

**REPORT OF INVESTIGATION INTO POSSIBLE
PREFERENTIAL TREATMENT OF STUDENT-ATHLETES AND POSSIBLE
EXCHANGE OF CELLULAR TELEPHONE EQUIPMENT AND SERVICES FOR
FOOTBALL GAME ADMISSIONS**

Submitted by
Office of the General Counsel
The University of Iowa

May 11, 2006

Following an unemployment insurance hearing by Iowa Workforce Development, on March 14, 2006, The University of Iowa ("the University") learned that one or more University football players may have received preferential treatment in obtaining merchandise from an employee of an area cell phone services provider, perhaps in exchange for tickets to the 2006 Outback Bowl. A recording of the hearing and the decision by the administrative law judge became available to the public the following week, and the University's Office of the General Counsel ("OGC") reviewed them. Recognizing the seriousness of the allegations, President David J. Skorton charged the University Office of the General Counsel to investigate the matter and to develop as full an accounting of the facts as possible. This report is the result of that investigation.

It should be noted that the University has no subpoena power, so it has no means by which to compel an individual or entity to provide information or to cooperate with an investigation of this type. Therefore, in conducting this investigation, the University relied on its own records, access to public information, and on the willingness of its student-athletes and others to cooperate. In addition, contact with several of the student-athletes has become more difficult, as those who have exhausted their NCAA eligibility no longer attend regular team meetings, and those having little or no course work remaining, visit campus infrequently.

The Investigation

The University first learned about the situation under investigation in connection with an Iowa Workforce Development telephone hearing on March 14, 2006, regarding unemployment insurance. The hearing examined whether Jeremy Reed, an employee who had been terminated by iPCS Wireless, Inc. ("iPCS"), a local franchise of Sprint, was entitled to receive unemployment insurance. *iPCS Wireless v. Jeremy Reed*, Appeal Number 06A-UI-02262-RT. Witness testimony at the hearing mentioned the possibility that some of the University's football players may have received cellular telephone equipment and services in exchange for football game tickets. None of the University's student-athletes testified during the hearing. On March 23, the University OGC obtained and reviewed a recording of the hearing, as well as the decision of Administrative Law Judge G. Kent Renegar. Both are public documents.

Referenced in Judge Renegar's decision is Employer's Exhibit One, reportedly consisting of the employment policies allegedly violated by Jeremy Reed. The University requested a copy of this exhibit from the Unemployment Insurance Division of Iowa Workforce Development. In response, the Unemployment Insurance Division provided pages 7, 8, 58 and 59 of the Employee Handbook Revised March 8, 2005, as well as a copy of a Memorandum from iPCS to Mr. Reed dated April 6, 2005, regarding Mr. Reed's promotion ("Promotion Memo"). These items appear to comprise Employer's Exhibit One from the unemployment hearing. A copy of the decision and Employer's Exhibit One are attached to this report.

Separately, on March 23, W. Fred Mims, Associate Director of Athletics, reviewed copies of the Department of Athletics' records of complimentary admissions provided to football players for the Outback Bowl game and during the 2005 regular season, to identify the student-athletes who might have information relevant to the investigation. Mr. Mims also reviewed the complimentary admissions

records of other University sports for the name of Jeremy Reed, the employee terminated by iPCS from the Sprint outlet.

Consistent with the Operating By Laws of the National Collegiate Athletic Association ("NCAA"), the University issued up to six complimentary Outback Bowl admissions to each of the members of the football team. *[NCAA Operating By Law 16.2.1.1.1]* The University educates its student-athletes about the appropriate use of complimentary admissions. The Department of Intercollegiate Athletics Student-Athlete Handbook 2005–2006, provided to all University student-athletes, addresses complimentary admissions at page 14. It states in relevant part, "NCAA Rules state you may not receive payment for the complimentary admissions and you may not exchange them for any item of value." In addition, the University's athletics officials reiterate the NCAA's rules regarding complimentary admissions during the certification orientation meetings held with the student-athletes at the beginning of each academic year.

Each player desiring to use complimentary admissions for guests had to provide the University with the name of each of his anticipated guests. In order to gain entry to the Bowl game, each guest had to sign in, providing identification matching the name on the University's list of admitted guests. In some cases, a player with fewer than six guests of his own would allow another player to use a portion of his complimentary admissions for guests. The University records reflect both the player providing the complimentary admission out of his allotment, and also the player hosting the guest. Seat assignments were based on the host name. Separate University records also reflect whether guests who were on the list as entitled to complimentary admission actually attended the game in question. The University followed the same procedure for regular season games, although players were allotted a maximum of four complimentary admissions per game during the regular season. *[NCAA Operating By Law 16.2.1.1]*

Mr. Mims also spoke with Kirk Ferentz, Head Football Coach, who had addressed the University's football team during the week of March 20, regarding the allegations at the unemployment insurance hearing. In his meeting with the team, Mr. Ferentz emphasized the importance of cooperating with the investigation. He encouraged the players to provide any information that might be helpful, and to respond honestly to any questions posed. Mr. Ferentz provided Mr. Mims with the names of several student-athletes who had indicated a willingness to be interviewed. Two football players unable to attend the team meeting with Mr. Ferentz met with him at a later time. One of the two players no longer is a student, and the other spoke with Mr. Mims.

On March 23, Maria Lukas, Associate Counsel in the OGC, contacted Mr. Mims regarding the investigation, and the two agreed to interview those student-athletes who might have information relevant to the investigation. The following day, Mr. Mims and Ms. Lukas identified those individuals on the basis of Ms. Lukas' review of the hearing record and decision, Mr. Ferentz's conversations with the members of the football team, and Mr. Mims' review of the University's complimentary admission records.

On March 23, Ms. Lukas also called the Sprint outlet in question. Receiving no answer and unable to leave a voice mail message because the mailbox was full, Ms. Lukas visited the outlet, located at 119 Second St., Suite 600, in Coralville, Iowa, the following morning. She was directed to contact the iPCS headquarters outside of Chicago, by telephone.

Mr. Mims and Ms. Lukas interviewed eight student-athletes in the course of this investigation: four on March 27, three on March 28, and one on March 29. Each of these student-athletes participated voluntarily. It should not be assumed that each of the student-athletes interviewed gave complimentary admissions to Mr. Reed, as that is not the case, as noted below. Each of the student-athletes who did

provide Mr. Reed with complimentary admissions voluntarily participated in such an interview. Also on March 27, Ms. Lukas called Mr. Reed (the terminated employee) and spoke with him regarding the allegations.

