

ALASKA DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT

DIVISION OF EMPLOYMENT AND TRAINING SERVICES
P.O. BOX 115509
JUNEAU, ALASKA 99811-5509

APPEAL TRIBUNAL DECISION

Docket number: 24 0565 Hearing date: September 17, 2024

CLAIMANT: DETS:

LAURA CORDERO

BENEFIT PAYMENT CONTROL UNIT 3301 EAGLE ST, STE 205 ANCHORAGE, AK 99503

CLAIMANT APPEARANCES: DETS APPEARANCES:

Laura Codero Sue Nichols

CASE HISTORY

The claimant timely appealed a June 14, 2024 determination which denied benefits under AS 23.20.378 and AS 23.20.387, and held the claimant liable for the repayment of benefits and the payment of a penalty under AS 23.20.390.

The issues before the Tribunal are whether the claimant:

- was available for work during a period of travel;
- · was registered for work as required;
- knowingly made a false statement or misrepresentation in connection with the claim; and
- is liable for the repayment of benefits and the payment of a penalty.

FINDINGS OF FACT

The claimant established a claim for unemployment insurance benefits effective March 29, 2020. The claimant filed weekly certifications to claim benefits using the Division's website form set up for that purpose.

In March 2024, the Division audited the claimant's unemployment benefit claim because wages were reported by an employer in a calendar quarter in which the claimant had received unemployment benefits. The Division investigator did not find any problems with the claimant's filing related to wage reporting. As part of the review, the investigator examined a report of the internet protocol (IP) addresses of devices used by the Division to connect to the Division's website to claim benefits. The investigator noted that many of the

IP addresses used by the claimant were through a cell phone services provider and the investigator knew from experience that those provider's IP addresses are not as reliable an indicator of the location of a device as IP addresses related to local internet services providers. The investigator requested the bank records for the account into which the claimant's benefits were deposited via subpoena. The investigator compared the IP addresses and the location of expenditures from the claimant's bank account with the claimant's weekly certification forms and determined the claimant had traveled while claiming benefits and had not reported her travel.

The investigator contacted the claimant and requested additional information about the claimant's location during the periods under review. One period of potential travel was eliminated as the claimant shared a joint bank account with her fiancé and she held it was her fiancé that had traveled during one period. The claimant agreed she had traveled outside her area of residence during the remaining periods in which the investigator held she had traveled.

The claimant recalled that in July 2020, she lost her job which included housing and she had three days to vacate her apartment. She decided to take her five children to her mother's home in Bullhead, Arizona while she figured out housing. The claimant left her area of residence on July 8, 2020 and flew to Las Vegas, Nevada and then drove to Bullhead, Arizona, about 100 miles away. The claimant held that she had intended to return to Alaska right away, but she became ill and tested positive for the COVID-19 virus so she could not return right away due to travel restrictions. When the claimant completed a certification to claim benefits for the week ending July 11, 2020, she was required to answer the question, Were you available and physically able to work full-time each days of the week?" The claimant answered, "Yes." She was required to answer the questions, "Did you travel?" The claimant answered, "No." Immediately under that question was an advisory that stated, "Failure to report your travel may result in denial or overpayment of UI benefits."

The claimant recalled that she had contacted the Division's claim center before she filed her certification for that week because she was not sure how to report her situation. The claimant recalled that she was advised by a Division claim center representative to answer that she had not traveled, or she would not receive benefits, because of new COVID-19 procedures.

When the claimant completed her certification, she checked a box stating she had read an advisory which held that she was required to maintain current mailing and physical addresses with the Division. Under that advisory, the claimant's previous address in Alaska was listed as her mailing address, and this address was not changed. The claimant checked a box stating that her mailing and physical addresses were not the same. The claimant was required to enter a physical address and she provided her mother's Arizona residence address as her physical address. The claimant held in the hearing that she believed she changed her mailing address to her mother's residence because

she no longer had an address in Alaska after having to leave her apartment and she wanted to be sure she continued to receive mail from the Division. The claimant remained in Arizona until she tested negative for the COVID-19 virus on August 7, 2020. On August 8, 2020, the claimant drove to Las Vegas and attempted to fly home using a stand-by ticket but she did not get a seat. The claimant held she then purchased a ticket from Seattle to Juneau because it was easier to get a seat on a plane leaving from that airport. On August 9, 2020, the claimant set out to drive to Seattle. The claimant flew from Seattle to Juneau on August 14, 2020. The claimant's physical address remained her mother's residence in Arizona and her mailing address remained the Alaska address she had moved out of. On August 23, 2020, the claimant's mailing address was updated. The claimant did not update her residence address until October 11, 2020. The claimant did not recall why her address was updated at that time.

