



DEPARTMENT OF
CONSUMER
& BUSINESS
SERVICES

Workers' Compensation Division

Application for Oregon Worker Leasing License

Please refer to Oregon Administrative Rules (OAR)
[436-050-0005](#) and [436-050-0400](#) through [436-050-0480](#)

Application Fee:

Upon application approval and before a license is issued, an application fee of \$2,050 will be due. The license fee is for a two-year period. The Workers' Compensation Division will notify the applicant when payment of the required fee is appropriate.

Send application to:

Workers' Compensation Division
Worker Leasing Program
350 Winter St. NE
P.O. Box 14480
Salem, OR 97309-0405
Telephone: 503-947-7544
Fax: 503-947-7718

E-mail: wcd.employerinfo@state.or.us

Note: If using online form, use mouse to navigate through form. Use "back button" or Alt + left arrow to return to form after clicking a link.

SECTION 1([OAR 436-050-0440\(2\)](#))

The name of the applicant is the legal name of the "person" seeking a license as an Oregon "worker leasing company"(see [OAR 436-050-0005\(18\)](#) and [\(29\)](#) for definitions).

1. **Name of applicant:** _____

Provide the mailing address of "person" applying for license. This address is not confined to an Oregon location.

2. **Address:** _____

3. **Telephone number:** _____

4. **Federal Tax ID:** _____

Identify the business type or structure (e.g., Corporation, Limited Liability Corp., Limited Partnership, General Partnership, Proprietorship, or describe any other business structure). Provide the state and date the business was incorporated, organized, or formed.

5. **Business type:** _____ **State:** _____ **Date of incorporation, organization, or inception:** _____

Obtain the Oregon Registry number from Oregon's Secretary of State. Obtain the BIN from Oregon's Department of Revenue.

Oregon Registry number: _____ **Oregon Business ID number (BIN):** _____

6. **Principal place of business in Oregon** (Oregon location where records will be kept and maintained as required under [OAR 436-050-0450\(1\)](#).)

Street address: _____

City, state, ZIP: _____

Telephone number: _____

Provide the assumed business names registered with Oregon's Secretary of State. See <http://www.filinginoregon.com/business/index.htm>.

7. **Assumed business names:** _____

8. **Workers' compensation insurance coverage of person seeking licensure.**

Obtain the workers' compensation policy number from the Oregon authorized insurer providing coverage. The WCD number is assigned after the insurer makes a proof of coverage filing with the State of Oregon.

Workers' compensation insurer: _____ **Policy number:** _____ **WCD employer number:** _____

9. Authorized representative(s) for the Oregon business. *(Every licensed worker leasing company must have at least one authorized representative of the worker leasing company at the Oregon location authorized to respond to inquiries and make records available regarding leasing arrangements and client contacts. See [OAR 436-050-0450\(2\)](#).)*

Name:	Telephone:	E-mail:
_____	_____	_____
Name:	Telephone:	E-mail:
_____	_____	_____
Name:	Telephone:	E-mail:
_____	_____	_____

10. Submit letters of verification and good standing from the controlling regulatory agency of those states in which a worker leasing license or certification was previously or is currently held.

11. Submit letters of verification of compliance with tax laws from Oregon Employment Department, Oregon Department of Revenue, and Internal Revenue Service, using Attachments A, B, and C. Click below.
http://www.cbs.state.or.us/external/wcd/compliance/for_worker_leasing.html

12. Provide the plan of operation that demonstrates how the worker leasing company will meet the requirements for occupational safety and health under ORS Chapter 654, including but not limited to worker training in such areas as hazard communication, personal protective equipment (PPE), fall protection, and hazard identification. You can obtain additional information at:
<http://www.cbs.state.or.us/external/osha/pdf/pds/pd-246.pdf>

13. Provide the plan of operation to ensure collection of information necessary to establish each client’s experience rating.