Shortly after Ms. Lukas' call on March 23, the General Counsel for iPCS contacted Ms. Lukas expressing the company's desire to cooperate in the University's investigation. Through numerous exchanged telephone messages and conversations over a period of more than two weeks, Ms. Lukas expressed the University's desire to access account records for the student-athletes who might be involved in the alleged misconduct, presumably by obtaining releases from the account holders in question.

On April 11, the iPCS General Counsel put Ms. Lukas in contact with an attorney for Sprint. Sprint, rather than iPCS, owns the records of customer accounts and consequently controlled access to the records. The attorney for Sprint clarified that a member of the Sprint Privacy Group would need to address the University's request, and he offered to have such a person contact Ms. Lukas.

Ms. Lukas finally made contact with an attorney who is a member of Sprint's Privacy Group, which manages access to account records of Sprint customers. That individual confirmed that the University could not gain access to any records without the written permission of the account holder. She agreed to provide the University with Sprint's standard release, in the event that any account holders would agree to allow the University access to their records. Several days later, the University received the forms. The forms required the account holder to approve the release of the records, identified by account number, to the University. Ms. Lukas then worked with Mr. Mims and others in the Athletics Department to obtain the necessary permission from the student-athletes, a number of whom needed to secure it from the actual holder of the account, as it was someone other than the student-athlete himself. Four student-athletes did provide the University with such

consents, complete with all the necessary information but the account number, which the University has not yet received.

In the meantime, one of the attorneys for Sprint suggested that the student-athletes might be able to access their own records through the company's website. Again, for student-athletes who were not the account holders for the telephones they used, this option was not available. Through the Athletics Department staff, Ms. Lukas and Mr. Mims asked the student-athletes previously interviewed,¹ to access those accounts for which they were the account holders, and to allow the University to review their records if they were successful in using the website. Two student-athletes were able to retrieve their respective records from the Sprint website, and they allowed the University to review them. One of these also had provided the University with a consent form, as described above.

After reviewing the hearing testimony and decision, and after interviewing the student-athletes, the University requested access to some of the iPCS employees who testified at the hearing, including Mr. Cochuyt and Ms. Minney. In addition, the University requested a copy of the complete employee handbook from which portions of Employer Exhibit One were taken. The iPCS General Counsel, however, advised the University that iPCS would not provide additional information beyond that already available to the public through the hearing. Although the General Counsel expressed his desire to assist in the University's investigation, he noted that the matter was one involving employment issues for iPCS, which restricted its ability to provide any other information.

¹ The University was able to contact all but one of the student-athletes.

Findings

1. The Unemployment Insurance Appeal

The unemployment insurance appeal hearing examined whether Mr. Reed was entitled to receive unemployment insurance benefits in light of his termination from iPCS. The decision of Administrative Law Judge Renegar reported that Mr. Reed was terminated on January 30, 2006. Judge Renegar found that iPCS discharged Mr. Reed for "fraudulent and improper behavior and in particular violating certain rules or policies of the employer." *Jeremy Reed v. IPCS Wireless, Inc.*, <http://tinyurl.com/jbqr7> (Iowa Workforce Development, March 22, 2006). In this regard, the judge referred to the employer's "policies prohibiting certain conduct of its employees, as shown in Employer's Exhibit One," admitted into evidence at the hearing. This exhibit is discussed further below.

Several witnesses testified on behalf of iPCS at the hearing. Felicia Minney from the iPCS Fraud and Loss Prevention Department alleged that Mr. Reed provided cellular telephone accessories and services to customers in exchange for football tickets (presumably, complimentary admissions). Ms. Minney referred to account records not part of Employer's Exhibit One, indicating that on November 17, 2005, Mr. Reed gave a headset valued at \$79.99 to a customer; and that on December 10, 2005, Mr. Reed gave the same customer a travel charger valued at \$49.99. She stated that the records indicated a payment of one cent for these items, whereas Ms. Minney claimed that Mr. Reed was not authorized to provide the items to customers. The records further indicated that on December 23, 2005, the same customer exchanged one telephone for another, attempting to make a warranty exchange. Ms. Minney testified that the telephone in question did not qualify for such an exchange. Two additional equipment exchanges occurred that were not authorized according to the testimony at the hearing: a telephone exchange on December 17, 2005; and a headset exchange on December 22, 2005.

Ms. Minney also testified that Mr. Reed signed customers up for the "Add-a-Phone Program" when they did not qualify for that program.

Testimony at the hearing implied that Mr. Reed effected these transactions in order to obtain football tickets (admissions) from the customers. Ms. Minney testified that she knew that Mr. Reed received tickets to the Outback Bowl game. She did not state how many football players actually provided Mr. Reed with tickets, and she did not mention any game other than the Outback Bowl. Ms. Minney did not testify to the circumstances under which Mr. Reed obtained the Outback Bowl tickets, and she did not claim that Mr. Reed obtained the admissions in direct exchange for any equipment or services he might have provided.

Steve Steele, Director of Sales and Operations for iPCS, supported the testimony of Ms. Minney at the hearing. Under Judge Renegar's questioning, Mr. Steele conceded that there were circumstances under which iPCS company policy would require a store manager to make adjustments to customer accounts such as those made by Mr. Reed. Mr. Steele claimed, however, that those circumstances were not present in these cases noted above.

Brian Cochuyt, supervisor of Mr. Reed, also testified for iPCS in the hearing. Mr. Cochuyt explained that iPCS provided its store managers such as Mr. Reed with a \$500.00 per month allowance for adjustments. He noted that Mr. Reed frequently exceeded that amount. He explained that Mr. Reed set up accounts incorrectly to benefit the customer. For example, Mr. Reed might place a customer on a \$0 rate plan to which the customer was not entitled. Mr. Cochuyt testified that the only unauthorized activity on Mr. Reed's part involved accounts held by his relatives or by University of Iowa football players. Mr. Cochuyt's testimony indicated no knowledge on the part of the customers that Mr. Reed was providing them with any unauthorized benefits, or with any benefits not available to any iPCS customer holding a similar account. In addition, if Mr. Reed exceeded the limits of his

authority in making these adjustments, no testimony explained how that would be evident to the customer in question.

Mr. Reed also testified at the hearing. He claimed that his supervisor, Mr. Cochuyt, had instructed him to give preference to "local celebrities," and that he (Mr. Reed) had understood that term to include the football players. Mr. Reed further testified that the former manager of the store, Brent Miller, also had directed him to do so. Mr. Reed noted that iPCS encouraged its managers to "grow the business," and to provide customers with promotional items in that effort.