On May 14, 2021, the claimant departed her area of residence and traveled to Seattle, Washington. She returned to her area of residence on May 17, 2021. The claimant recalled that she was received tickets to Seattle for her birthday. When the claimant filed her certification for the week ending May 15, 2021, on May 16, 2021, she responded, "No" to the question "Did you travel?" even though she was located in Seattle at the time. The claimant recalled that she had previously been advised by the Division representative she talked to in July 2020 that she did not have to report travel as long as she had made the required work search contacts for the week. The claimant did not consider reviewing her Handbook or contacting the Division to ensure that she was correctly answering the question about travel.

The claimant departed her area of residence on October 18, 2022 and traveled to Phoenix, Arizona to pick up her children. The claimant returned to Juneau on October 26, 2022. The claimant answered "No" to the travel question for weeks ending October 22, 2022 and October 29, 2022. She again held that she was following the advice she had received from a claim center representative in July 2020 and she had completed her work searches for the week. On each weekly certification filed by the claimant, she was required to check a box certifying that her answers were true for the week for which she was claiming benefits.

When the claimant established her claim for benefits, she was sent an Unemployment Insurance Claimant Handbook. The Tribunal takes official notice that the Division's <u>Unemployment Insurance Claimant Handbook</u> is also posted on the Division's website and contains information about eligibility requirements while traveling which reads, in part:

TRAVEL/RELOCATE

You must report all travel when filing for benefits. This includes any instate travel. You are in travel status any time you travel outside the area in which you reside. You may be eligible while traveling if:

• You travel in search of work for up to four consecutive weeks. You must be legally eligible to accept work in the area of travel and actively search for work during each week you travel. Regulations do not allow for alternative work searches other than in person. Reasonable efforts to find work can be shown by making verifiable in-person contact with an employment service representative for the purpose of seeking work (e.g., two in-person employer contacts, in-person pre-arranged job interview, or registering in person with the local chapter of your union).

The claimant believed she received the handbook mailed to her although she did not recall if she read it.

The investigator established that the claimant had previously been denied benefits during a period of travel in a determination issued November 20, 2008. The claimant did not recall reporting travel to the Division or being denied unemployment benefits in 2008.

The investigator issued a determination on June 14, 2024, holding the claimant was not available for work during a period of travel during weeks ending July 11, 2020, August 15, 2020, October 22, 2022 and October 29, 2022. The representative determined the claimant had failed to register for work as required for weeks ending August 22, 2020 through October 10, 2020. The investigator held the claimant intentionally failed to provide material facts in order to receive benefits she was not entitled to, and fraud penalties were assessed for all of the weeks under review.

PROVISIONS OF LAW

AS 23.20.378: Able to work and available for suitable work.

(a) An insured worker is entitled to receive waiting-week credit or benefits for a week of unemployment if for that week the insured worker is able to work and available for suitable work ...

8 AAC 85.350: Able to work and available for suitable work: general provisions.

- (a) A claimant is considered able to work if the claimant is physically and mentally capable of performing work under the usual conditions of employment in the claimant's principal occupation or other occupations for which the claimant is reasonably fitted by training and experience.
- (b) A claimant is considered available for suitable work for a week if the claimant
 - (1) registers for work as required under 8 AAC 85.351;
 - (2) makes independent efforts to find work as directed under 8 AAC 85.352 and 8 AAC 85.355;

- (3) meets the requirements of 8 AAC 85.353 during periods of travel:
- (4) meets the requirements of 8 AAC 85.356 while in training;
- (5) is willing to accept and perform suitable work which the claimant does not have good cause to refuse;
- (6) is available, for at least five working days in the week, to respond promptly to an offer of suitable work; and
- (7) is available for a substantial amount of full-time employment.

