EO: Intrastate
BYE: 29-Aug-2026

State of Oregon
Employment Appeals Board
875 Union St. N.E.
Salem, OR 97311

224
DS 005.00

EMPLOYMENT APPEALS BOARD DECISION
2026-EAB-0216

Affirmed
Disqualification

PROCEDURAL HISTORY: On October 13, 2025, the Oregon Employment Department (the Department) served notice of an administrative decision concluding that claimant was discharged, but not for misconduct, and was not disqualified from receiving unemployment insurance benefits based on the work separation (decision # L0013721843). The employer filed a timely request for hearing. On January 28, 2026, and continuing on February 12, 2026, ALJ Parnell conducted a hearing, and on February 18, 2026 issued Order No. 26-UI-320702, reversing decision # L0013721843 by concluding that claimant was discharged for misconduct and was therefore disqualified from receiving benefits effective August 10, 2025. On March 3, 2026, claimant filed an application for review with the Employment Appeals Board (EAB).

WRITTEN ARGUMENT: Claimant's argument contained information that was not part of the hearing record and did not show that factors or circumstances beyond claimant's reasonable control prevented him from offering the information during the hearing. Under ORS 657.275(2) and OAR 471-041-0090 (May 13, 2019), EAB considered only information received into evidence at the hearing. EAB considered any parts of claimant's argument that were based on the hearing record.

FINDINGS OF FACT: (1) Altman Browning & Company employed claimant at their engineering firm from February 2024 through August 13, 2025, initially with the title of vice president, and later president. While claimant held the title of president, the chair of the board of directors, "AK," oversaw claimant's day-to-day work.

(2) The employer had a written confidentiality policy that provided, in relevant part, "[An employee] will not, unless specifically authorized by [the employer]. . . disclose to any person, firm, or corporation any confidential information which [they] have acquired or may acquire while in the employ of [the employer]." Exhibit 2 at 11. Claimant acknowledged receiving a copy of this policy at hire. The employer did not have a written policy regarding the use of artificial intelligence (AI) chatbots in the performance of work, and the confidentiality policy did not specifically address its application to such use. The employer did not have a specific policy prohibiting employees from accessing or storing employer files using personal devices, and expected employees to use personal devices for remote work or work outside standard business hours.

(3) The employer had a written ethics policy that provided, in relevant part, "Employees. . . must avoid situations where their personal interests could conflict or appear to conflict with the interest of [the employer]. Conflicts of interest may arise when an individual's position or responsibilities with the Company present an opportunity for personal gain apart from the normal compensation provided through employment. . . [The employer's assets] include technologies and concepts, business strategies and plans, financial status, know-how, product computer programs or data, as well as other information about the business. These Assets may not be improperly used to provide the employee with personal gain. In addition, employees may not provide others with the Assets of the Company." Exhibit 2 at 14. Examples of actual or apparent conflicts of interest stated in the policy included, "An investment in another business that competes directly with [the employer]. . . [except if] the investment is not a material part of the employee's personal income or net worth, or if the area of competition is insignificant." Exhibit 2 at 15.

(4) The ethics policy further provided, "Employees should not engage in any outside employment or activity which could have a negative impact on their job performance at [the employer] or conflict with their obligation to the Company. An employee who performs work for a company, with which [the employer] conducts business or competes, must disclose that interest to his or her supervisor." Exhibit 2 at 16. Claimant acknowledged receiving a copy of this ethics policy at hire. Claimant additionally agreed in writing at hire that he would not, for a period of twelve months following the date of separation from employment, "solicit, call upon or approach any customer of [the employer] with regard to products and services that compete directly or indirectly with any products or services offered by [the employer] or its affiliates." Exhibit 2 at 27.

(5) On February 5, 2025, the chief executive officer (CEO) of a business, Elkhorn Products,[1] emailed claimant at his work address with a proposal to do business with the employer on a specific project. The project involved development of an improved heating, ventilation, and air conditioning (HVAC) system for amphibious combat vehicles for the Navy. Later that day, claimant forwarded the CEO's email to AK and other members of the employer's management and staff, recommending that the employer work with Elkhorn Products on the project, and listing projected revenue that would accrue to the employer during the first phase of the project if they did so. The employer thereafter "did all the prep work" to assist Elkhorn Products in proceeding with the project, which the employer "[w]as supposed to be the subcontractor for." January 28, 2026 Transcript at 12.

