

**'GRAB BAG' FOR THE IDLE** (continued)

# THE LOOPHOLES: claims like these

## ▶ Subsidized Motherhood

Within less than a year's time, a railroad stenographer drew \$390 in sickness benefits, \$975 in maternity

benefits and another \$268.98 in sickness benefits. Then she worked a month, earned \$447, drew vacation pay and resigned. And the dip resumed. She drew \$908 sickness benefits, then (just a few months later) began drawing additional sickness benefits and, later, maternity benefits—again. On both the latter draws, she was eligible to receive up to \$447. All this with less than one month's service over a 26-month period.

● A car cleaner got maternity benefits of \$810. Then she worked a bit more than 10 months. Furloughed for two and a half months, she drew unemployment benefits of \$320. Then it was back to work for less than two months, followed by this series of draws: Unemployment, \$64; maternity, \$832, unemployment, \$231. Benefits paid totaled \$2,257. Basic earnings amounted to only \$2,661.

● A bill clerk who quit her job voluntarily Aug. 31, 1955, collected maternity benefits totaling \$910 on her (fiscal) 1954 earnings, then came back about a year later to collect \$780 on her 1955 earnings.

● Another employee collected maternity benefits of \$1,105 between July 17, 1957, and Jan. 10, 1958. On that date, she requested and received vacation. She resigned on Jan. 31, when her vacation period terminated. Then, from March 3 to Sept. 15, 1958, she drew \$1,420 in unemployment benefits.

● Here's an employee who resigned in May 1956, after only eight months' service (as luck would have it, four months in fiscal 1955 and four months in 1956). In 1957, she drew \$975 in maternity benefits, based on 1955 earnings. A year later, she drew another \$975 in maternity benefits, based on 1956 earnings. Only the years were different.

● Still another employee worked from May 1956 through April 15, 1958, with creditable earnings totaling \$8,351. Then: April 17, 1958, to Aug. 10, maternity benefits, \$1,105; Sept. 16, 1958, to April 15, 1959, unemployment benefits, \$1,079.50. Here she went to work for the government for a brief spell (a little more than four months), was furloughed and started collecting benefits again from the railroad unemployment insurance account, drawing \$1,275 in unemployment benefits and following that up with another draw of \$1,256.20 in maternity benefits—not from her last employer, because the government does not pay such benefits but from the railroad unemployment insurance account. The grand total: \$4,715.70—and all on creditable earnings of \$8,351.

## ▶ How to Strike It Rich

Just in fiscal 1960-61, from July 1 to the present time, unemployment benefits totaling \$8,005,000

have been paid to about 98,000 claimants—all of them idled because of strikes. About \$2,000,000 went to actual strikers; and the rest went to employees furloughed by work stoppages—and to those who refused to cross strikers' picket lines.

● Biggest of the strike bites came when Mike Quill's TWU and the AFL-CIO system federation struck the Pennsylvania. The walkout came after the organizations rejected settlement recommendations of a neutral referee and a Presidential fact-finding board. Settlement eventually came on terms which the railroad said could have been had without a strike. But there was a strike. It cost the unemployment insurance account about \$6,250,000. And every nickel in that account is paid by railroads.

● When Jimmy Hoffa's Teamsters hit Railway Express in 1957, it was a \$2,800,000 blow to the unemployment insurance fund. Striking drivers, 1,745 strong, were getting \$61,000 per week. About 6,420 other REA employees—those furloughed, those refusing to cross Teamster lines—got \$175,000 per week. And some 7,500 railroad employees, laid off because of the work stoppage, got about \$260,000 per week.

## ▶ The High Cost Of Firing

A trainman, discharged Jan. 1, 1955, for being drunk on duty, went

on to collect unemployment insurance benefits for 52 weeks, totaling more than \$2,000. He was paid January-June on his 1953 earnings, July-December on 1954 earnings.

● A switchman, discharged July 31, 1957, for "non-payment of union dues" drew \$1,105 in unemployment benefits between Aug. 1, 1957, and Feb. 5, 1958—and then another \$1,105 between July 1, 1958, and Jan. 5, 1959.

● Another employee, discharged in October 1956 for "excessive absenteeism," collected \$1,032.51 through February 1957 and \$522.84 more after July 1, 1958.

● Then there was the employee discharged in February 1957 for "responsibility for wreck." He went on to draw unemployment benefits totaling \$1,870 and sickness benefits amounting to \$587.