Mr. Reed denied crediting accounts inappropriately. He conceded that he might not have documented the account adjustments appropriately, however. Specifically regarding the Outback Bowl tickets, Mr. Reed testified that he received the tickets from his friends, and that he did not pay for them. He explained that he has a friendship with some of the football players, and that it was as a result of the friendship that he received the tickets, and not in exchange for any cellular telephone accessories or services.

The record of the hearing identified only one student-athlete by name, which occurred before Judge Renegar was able to admonish the witnesses not to use names because the hearing was a matter of public record. The named student-athlete was among those who agreed to be interviewed in the course of this investigation.

As noted above, Judge Renegar concluded that Mr. Reed violated his employer's policies prohibiting the commission of fraudulent acts or breaches of trust. Judge Renegar referred in this regard to policies stated in Employer's Exhibit One. A section of the exhibit entitled, "Certain Prohibited Conduct," provides a number of examples of conduct prohibited by iPCS, including "[c]ommitting a fraudulent act or a breach of trust in any circumstances." A separate section of the

exhibit is entitled, "Gifts, Favors, Travel and Entertainment." It recognizes that the exchange of social amenities "is a common practice meant to create good will and establish trust in business relationships and is permitted." This provision continues, "[n]o business gift should ever be conditioned upon, or be a reward for, purchasing, prescribing, or promoting the Company's products and services."

Employer's Exhibit One in the hearing expressly prohibits solicitation of gifts, but also provides that employees "may accept small gifts valued at \$150 or less, such as promotional items (T-shirts, mugs, baseball caps), given in the regular course of business." It also states that "small gifts from any party should not exceed \$500 in any year." The policy also provides: "accompanying a business contact to a cultural, sporting event or business meal ... would be acceptable in most cases. However, travel and accommodations create more serious concerns."

University Athletics Department officials report that, although the price of admission to the Outback Bowl varied depending on seating, an average price would be in the range of \$85.00. Average admission to regular season football games would cost approximately \$26.00.

Judge Renegar concluded that Mr. Reed provided unauthorized equipment or services to University football players, his relatives, and two or three other customers. The judge concluded that the unauthorized transactions involving the University football players and Mr. Reed's relatives did not benefit iPCS (and therefore were problematic for Mr. Reed). Those involving the other customers did benefit iPCS. There is no indication that the customers involved in these transactions knew whether they were authorized by or beneficial to iPCS.

Also included in Employer's Exhibit One was an April 6, 2005, memorandum regarding the terms of Mr. Reed's employment, mentioned above as the "Promotion Memo." According to the memo, Mr. Reed was to receive an annual base salary

beginning April 3, 2005, to be supplemented by commission and incentive programs. The "targeted amount" of the commission and incentives was 18.9% of the base salary, although that amount could be exceeded, based on store performance. Testimony at the hearing did not concern the memo, nor did it clarify the impact, if any, of the commission and incentive programs mentioned in the memo. The memo indicates, however, that reductions in store productivity impacted on Mr. Reed's salary as well as on iPCS's earnings.

2. The Student-athletes

Mr. Mims and Ms. Lukas together interviewed eight student-athletes in the course of this investigation. At the beginning of each interview, Mr. Mims reminded the student-athlete of NCAA Operating By Law 10.01.1 regarding honesty and sportsmanship.² Each of the interviews included a discussion of the relationship of the student athlete with Mr. Reed, complimentary admissions provided to Mr. Reed, cellular telephone equipment or services obtained from Mr. Reed, and cellular telephone account adjustments.

Some of the student-athletes did acknowledge purchasing cellular telephone equipment and accessories, sometimes off the internet, and other times from a Sprint outlet. A Bluetooth headset, for example, can be purchased off the internet for \$49.00. Only one student-athlete acknowledged receiving both a Bluetooth headset and a car charger such as those mentioned in the unemployment insurance hearing. That student received it on entering into a new calling agreement from an

² **10.01.1 Honesty and Sportsmanship.** *Individuals employed by (or associated with) a member institution to administer, conduct or coach intercollegiate athletics and all participating student-athletes shall act with honesty and sportsmanship at all times so that intercollegiate athletics as a whole, their institutions and they, as individuals, shall represent the honor and dignity of fair play and the generally recognized high standards associated with wholesome competitive sports.*

employee other than Mr. Reed, well after Mr. Reed had been terminated from employment by iPCS.

If Mr. Reed did provide cellular telephone equipment or services to one of the University's student-athletes, the information available to the University does not indicate how the student-athlete would know whether Mr. Reed was authorized to do so. The items appeared to be typical of the type and value of promotional items offered to customers in the regular course of business. Moreover, according to the testimony at the hearing—from Mr. Reed as well as from Mr. Cochuyt—Mr. Reed was authorized to make account adjustments up to \$500.00 per month, and he could provide items on a promotional basis. Mr. Reed also told the University that he had authority to make account adjustments of \$50.00 without corporate office approval.

After all the interviews were completed, the University asked the student-athletes to provide copies of any telephone equipment and accessory receipts they might have available to them. The University received one receipt, which reflects a December 22, 2005, purchase of a telephone regularly priced at \$349.99, for which the student-athlete paid \$199.99 plus tax. The student-athlete believed the price reduction was a standard promotion for entering into the new service agreement. Mr. Reed recalled this transaction and confirmed that the price reduction was a standard promotion.

As noted above, the University also requested the student-athletes to provide the University with access to their cellular telephone account records. The University also tried unsuccessfully to contact one student-athlete to speak again with Mr. Mims and Ms. Lukas.

3. Complimentary Admission Records

The University's records of complimentary admissions identified four student-athletes who had given Mr. Reed complimentary admissions to the Outback Bowl or to a regular season game. This information in and of itself indicated no wrongdoing on anyone's part. As noted above, players are provided a limited number of complimentary admissions to these games for their guests. Mr. Reed did not attend all the games for which he was provided complimentary admissions. As described below, University records confirmed that he and a guest attended two of the four games for which he was provided admissions.

4. Mr. Reed

Mr. Reed returned Ms. Lukas' call and spoke to her voluntarily on March 27, 2006, and again on April 24, 2006. Maintaining that he treated the University's football players just as he treated his other customers, he denied any wrongdoing in connection with tickets (admissions) to football games. Mr. Reed, a former Division III football player, described his relationship with certain of the student-athletes, and acknowledged receiving tickets or complimentary admissions.

