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NEWS RELEASE

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Appeals Board Rules Retired Police Officer in DROP Improperly Received Unemployment Benefits

San Diego, CA: On Friday, January 10th, the California Unemployment Insurance Appeals Board (Appeals Board) ruled (see attached ruling) in favor of the City in denying retired employee Jorge Leon unemployment benefits after he had voluntarily retired through the Deferred Retirement Option Program (DROP). In October 2013, an Administrative Law Judge (ALJ) granted unemployment benefits to Jorge Leon, a retired city employee even though he voluntarily entered the City's DROP program with a commitment to retire at the end of five years. The board agreed with the City Attorney's Office position that the granting of such benefits was improper.

Leon contended that he did not voluntarily quit but was forced to leave work due to the terms of the DROP program. However, the DROP program is completely voluntary and Leon could have chosen not to enter the DROP program and, instead, continue his employment with the city with full salary and benefits.

The Appeals Board found that it was financial incentives alone which prompted his participation in the DROP program and that the claimant did not act as a person genuinely interested in maintaining employment with the city. Therefore the claimant left his employment voluntarily and accordingly the Board found the claimant is disqualified to receive unemployment benefits.

"In October our office chose to pursue an appeal of the Administrative Law Judge's ruling in the Leon case. We chose to pursue this appeal because we viewed this as a flagrant abuse of the system and we did not want to open the possibility of other DROP participants claiming benefits. We cannot allow former employees who voluntarily retire to double and triple dip at the expense of the taxpayers." Goldsmith added, "This is a victory on behalf of the City of San Diego and its taxpayers."

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