8 AAC 85.351 provides:

- (a) A claimant who files a claim for benefits in a state that acts as an agent in taking claims for benefits held by this state shall register for work within seven days from the date the initial claim is filed and maintain the placement registration for work in accordance with the statutes, regulations, and procedures of the state in which the claim is filed.
- (b) A claimant who files for benefits in this state shall register for work and maintain an active placement registration for work in this state as required by AS 23.20 and this section. An active placement registration for work in this state means the claimant has registered with the labor exchange system operated by the division and has posted an online resume that is available for employers and division staff to match with available jobs. A claimant shall register for work
 - (1) in person at the employment service office of the division that is nearest the claimant's residence;
 - (2) by telephone, if permitted by the director based on resource availability; or
 - (3) by electronic means at the department's website.
- (c) The director shall find that a claimant is not available for work for any week ending before completion of a placement registration for work or for any week in which the claimant has not maintained a placement registration for work. To be considered available for work from the date of the initial claim, a claimant must complete a placement registration for work within seven days after filing the initial claim. If the placement registration for work is not completed within seven days, the claimant is considered available for work the week the placement registration is completed. To be considered available for work for any following week claimed within the benefit year, the claimant must maintain the placement registration for work.
- (d) Repealed 3/4/2006
- (e) The director shall require a claimant to have and maintain a placement registration for work if the claimant is ready for work in at least one occupation. The director shall consider a claimant ready for work in an occupation if the claimant meets the skill qualifications for the occupation. If the director requires a claimant to have a placement registration, upon completion of the placement registration, the claimant

- will be placed in active status in the job matching system for the division and will be referable to job orders placed by employers with the division.
- (f) The director may assign a preplacement registration to a claimant who has been selected as in need of reemployment services under 8 AAC 85.357 or has other barriers to reemployment as determined by the director. If the director assigns a claimant to a preplacement registration, the claimant will be eligible for reemployment services, but will not be placed in active status in the job-matching system of the division. The director shall convert the preplacement registration to a placement registration when the director determines that the claimant is ready for work.
- (g) The director may defer registration for work for a claimant who is
 - (1) temporarily unemployed with a definite date to return to full-time work within 45 days after the date the claimant files the initial claim; 36
 - (2) unemployed due to a labor dispute;
 - (3) traveling, immediately following the filing of the initial claim, for the purpose of relocating outside of this state; upon arrival in the new area of residence, the claimant shall register for work as required in (a) of this section;
 - (4) repealed 3/4/2006;
 - (5) normally hired through a trade union, if the union furnishes information when requested by the director to verify the claimant's current membership and eligibility for dispatch;
 - (6) repealed 3/4/2006;
 - (7) repealed 3/4/2006;
 - (8) under an approved waiver of availability under AS 23.20.378 or 23.20.382.
- (h) Repealed 03/04/2006
- (i) If the director does not require the claimant to have a placement registration, the director shall inform the claimant that the placement registration requirement has been deferred and advise the claimant of available employment services.

8 AAC 85.353: Able to work and available for suitable work: travel claims.

- (a) The requirements of this section apply to any period during which a claimant travels outside the customary commutable area in which the claimant resides, unless the claimant travels while exempted from availability requirements under AS 23.20.378(a) or in connection with training approved under AS 23.20.382. For purposes of this section, a customary commutable area means an area where a claimant customarily commutes to and from work each day.
- (b) A claimant is available for work each week while traveling only if the claimant is traveling to
 - (1) search for work and is legally eligible to accept work in the

- area of travel;
- (2) accept an offer of work that begins no later than 14 days after the claimant's departure; or
- (3) establish or return to a residence immediately following the claimant's discharge from the armed forces.
- (c) A claimant who travels in search of work must be legally eligible to accept work and make reasonable efforts to find work each week in the area of the claimant's travel, by
 - (1) contacting in person an employment office;
 - (2) making at least two in-person employer contacts;
 - (3) registering in person with the local chapter of the claimant's union that has jurisdiction over the area of the claimant's travel; a claimant who has previously registered with the local union that has jurisdiction over the area of the travel is available for work if the claimant makes contacts as required by the union to be eligible for dispatch in the area of the travel; or
 - (4) attending in person a pre-arranged job interview.
- (d) A claimant is not available for work after the claimant travels for more than four consecutive calendar weeks to search for work. A claimant is not available for work after the claimant travels for more than seven days if traveling to
 - (1) accept an offer of work that begins 14 days after the claimant's departure; or
 - (2) establish or return to a residence immediately following the claimant's discharge from the armed forces.