14. Provide the plan of operation to ensure timely and accurate filing of notices to the insurer and director when workers’ compensation coverage is provided to a client. (See [ORS 656.419](#), [656.850](#), [OAR 436-050-0410](#).)

15. LICENSE APPLICANT PERSON

The information in this section is directed to the person making application to be licensed as a worker leasing company in Oregon. A “person” means an individual, partnership, corporation, joint venture, limited liability company, association, government agency, sole proprietorship, or other business entity allowed to do business in the State of Oregon. (See [436-050-0005\(18\)](#))

Provide all information required under [OAR 436-050-0440 \(2\)\(n-q\)](#) regarding the person making application. Add additional pages as necessary to ensure complete information.

16. Affidavit of applicant

I, _____, acting on behalf of _____, as the applicant, first being duly sworn, say that, to the best of my knowledge, the applicant is qualified in all respects for the worker leasing company license applied for in the Application for Worker Leasing License; that I have answered all of the questions in this application truthfully; that any and all supporting documents submitted with this application are true, correct, and valid; that there have been no material omissions of fact, which would have bearing on the department's decision to grant the requested license; and this affidavit is provided by me in the regular course without fraud or misrepresentation.

I hereby authorize all persons, institutions, organizations, schools, governmental agencies, employers, references, or any others set forth directly or by reference in this application, to release to the Workers' Compensation Division, Department of Consumer and Business Services, State of Oregon, any files, records, or information of any type reasonably required for the division to properly evaluate the applicant's qualifications to be licensed as a worker leasing company in Oregon.

Under penalty of perjury, I declare that all information provided in this application and accompanying documents, or information I may yet provide to support this application, is true and correct and discloses all material facts regarding the applicant's background and qualifications for licensing. I understand that furnishing false information or failing to disclose information regarding the applicant's background and qualifications may be grounds for refusing to issue a license or to revoke a license issued.

Signature of authorized representative

Date of signature

Verification upon oath or affirmation

State of _____

County of _____

Signed and sworn to (affirmed) before me on _____ 20 ____ .

NOTARY PUBLIC SEAL

Notary Public, State of _____

My commission expires: _____

For Department use only
41300 831.001

SECTION 2 – Application information for CONTROLLING PERSONS
under [OAR 436-050-0440\(2\)\(n-q\)](#)

17. Controlling Persons (see [OAR 436-050-0005\(6\)](#) for definition)

Provide identifying data. Provide additional pages as necessary to identify all controlling persons.

A. Name (first, middle, last):	Position/title:	Date of birth:	E-mail:
<hr/>			
Other names used:			
<hr/>			
Residence address (include city, state, ZIP):	Telephone number:	Fax number:	
<hr/>			
Mailing address (include city, state, ZIP):	Telephone number:	Fax number:	
<hr/>			
Business/firm address (include city, state, ZIP):	Telephone number:	Fax number:	
<hr/>			

Provide all information required under [OAR 436-050-0440 \(2\)\(n-q\)](#) regarding this controlling person. If there is nothing to report for this controlling person, please state “N/A.”

B. Name (first, middle, last):	Position/title:	Date of birth:	E-mail:
<hr/>			
Other names used:			
<hr/>			
Residence address (include city, state, ZIP):	Telephone number:	Fax number:	
<hr/>			
Mailing address (include city, state, ZIP):	Telephone number:	Fax number:	
<hr/>			
Business/firm address (include city, state, ZIP):	Telephone number:	Fax number:	
<hr/>			

Provide all information required under [OAR 436-050-0440 \(2\)\(n-q\)](#) regarding this controlling person. If there is nothing to report for this controlling person, please state “N/A.”