Mr. Reed also acknowledged making adjustments to customer accounts, but only when justified. He explained that Sprint had instituted a new policy within the final three months or so of his tenure with the company, requiring more documentation substantiating the rationale for the adjustment. He conceded that he might not have complied in all respects with that requirement by making the necessary notations in the account record. Nevertheless, he denied making adjustments that were not justified by the facts. Mr. Reed explained that company policy required him to call the corporate offices for approval of adjustments in excess of \$50, or if he (as the store manager) was unable to determine whether the adjustment was warranted.

The University's records confirm Mr. Reed's recollection of his admissions to and attendance at the Outback Bowl and regular season games. Mr. Reed attended the Outback Bowl with a guest who also appeared on the University's admissions records as having attended the game. Mr. Reed attended the Minnesota game on November 19, 2005, with Mr. Cochuyt, described above as Mr. Reed's supervisor at iPCS. Mr. Reed had received complimentary admissions to the Michigan game on October 22, 2005, and the Arizona State University basketball game on December 17, 2005, but denied attending either game. That is consistent with the University's records.

5. Account Records

As mentioned above, two student-athletes accessed their Sprint account records from the company website. Both allowed the University to review those records in the course of this investigation.

One student-athlete's records spanned the period from November 1, 2005, through March 31, 2006, although they do not reflect the opening of the account. Monthly balances on this account fluctuated between approximately \$190.00 and \$310.00. The account included four lines, for which some entries, including "Other Credits and Adjustments," were made separately. Total adjustments on the account ranged from \$48.00 to \$66.87 per month. The individual line adjustments appeared to be based on usage volume, as those lines with higher usage received adjustments of greater value. In addition, the individual line adjustments equaled a separately reported and apparently aggregated "Nationwide Volume Program Discount" in all but two of the months accounted for. The two months were December, when Mr. Reed was still employed by iPCS; and also March, after Mr. Reed had been terminated from the company. In December, the individual line adjustments exceeded the Nationwide Volume Program Discount by \$18.87. In

March, the discrepancy totaled \$14.84. The reason for the discrepancies is not evident from the records, nor do the records reflect who authorized the adjustments.

The second student-athlete's account records reflect account billings from November 12, 2005, to April 11, 2006. Total amounts due on these statements fluctuated from approximately \$120.00 to \$340.00 per month. The account was identified as a new account in the November/December records. Since its opening in November, the account reflects adjustments totaling \$402.65. Adjustments totaling \$120.00 were made between November 12, 2005, and January 12, 2005. The remaining \$282.65 of these adjustments were made in a single month, between March 17 and April 11, 2006—several months after Mr. Reed was terminated from employment. The account records do not reflect who approved the adjustments.

The account records from both student-athletes reflect the "Add-a-Phone Program," mentioned in the unemployment insurance hearing. While the University was not able to determine whether either of these accounts qualified for the program, both accounts participated in the program even after Mr. Reed's termination from employment, suggesting that they were properly enrolled in it.

Conclusions

The University has confirmed that four student-athletes gave Mr. Reed complimentary admissions to Hawkeye games. Mr. Reed received two admissions to the Outback Bowl (one for himself and one for a guest, both of whom attended the game). Mr. Reed and his supervisor, Mr. Cochuyt, attended the Minnesota game on complimentary admissions from a student athlete; but Mr. Reed did not use his complimentary admissions to two other games (one football game, one basketball game). The University's investigation revealed no substantiation that any of these student-athletes received cellular telephone equipment or accessories in exchange for the complimentary admissions to the games.

The accessories discussed in interviews with student-athletes appear to be promotional and provided in the regular course of business. Of course, the University is not able to compare the Sprint account records of its student-athletes with Sprint account records of other customers. Nevertheless, the University's review of account records confirms that adjustments made during Mr. Reed's employment with iPCS were not substantially different from those made by other employees. The University's investigation concludes that provision of accessories and the adjustment of accounts likely were of the type typically made for many customers of the company, and that they were not made in exchange for complimentary admissions to athletic events.

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

Appeal Number: 06A-UI-02262-RT
OC: 01/29/06 R: 03
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.**

JEREMY REED
40 GREEN MEADOW CT UNIT 7
NORTH LIBERTY IA 52317-9486

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

IPCS WIRELESS INC
c/o ADP UNEMPLOYMENT GROUP
UC EXPRESS
PO BOX 66744
ST LOUIS MO 63166-6744

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)

MAR 22 2006

(Decision Dated & Mailed)

Section 96.5-2-a – Discharge for Misconduct
Section 96.3-7 – Recovery of Overpayment of Benefits

STATEMENT OF THE CASE:

The employer, IPCS Wireless, Inc., filed a timely appeal from an unemployment insurance decision dated February 15, 2006, reference 01, allowing unemployment insurance benefits to the claimant, Jeremy Reed. After due notice was issued, a telephone hearing was held on March 14, 2006, with the claimant participating. Jackie Quillinan, Director of Human Resources; Felicia Minney, Fraud and Loss Prevention Coordinator; Steve Steele, Director of Sales Operations; and Brian Cochuyt, Regional Sales Manager; participated in the hearing for the employer. Joe Banaszek was available to testify for the employer but not called because his testimony would have been repetitive and unnecessary. The employer was represented by

Gregory Anello of ADP Unemployment Group, UC eXpress. Employer's Exhibit One was admitted into evidence. The administrative law judge takes official notice of Iowa Workforce Development Department unemployment insurance records for the claimant

FINDINGS OF FACT:

Having heard the testimony of the witnesses and having examined all of the evidence in the record, including Employer's Exhibit One, the administrative law judge finds: The claimant was employed by the employer, most recently as a retail store manager in the employer's store in Coralville, Iowa beginning April 3, 2005, from November 22, 2004, until he was discharged on January 30, 2006. The claimant was discharged for fraudulent and improper behavior and in particular violating certain rules or policies of the employer. The employer has policies prohibiting certain conduct of its employees as shown at Employer's Exhibit One. In particular, the employer prohibits committing fraudulent acts or breaches of trust in any circumstances and provides further that employment may be terminated for such violations. The policy recognizes that certain social amenities or business gifts of a modest value such as small gifts, meals, and entertainment is a common practice but the employer's policy is to use good judgment in moderation when giving or receiving gifts and avoid situations that could compromise or appear to compromise an employee's impartiality. The policies further provide that no business gifts should ever be conditioned upon, or be a reward for, purchasing, prescribing, or promoting the employer's products and services. The employer also prohibits accepting discounts on personal purchases unless such discounts are offered to employees in general. This policy is available to the employees, including the claimant, on the computer. Further, when the claimant was promoted these policies were called to his attention in particular and the claimant signed an acknowledgement also as shown at Employer's Exhibit One