HB 308 UNEMPLOYMENT INSURANCE: BENEFIT QUALIFICATION AND WAITING WEEK DURING NOVEL CORONAVIRUS DISEASE OUTBREAK.

- (a) To the extent consistent with federal law, an insured worker who is otherwise qualified to receive a benefit under AS 23.20 (Alaska Employment Security Act) may not be disqualified for failure to comply with AS 23.20.378(a) because of conduct by the insured worker or the employer of the insured worker related to an outbreak of novel coronavirus disease (COVID-19), including conduct involving:
 - (1) providing care, including medical care, to one or more persons
 - (2) preventing or limiting the spread of COVID-19; or
 - (3) preventing or limiting economic loss or harm.
- (b) The protection of an insured worker under (a) of this section applies for a period of 120 days beginning on the effective date of this section or the date the insured worker applies for a benefit under AS 23.20, whichever is later.

AS 23.20.387. Disqualification for misrepresentation.

- (a) An insured worker is disqualified for benefits for the week with respect to which the false statement or misrepresentation was made and for an additional period of not less than six weeks or more than 52 weeks if the department determines that the insured worker has knowingly made a false statement or misrepresentation of a material fact or knowingly failed to report a material fact with intent to obtain or increase benefits under this chapter. The length of the additional disqualification and the beginning date of that disqualification shall be determined by the department according to the circumstances in each case.
- (b) A person may not be disqualified from receiving benefits under this section unless there is documented evidence that the person has made a false statement or a misrepresentation as to a material fact or has failed to disclose a material fact. Before a determination of fraudulent misrepresentation or nondisclosure may be made, there must be a preponderance of evidence of an intention to defraud, and the false statement or misrepresentation must be shown to be knowing and to involve a material fact.

AS 23.20.390. Recovery of improper payments; penalty.

- (a) An individual who receives a sum as benefits from the unemployment compensation fund when not entitled to it under this chapter is liable to the fund for the sum improperly paid to the individual.
- (f) In addition to the liability under (a) of this section for the amount of benefits improperly paid, an individual who is disqualified from receipt of benefits under AS 23.20.387 is liable to the department for a penalty in an amount equal to 50 percent of the benefits that were obtained by knowingly making a false statement or misrepresenting a material fact, or knowingly failing to report a material fact, with the intent to obtain or increase benefits under this chapter. The department may, under regulations adopted under this chapter, waive the collection of a penalty under this section. The department shall deposit into the general fund the penalty that it collects.

CONCLUSION

The first issue is whether the claimant was available for work during a period of travel. Regulation 8 AAC 85.353 applies to any period during which a claimant travels outside the area in which the claimant resides. The regulation provides that a claimant who travels away from their area of residence during their customary workweek is considered available for work only if they travel for one of the three allowable reasons stated in section (c), to search for work, to accept an offer of work or to relocate after discharge from the armed forced.

The claimant did not travel for an allowable reason during any of the weeks under review.

In July 2020, HB308 was in effect, and that legislation allowed claimants to be waived from the requirement to be available for work if they were unavailable for reasons related directly to the COVID-19 pandemic. Since the claimant could not return to her area of residence because she was positive for the COVID-19 virus, this would fall under the portion of the provision that allows benefits to claimants who take action in order to prevent the spread of the virus. The bill provides that the waiver was effective for 120 days after the effective date of the claimant's March 29, 2020 new claim, or August 1, 2020.

The claimant meets the requirement to be waived from the requirement of HB08 to be available for work during weeks ending July 11, 2020 through August 1, 2020. The claimant was not available for work in the weeks ending August 8, 2020 or August 15, 2020 and she was not waived from the requirement to be available for work in those weeks because the waiver period under HB308 had ended.

The claimant did not travel for allowable reasons in the weeks ending May 15, 2021 and May 22, 2021, however she was available in her area of residence for five days of each week. The claimant did not travel for allowable reasons in weeks ending October 22, 2022 and October 29, 2022. The claimant was available for work for five days in her area of residence for week ending October 22, 2022, but she was not available in her area of residence during five days of the week ending October 29, 2022. The Tribunal finds the claimant was not available for work during a period of travel in weeks ending August 8, 2020, August 15, 2020 and October 29, 2022.