C. Name (first, middle, last):	Position/title:	Date of birth:	E-mail:
<hr/>			
Other names used:			
<hr/>			
Residence address (include city, state, ZIP):	Telephone number:	Fax number:	
<hr/>			
Mailing address (include city, state, ZIP):	Telephone number:	Fax number:	
<hr/>			
Business/firm address (include city, state, ZIP):	Telephone number:	Fax number:	
<hr/>			

Provide all information required under [OAR 436-050-0440 \(2\)\(n-q\)](#) regarding this controlling person. If there is nothing to report for this controlling person, please state “N/A.”

18. Affidavit of Controlling Person *(Add pages as necessary to provide an affidavit from each controlling person.)*

I, _____ reviewed the requirements for this application seeking an Oregon worker leasing license. Specifically and relative to my history, I reviewed the requirements for documentation under Oregon Administrative Rule (OAR) [436-050-0440\(2\)\(n-q\)](#). I reviewed the response provided in this application that discloses the record and detail of my personal history pertaining to disclosure required under [OAR 436-050-0440\(2\)\(n-q\)](#). The information provided is complete, truthful, and there is no omission of material fact as it relates to my personal history to the best of my knowledge.

As it applies to my association with an Oregon licensed worker leasing company, I pledge to comply and cause those under my supervision to comply with the applicable standards of practice required of an Oregon worker leasing company.

Signature of authorized representative

Date of signature

Verification upon oath or affirmation

State of _____

County of _____

Signed and sworn to (affirmed) before me on _____, 20 ____ .

NOTARY PUBLIC SEAL

Notary Public, State of _____

My commission expires: _____

For Department use only
41300 831.001

OREGON ADMINISTRATIVE RULES
CHAPTER 436, DIVISION 050
EFFECTIVE JULY 1, 2009

436-050-0005 Definitions

For the purpose of these rules unless the context requires otherwise:

- (1) "Audited Financial Statement" means a financial statement audited by an outside accounting firm.
- (2) "Board" means the Workers' Compensation Board of the Department of Consumer and Business Services.
- (3) "Cancel" or "cancellation" of coverage means ending a policy at a date before its expiration date.
- (4) "Client" means a person to whom workers are provided under contract and for a fee on a temporary or leased basis.
- (5) "Complete Records" means written records required to be kept in Oregon as described in OAR 436-050-0110 and 0120 and OAR 436-050-0210 and 0220.
- (6) "Controlling Person" means a person having substantial ownership or who is an officer or director of a corporation; a member or manager of a limited liability company; a partner of a partnership; or an individual who possesses, directly or indirectly, the power to direct or cause the direction of the management, policies, or operation of a person offering worker leasing services.
- (7) "Days" means calendar days unless otherwise specified.
- (8) "Default" means failure of an employer, insurer or self-insured employer to pay the moneys due the director under ORS 656.506, 656.612 and 656.614 at such intervals as the director shall direct.
- (9) "Department" means the Department of Consumer and Business Services.
- (10) "Director" means the director of the Department of Consumer and Business Services or the director's delegate for the matter, unless the context requires otherwise.
- (11) "Division" means the Workers' Compensation Division of the Department of Consumer and Business Services.
- (12) "Fiscal Year" means the twelve-month period beginning July 1 and ending June 30.
- (13) "Governmental Subdivision" means cities, counties, special districts defined in ORS 198.010, intergovernmental agencies created under ORS 225.050, school districts as defined in ORS 255.005, public housing authorities created under ORS chapter 456 or regional council of governments created under ORS chapter 190.
- (14) "Hearings Division" means the Hearings Division of the Workers' Compensation Board.
- (15) "Insurer" means the State Accident Insurance Fund Corporation or an insurer authorized under chapter 731 to transact workers' compensation insurance in Oregon.

(16) "Leased Worker" means any worker provided by a worker leasing company on other than a "temporary basis" as described in OAR 436-050-0420.

(17) "Nonrenewal" means the insurer's decision not to renew a policy at its expiration date.

(18) "Person" means an individual, partnership, corporation, joint venture, limited liability company, association, government agency, sole proprietorship, or other business entity allowed to do business in the State of Oregon.