On November 17, 2005, the claimant gave a Blue Tooth Wireless Headset costing \$79.99 to a customer for one penny. This was not done pursuant to any promotion for which the customer was eligible. On December 10, 2005, the claimant gave a travel charger costing \$49.99 to the same customer for one penny and this customer was not eligible for any such promotion. On December 23, 2005, the claimant took in a cell phone in exchange for another cell phone from the same customer. The cell phone which the claimant took in exchange was not on the list of any approved cell phones that were subject to such exchanges. Again the customer was not entitled to or eligible for any such promotion. On December 22, 2005, the claimant took a headset from a customer in exchange for another headset but the headset taken in exchange was not a headset sold by the employer and therefore was not suitable for such an exchange. On December 17, 2005, the claimant again took in a phone in exchange for another phone but the exchanged phone was not on the employer's list of approved exchanges. The list of approved telephones suitable for exchange was available to the claimant

The employer only learned of the accusations of the transactions noted above on or about January 19, 2006 when the employer's comptroller heard from other dealers who were upset at these transactions which cost the other dealers business. At that time the claimant was given a written warning for improper use of "add-a-phones" when he would put more services on a plan than were allowed. The claimant would set up accounts incorrectly to the advantage of customers and disadvantage of the employer. At the time of this warning the employer was only aware of the accusations of the above transactions but began an investigation which revealed that the above transactions actually occurred. Further, pursuant to its investigation the employer learned that the claimant was actually giving away merchandise and making

adjustments to accounts including credits to accounts without proper documentation. The employer discovered at least five adjustments to the account of one customer. In addition two other accounts were adjusted improperly and without proper documentation.

All of the customers involved in the above transactions were University of Iowa football players or, in some instances, relatives of the claimant. None of the above transactions benefited or advantaged the employer. There were two or three other customers that were not University of Iowa football players or relatives that received some preferential treatment but these did benefit or advantage the employer. The claimant received free tickets to the Outback Bowl, as a "gift" from a "friend" who was a University of Iowa football player. At least five customers receiving preferential treatments as noted above were football players on the University of Iowa football team. After the investigation revealed the above matters the claimant was discharged on January 30, 2006.

Pursuant to his claim for unemployment insurance benefits filed effective January 29, 2006, the claimant has received unemployment insurance benefits in the amount of \$324.00 for benefit week ending March 4, 2006 which is the only week for which the claimant applied for benefits.

REASONING AND CONCLUSIONS OF LAW:

The questions presented by this appeal are as follows:

1. Whether the claimant's separation from employment was a disqualifying event. It was.
2. Whether the claimant is overpaid unemployment insurance benefits. He is not because he has received no such benefits.

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 parties agree, and the administrative law judge concludes, that the claimant was discharged on January 30, 2006. In order to be disqualified to receive unemployment insurance benefits pursuant to a discharge, the claimant must have been discharged for disqualifying misconduct. The administrative law judge concludes that the employer has met its burden of proof to demonstrate by a preponderance of the evidence that the claimant was discharged for disqualifying misconduct. The employer's witnesses credibly testified to all of the transactions and other actions of the claimant as set out in the findings of fact. The claimant does not really deny any of those transactions other than to deny that he actually placed credits to accounts without payment. However, the claimant concedes to the credits and concedes further that documentation was not presented for the credits. The claimant argues that he did not know that such documentation was required. This is not credible since the claimant was taking numerous credits toward the account of customers and had been a manager for almost ten months before his discharge. The claimant conceded that he gave preferential treatment to football players from the University of Iowa and that he received free tickets to the Outback Bowl. The claimant seeks to argue that these free tickets were "gifts" from a "friend" but the "friend" was a football player for the University of Iowa football team. The evidence establishes that the only preferential treatment given the customers that did not advantage or benefit the employer were to members of the University of Iowa football team or to relatives of the claimant. The administrative law judge concludes that the transactions and other preferential treatments set out in the findings of fact, and to which the claimant admits, are violations of the employer's policies as shown at Employer's Exhibit One and go far beyond the permitted exchange of social amenities or business gifts of a modest value. The administrative law judge further concludes that these transactions and preferences were done for, among other reasons, the receipt of gifts or other benefits from the University of Iowa football players. The administrative law judge finally concludes that all of these transactions and preferences were deliberate acts constituting a material breach of the claimant's duties and obligations arising out of his worker's contract of employment and evince a willful or wanton disregard of the employer's interests and are disqualifying misconduct.

The claimant also sought to justify his actions by testifying that he was instructed to give preferences to University of Iowa football players by his regional sales manager, Brian Cochuyt. The claimant later changed his testimony to refer to "celebrities." However, Mr. Cochuyt credibly testified that he gave no such instructions or permissions to the claimant either for University of Iowa football players or "celebrities."

In summary, and for all the reasons set out above, the administrative law judge concludes that the claimant's acts, transactions, and other preferences were disqualifying misconduct and, as a consequence, he is disqualified to receive unemployment insurance benefits. Unemployment insurance benefits are denied to the claimant until, or unless, he requalifies for such benefits.

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 administrative law judge concludes that the claimant has received unemployment insurance benefits in the amount of \$324.00 since separating from the employer herein on or about January 30, 2006 and filing for such benefits effective January 29, 2006. The administrative law judge further concludes that the claimant is not entitled to any such benefits and is overpaid such benefits. The administrative law judge finally concludes that these benefits must be recovered in accordance with the provisions of Iowa law.

DECISION:

The representative's decision of February 15, 2006, reference 01, is reversed. The claimant, Jeremy Reed, is not entitled to receive unemployment insurance benefits, until, or unless, he requalifies for such benefits, because he was discharged for disqualifying misconduct. He has been overpaid unemployment insurance benefits in the amount of \$324.00.

cs/tjc

IOWA WORKFORCE DEVELOPMENT

Unemployment Insurance Appeals Bureau
1000 East Grand Avenue
Des Moines, Iowa 50319-0209

**NOTICE THAT AN APPEAL HAS BEEN FILED
AND NOTICE OF TELEPHONE HEARING**
65-5514 (3-03) -- 3091158

CLAIMANT NAME
JEREMY REED

SOCIAL SECURITY NUMBER [REDACTED]	APPELLANT 2	1-CLAIMANT 2-EMPLOYER 3-OTHER
APPEAL NUMBER 06A-UI -02262-R -T		
IOWA EMPLOYMENT SECURITY LAW SECTION(S) AND AGENCY RULES ARE: 96. 5-2-A 96. 5-1 96. 3-7		
DATE MAILED 02-24-06	WORKFORCE CENTER	

**JEREMY REED
UNIT 7
40 GREEN MEADOW CT
NORTH LIBERTY IA 52317 9486**

IPCS WIRELESS INC
% ADP-UCM
P. O. BOX 66744
ST LOUIS MO 63166 6744

IMMEDIATELY CALL WHEN YOU RECEIVE THIS NOTICE TO PARTICIPATE IN A TELEPHONE HEARING, WHICH IS SCHEDULED FOR:

SCHEDULING INFORMATION
Date: TUE MAR 14, 2006 1:00 PM
Iowa Time:

THE JUDGE WILL NOT CALL YOU ON THE DAY OF THE HEARING IF YOU HAVE NOT CALLED THE APPEALS BUREAU IN DES MOINES, IOWA, AS INSTRUCTED

You must provide the telephone number where you can be reached for the hearing as well as the names and telephone numbers of any witnesses you have. Please have the correct spelling for any names you provide. Calls are taken on weekdays from 7:30 a.m. to 4:30 p.m.