The second issue is whether the claimant met the requirements of the regulation regarding registration for work requirements, which requires that claimants register for work in the area in which they are physically located. The record does not reflect that the claimant was required to take any action to register for work when she established her claim for benefits in March 2020. The record does not indicate that the claimant was advised to register for work in Arizona when she changed her physical address to that location. The claimant's benefits were denied for weeks ending August 22, 2020 through October 29, 2020, a period when she was physically located in Juneau but her physical address was reported as being in Arizona. The Tribunal finds the claimant is eligible for benefits for weeks ending August 22, 2020 through October 29, 2020, as it was not established that the claimant failed to meet any registration requirement of which she was notified, or failed to be notified of a requirement because of her address error.

The next issue is whether the claimant knowingly made a false statement or misrepresentation in connection with the claim. The claimant held that She was advised by a claim center representative that she should not report that she had traveled when she filed for the first week of her travel while she was sick with the COVID-19 virus. As discussed above, the claimant was eligible for a waiver of the requirement to be available for work under COVID-19 legislation. These policies were new to the Division and it is possible the claimant was incorrectly advised that she should report she did not travel in order to receive benefits for which she was eligible for under the new rules.

When a claimant approaches an unemployment insurance representative for instructions, it is the responsibility of that representative to provide complete and accurate information regarding the claimant's request. <u>Murphy</u>, Com. Dec. No 87H-UI-283, September 29, 1987.

We find no material errors in the Tribunal's findings. However, we have previously ruled in <u>Murphy</u>, Com. Decision 87H-UI-283, Sept. 29, 1997, and other cases, that a claimant may rely on the instructions received from an authorized representative of the Employment Security Division. Such instructions may supersede instructions given in written form, such as claimant information handbooks or determinations depending on the circumstances. Vassar, Com. Dec. 96 0614, May 15, 1996.

Considering <u>Murphy</u> and <u>Vassar</u> the Tribunal does not find the claimant in this case intentionally misrepresented her travel in weeks ending July 11, 2020 through August 15, 2020 in order to be eligible for benefits.

The claimant held that she only intended to change her mailing address with the Division so her mother could receive her mail while she was without a residence in Alaska and she never intended to change her residence address at all. It was not established that the claimant's errors in reporting her address were made with the intent to receive benefits she was not entitled to. The Tribunal does not find that the claimant intentionally mispresented material facts in order to receive benefits she was not entitled to in weeks ending August 22, 2024 through October 10, 2020.

The claimant answered, "No" to the question, Did you travel?" when she made trips to Seattle and Arizona in 2021 and 2022 without questioning why she should answer the simple question incorrectly and then certify that her answers were correct each week. The Tribunal does not find that the claimant's continued reliance on advice she received while she was reporting she was sick was COVID-19 was reasonable in May 2021 and October 2022 when her circumstances were markedly different.

The claimant held that she did not know that she was required to report her travel, however she had traveled in the past and reported it and she had received an Unemployment Insurance Claimant Handbook, which advises that all travel must be reported. The claimant was on notice that she was responsible to read the Handbook and it was available on the Division's website.

It is the claimant's responsibility to thoroughly read all information provided to him by the division so that he will have the necessary knowledge needed to properly handle his claim. <u>Demit</u>, Com. Dec. 87H-EB-099, May 1, 1987. The suggestions that a claimant may have forgotten or not actually have known about an eligibility requirement do not rise to an excuse for failure to comply if the claimant was on notice of that requirement. <u>Credo v. State of Alaska</u>, Super. Ct., 1JU-93-438CI (Alaska, August 26, 1993).

It is not necessary for the Division to show that the claimant had actual malicious intent to receive benefits in order to find intentional misrepresentation. All that is required is to establish that the claimant made statements regarding her employment and earnings without a basis for the information she reported or confidence in the accuracy of her representations.

In <u>Lightle</u> v <u>State of Alaska</u>, <u>Real Estate Commission</u>, October 20, 2006, the Alaska Supreme Court held, "fraudulent refers solely to the maker's knowledge of the untrue character of his representation." The Court held that to be fraudulent, it is necessary that a misrepresentation be made with the maker's purpose to induce the recipient to act in reliance upon the misrepresentation. The Court noted, "this provision does not require the maker of a false statement to act with the specific 'intent to deceive'; rather it requires the maker to expect that other's conduct will be influenced."

