

Coronavirus rescue loans put some Oregon workers in a bind

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Lindsey Bosman was a day-one employee when Common Block Brewing Company opened in Medford in late 2016. She's been working there ever since and felt she'd developed a close-knit work family.

But she was also one of about 40 employees temporarily laid off March 17, the day after Gov. Kate Brown announced that she was closing [all bars and restaurants](#) to staunch the spread of the coronavirus.

Bosman quickly filed for unemployment and was lucky to qualify in the first wave of the tsunami of jobless claims that have since [swamped the Oregon Employment Department](#). In addition to her normal benefit of \$362 a month, she is also receiving \$600 a week in [supplemental federal benefits](#). Together, the payments are covering her rent, car payment and utilities while she's idled. In fact, they're considerably higher than her normal income. That put her in an odd position when she received an email from the brewery's owners on the evening of April 22. Common Block had just received a federal paycheck protection loan to cover employment and operations.

The email gave Bosman and other employees five days to decide if they would come back to work no more than half time. If they opted not to return on reduced hours Common Block said the business would consider that a resignation – potentially making workers ineligible for continued unemployment benefits.

Bosman was aghast at the company's ultimatum, as were fellow employees. Even if she got the full 20 hours – and there were no promises being made -- at \$11.25 an hour, she would gross only \$225 a week in wages. Tips? Maybe, but the brewery is still only operating with a skeleton crew for takeout.

"I will not be able to live on a 20-hour week basis losing benefits," she said.

Bosman's predicament illustrates how [the paycheck protection program is having unintended consequences for restaurants and bars still unable to fully reopen](#). It shows how some small businesses may not be following the spirit of the legislation. And it illustrates how a program meant to help employees could actually leave them in the lurch.

[Federal loans won't save American restaurants](#)

[The Paycheck Protection Program presents 'Catch 22' choices as restaurants navigate the economic fallout from the coronavirus pandemic.](#)

Congress designed the Paycheck Protection Program for businesses with fewer than 500 employees to maintain their pre-COVID employment levels, and specifically to keep employees compensated and off the unemployment line, whether the business can fully reopen or not.

The loans give businesses eight weeks of payroll support. If employers maintain pre-COVID levels of employment and pay after eight weeks, the loan is forgiven. Lesser levels of employment translate to lesser forgiveness, with unforgiven balances converting to a two-year loan bearing an interest rate of 1%.

Some [18,732 Oregon businesses](#) received loans totaling \$3.8 billion in the first round of funding ended April 16. Congress replenished the program with another \$310 billion last week, throwing another lifeline to small businesses and their employees.

However, restaurants, bars and other businesses cannot yet reopen and so cannot productively recall their full workforce. [In Oregon](#) and [across the country](#), the loans have created a dilemma for business owners and employees as they contemplate how to use the money and comply with the loans' employment requirements.

The email from Common Block's owners, Danielle and Alex Amaratoc, asked Bosman and her colleagues to respond with one of the following statements:

“I am AVAILABLE to work 20 hours or less a week if I were scheduled back to work starting next week.”

Or,

“I am NOT AVAILABLE to work 20 hours or less a week if I were scheduled back to work starting next week.”

If employees indicate they are not available to work the pared-back schedule, the email said, the brewery will pay out their accumulated time off “and your employment at Common Block will terminate.”

“While your unemployment benefits may continue, you will no longer be temporarily laid off,” it said. “You will have voluntarily resigned your position.”

The email ended on a high note, that the owners looked forward to seeing everyone back in the restaurant. But now it sounded a human resources statement vetted by a lawyer, Bosman said, rather than the usual warmth and team-building exhortation for “Common BlockER goodness.” Bosman still didn't know what she'd be doing if she returned to work, how the brewery planned to protect employees from contracting coronavirus, and whether her unemployment benefits would be reduced or eliminated.

She and other employees scrambled to get hold of the employment department, [but it was swamped](#). They looked online for answers, but it wasn't clear how much they'd be working, whether the state and federal benefits would be eliminated or reduced, and if so by how much.

At set of guidance they found from the Congressional Research Service said that when employees are retained due to a firm's receiving a PPP loan, "employees are generally ineligible for (unemployment insurance) during the period of retention."

They sent questions to the Amaroticos, as well as entreaties to extend the deadline to give them more time to gather information and make a more informed decision.

Crickets.

"We do not feel as though our employers are considering the employees at all, and their unwillingness to communicate with us and answer our questions is completely unacceptable," some brewery employees wrote in an email to The Oregonian/OregonLive. They asked to remain anonymous because they are uncertain if they will return to work.

"There is no way we are in this boat alone. How many other employers do not wish to pay into unemployment and are offering their employees minimal hours upon receiving the PPP money?" these workers wrote. "How many employees will be displaced from their homes in this time due to lack of income? How many Americans are going to lose unemployment benefits in a time when the economy has significantly shrunk and there are no jobs to be found?"

On Monday morning, Bosman wrote to the owners, saying the hours of availability requested and the information about the nature of the work were too vague to make a decision in the timeline they demanded.

"I am more than willing to come back to work and hope I will not be terminated for this decision I have made based on trying to survive financially, as well as mentally, during this global pandemic we are facing," she wrote. "I do not want to voluntarily resign my position at Common Block as I have valued being a team player for this company since it opened."

"Thanks for your response!" was the reply she got from Danielle Amarotico.

This week Bosman received a check in the mail with a short note: "Attached is your final paycheck which consists of your earned PTO. We have accepted your voluntary resignation since you indicated you are not available to work any hours at Common Block at this time. Thank you for your time working with us. We wish you the best! Alex and Danielle."

Reached by The Oregonian/OregonLive, the Amaroticos said they would respond to specific questions via email, but did not.

They did send a text message that said "now we have the PPP loan available to us, we're able to start thinking about new services our team can offer, and plan on bringing as many back as possible for as many hours as possible rather than a small handful of people at full time. This

gives our employees more flexibility with their schedules, and allows us to get more employees back to work.

“However we also know that plans change and some of our team can’t or won’t be coming back, so we’re needing to plan for what that looks like for our operations as well.”

Brittney Rosquette, another server, was equally shocked at the tone of the Amaroticos’ correspondence with employees, and the ultimatum that they respond by Monday at 8 a.m. She had also worked at Common Block since it opened, considered herself fairly close to the owners, and participated in extracurriculars like the brewery’s running team.

Rosquette said her situation is a little different than other employees’. She’s working for a bookkeeping firm while she goes back to school in pursuit of an accounting degree, and she can increase her hours there. But she said the interactions with Common Block “left me with a bad taste in my mouth.”

“They weren’t willing to work with us or help us,” she said. “It made everyone very skeptical about their motivations when they weren’t willing to give us any time to find these answers to questions we needed answered.”

Bosman, Rosquette and other employees interviewed by The Oregonian/OregonLive say they’re worried about how the non-native English speakers in Common Block’s workforce understood or responded to the situation, and how people who are caring for kids or others were impacted. They say they understand the owners’ drive to save the business, but it feels like they’re not using the taxpayer funding in the way Congress intended.

“We’re also stressed,” said Bosman. “This is not normal times. But this just felt like a threat. I will never return there. I will never eat there again. I think they’re taking advantage of their employees at their most vulnerable right now.”

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