If you live in Des Moines Call 281-3747

If you live in Iowa (outside Des Moines)
Call (no charge to you) 1-800-532-1483

If you live OUTSIDE Iowa
Call (no charge to you) 1-800-247-5205

WARNING - You Must Follow These Instructions

THIS HEARING WILL COVER THE FOLLOWING POTENTIAL ISSUES:

WHETHER THE CLAIMANT WAS DISCHARGED FOR MISCONDUCT

WHETHER CLAIMANT VOLUNTARILY LEFT FOR GOOD CAUSE ATTRIBUTABLE TO THE EMPLOYER.

WHETHER THE CLAIMANT IS OVERPAID

Read the important information on the reverse side of this notice.



Employees are expected to cooperate fully with the background checks and investigations policy. Such cooperation includes, among other things, providing truthful and complete information in response to inquiries made by the Company or third party investigators during the course of investigations. Failure to cooperate in these respects, or any attempt to interfere with the Company's implementation of this policy, or the Company's efforts to obtain relevant information, will result in discipline, up to and including termination from employment.

Post-Employment Reference/Verifications

For departing employees, IPCS will verify dates of employment, title and confirm salary if another company calls to do a reference check. All inquiries regarding a current or former Company employee must be referred to Human Resources.

✓ CERTAIN PROHIBITED CONDUCT

IPCS expects employees to follow rules of conduct that will protect the interests and safety of our employees. It is not possible to list all the forms of behavior that are considered unacceptable in the workplace, but the following are examples of infractions of rules of conduct that may result in disciplinary action, including suspension, demotion, and/or termination of employment.

- Falsification of employment records, employment information, or other records.
- Recording the work time of another employee, allowing any other employee to record your work time, or allowing falsification of any time card, whether your own or another employee's.
- Recording a sale of another employee as your own, allowing any other employee to record your sale as his or her own, or falsifying any other sales, commission or bonus information.
- Theft or the deliberate or careless damage of any Company property or the property of any employee or client.
- Unauthorized use of Company equipment, time, materials, or facilities.
- Possessing, distributing, selling, transferring, or using – or being under the influence of – alcohol or illegal drugs in the workplace.
- Provoking a fight or fighting during working hours or on premises owned or occupied by the Company.
- Carrying firearms or any other dangerous weapons, at any time, on premises owned or occupied by the Company.
- Engaging in criminal conduct whether or not related to job performance.
- Insubordination, including but not limited to failure or refusal to follow the directions or instructions of any supervisor or member of

EXHIBIT

Employee Handbook
Revised March 8, 2005

[Handwritten signature]

management, or the use of abusive or threatening language toward any supervisor or member of management.

- Using profane or abusive language at any time during working hours or while on premises owned or occupied by the Company.
- Unreported absence of three consecutive scheduled workdays.
- Failing to observe working schedules, including rest and lunch periods.
- Abusing paid time off.
- Failing to provide a physician's certificate when requested or required to do so.
- Making or accepting non-urgent personal telephone calls during working hours.
- Working overtime without authorization or refusing to work assigned overtime.
- Violating any safety, health, or security policy, rule, or procedure of the Company
- ✓ Committing a fraudulent act or a breach of trust in any circumstances.
- Leaving the Company premises or job during your working hours without securing permission from your supervisor.
- Removing Company property from the premises without obtaining permission from your supervisor.
- Using abusive, obscene, profane or threatening language on the job site.
- Being absent from a team or Company meeting or training session you are asked or required to attend

Although employment may be terminated at will by either the employee or the Company at any time without following any formal system of discipline or warning, the Company may, at its discretion, utilize forms of discipline that are less severe than termination. Examples of less severe forms of discipline include verbal warnings, written warnings, demotions and suspensions. While one or more of these forms of discipline may be taken, no formal order or procedures are necessary.

This Handbook addresses many but not all areas of prohibited conduct. Seek guidance from your manager or Human Resources if you are unclear of any policy or procedure.

EMPLOYMENT AT-WILL

Employment at iPCS may be terminated for any reason, with or without cause or notice, at any time by you or iPCS. This policy of at-will employment is the sole and entire agreement between you and iPCS as to the duration of employment and the circumstances under which employment may be terminated. Nothing in this Employee Handbook or in any oral or written statement shall limit the right to

Board Memberships

Employees may serve on the board of directors of community or not-for-profit organizations if the activity does not impair one's ability to do their job. Secure management's approval prior to engaging in this type of activity to ensure it does not create a conflict of interest or other problem with employment at iPCS.

Serving on the board of directors of any for-profit company requires prior managerial approval. Employees may not serve on the board of directors of a competitor of iPCS or a company, which has a significant commercial relationship with iPCS without the approval of the Chief Restructuring Officer (CRO).

Company Loans

The Company will not, directly or indirectly, extend or maintain credit or arrange for the extension of credit, or renew an extension of credit, in the form of a personal loan to or for any director or executive officer, except as permitted by law.

Personal Relationships

To avoid conflicts of interest, the Company avoids hiring close relatives. At no time should a close family relative report to another close relative, directly or indirectly. The actions of close family members and close personal friends *outside* the workplace can also constitute a conflict when the actions can potentially influence your objectivity in making business decisions. Examples include: gifts offered to family or friends by suppliers, significant investments in customers, competitors or suppliers by family or friends or influential positions in competing companies held by family and friends.