[1] "Elkhorn" appears as "Alcorn" throughout both hearing transcripts.

(6) Throughout the first half of 2025, AK grew increasingly dissatisfied with claimant's performance, including the quantity and quality of his work. AK felt that he had to correct mistakes in claimant's work on several occasions, and, by June 2025, had directed claimant to periodically provide a detailed accounting of how he spent his work hours. Claimant perceived this oversight as micromanagement and "harassment." February 12, 2026 Transcript at 39. Claimant responded in July 2025 by filing a complaint with the employer's human resources (HR) department, and by seeking support from his doctor for a period of protected leave.

(7) On July 18, 2025, claimant's doctor completed a form in support of a request for protected leave under the federal Family and Medical Leave Act (FMLA) from July 22, 2025 through August 4, 2025. The employer granted claimant unpaid leave for this period, though they did not consider it to have been granted under federal FMLA requirements. On August 5, 2025, claimant provided a second form signed by his doctor in support of extending the leave through September 3, 2025.

(8) On August 7, 2025, AK emailed a co-owner of the company, seeking his input on a proposal to discharge claimant. The email listed several reasons why AK believed that claimant should be discharged, largely detailing perceived deficiencies in the quality and quantity of his work. *See* Exhibit 2 at 3-6. However, AK suggested in the email a more pressing reason to discharge claimant, writing:

> [Claimant] has violated both his employment agreement & code of ethics by emailing to his personal account details of proposals/projects & other actual work product. These emails were mostly sent in July 2025 unrelated to any work on the proposals or projects, making it virtually impossible for them to have been any legitimate business interest in emailing all of this. . . proprietary information to his personal account. Further, [claimant now]. . . personally possesses most of [the employer's information] in his gmail. [Claimant] also deleted these emails (since recovered), making clear what he was doing was inappropriate.

Exhibit 2 at 5. The co-owner replied to the email that day, agreeing that claimant should be discharged as soon as possible. The co-owner also addressed this reply to the HR manager.

(9) On August 7, 2025, approximately four hours before the HR manager was informed of the decision to discharge claimant, the HR manager emailed claimant stating that his request for additional leave under the federal FMLA was denied, asserting that the employer's staffing levels exempted them from the provisions of that law. Claimant replied to the email on August 11, 2025, after business hours, asking that the request be considered under Oregon's protected leave laws.

(10) On August 11, 2025, AK traveled to Oregon from another state, in part to effectuate claimant's discharge that day. Upon arrival at the employer's Oregon office, AK logged into claimant's work computer and explored its contents. AK was aware that claimant had formed a business entity named "MechSciTech LLC" in 2010. MechSciTech continued to exist in 2025, though at that point it had been financially dormant for many years. AK's inspection of claimant's work computer yielded concerning findings regarding two software programs for which the employer paid subscription fees: "PlanFix" and "MissionX." Exhibit 2 at 8. PlanFix was a task management program, and AK found it to contain reminders for tasks, visible only to claimant, that referenced MechSciTech. MissionX was a "project management integration tool," and AK discovered that on July 24, 2025, claimant had changed the

employer's MissionX account email from claimant's work address to "[claimant's first initial and last name]@mechscitech.com." Exhibit 2 at 8. Either at that or a later time, AK likewise discovered that on July 24, 2025, claimant had changed the MissionX account payment method from the employer's credit card to claimant's personal credit card, which was thereafter charged a monthly subscription fee of approximately ten dollars. After these discoveries, AK was unable to immediately gain access to reassert the employer's control over either software account. Later that day, AK emailed others at the employer regarding what was found on claimant's computer, concluding the email with a statement that he was "not sure if the rabbit hole [of further investigating how these accounts were used] is a good use of [his] time or if finding out further abuse of corporate resources serves [the employer]." Exhibit 2 at 9.

