

WHAT TO EXPECT FROM A WORKERS' COMPENSATION ENFORCEMENT UNIT COMPLIANCE REVIEW

The Oklahoma Department of Labor (“ODOL”) is mandated by the Oklahoma Legislature to enforce the Workers’ Compensation Act, Title 85 of the Oklahoma Statutes. In doing so, Labor Compliance Officers (“LCO”) have the herculean task of ensuring that all employers in Oklahoma provide workers’ compensation insurance to their employees.

Potential violations come to the attention of ODOL through various mechanisms. The following are examples:

1. Form-3 Injury Claims filed at the Workers’ Compensation Court;
2. Insurance cancellation reports generated by the Workers’ Compensation Court;
3. Citizen complaints;
4. Federal OSHA high hazard industry lists; and
5. Wage claims filed at ODOL by employees.

ODOL LCO’s review approximately 200 businesses per month for compliance. Fortunately, only a fraction of those are actually determined to be in violation. An ODOL compliance review requires the employer to submit business documentation to the LCO assigned to the case. These documents may include tax returns, Oklahoma Tax Commission (OTC) reports, Oklahoma Employment Security Commission (OESC) reports, payroll records, etc. Using these records and other available information, the LCO determines whether an employer/employee relationship exists and whether workers’ compensation insurance was provided with no lapse in coverage.

If a violation is discovered, a Citation is issued and a summary hearing date set. Penalties may be assessed at the rate of \$250 per employee, unless coverage is established within 30 days of receiving the Citation; then, the penalty is \$75 per employee. The maximum penalty possible is \$10,000. The summary hearing order may be appealed within ODOL and a formal hearing requested. Formal hearing orders may be appealed to the District Court within 30 days of filing.

For questions regarding the Workers’ Compensation Enforcement Unit, Employment Standards Division, please call ODOL at 405-521-6100, or toll-free, statewide 888-269-5353, or visit the ODOL website, www.labor.ok.gov.

(Rev. 2009-10)

