

COSTELLO MEDIA RELEASE

Contact: Liz McNeill

Phone: 405-521-6102

Date: June 17, 2011

Aggressive Action Taken by Commissioner Costello in Work Comp Enforcement

OKLAHOMA CITY – Commissioner Mark Costello announced today that the Oklahoma Department of Labor will be taking aggressive action to enforce past workers' compensation judgments against Oklahoma employers who have failed to provide, or have under provided, workers compensation insurance. Costello stated there were over \$1.6 million in outstanding penalties that have gone uncollected during the previous administration. He listed eleven counties where he will initially pursue enforcement action which includes Oklahoma, Tulsa, and Cleveland Counties. Enforcement will eventually be statewide.

The first judgment was filed yesterday in Oklahoma County against Shape Fitness, LLC. They were cited on June 30, 2009 for failure to carry workers' compensation insurance from June 10, 2002 through July 9, 2009. Shape Fitness, L.L.C. employed twenty-two employees during this time. An order was issued for a civil penalty in the amount of \$1575. No payments were ever made.

Costello stated that "the previous administration did not put an emphasis on workers' compensation collection, so the back log grew significantly over 3 years and the judgments piled up."

Costello explained that the process begins with an investigation to determine coverage. The Employment Standards Division then gives 30 days to comply. If the employer fails to comply, additional penalties are assessed. This process involves an Administrative Hearing and plenty of opportunities to comply.

Commissioner Costello believes that the protection of employees is most important. "We are going to actively pursue past workers' compensation judgments and will offer in detail the bad players, amount of judgment, and number of employees that did not have coverage or were under covered. We will continue to file county by county until we have cleaned up this backlog," said Costello.

Costello said, "The Oklahoma Department of Labor has already identified a large number of employers who have just ignored the judgments and are going about business as usual. We will pursue these judgments county by county."