GIFTS, FAVORS, TRAVEL AND ENTERTAINMENT

Exchanging social amenities or business gifts of a modest value such as small gifts, meals and entertainment is a common practice meant to create good will and establish trust in business relationships and is permitted. Company policy is to use good judgment and moderation when giving or receiving entertainment or gifts, and avoid situations that could compromise or appear to compromise your impartiality. With respect to gifts, as a general rule it is against Company policy to offer or accept cash or cash equivalent, such as a money order. No business gift should ever be conditioned upon, or be a reward for, purchasing, prescribing, or promoting the Company's products and services.

Solicitation of gifts is never appropriate. From time to time, the Company will ask its customers, suppliers, and consultants whether our employees have solicited gifts or entertainment. You may accept small gifts valued at \$150 or less, such as promotional items (T-shirts, mugs, baseball caps), given in the regular course of business. Obtain approval from the Compliance Administrator if the gift is materially significant in value or if acceptance of it could create the appearance of being significant. However, small gifts from any party should not exceed \$500 in any year. It is against Company policy to give money or anything of value to any United States government employee, for any purpose.

It is against Company policy to accept discounts on personal purchases of a supplier's or customer's products or services unless such discounts are offered to iPCS employees in general. Never solicit or accept favorable treatment on loans or other services unless they are broadly available. Any questions regarding the

appropriateness of a gift should be addressed with the manager or Human Resources.

iPCS employees may accept entertainment that is reasonable in the context of the business or that advances the Company's interests. For example, accompanying a business contact to a cultural, sporting event or business meal, or attending a supplier's holiday or celebration function, would be acceptable in most cases. However, travel and accommodations create more serious concerns. Do not accept travel or accommodations without managerial consent.

Even if the entertainment has a business purpose, accepting travel and lodging can create the appearance of impropriety. Review your request with the Compliance Administrator prior to participating. If the trip truly has a business purpose, perhaps iPCS should pay for it. If the business purpose is minor, perhaps you should pay your own way. You may not entertain guests, employees, or customers in establishments focused on "adult entertainment" (such as nude dance clubs), which are not suited for general business.

Failure by an employee to comply with this policy is considered a violation of Company policy and will be subject to disciplinary action, up to and including termination.

MARKETING INTEGRITY

The Company is committed to the truthful and accurate communication of information about our products and services to governmental and regulatory officials, customers and the general public. It is against Company policy for promotional materials to be misleading, deceptive, fraudulent or insincere. Company policy is to make sure that any promotional materials regarding our products will:

- Be supported by sound data;
- Be consistent with local product labeling;
- Include an appropriate balance of information on both benefits and risks; and
- Be approved through the Company's system for promotional review.

Failure by an employee to comply with this policy is considered a violation of Company policy and will be subject to disciplinary action, up to and including termination.

PATENTS, TRADEMARKS, AND COPYRIGHTS

Company patents, trademarks, trade secrets and copyrights are assets to be protected. It is important that we identify and disclose to the Company any new works of authorship, technological or unique solutions to business problems. This will enable our Company to take measures to protect these new works from infringement under proprietary information laws. Any product whose content is protected under a trademark should be marked with the appropriate symbols such as "®" (registered

May 1 2006 10:56AM

ADP

31 No. 2746 005 P. 11.06.08

2005 03:29AM FROM-IPCS WIRELESS-DAVENPORT, IA

+5624684778

T-448

P 001/001 F-014



TO: Jeremy Reed
 C: Jackie Gullinan
 FROM: Brent Miller
 DATE: April 6, 2005
 SUBJECT: Your Promotion

It is my pleasure to confirm the details of your promotion from Assistant Store Manager to Retail Store Manager for Coralville, IA. The following conditions apply:

- Your promotion date is Sunday, April 3, 2005.
- Your base salary will now be increased to \$90,000 per year.
- This is an exempt position and, therefore, you are not eligible for overtime compensation.
- As a Retail Store Manager, you will participate in our commission and incentive programs. The targeted amount is approximately \$17,000 per year and may be exceeded, based on store performance.
- All other provisions and policies adopted by IPCS will apply. For additional policies, procedures and guidelines please refer to our Handbook and Standards of Business Conduct Guide.

Please confirm your acknowledgement by signing below and returning to Human Resources by fax at (847) 885-7137.

Employee Acknowledgment

I have reviewed and agree to the provisions as outlined above. I acknowledge that my employment with IPCS is at-will and may be terminated by either party for any reason. I further acknowledge that the above guidelines, policies and procedures are subject to change. I will remain current about and effectively administer all IPCS policies and practices.

[Signature] Name
4-6-05 Date

Guarantee for April

1901 N. Roselle Road, Suite 500, Schaumburg, IL 60195

Fax: (847) 885-7137

UNEMPLOYMENT INSURANCE DECISION
Any correspondence must include claimant name,
social security number and original claim date.

Iowa Workforce Development
1000 East Grand Avenue
Des Moines, Iowa 50319-0200

SOCIAL SECURITY NO. [REDACTED]
ORIGINAL CLAIM DATE 01/29/06 REF=01
FILE NUMBER A6 521 A 0
DECISION DATE 02/15/06
CLAIMS OFFICE 030830
EMPLOYER ACCOUNT NO. 303854-000
NOTIFICATION DATE IF OTHER THAN DECISION DATE

JEREMY REED
UNIT 7
40 GREEN MEADOW CT
NORTH LIBERTY IA
52317-9486

IPCS WIRELESS INC
§ ADP-UCM
P. O. BOX 66744
ST LOUIS MO 63166

DECISION:
YOU ARE ELIGIBLE TO RECEIVE UNEMPLOYMENT INSURANCE BENEFITS AS LONG AS YOU MEET ALL THE OTHER ELIGIBILITY REQUIREMENTS. THE EMPLOYER'S ACCOUNT MAY BE CHARGED FOR BENEFITS PAID.

EXPLANATION OF DECISION:
OUR RECORDS INDICATE YOU WERE DISMISSED FROM WORK ON 01/30/06, FOR ALLEGED MISCONDUCT. HOWEVER, YOUR EMPLOYER DID NOT FURNISH SUFFICIENT EVIDENCE TO SHOW MISCONDUCT.

LEGAL REFERENCE:
THIS ALLOWANCE WAS MADE UNDER IOWA ADMINISTRATIVE CODE SECTION 971-24.32(1)A. A COPY IS AVAILABLE AT ANY WORKFORCE DEVELOPMENT CENTER.

TO APPEAL THIS DECISION:
THIS DECISION BECOMES FINAL UNLESS AN APPEAL IS POSTMARKED BY 02/25/06, OR RECEIVED BY IOWA WORKFORCE DEVELOPMENT APPEAL SECTION BY THAT DATE. IF THIS DATE FALLS ON A SATURDAY, SUNDAY, OR LEGAL HOLIDAY, THE APPEAL PERIOD IS EXTENDED TO THE NEXT WORKING DAY.