● Six employees were arrested and charged with looting freight shipments. Each of them filed claims for unemployment insurance the same day they were released on bail (the others followed one and two days later). They were discharged by their employer and were con-



# Cost railroads \$55 million a year

victed on the following day. What's happened? Well, one man has collected \$1,300 in unemployment benefits and continued to collect through 1960. In all, three are still drawing benefits. And a footnote: Shipments looted were valued at \$50,000. Upon conviction, the defendants were fined \$100 each and received one-year sentences—which were suspended.

● This employee was discharged for robbery (convicted in 1959, fined \$100 and sentence suspended). He began drawing unemployment benefits immediately and will collect a total of \$2,101.20 before benefits are exhausted.

● Here's an employee with total railroad service of 14 months, in which he earned \$4,290.84. He was discharged for just cause—"false statement"—and since then has drawn \$2,767.80 in unemployment benefits. It happened this way: After discharge Nov. 22, 1957, he drew benefits totaling \$810 between Nov. 25 and April 26, 1958. On July 2, 1958, the start of a new benefit year, he began drawing again and got \$1,105 through Jan. 26, 1959. Then—under the legislative amendments of 1959, he was awarded \$213.20 retroactively. And finally, he applied for temporary benefits under the 1959 amendments and got \$639.20 for the period Feb. 2, 1959, through May 10, 1959.

● Men may be discharged for Rule G violations—but they're sober enough when it comes time to collect unemployment benefits. In 1959-60, the account paid \$746,410 to claimants discharged or suspended for observing the rule in the breach.

## ▶ **Quitting Can Be Fun!**

A veteran clerical employee resigned back in 1956 to "enter real estate business." Unemployment benefit collections amounted to \$1,105 based on 1955 earnings, another \$1,105 on 1956 earnings—for a total \$2,210, all received after voluntarily quitting the railroad business.

● A laborer worked four months, earned \$896.08 and quit. Subsequently, he drew that same amount in unemployment insurance benefits—while he was roaming around in four western states.

● A clerk voluntarily quit in 1957 because she "didn't like the job." But she drew \$1,040 in unemployment benefits between Nov. 15, 1957, and May 29, 1958, and then got another \$175.50 between July 1 and July 20, 1958.

● A telegraph operator who quit—without notice—July 3, 1959, went on to draw unemployment benefits totaling \$1,229.81 between Nov. 4, 1959, and July 6, 1960.

● Many others leave the same record behind. A section laborer quit in July 1959 and moved back to his home state. He got \$1,274.88 in benefits. A yardman quit in August 1959. He drew \$1,167.39 in benefits through May 12, 1960.

## ▶ **Double Indemnity**

An employee, over 65 years of age and entitled to an annuity under Railway Retirement, was laid off Oct. 22, 1955. He requested his annuity effective March 1, 1956—and collected \$975 in unemployment benefits in the interim.

● This employee had just 114 months' service—six short of the minimum required for a Railroad Retirement annuity—when he left the service in December 1957. From Jan. 3, 1958, to March 26, 1958, he drew \$875.93 in unemployment benefits. Then he was awarded a Social Security annuity retroactive to January 1957 and \$551.87 of the \$875.93 paid him under the RUIA was recovered. But—he went on to be employed in outside industry from July 1958 until October 9, 1958, when he was injured. This, remember, was 10 months after his last railroad service. He then began claiming sickness benefits (based on 1957 railroad earnings) and through June 30, 1959, he collected \$1,225—the difference between his Social Security annuity and his **entitlement** under the Railroad Unemployment Insurance Act.

## ▶ **'There is A Limit'**

Here's a claimant who filed for and received unemployment insurance benefits while he was employed by outside industry. Amount of the fraudulent claims was determined to be \$1,260—\$260 under his total benefit entitlement of \$1,520. Claimant was convicted and served 60 days in jail. On the day after his release—which was beyond the 75-day period of disqualification for making fraudulent statements—he began filing for unemployment benefits and, under the law, collected the remaining \$260.

● A railroader, deeply in debt, pleaded guilty to accepting six unemployment benefit checks while he was actually holding a job in outside industry. His attorney pleaded for mercy for his client—father of one child, with another on the way; sole support of the family; no previous record. Restitution of \$600 had been made. But the judge was quoted this way: "This is not the first time we have been through this. We've had a number of similar violations in recent weeks. . . . The court is human and is sympathetic—but there is a limit the court can go. . . . If sympathy is to rule the court, then we are in trouble. And there is no sense in having any courts. . . . A judge must remember that the mercy he gives is not his own, but that of society—the community. And the whole theory of criminal law is punishment to deter others." Sentence: 59 days in prison, \$100 fine.

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