(11) AK's review of claimant's work computer also allowed AK some degree of access to claimant's interaction histories with AI chatbots. One observed interaction was of claimant directing the chatbot to draft an email to a company, Onshape, to request a free trial of their software. Claimant directed the chatbot to have the email subject line use the phrase "Stealth Startup." Exhibit 2 at 85. After claimant had reviewed an initial draft, he directed the chatbot to revise the email, telling it, "I don't want to say anything that make [*sic*] it sound like my time at [the employer] is over. I have some legal stuff I'm dealing with and don't want to jeopardize a unemployment [*sic*] or severance etc. so only share what [is] needed with [the recipient]." Exhibit 2 at 83. A late-stage draft of the email body included:

> [I'm] launching a new startup venture (MechSciTech LLC) and teaming up with a technology partner on an exciting project. I'd like to take advantage of Onshape's 6-month startup trial again, this time under my new business domain (mechscitech.com). At [the employer]. . . I didn't get much hands-on time myself. . . This new venture gives me a better window to evaluate Onshape. . . Since the company is still in stealth mode, I just wanted to give you a heads-up before signing up under the new domain. I'm holding off on rolling out a public website until I've wrapped up a few things at my current company.

Exhibit 2 at 85.

(12) AK also discovered through his review of the computer that claimant had directed a chatbot to draft an email to a financial institution, "R." The generated draft stated, in relevant part:

> Thank you for reaching out and following up on my application. I'm excited to share that MechSciTech LLC, my engineering services company, has just had its business account approved at [another financial institution]. [R] seems like an ideal fit for our needs as we re-launch and scale up operations. . . We'll soon be supporting a technology partner as a subcontractor on their newly awarded government contract. I expect an initial deposit of $500 into the new account within the next few days.

Exhibit 2 at 86. AK's review of claimant's computer also revealed a document dated July 29, 2025, which designated claimant as an "Entity Administrator" for MechSciTech LLC for purposes of contracting with the federal government. Exhibit 2 at 84.

(13) Based on AK's discoveries on August 11, 2025, by the end of that day the employer's primary motivation for discharging claimant had shifted from his long-standing performance issues to the employer's concerns that claimant had recently, and without a work-related purpose, transferred

voluminous amounts of the employer's confidential information to his personal devices or cloud storage; that he had misused the employer's assets, particularly MissionX, for his personal financial gain; and that he had used a grant of unpaid leave to restart a competing engineering firm, potentially with one of the employer's existing clients. For these reasons, beginning on August 11, 2025, AK attempted to set up an in-person meeting at which he intended to discharge claimant or, failing that, planned to discharge him by telephone. AK felt that through August 13, 2025, claimant "kept dodging" AK's efforts to speak with him in person or by telephone. January 28, 2026 Transcript at 29.

(14) On August 12, 2025, an attorney retained by claimant sent a "demand letter asserting harassment" to the employer. Exhibit 1 at 10.

(15) On August 13, 2025, the employer discharged claimant by email after AK's attempts to schedule an in-person or telephone conversation with claimant to inform him of his discharge failed.

(16) On August 14, 2025, the employer's attorney sent a letter to claimant demanding claimant's cooperation in investigating the extent to which the employer's confidential documents remained accessible to claimant or to third parties to whom claimant had granted access, including AI chatbots. Claimant eventually disclosed his login information for two AI chatbots used during his period of employment, and the employer thereafter further investigated claimant's use of them.

(17) The employer's post-discharge investigation revealed that claimant had uploaded at least 39 of the employer's files to a chatbot, including two that claimant would later concede contained non-public "possibly proprietary" information that had "slipped through" his review at the time he uploaded them and should not have been uploaded. February 12, 2026 Transcript at 46-47. The investigation also revealed claimant's extensive use of a chatbot during his employment in July or August 2025 to create documents for the Elkhorn Products HVAC project. In those documents, claimant substituted MechSciTech and himself for the employer as the project's engineering subcontractor, and proposed to bill $175 per hour for his time and generate $63,758 in revenue for MechSciTech over the first phase of the project. *See, e.g.*, Exhibit 2 at 248-250. Claimant's directions to the chatbot involved having it format some of its output for use in MissionX software. Claimant provided the chatbot with background information including: "In this project, Elkhorn Products serves as the prime contractor, while MechSciTech, led by [claimant] as the sole PE Mechanical Engineer handling PM and engineering, acts as the subcontractor for project management and engineering services;" and "MechSciTech is taking the place of [the employer] in this project." Exhibit 2 at 247-248. Claimant described MechSciTech to the chatbot as "my new company," and gave it a detailed timeline to include in the HVAC proposal with a planned project start date of August 1, 2025. Exhibit 2 at 261, 287-289. The employer sent a cease-and-desist letter to Elkhorn Products at some point in August 2025 after learning of claimant's efforts to substitute himself and MechSciTech for the employer as the subcontractor for the HVAC project.