(19) "Premium" means the monetary consideration for an insurance policy.

(20) "Premium Assessments" means moneys due the director under ORS 656.612 and 656.614.

(21) "Process Claims" is the determination of compensability and management of compensation by an Oregon certified claims examiner. Although determining compensability and managing compensation must be done from within this state under ORS 731.475 and this definition, the act of making payment may be done from out-of-state as directed from the Oregon place of business.

(22) "Proof of coverage" for purposes of OAR 436-050 has the same meaning as defined in OAR 436-160-0005.

(23) "Renewal" or "renew" means the issuance of a policy succeeding a policy previously issued and delivered by the same insurer or the issuance of a certificate or notice extending the terms of an existing policy for a specified period beyond its expiration date.

(24) "Reinstatement" means the continuation or reestablishing of workers' compensation insurance coverage, as noted by the effective date of the reinstatement, under a workers' compensation insurance policy that was previously canceled.

(25) "Self-Insured Employer" means an employer who has been certified under ORS 656.430 as having met the qualifications of a self-insured employer set out by ORS 656.407.

(26) "Self-Insured Employer Group" means five (5) or more employers certified under ORS 656.430 as having met the qualifications of a self-insured employer set out by ORS 656.407 and OAR 436-050-0260 through 436-050-0340.

(27) "State" means the State of Oregon.

(28) "Substantial ownership" means a percentage of ownership equal to or greater than the average percentage of ownership of all the owners, or ten percent, whichever is less.

(29) "Worker Leasing Company" means a "person," as described in section (18) of this rule, who provides workers, by contract and for a fee, as established in ORS 656.850.

(30) "Written" means that which is expressed in writing,

including electronic transmission.

Statutory authority: ORS 656.704 and 656.726(4)

Statutes implemented: ORS 656.704 and 656.726(4)

Hist: Amended 9/17/08 as WCD Admin. Order 08-061, eff. 7/1/09

436-050-0400 Responsibility for Providing Coverage under a Lease Arrangement

(1) Every worker leasing company providing workers to a client shall satisfy the requirements of ORS 656.017, 656.407, or 656.419.

(2) Every worker leasing company providing leased workers to a client shall also provide workers' compensation insurance coverage for any subject workers of the client, unless the client has an active workers' compensation insurance policy proof of coverage on file with the director or is certified under ORS 656.430 as a self-insured employer. In the latter circumstance, the client's insurer or the self-insured employer will be deemed to provide insurance coverage for all leased workers and subject workers of the client.

(3) If an insured client allows its workers' compensation insurance policy to cancel or does not obtain a renewal of the policy, or if a self-insured client allows its certification to terminate, and the client continues to employ subject workers or has leased workers, the client shall be considered a noncomplying employer unless the worker leasing company has made the filing with the director as provided in OAR 436-050-0410(1).

(4) A client can obtain leased workers from only one worker leasing company at a time unless the client has an active workers' compensation insurance policy proof of coverage on file with the director or is certified under ORS 656.430 as a self-insured employer.

(5) A worker leasing company shall not provide workers' compensation coverage for another worker leasing company.

Stat Auth: ORS 656.704, 656.726(4), 656.850 and 656.855

Stats. Implemented: ORS 656.850 and 656.855

Hist: Amended 9/17/08 as WCD Admin. Order 08-061, eff. 7/1/09

436-050-0410 Notice to Director of Lease Arrangement; Termination

(1) Within 14 days after the effective date of the lease arrangement or contract, a worker leasing company must file written notice with the director and its insurer, using Form 440-2465, that it is providing leased workers to a client and workers' compensation coverage. The notice must be correct and complete, and must include:

(a) The client's:

(A) Legal name;

(B) FEIN or other tax reporting number;

(C) Type of ownership;

(D) Primary nature of business;

(E) Mailing address; and

(F) Street address in Oregon;

(b) The worker leasing company's:

(A) Legal name;

(B) Mailing address;

(C) FEIN or other tax reporting number;

(D) WCD worker leasing license number, if any;

(E) Workers' compensation insurer's name (or "self-insured");

(F) Effective date of leasing contract;

(G) Contact name and phone number; and

(H) A signature of a representative of the worker leasing company.

