

DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
WORKERS' COMPENSATION DIVISION

PROPOSED OREGON ADMINISTRATIVE RULES

CHAPTER 436, DIVISION 050
EMPLOYER/INSURER COVERAGE RESPONSIBILITY RULES

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BEFORE THE DIRECTOR OF THE
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
OF THE STATE OF OREGON

In the Matter of the Amendment of Oregon Administrative Rules, chapter 436, division:
050, Employer/Insurer Coverage Responsibility

)
)
) SUMMARY OF
) TESTIMONY AND
) AGENCY RESPONSES
)

This document summarizes the significant data, views, and arguments contained in the hearing record. The purpose of this summary is to provide the Director with a record of the agency conclusions about the major issues raised.

The amendment to the rules was announced in the Secretary of State’s Oregon Bulletin dated March 1, 2005. On March 22, 2005, a public rulemaking hearing was held as announced at 2:00 p.m. in Room B of the Labor and Industries Building, 350 Winter Street NE, Salem, Oregon 97301-3879. Fred Bruyns, Rules Coordinator, acted as presiding officer. Business Support Services audio-recorded the hearing and created a written transcript. The record was held open for written comment through March 28, 2005.

Exhibit # Oral testimony received from:

3 John Booton, representing the Northwest Professional Employer Association

Exhibit # Written testimony received from:

1 Gregory J. Lambert, President, Mid Oregon Personnel Services, Inc.
2 John Booton, representing the Northwest Professional Employer Association

The following is a summary of the testimony received and the agency’s responses to that testimony.

OAR 436-050-0440 through 0480 Exhibit #1

Testimony: During a recent industry/State meeting regarding the proposed license fee increase, one point of discussion related to the effectiveness of the worker leasing program. The honest companies who do worker leasing are licensed and still honest, the dishonest are still dishonest. Some of the most egregious violations such as misreporting wages, paying cash under the table, and retroactive worker leasing contracts have occurred after the implementation of HB2282.

The State has presented a set of procedures for worker leasing companies to follow. Since the first audit, which included good education, most licensed worker leasing companies have become compliant with these procedures. Although these procedures increase uniformity of operation, it is unknown how much they have succeeded in achieving the two main stated reasons for HB2282: Eliminating “Rent-a-Mod”, and making sure that all workers of a worker leasing client are covered by worker’s compensation.

The unintended consequence of making sure that all workers of a worker leasing client are covered by worker’s compensation insurance is that some clients, especially in construction, officially work people part time and then pay cash directly to the employee for full and even overtime. In some cases, not all employees are reported to the worker leasing company. If caught, the worker leasing company and the worker compensation insurance carrier are held accountable by the State, not the client and employee

SUMMARY OF TESTIMONY AND AGENCY RESPONSES

Oregon Administrative Rules, Chapter 436, Division 050 – public hearing March 22, 2005

who are intentionally violating the law by paying and receiving cash. The rules need to be changed so that if a client does not report hours worked and wages paid to the worker leasing company, the client retains responsibility.

HB 2282 defines “Temporary” very narrowly and places everything else as “Leasing”. As a result, many temporary staffing companies are actually doing leasing work under the definition of the law. The law requires that a temporary staffing company be able to prove via contracts and operating procedures that they are in fact only doing temporary work.

Before increasing the license fee for worker leasing companies, the State should audit all temporary staffing companies and make the ones who are doing leasing work become licensed. If this is done, there may be enough new revenue that an increase in license fee would not be needed.

Response: A primary purpose of the current compliance review audit program is to ensure that leasing companies adhere to the statutes and administrative rules that support coverage objectives. However, the leasing company itself is ultimately responsible to ensure that the client employer appropriately reports hours worked, wages paid; and that the correct number of workers are reported to their workers’ compensation insurer. Additionally, the Division has used information from the industry and others to pursue “rent-a-mod”, “wages paid under the table” and “dishonest” leasing companies. The Division will continue to work closely with the industry and others to address these situations as they become known.

The proposed increase in the license fee is restricted to the amount of fee necessary to maintain the current level of regulation and oversight. Increasing the scope of the program, including reviewing all temporary staffing companies, will require funding and resources not available at this time or supportable by the currently proposed increase in the fee. The proposed rule to increase the fee to \$2050.00 will remain as written. In the meantime, the Division will determine the number of existing temporary staffing companies and estimate the cost and likely time needed to review those companies to determine how best the Division can handle this activity.