CONCLUSIONS AND REASONS: Claimant was discharged for misconduct.

ORS 657.176(2)(a) requires a disqualification from unemployment insurance benefits if the employer discharged claimant for misconduct connected with work. "As used in ORS 657.176(2)(a) . . . a willful or wantonly negligent violation of the standards of behavior which an employer has the right to expect of an employee is misconduct. An act or series of actions that amount to a willful or wantonly negligent disregard of an employer's interest is misconduct." OAR 471-030-0038(3)(a) (September 22, 2020).

"'[W]antonly negligent' means indifference to the consequences of an act or series of actions, or a failure to act or a series of failures to act, where the individual acting or failing to act is conscious of his or her conduct and knew or should have known that his or her conduct would probably result in a violation of the standards of behavior which an employer has the right to expect of an employee." OAR 471-030-0038(1)(c). In a discharge case, the employer has the burden to establish misconduct by a preponderance of evidence. *Babcock v. Employment Division*, 25 Or App 661, 550 P2d 1233 (1976).

Isolated instances of poor judgment are not misconduct. OAR 471-030-0038(3)(b). To be isolated, an instance of poor judgment must be a single or infrequent occurrence rather than a repeated act or pattern of other willful or wantonly negligent behavior. OAR 471-030-0038(1)(d)(A). However, acts that violate the law, that are tantamount to unlawful conduct, or that create irreparable breaches of trust in the employment relationship or otherwise make a continued employment relationship impossible exceed mere poor judgment and do not fall within the exculpatory provisions of OAR 471-030-0038(3). OAR 471-030-0038(1)(d)(D).

The employer discharged claimant based on their belief that he had violated their confidentiality and ethics policies. The employer initially decided on August 7, 2025 to discharge claimant for reasons largely relating to long-standing performance issues and his recent transfer of the employer's files to personal devices. However, by August 13, 2025, the date claimant was actually discharged, the employer had learned of additional potential policy violations, and considered these the primary reasons for discharging him when they did. The newly-discovered potential violations included that shortly before taking a period of unpaid leave in July 2025, claimant had transferred large amounts of the employer's confidential information to his personal devices or cloud storage without a work-related purpose; that he had misused the employer's assets, particularly MissionX, for his personal financial gain; and that he had used unpaid leave to work on restarting a competing engineering firm, potentially having already secured as its first customer one of the employer's existing clients.[2]

The employer's written confidentiality policy provided, in relevant part, "[An employee] will not, unless specifically authorized by [the employer]. . . disclose to any person, firm, or corporation any confidential information which [they] have acquired or may acquire while in the employ of [the employer]." Claimant received a copy of this policy at hire. The policy did not specifically explain how it applied to the use of AI chatbots, but the record shows that claimant understood it to, at least, prohibit sharing with chatbots the employer's documents containing non-public proprietary information. *See* February 12, 2026 Transcript at 46-47.

The parties agreed that claimant uploaded at least 218 files to the chatbot during his employment, while claimant testified that only 39 of those documents were "related" to the employer, and, of those, two were "possibly proprietary" and at least one of those contained a "proprietary mark."[3] February 12, 2026 Transcript at 46, 48. Claimant testified, "I wholeheartedly admit that these two. . . slipped through. . .

[2] Although the employer obtained additional evidence regarding these suspected violations after claimant was discharged (the full AI chatbot histories, for example), this evidence only served to reinforce the employer's belief that those violations had occurred, and did not constitute a new and different basis for discharging claimant of which the employer had previously been unaware.