(2) A worker leasing company may terminate its obligation to provide workers' compensation coverage by giving to its insurer, its client, and the director written notice of the termination. A notice of termination shall state the effective date and hour of termination, but the termination will be effective not less than 30 days after the notice is received by the director. Notice to the client under this section must be given by mail, addressed to the client at its last-known address.

Stat Auth: ORS 656.704, 656.726(4), 656.850 and 656.855

Stats. Implemented: ORS 656.850 and 656.855

Hist: Amended 11/1/07 as WCD Admin. Order 07-063, eff. 11/28/07

436-050-0420 Temporary Worker Distinguished from Leased Worker

(1) A person who provides a worker to work for a client will be considered to be providing the worker on a "temporary basis" only if there is contemporaneous written documentation, retained by either the client or the temporary service provider, which indicates the duration of the work to be performed and the worker is provided pursuant to ORS 656.850(1)(b), under one or more of the following conditions:

(a) Special situations to cover employee absences or employee leaves, including but not limited to such things as maternity leave, vacation, jury duty, or illness from which the permanent worker will return to work;

(b) To fill a professional skill shortage;

(c) To staff a seasonal workload;

(d) To staff a special assignment or project where the worker will be terminated or assigned to another temporary project upon completion;

(e) A student worker provided and paid by a school district or community college through a work experience program; or

(f) The work contract is part of the client's overall employment selection program, such as where new workers must satisfactorily pass a probationary period before being granted permanent employee status.

(2) If a person provides workers, by contract and for a fee, to work for a client and any such workers are not provided on a "temporary basis," that person will be considered a worker leasing company.

(3) If a person provides both leased workers and workers on a temporary basis, that person shall maintain written records that show specifically which workers are provided on a temporary basis. If the written records do not specify which workers are provided on a temporary basis, all workers are deemed to be leased workers.

Stat Auth: ORS 656.704, 656.726(4), 656.850 and 656.855

Stats. Implemented: ORS 656.850 and 656.855

Hist: Amended 11/1/07 as WCD Admin. Order 07-063, eff. 11/28/07

436-050-0440 Qualifications, Applications, and Renewals for License as a Worker Leasing Company

(1) Each person applying for initial license or renewal as a worker leasing company shall:

(a) Be either an Oregon corporation or other legal entity registered with the Oregon Secretary of State, Corporations Division to conduct business in this state;

(b) Maintain workers' compensation coverage pursuant to ORS 656.017; and

(c) Upon application approval and prior to licensure, pay the required licensing fee of \$2,050.

(2) Each person applying for initial license or renewal as a worker leasing company must submit an application for license on Form 440-2466. The form and accompanying documentation must include:

(a) Legal name;

(b) Mailing address;

(c) In-state and out-of-state phone numbers;

(d) FEIN or other tax reporting number;

(e) Type of business;

(f) Physical address for Oregon principal place of business;

(g) Assumed business names;

(h) Name of workers' compensation insurer (or "self-insured") and policy number;

(i) WCD employer number, if any;

(j) Name(s) and contact information of the representative(s) at the Oregon location(s);

(k) List of controlling persons including their names, titles, residence addresses, telephone numbers, email addresses, and dates of birth;

(l) For a person applying for an initial license, a letter of verification and good standing from the controlling regulatory agency of those states in which a license or certification to provide workers by contract and for a fee was previously, or is currently held;

(m) Verification of compliance with tax laws from Oregon Employment Department, Oregon Department of Revenue, and the Internal Revenue Service, using Attachments A, B, and C of Form 440-2466, the worker leasing license application;

