefits must be denied.

DECISION:

The March 9, 2021 (reference 02) unemployment insurance decision is affirmed. Claimant voluntarily quit employment without good cause attributable to the employer. Unemployment insurance benefits shall be withheld in regards to this employer until such time as claimant is deemed eligible.



Michael J. Lunn
Administrative Law Judge
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June 16, 2021
Decision Dated and Mailed

mjl/kmj