The claimant in this case made false statements regarding travel, incorrectly answering a simple and straightforward question. She knew, or reasonably should have known, that the Division would rely on her answers to determine her eligibility to benefits, so her conduct meets the standard as set out by the Court in Lightle. Based on the facts in this case and the decisions of the Commissioner and the Court cited above, the Tribunal must conclude that the claimant intentionally misrepresented her eligibility for benefits for the weeks ending May 15, 2021, May 22, 2021, October 22, 2022 and October 29, 2022.

The claimant met the requirement to be available for work in weeks ending in weeks ending May 15, 2021, May 22, 2021 and October 22, 2022, however the Division's determination held the claimant was not eligible for benefits in those weeks because the claimant failed to report her travel.

We hold that the legislature intended to deny benefits to claimants who falsified material facts, regardless of whether the claimants would have received benefits if they gave accurate information. The statute would otherwise have no real purpose, and the legislature has acted to remove any ambiguity by enacting AS 23.20.387.

Considering the claimant's circumstances and <u>Theis</u>, cited above, the Tribunal finds that even if the claimant may have been found eligible for benefits if she had reported her travel to the Division, her benefits for weeks ending May 15, 2021, May 22, 2021 and October 22, 2022 are properly denied because the claimant failed to report the travel.

The final issue is whether the claimant is liable for the repayment of benefits and the payment of a penalty. Alaska Statute 23.20.390 states an individual who receives a sum as benefits from the unemployment compensation fund when not entitled to it under this chapter is liable to the fund for the sum improperly paid to the individual. In addition to the liability under (a) of this section for the amount of benefits improperly paid, an individual who is disqualified from receipt of benefits under AS 23.20.387 is liable to the department for a penalty in an amount equal to 50 percent of the benefits that were obtained by knowingly making a false statement or misrepresenting a material fact, or knowingly failing to report a material fact, with the intent to obtain or increase benefits.

The evidence presented shows that the claimant received benefits to which she was not entitled and that in some weeks she intentionally misrepresented her eligibility in order to receive benefits to which she was not entitled. The Tribunal holds that the claimant is liable to the fund the amount of benefits she received to which she was not entitled as shown below and the payment of a penalty under AS 23.20.387.

DECISION

The notice of determination and determination of liability issued in this matter on June 14, 2024 is **MODIFIED**.

- That portion of the determination holding that the claimant was not available for work during a period of travel is **MODIFIED**.
 - Benefits are **ALLOWED** under AS 23.20.378 and HB308 for weeks ending July 11, 2020 through August 1, 2020.
 - Benefits remain **DENIED** under AS 23.20.378 and regulation 8 AAC 85.350-353 for weeks ending August 8, 2020, August 15, 2020, and October 29, 2022.

- That portion of the determination holding the claimant was not eligible for benefits because of a failure to register for work is REVERSED.
 - Benefits are **ALLOWED** under AS 23.20.378 and 8 AAC 85.351 for weeks ending August 22, 2020 through October 10, 2020.
- That portion of the determination holding that the claimant committed fraud or intentional misrepresentation is **MOFIDIED**.
 - A disqualification under AS 23.20.387 is imposed, and benefits remain **DENIED** for weeks ending May 15, 2021, May 22, 2021, October 22, 2022, October 29, 2022 and June 15, 2024 through November 23, 2024.
 - A disqualification is not imposed, and benefits are **ALLOWED** under AS 23.20.387 for weeks ending July 11, 2020 through October 10, 2020 and November 30, 2024 through June 7, 2025.
- That portion of the determination holding that the claimant is liable for the repayment of benefits and for the payment of a penalty is MODIFIED. The claimant remains liable to the fund for benefits she received to which she is not entitled and the payment of the assessed penalty as outlined above.

APPEAL RIGHTS

This decision is final unless an appeal is filed in writing to the Commissioner of Labor and Workforce Development **within 30 days** after the decision is mailed to each party. The appeal period may be extended only if the appeal is delayed for circumstances beyond the party's control. A statement of rights and procedures is enclosed.

Dated and mailed on October 1, 2024.

Rhonda Buness, Appeals Officer