QUESTIONS:
IF YOU HAVE QUESTIONS OR NEED INFORMATION, CALL THE WORKFORCE DEVELOPMENT CENTER AT (319) 351-1035 BETWEEN 9 A.M. AND 3 P.M.

**APPEAL
INFORMATION
INSIDE**

ON-LINE MONETAR



IOWA WORKFORCE DEVELOPMENT
NOTICE OF UNEMPLOYMENT INSURANCE
FACT-FINDING INTERVIEW
65-6315 (7-00) - 3090619 - PART 1

[Handwritten signature]

JEREMY REED
UNIT 7
40 GREEN MEADOW CT
NORTH LIBERTY IA 52317-9486

DUE-02/21/06
02/01/06-AUT

SOCIAL SECURITY NUMBER	O.C. DATE	REFERENCE NUMBER
[REDACTED]	01/29/06	01-3
ISSUE DATE	A.C. DATE	CONTROL DATE
01/30/06		02/11/06

Appearances by Employer Claimant

ISSUE TO BE RESOLVED: DISCHARGED

IPCS WIRELESS INC
% ADP-UCM
P.O. BOX 66744
ST LOUIS MO 63166

INTERVIEW WILL BE HELD FOR THE CLAIMANT x EMPLOYER
AT THE TIME AND LOCATION LISTED BELOW.

WORKFORCE CENTER SEATED INTERVIEW BRING THIS NOTICE ON _____ (DATE) _____ (TIME)

TELEPHONE FACT-FINDING INTERVIEW WORKFORCE CENTER WILL CALL ON _____ (DATE) _____ (TIME)

LOCATION: Tue 02-14-06 3:00pm CT

EMPLOYER NUMBER 303854	LOCATION CODE 000	DEPLOY NUMBER No	DECISION LETTER # 521
VARIABLE 1 013006	LOCK/UNLOCK CODE	1-LOCK 2-UNLOCK 3-LOCK INDEFINITE 4-UNLOCK INDEFINITE	LOCK/UNLOCK REASONS 1-A&A 2-RW/A 3-VQ 4-LD 5-MISSON 6 OTHER 7-2nd Bus. Year
VARIABLE 2		FROM W/E 02/04/06	THRU W/E 04/30/06
VARIABLE 3			
VARIABLE 4			

Iowa Workforce Development
902 W. Kimberly Rd
Davenport, IA 52806
Telephone: 563-445-3247
FAX: 563-445-3240

WBA- 324	PGM- UI	EB- NO	LAST EMP- 303854 000	IPCS WIRELESS INC
ACCT LDC E W	EMP NAME	4/04	1/05	2/05
303854 000 C 1	IPCS WIRELESS IN	3047.03	11659.21	15523 98
191719 000 C 1	ZALES	6064.60		20368 35
				16866.19
				2021.53

IF TELEPHONE CONTACT WAS NOT MADE - RECORD RESULTS BELOW. (EXAMPLE: BUSY SIGNAL, NO RESPONSE, INDIVIDUAL NOT AVAILABLE, ETC.)

CLAIMANT	DATE	TIME	Number of times telephone rang	Results
First attempt	2-14-06	3:00		left message on voice mail to return call in 20 minutes
Second attempt				
Final attempt				

IF TELEPHONE CONTACT WAS NOT MADE - RECORD RESULTS BELOW. (EXAMPLE: BUSY SIGNAL, NO RESPONSE, INDIVIDUAL NOT AVAILABLE, ETC.)

EMPLOYER	DATE	TIME	Number of times telephone rang	Results
First attempt	2-14-06	3:04		left message on voice mail to return call in 20 minutes
Second attempt	2-14-06	3:24		left message on voice mail, record closed, gave approx information
Final attempt				

Decision Justification Statement:

Workforce Center Representative Debra H. [Signature] 2-14-06

FACT FINDING WORKSHEET FOR MISCONDUCT

SOCIAL SECURITY #	COMPANY	ACCOUNT NUMBER
[REDACTED]	IPCS Wireless	303854-000
CLAIMANT NAME		O.C. DATE
Jeremy Reed		01/29/06

DEFINITION: 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 even if 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 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 interest of the employee's duties and obligations to the employer. On the other hand mere inefficiency, unsatisfactory conduct or 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 this statute.

Gross misconduct shall be defined as misconduct involving an indictable offense in connection with the claimant's employment, provided that such claimant is duly convicted or has signed a statement admitting that such claimant has committed such act.

REMINDER: Keep in mind that unless the act that results in the discharge is flagrant, some type of warning must have been issued prior to the discharge. Also, the act that results in the discharge must in itself be misconduct. Example: A truck driver loses his license due to driving violations 10-01-91, and the employer permits the driver to work as a truck mechanic and fires him on 11-15 for losing his license. There is no misconduct, as the firing was not a current act.

1. Claimant began above employment on 11/22/04 and ended on 1/30/06 Job Title: store manager
2. Was employee provided a set of work rules? YES or NO If NO, please explain.
3. Explain in detail what act or omission resulted in discharge. (Give names of individuals, dates of occurrences, write exactly what happened, and whatever was said, even if you find it offensive)
4. **WARNINGS**
 - 4a. Was the employee given written warnings? YES or NO If YES, attach copies of the written warnings, if available, If NO, please explain.

4b. Was the employee given verbal warnings? YES or NO If YES, list name of supervisor who gave the warnings, and the dates of the warnings If NO, please explain.

Employer Representative Name:) Did not participate

EMPLOYER STATEMENT: Did not participate

CLAIMANT STATEMENT: Began working on 11/22/04 last employed as a full time store manager. I was terminated on 1/30/05 by Joe (general manager of Illinois and Iowa) because he said I was using company assets for personal gain. In helping customers I did sometime give discounts. They said this was for my own interest and not the companies. At the beginning of the month I was given a written warning in regards to the store "score card". This was in regards to overall store operations. The last month or two I did wonder about my job as I thought the business might be sold. It was not due to my job performance.

EMPLOYER REBUTTAL:

CLAIMANT REBUTTAL:

REMINDER: Any absence that was excused by a supervisor, any absence excused according to work rules, or any absence that is covered by a licensed and practicing physician is considered an 'excused' absence and cannot be used in determining discharge for misconduct. Cosper 12-84

SECTION I

1. Since separation of your employment on ?? (Issue Date) have you earned 10X your WBA in insured employment? Yes (Source): WREM Other (Attached Proof) No