

SUMMARY STATEMENT
Flynn v. Sun Valley Brewing Company
Docket No. 50921

This appeal arises out of an Idaho Industrial Commission (“Commission”) decision that disqualified Sean Flynn from receiving unemployment benefits. Flynn was laid off from his primary job at Sun Valley Brewing Company (“Sun Valley Brewing”) during the early days of the COVID-19 pandemic. When Flynn applied for unemployment benefits, he received a copy of a pamphlet from the Idaho Department of Labor (“IDOL”), which provided instructions on how to complete weekly certification forms and contained admonitions that a failure to accurately report earned income was considered unemployment benefits fraud. On his weekly certification forms Flynn consistently marked “no” in response to the question “Did you work for an employer during any part of the week?” even though he was working part-time for the Community School during those weeks. During the week Flynn returned to full-time work at Sun Valley Brewing, his reported income was less than what Sun Valley Brewing reported.

During a routine audit, IDOL discovered discrepancies in Flynn’s weekly certification forms. IDOL sent Flynn a letter that informed him that he was disqualified from receiving unemployment benefits and ordered him to repay the benefits he had received plus a civil penalty. Flynn appealed to the Appeals Examiner, which determined that Flynn had not “willfully” omitted the income from his part-time job. IDOL appealed to the Commission, which reversed the Appeals Examiner, finding that Flynn was disqualified from receiving unemployment benefits because Flynn “willfully omitted a material fact” or “willfully made a false statement” to receive unemployment benefits. Flynn appealed to the Idaho Supreme Court. On appeal, Flynn argued that he made an honest mistake when he completed the forms and maintained that he did not actually know his omissions included facts that he needed to disclose to IDOL. He maintained that the Commission applied the wrong standard to his case and asked the Idaho Supreme Court to clarify what the term willfully means in an unemployment benefits context.

The Idaho Supreme Court affirmed the Commission’s decision. The Court concluded the Commission’s decision was based on substantial and competent evidence that Flynn’s omissions were willful because IDOL provided Flynn with clear instructions on how to complete the certification forms, the question asked of Flynn was unambiguous, and Flynn failed to accurately report his income after he had certified he understood he was going to be held responsible for knowing the information provided to him in the pamphlet. The Court acknowledged that more recent cases in the unemployment benefits context have considered whether a claimant “knew or should have known” that certain facts needed to be disclosed to determine whether the claimant’s conduct was willful. The Court held that the Commission did not err when it determined that Flynn was disqualified from receiving unemployment benefits because he willfully made a false statement or omission in order to obtain benefits.

******This summary constitutes no part of the opinion of the Court, but has been prepared by
court staff for the convenience of the public******