[3] Claimant testified that additional documents were "public domain" and "attorney-client files," but it is unclear why claimant did not consider those "related" to the employer. February 12, 2026 Transcript at 46.

and perhaps you can mark it as a mistake." February 12, 2026 Transcript at 47. Claimant elaborated, "[I]t slipped through because. . . it's a crane operation manual. So. . . it was going to be going into the public domain eventually. So I missed – I imagine that's probably why. . . I mistakenly uploaded it[.]" February 12, 2026 Transcript at 49. The employer did not specifically rebut claimant's characterization of these documents. In the absence of a specific policy regarding what documents their president could share with an AI chatbot for work purposes, the employer has not shown that claimant's uploading of any of the documents, including the two he asserted he uploaded by "mistake," amounted to a willful or wantonly negligent violation of the confidentiality policy.

Regarding claimant's transfer of many of the employer's files to his personal devices or cloud storage in July 2025, claimant suggested that doing so did not violate the employer's established policies. AK conceded at hearing that the employer typically allowed employees to access the employer's files on personal devices in order to accommodate remote work or work outside of standard business hours. January 28, 2026 Transcript at 7-8. In the absence of a specific policy provision prohibiting an employee from making files accessible to themself through their personal devices despite not having a foreseeable business need to access those files remotely, the employer has not shown that the transfers constituted a willful or wantonly negligent policy violation.

The employer's ethics policies, in relevant part, required employees to "avoid situations where their personal interests could conflict or appear to conflict with the interest of [the employer];" prohibited employees from "engag[ing] in any outside employment or activity which could have a negative impact on their job performance at [the employer] or conflict with their obligation to the Company;" required that an employee "who performs work for a company, with which [the employer] conducts business or competes, [to] disclose that interest to his or her supervisor;" and prohibited employees from "improperly [using employer assets] to provide the employee with personal gain," defining "assets" to include "technologies and concepts, business strategies and plans, financial status, know-how, product computer programs or data, as well as other information about the business." Exhibit 2 at 15-16. Claimant was aware of these policies. Additionally, claimant signed a non-compete agreement at hire that, in relevant part, did not allow claimant to "solicit, call upon or approach any customer of [the employer] with regard to products and services that compete directly or indirectly with any products or services offered by [the employer] or its affiliates" for a period of twelve months following the date of separation from employment. Exhibit 2 at 28. Each of these provisions set forth a standard of behavior that an employer has the right to expect of an employee.

The record shows that on July 24, 2025, claimant substituted his "MechSciTech" email address for his work email address on the MissionX account which had until that point been paid for and utilized by the employer, and substituted his own credit card information on the account for that of the employer. Claimant's explanation at hearing for this conduct was that he found the software lacking in quality and therefore wanted to continue paying for it himself while he provided improvement suggestions to the publisher as a courtesy. February 12, 2026 Transcript at 83-84. However, this explanation confirmed that claimant willfully converted an asset belonging to the employer to one over which claimant had sole control and ownership, without knowledge or permission of the board of directors, and claimant's conversion and continued use of it provided only a personal benefit and did not benefit the employer. Moreover, claimant's explanation for appropriating the MissionX account to himself as a gesture of altruism to the software publisher is undermined by substantial evidence showing that following the conversion, claimant directed a chatbot to engage in activities in furtherance of reviving MechSciTech

as a competing engineering firm, and in so doing instructed the chatbot to format some of its output specifically for use in the MissionX software. *See, e.g.*, Exhibit 2 at 273. Therefore, the employer has shown by a preponderance of the evidence that, at least with respect to the MissionX account, claimant willfully appropriated an employer asset to his own use in violation of their ethics policy.