(n) A record of any present or prior experience of providing

workers by contract and for a fee in any state, by the person or any controlling person, and an explanation of that experience;

(o) A record of any bankruptcies, liens, or any actions involving fraud, theft, embezzlement, forgery, or money laundering on the part of the person or any controlling person; such actions may include:

(A) Criminal convictions;

(B) Lawsuits;

(C) Guilty pleas; or

(D) Judgments

(p) Full details regarding any bankruptcy, liens, or action under subsection (o) of this section, including:

(A) The nature and dates of the action(s);

(B) Outcomes, sentences, and conditions imposed;

(C) Name and location of the court or jurisdiction in which any proceedings were held or are pending, and the dates of the proceedings; and

(D) The designation and license number for any actions against a license;

(q) Full details of any administrative actions against the person by a regulatory agency of any state regarding matters referenced in OAR 436-050-0440(2)(o) or worker leasing activities.

(r) A plan of operation which demonstrates how the worker leasing company will meet the requirements of ORS chapter 654, The Oregon Safe Employment Act, and collect the information necessary to establish each client's experience rating; and

(s) A notarized signature of an authorized representative of the applicant.

(3) The director may request additional information to further clarify the information and documentation submitted with the application. Under ORS 656.850(2), no person shall perform services as a worker leasing company in Oregon without first being licensed to do so.

(4) The director will review complete applications, and may conduct a background investigation of the person applying for a license or any controlling person. Information learned through a background investigation, or other information submitted during the application process, may be the basis for the director to refuse to issue or renew a license, or to disqualify the person from making further application.

(5) If the application is approved, the director will issue a license. Each license issued under these rules shall automatically expire two years after the date of issuance unless renewed by the licensee. A request for renewal of a worker leasing license must be submitted at least 45 days before the expiration date of the current worker leasing license.

(6) The director may refuse to issue or renew a license or may disqualify a person from applying for a license in the future for misrepresentation or failure to meet any of the requirements of ORS 656.850, 656.855, or these rules.

(7) A person may appeal the director's refusal to approve and issue or renew a license under this rule as provided in OAR 436-050-0008 and OAR 436-001.

(8) "Disqualification," as used in this rule, means a prospective worker leasing company may reapply no sooner than two years from the disqualification date.

(9) A disqualification may apply to any new worker leasing company created through the sale, transfer, or conveyance of ownership or of the worker leasing company's assets to another person or controlling person.

Stat Auth: ORS 656.704, 656.726(4), 656.850 and 656.855
Stats. Implemented: ORS 656.850 and 656.855
Hist: Amended 11/1/07 as WCD Admin. Order 07-063, eff. 11/28/07

436-050-0450 Recordkeeping and Reporting Requirements

(1) Every licensed worker leasing company must give notice to the director of one Oregon location where Oregon leasing records are kept. The notice must include the physical address, mailing address, telephone number, and any other contact information in this state.

(2) Every licensed worker leasing company must have at least one representative of the worker leasing company at the Oregon location authorized to respond to inquiries and make records available regarding leasing arrangements and client contracts.

(3) The following records must be kept at the Oregon location:

(a) Copies of signed worker leasing notices;

(b) Copies of signed notices of termination of leasing arrangements;

(c) Copies of signed contracts between the worker leasing company and clients; and

(d) Payroll records for all workers that identify leased workers subject to coverage by the worker leasing company; leased workers not subject to coverage by the worker leasing company; and, written records for all regular and temporary employees of the worker leasing company.

(4) The worker leasing company must notify the director within 30 days of the effective date of a change in any items listed in OAR 436-050-0440(2).

