

UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF INDIANA  
SOUTH BEND DIVISION

IN THE MATTER OF	)	
	)	
DOROTHY MAE WILLIAMS	)	CASE NO. 14-30415 HCD
	)	CHAPTER 7
	)	
DEBTOR	)	
	)	
	)	
STATE OF INDIANA EX REL.	)	
THE INDIANA DEPARTMENT OF	)	
WORKFORCE DEVELOPMENT	)	
	)	
PLAINTIFF	)	
vs.	)	PROC. NO. 14-3029
	)	
DOROTHY MAE WILLIAMS	)	
	)	
DEFENDANT	)	

Appearances:

Maricel Elaine Villacampa Skiles, Esq., Office of the Indiana Attorney General, 302 West Washington Street, IGCS 5th Floor, Indianapolis, Indiana 46204

Dorothy Mae Williams, 1827 Morehouse Avenue, Elkhart, Indiana 46516, pro se

MEMORANDUM OF DECISION<sup>1</sup>

At South Bend, Indiana, on July 14, 2015.

This matter comes before the court on Plaintiff Sate of Indiana ex rel. the Indiana Department of Workforce Development's (IDWD) Motion for Default

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<sup>1</sup>The court has jurisdiction to decide the matter before it pursuant to 28 U.S.C. § 1334 and § 157, and the Northern District of Indiana Local Rule 200.1. Venue is proper pursuant to 28 U.S.C. § 1409(a). The court has determined that this matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(I).

Judgment. The court has reviewed the pleadings, IDWD's affidavits and exhibits. The court now finds that it should render judgment in favor of the IDWD. The court finds that the IDWD has properly served the Defendant. The Defendant, having failed to respond to the Amended Complaint is in default. The IDWD has met the statutory requirements of 11 U.S.C. § 523(a)(2)(A) and § 523(a)(7) and has complied with the procedural requirements of Federal Rule of Bankruptcy Procedure 7055. The court accepts as true the IDWD's assertions that Williams was not entitled to receive the unemployment benefit payments for which she applied. By failing to participate in this adversary proceeding Williams has waived any contention that she might have put forward that she was entitled to receive unemployment benefits. *In re Davis*, 638 F.3d 549, 555 (7<sup>th</sup> Cir. 2011); *Matter of Weber*, 25 F.3d 413, 415-16 (7<sup>th</sup> Cir. 1994) (An argument not raised is waived).

The court finds the Defendant has obtained payments from the IDWD through representations she either knew to be false, or that she made with such reckless disregard for the truth as to constitute willful misrepresentation. By filing improper unemployment benefit claims the Defendant acted with an intent to deceive the IDWD. *See, e.g., In re Strauss*, 523 B.R. 614, 627 (Bankr. N.D. Ill. 2014) (The debtor's subjective intent at the time of the representation can be proved by circumstantial evidence.); *In re Walters*, 2014 WL 5426644, \*2 (Bankr. S.D. Ill. Oct. 23, 2014) (A false representation may be established by showing conduct intended deliberately to create and foster a false impression.). The IDWD justifiably relied on these false representations to its detriment. *See Field v. Mans*, 516 U.S. 59, 70-71

(1995); *Ojeda v. Goldberg*, 599 F.3d 712, 717 (7<sup>th</sup> Cir. 2010) (Justifiable reliance is determined by looking at the circumstances of a particular case and the characteristics of a particular plaintiff.) The IDWD has presented a prima facie case that it is entitled to a judgment in the amount sought in the Amended Complaint.

Pursuant to 11 U.S.C. § 523(a)(2) and § 523(a)(7) the court excepts the debt of Dorothy Mae Williams to the Indiana Department of Workforce Development for improper unemployment benefit payments obtained by false pretenses, false representations or actual fraud, and statutory civil penalties benefitting a governmental unit that is not compensation for actual pecuniary loss, in the sum of \$4,744.04 from discharge. The IDWD is entitled to also recover its court costs of \$350.00. This results in a total nondischargeable debt of \$5,094.04.

SO ORDERED.

/s/ HARRY C. DEES, JR.  
HARRY C. DEES, JR., JUDGE  
UNITED STATES BANKRUPTCY COURT