Furthermore, the record shows that claimant used the AI chatbot during his employment[4] to generate correspondence concerning MechSciTech to the federal government, financial institutions, and at least one software company. In that correspondence, claimant expressed his intent to revive the MechSciTech business by seeking authorization to subcontract on federal government projects, open business bank accounts, and obtain access to software for use by the business. Claimant's directives to the chatbot referred either directly or indirectly to MechSciTech's revival as being a "stealth" operation and stressed the need to conceal it from the employer due to "legal" concerns and fear it could jeopardize his ability to receive unemployment insurance benefits or reach an agreement with the employer for severance pay. Exhibit 2 at 84, 86. Claimant also implied in this correspondence that his business had already secured a client, and it can reasonably be inferred that claimant was referring to the Elkhorn Products HVAC project, which the employer had been a part of since February 2025. The record additionally shows claimant used the chatbot extensively in furtherance of attempting to substitute MechSciTech and claimant for the employer as the project manager and engineer on the HVAC project, including generating detailed projections regarding how claimant and his business would benefit financially from replacing the employer on the project. *See, e.g.*, Exhibit 2 at 248-250.

Claimant's primary explanation at hearing for his references to MechSciTech in the chatbot prompts and related documents were that such activities were akin to utilizing a "sandbox" for "playing around purposes." February 12, 2026 Transcript at 43; *See also* February 12, 2026 Transcript at 49-50. Claimant testified that the CEO of Elkhorn Products had, at the suggestion of the Navy, requested that claimant use MechSciTech in the HVAC project proposal, but that "[t]here was nothing contractual or transactional ever taking place between [Elkhorn] Products and MechSciTech or… [the employer.]" February 12, 2026 Transcript at 42. Claimant further testified that he was unsure whether Elkhorn Products ultimately substituted MechSciTech for the employer in the proposal submitted to the Navy because of "occurrences that. . . came soon after," an apparent reference to the employer sending Elkhorn Products a cease-and-desist letter in August 2025 upon discovery of claimant's activities involving this project. February 12, 2026 Transcript at 42-43. Claimant also asserted at hearing that any work product he generated on behalf of Elkhorn Products while on unpaid leave from the employer was done "pro bono" and to "occupy [his] mind," and that he did not consider performance of that work to undercut the employer's interests because "[the employer] wasn't going to be able to support [Elkhorn Products] with [the project] without [claimant]." February 12, 2026 Transcript at 36.

Claimant's suggestion that his interactions with the chatbot and related activities were a matter of "playing around" without real-world consequences is not plausible. As an example of real-world impact, in one email to a financial institution, claimant represented that he had recently opened an account for MechSciTech LLC at another institution and planned to deposit $500 in the account, and that the institution to which he was writing should extend him credit on the basis of his "upcoming government-related business" which he described as "supporting a technology partner as a subcontractor on their

[4] It can reasonably be inferred that screenshots submitted by the employer (Exhibit 2 at 84-87) were taken between August 11 and 13, 2025, and thus depicted claimant's activities prior to those dates.

newly awarded government contract." Exhibit 2 at 87. When asked about this correspondence at hearing, claimant did not deny that the described banking activity had actually occurred. February 12, 2026 Transcript at 86. Additionally, when claimant was cross-examined about whether his chatbot prompts should be interpreted as trying to compete with the employer's business, claimant testified, "[H]aving a contingency plan is not unlawful. Okay? So I was using [the chatbot] to explore what this would look like." February 12, 2026 Transcript at 79. Claimant's suggestion that his activities were a "contingency plan" supports the inference that claimant's actions while on unpaid leave were ultimately intended to generate substantial income for himself either during his employment or shortly after it ended. Further, claimant's assertion that creating documents substituting himself and MechSciTech for the employer as the HVAC project's subcontractor was a "pro bono" effort undertaken as an intellectual pursuit is directly contradicted by the terms of the proposal he generated, with claimant repeatedly instructing the chatbot to include provisions that claimant be paid an hourly rate of $175 for his work on the project and for it to generate $63,758 in revenue for MechSciTech over the project's first phase. *See, e.g.*, Exhibit 2 at 248-250.

Moreover, claimant's assertions that his or MechSciTech's involvement in the HVAC product would not have resulted in a loss to the employer, and that there was no preexisting relationship between Elkhorn Products and the employer, are contradicted by claimant's February 5, 2025 email in which he recommended that the employer act as subcontractor on the project and specified the additional revenue the employer could expect to generate by doing so. Exhibit 2 at 89. Additionally, and consistent with the employer having acted in accordance with claimant's recommendation in that email, AK testified, "That's the same project that [the employer] did all the prep work [and] [w]as supposed to be the subcontractor for." January 28, 2026 Transcript at 12. In considering this conflicting evidence, it is more likely than not that claimant knew or had reason to know that generating documents proposing to substitute himself or MechSciTech for the employer as the HVAC project's subcontractor would constitute direct competition with the employer in violation of the employer's ethics policy and the non-compete agreement.

