

DISPUTE BETWEEN NORTH CAROLINA EMPLOYMENT AGENCY AND LAWYER INTENSIFIES



The North Carolina Division of Employment Security refused to release hearing notices of contested employment claims to lawyers, according to the News Observer. The division cited a warning issued from the Labor Department that the information should remain confidential.

But then, by late in the day on Monday, the division changed its mind and released the information.

Between the morning news and the evening news, an attorney complained at the Wake County Superior Court that the state had been violating a temporary restraining order issued last week.

The Division of Employment Security is led by Dale Folwell. Folwell said that the state originally expected to appear in court to resolve the problem. Folwell said that the agency decided to release the information when the court appearance never occurred.

"We're always trying to be respectful of all authority," Folwell said. "That was true yesterday, that is true today, and it is going to be true tomorrow."

The problems first began when Durham attorney Monica Wilson sued the employment division following a new policy that released notices three times per month instead of daily. Jim White, the attorney for Durham, said that a temporary restraining order was obtained that required the agency to continue its daily dissemination of the notices of appeals hearings for contested claims.

Unemployed people have been paying \$300 per month to receive the daily notices in order to contact potential clients.

"If we continue to let this information out, we are in danger of losing our federal ... funding," Employment Security attorney Tom Hodges told Wake County Superior Court Judge Paul Ridgeway at a session Monday.

Folwell was notified via letter that releasing the notices "constitutes a failure to comply substantially with federal law, and could ultimately result in a discontinuation of payments" of federal funds "if not corrected."

Folwell also received a letter from Gay Gilbert, administrator of the Office of Unemployment Insurance. In Gilbert's letter it said that state laws have to include a provision "maintaining the confidentiality of any UC (unemployment compensation) information which reveals the name or any identifying particular about any individual or any past or presently employing unit. The state agency must immediately cease the practice of selling or providing notices of appeals hearings to attorneys who do not already represent a claimant or an employer."

Folwell is looking forward to being able to explain the position of the agency.

"We would hope the judge will listen to what the federal government says," he said.