Stat Auth: ORS 656.704, 656.726(4), 656.850 and 656.855
Stats. Implemented: ORS 656.850 and 656.855
Hist: Amended 11/1/07 as WCD Admin. Order 07-063, eff. 11/28/07

436-050-0455 Reporting Requirements of a Self-Insured Worker Leasing Company

(1) A self-insured worker leasing company shall maintain and report to the National Council on Compensation Insurance separate statistical data for each client whose coverage is provided by the self-insured employer. Reporting shall be according to the uniform statistical plan prescribed by the director according to ORS 737.225(4).

(2) Records relating to the client statistical data for self-

440-2466 (6/07/DCBS/WCD/WEB)

insured worker leasing companies shall be made available for review by the National Council on Compensation Insurance upon request.

Stat Auth: ORS 656.704, 656.726(4), 656.850 and 656.855
Stats. Implemented: ORS 656.850 and 656.855
Hist: Amended 11/1/07 as WCD Admin. Order 07-063, eff. 11/28/07

436-050-0460 Suspension or Revocation of License

(1) Reasons for suspension or revocation of a worker leasing license include, but are not limited to:

(a) Insolvency, whether the worker leasing company's liabilities exceed their assets or the worker leasing company cannot meet its financial obligations;

(b) Judgments against or convictions, within the last ten years, of any worker leasing company or controlling person for the reasons identified in OAR 436-050-0440(2)(o);(c) Administrative actions involving worker leasing activities resulting from failure to comply with the requirements of any state;

(d) Nonpayment of taxes, fees, assessments, or any other monies due the State of Oregon;

(e) If the worker leasing company has failed to comply with any provisions of ORS Chapters 654, 656, 659, 659A, 731 or 737; or any provisions of these rules; or

(f) If the worker leasing company is permanently or temporarily enjoined by a court from engaging in or continuing any conduct or practice involving any aspect of the worker leasing business.

(2) For the purposes of this rule:

(a) "Suspension" means a stopping by the director of the worker leasing company's authority to provide leased workers to clients for a specified period of time. A suspension may be in effect for a period of up to two years. When the suspension expires, the worker leasing company may petition the director to resume its worker leasing company activities.

(b) "Revocation" means a permanent stopping by the director of the worker leasing company's authority to provide leased workers to clients. After a revocation has been in effect for five years or longer, the worker leasing company may reapply for license.

(c) "Show-cause hearing" means an informal meeting with the director in which the worker leasing company shall be provided an opportunity to be heard and present evidence regarding any proposed actions by the director to suspend or revoke a worker leasing company's authority to provide leased workers to clients.

(3) The director may revoke a license upon discovery of a misrepresentation in the information submitted in the worker leasing application.

(4) Suspension or revocation under this rule will not be made until the worker leasing company has been given notice and the opportunity to be heard through a show-cause hearing before the director and "show cause" why it should be permitted to continue to be licensed as a worker leasing company.

(5) A show-cause hearing may be held at any time the director finds that a worker leasing company has failed to comply with its obligations under a leasing contract or that it failed to comply with the rules or orders of the director.

(6) Appeal of proposed and final orders of suspension or revocation issued under this rule may be made as provided in OAR 436-050-0008 and OAR 436-001.

(7) Notwithstanding section (4) of this rule, the director may immediately suspend or refuse to renew a license by issuing an “emergency suspension order” if the worker leasing company fails to maintain workers’ compensation coverage; or if the director finds there is a serious danger to public health or safety.

(8) A suspension or revocation may apply to any new worker leasing company created through the sale, transfer, or conveyance of ownership or of the worker leasing company’s assets to another person.

Stat Auth: ORS 656.704, 656.726(4), 656.850 and 656.855
Stats. Implemented: ORS 656.850 and 656.855
Hist: Amended 11/1/07 as WCD Admin. Order 07-063, eff. 11/28/07

436-050-0470 Monitoring/Auditing

(1) The division will monitor and conduct periodic audits of employers as necessary to ensure compliance with the worker leasing company licensing and performance requirements.

(2) All pertinent records of the worker leasing company required by these rules must be disclosed upon request of the director.