Therefore, the employer has shown by a preponderance of the evidence that claimant willfully violated the employer's ethics policy by using at least one of the employer's assets, MissionX software, for his financial gain; by using unpaid leave in furtherance of reestablishing an engineering firm that would compete with the employer; and by soliciting or attempting to solicit one of the employer's existing clients, either during his employment or sooner than twelve months after his employment ended.

Claimant's conduct cannot be excused as an isolated instance of poor judgment. Aside from the fact that claimant's willful violations of the employer's policies were not isolated and had been ongoing for at least two to three weeks prior to his discharge, his actions exceeded mere poor judgment. A determination of whether a claimant's conduct caused a breach of trust is objective, not subjective, and the employer cannot unilaterally announce a breach of trust if a reasonable employer in the same situation would not. *Callaway v. Employment Dept.*, 225 Or App 650, 202 P3d 196 (2009); *see accord Isayeva v. Employment Dept*., 266 Or App 806, 340 P3d 82 (2014). Claimant's actions in misappropriating an employer asset and utilizing unpaid leave to work toward developing a competing business constituted a breach of trust that would cause a reasonable employer to conclude that the employment relationship was impossible to continue. Therefore, claimant's actions were not isolated and exceeded mere poor judgment, and do not fall within the exculpatory provisions of the rule. Accordingly, claimant was discharged for misconduct.

For these reasons, claimant was discharged for misconduct and is therefore disqualified from receiving unemployment insurance benefits effective August 10, 2025.

DECISION: Order No. 26-UI-320702 is affirmed.

S. Serres and A. Steger-Bentz;
D. Hettle, not participating.

DATE of Service: April 17, 2026

NOTE: You may appeal this decision by filing a Petition for Judicial Review with the Oregon Court of Appeals **within 30 days of the date of service stated above**. *See* ORS 657.282. For forms and information, visit https://www.courts.oregon.gov/courts/appellate/forms/Pages/appeal.aspx and choose the appropriate form under "File a Petition for Judicial Review." You may also contact the Court of Appeals by telephone at (503) 986-5555, by fax at (503) 986-5560, or by mail at 1163 State Street, Salem, Oregon 97301.

Please help us improve our service by completing an online customer service survey. To complete the survey, please go to https://www.surveygizmo.com/s3/5552642/EAB-Customer-Service-Survey. If you are unable to complete the survey online and wish to have a paper copy of the survey, please contact our office.

Understanding Your Employment Appeals Board Decision

English

Attention – This decision affects your unemployment benefits. If you do not understand this decision, contact the Employment Appeals Board immediately. If you do not agree with this decision, you may file a Petition for Judicial Review with the Oregon Court of Appeals following the instructions written at the end of the decision.

Simplified Chinese

注意 – 本判决会影响您的失业救济金。 如果您不明白本判决， 请立即联系就业上诉委员会。 如果您不同意此判决，您可以按照该判决结尾所写的说明，向俄勒冈州上诉法院提出司法复审申请。

Traditional Chinese

注意 – 本判決會影響您的失業救濟金。 如果您不明白本判決， 請立即聯繫就業上訴委員會。 如果您不同意此判決，您可以按照該判決結尾所寫的說明， 向俄勒岡州上訴法院提出司法複審申請。

Tagalog

Paalala – Nakakaapekto ang desisyong ito sa iyong mga benepisyo sa pagkawala ng trabaho. Kung hindi mo naiintindihan ang desisyong ito, makipag-ugnayan kaagad sa Lupon ng mga Apela sa Trabaho (Employment Appeals Board). Kung hindi ka sumasang-ayon sa desisyong ito, maaari kang maghain ng isang Petisyon sa Pagsusuri ng Hukuman (Petition for Judicial Review) sa Hukuman sa Paghahabol (Court of Appeals) ng Oregon na sinusunod ang mga tagubilin na nakasulat sa dulo ng desisyon.

