

SC92208, Arnaz Crawford v. Division of Employment Security

Appeal from the labor and industrial relations commission

Argued and submitted May 9, 2012; opinion issued July 31, 2012

Attorneys: Crawford was represented by Martin L. Perron and Maria V. Perron of The Perron Law Firm PC in St. Louis, (314) 993-4261, and John J. Ammann and Julia Hodges of Saint Louis University Law Clinic in St. Louis, (314) 977-2779. The division was represented by Jeannie Desir Mitchell of the division of employment security in Jefferson City, (573) 751-3844.

This summary is not part of the opinion of the Court. It has been prepared by the communications counsel for the convenience of the reader. It neither has been reviewed nor approved by the Supreme Court and should not be quoted or cited.

Overview: A man found eligible to receive social security disability benefits due to a mental condition appeals the labor and industrial relations commission's decision that, within the meaning of Missouri law, he is ineligible to receive unemployment compensation benefits he had been awarded, which the commission seeks to collect. In a 7-0 decision written by Chief Justice Richard B. Teitelman, the Supreme Court of Missouri reverses the commission's decision to the extent it authorizes the division to collect the man's overpayment under section 288.380.12 or 14, rather than section 288.380.13, but affirms the decision in all other respects. The commission did not err in finding the man is not eligible for unemployment compensation but did err in the manner in which it authorized the division to collect the unemployment compensation that was awarded but that later was determined to be an ineligible award.

Judge David M. Byrn, a circuit judge in the 16th circuit (Jackson County), sat in this case by special designation in place of Judge George W. Draper III.

Facts: After he was fired from his job in January 2009, Arnaz Crawford was admitted voluntarily to a state mental health facility for a week. On his doctor's advice that his mental condition rendered him unable to work, Crawford applied in February 2009 for social security disability benefits. While Crawford's appeal of the denial of benefits was pending, Crawford attempted unsuccessfully to find a job. In July 2009, he applied for state unemployment benefits, which require a showing that he is able to work but unemployed. The division of employment security awarded Crawford unemployment benefits, which he received until March 2010 after the social security administration determined that Crawford had been disabled and eligible for social security disability benefits since January 2009. After Crawford notified the division of employment security that he was eligible for social security disability benefits, a division deputy determined that Crawford was ineligible for unemployment compensation benefits and that he had received nearly \$3,100 in unemployment compensation benefits that he was ineligible to receive. An appeals tribunal affirmed the deputy's decisions, and the labor and industrial relations commission affirmed the tribunal's decision. Crawford appeals.

AFFIRMED IN PART AND REVERSED IN PART.

Court en banc holds: (1) The commission did not err in finding that Crawford is ineligible for unemployment compensation benefits.

(a) The determination that Crawford is ineligible for unemployment benefits does not violate the Supremacy Clause of the federal constitution. The regulations governing social security disability benefits provide that a person can receive such benefits even if he is able to engage in part-time work. Nothing in the regulations prohibits the division of employment security from finding retroactively that recipients of these federal benefits are ineligible for state unemployment because, in fact, they are not able to work. Further, Crawford could have appealed the social security disability benefit decision to account for the fact that he no longer was eligible for state unemployment benefits. Additionally, there is no indication here that Missouri is punishing Crawford for participating in the federal social security disability program.

(b) Crawford failed to preserve for appeal his argument that the deputy did not show “good cause” necessary under section 288.070.5, RSMo, before reconsidering the division’s initial determination that Crawford was eligible for benefits. Crawford’s application for review asserted only that the division’s decision was against the weight of the evidence; he did not assert that the division lacked statutory authority to reconsider his eligibility for benefits.

(c) The commission did not violate section 288.215.2, RSMo, in considering the social security administration’s disability finding. Although this statute reflects a legislative intent to prohibit proceedings outside the state employment security law from having a binding effect on the commission, it does not mean the commission must ignore the findings made in this independent proceeding.

(d) There was substantial and competent evidence supporting the commission’s decision that Crawford was unable to work. It did not consider itself bound by the social security administration’s decision but also considered Crawford’s testimony about his symptoms as well as the substance of exhibits Crawford provided to the commission.

(2) The commission erred in authorizing the division to collect from Crawford the overpayment in unemployment compensation benefits pursuant to subsections 12 and 14 of section 288.380, RSMo. The issue of what methods the division can use to collect overpayments is ripe (ready) for review because it requires simply the application of the law governing the division’s authority to collect overpayment and Crawford – who is unemployed and unable to work – faces hardship if judicial relief is denied. Subsections 12 and 13 of section 288.380 authorize different measures of collecting overpayment of unemployment compensation depending on whether the overpayment resulted from misrepresentation or a simple mistake, respectively, while subsection 14 provides that “any person” to whom unemployment benefits were overpaid is subject to billing, income-tax setoffs and a number of other collection methods. Subsection 14, however, should be read as a further elaboration of the measures the division may take to collect from those who are liable to repay under subsection 12. This interpretation is supported by section 288.381, which unambiguously provides that when the division retroactively determines that a claimant has been overpaid, the overpayment shall be collected pursuant to the collection methods outlined in subsections 12 and 13. In this case, Crawford's overpayment was the result of mistake – not misrepresentation – and subsection 13 applies.