(3) Pursuant to ORS 656.726 and 656.758, the director may inspect the books, records and payrolls of employers pertinent to the administration of these rules. Employers must provide the director with all pertinent books, records and payrolls upon request.

(4) For the purposes of this rule, both the worker leasing company and its clients shall be considered employers.

Stat Auth: ORS 656.704, 656.726(4), 656.850 and 656.855
Stats. Implemented: ORS 656.850 and 656.855
Hist: Amended 11/1/07 as WCD Admin. Order 07-063, eff. 11/28/07

436-050-0480 Assessment of Civil Penalties

(1) Failure to provide timely notice to the director for proof of coverage and cancellation of workers’ compensation insurance policies under ORS 656.419 or OAR 436-160 may result in civil penalties under ORS 656.745.

(2) The director may assess a civil penalty against an employer who fails to respond to requests for information and fails to meet the requirements of 436-050-0470. The matrix attached to these rules in Appendix “A” will be used in assessing these penalties. Assessment of a penalty does not relieve the employer of the obligation to provide a response.

(3) An employer failing to meet the requirements set forth in OAR 436-050-0410, 436-050-0450, and 436-050-0455, may be assessed a civil penalty based on the matrix in Appendix “B”, attached to these rules.

(4) An employer who is found to be operating a worker leasing company without having obtained a license or having 440-2466 (6/07/DCBS/WCD/WEB)

failed to renew a license pursuant to ORS 656.850(2), may be assessed a civil penalty based on the matrix attached to these rules in Appendix “C”.

(5) For the purposes of ORS 656.850(2), a violation is defined as any month or part of a month in which an employer provides leased workers to a client without having first obtained a worker leasing license.

(6) Any person or controlling person may also be subject to penalties under ORS 656.990.

Statutory authority: ORS 656.704, 656.726(4), 656.850 and 656.855;
Statutes implemented: ORS 656.850 and 656.855
Hist: Amended 9/17/08 as WCD Admin. Order 08-061, eff. 7/1/09

APPENDIX A					
OAD 436-050-0480 Penalty Matrix For Failure To Respond To Information Requests					
	NUMBER OF VIOLATIONS				
	1	2	3	4	5+
NUMBER OF DAYS LATE					
1-7	\$0	\$50	\$100	\$200	\$300
8-14	\$50	\$100	\$200	\$400	\$800
15-21	\$100	\$200	\$400	\$800	\$1000
22+	\$200	\$400	\$800	\$1000	\$1250

APPENDIX B				
OAD 436-050-0480 Penalty Matrix For Recordkeeping Violations				
	NUMBER OF OCCURENCES			
	1	2	3	4
TYPE OF RECORD				
Signed client contract	\$50 each violation \$250 max	\$100 each violation \$500 max	\$150 each violation \$750 max	\$200 each violation \$1000 max
Worker Leasing Notice Filed With WCD In 14 Days	\$100 each violation \$500max	\$150 each violation \$750 max	\$200 each violation \$1000 max	\$300 each violation \$1500 max
Worker Leasing Notice In File	\$50 each violation \$250 max	\$100 each violation \$500 max	\$150 each violation \$750 max	\$200 each violation \$1000 max
Effective Date On Worker Leasing Notice Same As On Client Contract	\$50 each violation \$250 max	\$100 each violation \$500 max	\$150 each violation \$750 max	\$200 each violation \$1000 max
Cancellation of Worker Leasing Notice In File	\$50 each violation \$250 max	\$100 each violation \$500 max	\$150 each violation \$750 max	\$200 each violation \$1000 max

APPENDIX C			
OAD 436-050-0480 ORS 656.850 (2) Penalty Matrix For Operating as a Worker Leasing Company Without a License			
MONTHS			
Up to_1 MONTH	2-3 MONTHS	4-6 MONTHS	7+ MONTHS
\$500	\$1000	\$1500	\$2000