Vietnamese

Chú ý - Quyết định này ảnh hưởng đến trợ cấp thất nghiệp của quý vị. Nếu quý vị không hiểu quyết định này, hãy liên lạc với Ban Kháng Cáo Việc Làm ngay lập tức. Nếu quý vị không đồng ý với quyết định này, quý vị có thể nộp Đơn Xin Tái Xét Tư Pháp với Tòa Kháng Cáo Oregon theo các hướng dẫn được viết ra ở cuối quyết định này.

Spanish

Atención – Esta decisión afecta sus beneficios de desempleo. Si no entiende esta decisión, comuníquese inmediatamente con la Junta de Apelaciones de Empleo. Si no está de acuerdo con esta decisión, puede presentar una Aplicación de Revisión Judicial ante el Tribunal de Apelaciones de Oregon siguiendo las instrucciones escritas al final de la decisión.

Russian

Внимание – Данное решение влияет на ваше пособие по безработице. Если решение Вам непонятно – немедленно обратитесь в Апелляционный Комитет по Трудоустройству. Если Вы не согласны с принятым решением, вы можете подать Ходатайство о Пересмотре Судебного Решения в Апелляционный Суд штата Орегон, следуя инструкциям, описанным в конце решения.

Khmer

ចំណុចសំខាន់ – សេចក្តីសម្រេចនេះមានផលប៉ះពាល់ដល់អត្ថប្រយោជន៍គ្មានការងារធ្វើរបស់លោកអ្នក។ ប្រសិនបើលោកអ្នកមិនយល់អំពីសេចក្តីសម្រេចនេះ សូមទាក់ទងគណៈកម្មការឧទ្ធរណ៍ការងារភ្លាមៗ។ ប្រសិនបើលោកអ្នកមិនយល់ស្របចំពោះសេចក្តីសម្រេចនេះទេ លោកអ្នកអាចដាក់ពាក្យប្តឹងសុំឲ្យមានការពិនិត្យរឿងក្តីឡើងវិញជាមួយតុលាការឧទ្ធរណ៍រដ្ឋ Oregon ដោយអនុវត្តតាមសេចក្តីណែនាំដែលសរសេរនៅខាងចុងបញ្ចប់នៃសេចក្តីសម្រេចនេះ។

Laotian

ເອົາໃຈໃສ່ – ຄຳຕັດສິນນີ້ມີຜົນກະທົບຕໍ່ກັບເງິນຊ່ວຍເຫຼືອການຫວ່າງງານຂອງທ່ານ. ຖ້າທ່ານບໍ່ເຂົ້າໃຈຄຳຕັດສິນນີ້, ກະລຸນາຕິດຕໍ່ຫາຄະນະກຳມະການອຸທອນການຈ້າງງານໃນທັນທີ. ຖ້າທ່ານບໍ່ເຫັນດີນຳຄຳຕັດສິນນີ້, ທ່ານສາມາດຍື່ນຄຳຮ້ອງຂໍການທົບທວນຄຳຕັດສິນນຳສານອຸທອນລັດ Oregon ໄດ້ ໂດຍປະຕິບັດຕາມຄຳແນະນຳທີ່ບອກໄວ້ຢູ່ຕອນທ້າຍຂອງຄຳຕັດສິນນີ້.

Arabic

هذا القرار قد يؤثر على منحة البطالة الخاصة بك، إذا لم تفهم هذا القرار، إتصل بمجلس منازعات العمل فورا، و إذا كنت لا توافق على هذا القرار، يمكنك رفع شكوى للمراجعة القانونية بمحكمة الإستئناف بأوريغون و ذلك بإتباع الإرشادات المدرجة أسفل القرار.

Farsi

توجه - این حکم بر مزایای بیکاری شما تاثیر می گذارد. اگر با این تصمیم موافق نیستید، بلافاصله با هیأت فرجام خواهی استخدام تماس بگیرید. اگر از این حکم رضایت ندارید، می‌توانید با استفاده از دستورالعمل موجود در پایان آن، از دادگاه تجدید نظر اورگان درخواست تجدید نظر کنید.

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