OAR 436-050-0480 *Exhibits #2 & #3*

Testimony: As for the amendments to OAR 436-050, NWPEA generally supports those that are proposed. There is, however, one area of concern.

OAR 436-050-0480 (Appendix B) addresses penalties for record-keeping violations. The defined penalties are inadequate for some of the violations seen in the past. The maximum penalty in each case seems to contemplate five violations, yet there are instances where there were fifty violations. How does the matrix address that scenario? The matrix should provide for a maximum level of penalty that would defer such actions or deter such actions.

For example, a minimal penalty used to be assessed for employer noncompliance with ORS 656.017, the requirement to provide worker's compensation coverage for their subject workers. It became obvious that for some employers it was cheaper to pay the fine than to pay the premium. So, the penalty was changed to an amount equal to twice the premium that should have been paid during the period of noncompliance. Perhaps Appendix B should be amended to include such a penalty for particularly egregious cases.

SUMMARY OF TESTIMONY AND AGENCY RESPONSES

Oregon Administrative Rules, Chapter 436, Division 050 – public hearing March 22, 2005

NWPEA offers two ideas that would be further amendments to OAR 436-050. The first is related to the procedure for filing the required Notice of Coverage with WCD. The current system requires that the PEO file with both WCD and their insurer. That is not always done, and WCD receives the notice, but the insurer does not. This has resulted in a system where the insurer is forced to contact WCD periodically to determine who they are covering. As an alternative, the PEO could file the notice with the insurer; the insurer would document receipt, and forward the document timely to WCD. This approach would assure that all parties are aware of the relationship and reduce workloads for both WCD and the insurers.

The second is related to penalties for failure to respond to reasonable requests for information such as payroll data for premium audits, claims documentation, and loss control issues. There have been problems in these areas and such actions could be addressed under the section of the rules that deals with suspension, and in the most egregious cases, revocation of the offending party's PEO license.

Response: At this point in time, the penalty matrices are new; consequently, there is insufficient history and information to make determinations as to the appropriateness of penalty amounts or limits. However, the Department will continue to gather data to determine whether the current penalty amounts are sufficient to encourage and maintain compliance at the desired levels.

This issue and the ideas regarding the filing of the Notice of Coverage and penalties for failure to respond, will be reviewed at the next opening of the Division 050 rules.

Having reviewed and considered all data, views and arguments presented, I hereby submit this report as a summary of statements given and exhibits received. I recommend the adoption of the amendments to the rules consistent with the above responses.

Dated this 13th day of June, 2005.

WORKERS' COMPENSATION DIVISION

Fred Bruyns

Fred Bruyns, Rules Coordinator

Policy Section

Workers' Compensation Division

Secretary of State
NOTICE OF PROPOSED RULEMAKING HEARING

A Statement of Need and Fiscal Impact accompanies this form.

Department of Consumer and Business Services, Workers' Compensation Division		OAR CHAPTER 436	
Agency and Division		Administrative Rules Chapter Number	
Fred Bruyns		(503) 947- 7717 Fax (503) 947-7581	
Rules Coordinator		Telephone	
PO Box 14480, Salem, OR 97309-0405; 350 Winter Street NE, Rm 27, Salem, OR 97301-3879			
Address			
March 22, 2005		2:00 p.m.	Fred Bruyns
Hearing date	Time	Location	Hearings Officer

NOTE: The hearing will begin at 2:00 p.m. and end when all present who wish to testify have done so. Written testimony will be accepted through March 28, 2005.

The site of the hearing is accessible for individuals with mobility impairments. Auxiliary aids for persons with disabilities are available upon advance request.

RULEMAKING ACTION

AMEND: OAR 436-050-0003, 436-050-0440, 436-050-0460, 436-050-0480

ORS 656.704, 656.726(4), 656.850, and 656.855

Statutory Authority

ORS 183.335, OAR 137-001, and OAR 436-001

Other Authority

ORS 656.850 and 656.855

Statutes Implemented

RULE SUMMARY

The agency proposes to amend OAR chapter 436-050, "Employer/Insurer Coverage Responsibility."

These proposed rules:

- Increase the initial license fee and license renewal fee for a worker leasing company from \$1,250 to \$2,050; and
- Increase the penalties for operating as a worker leasing company without a license.

Request for public comment:

The agency requests public comment on whether other options should be considered for achieving the rules' substantive goals while reducing the negative economic impact of the rules on business.

Address questions to: Fred Bruyns, Rules Coordinator; phone 503-947-7717; fax 503-947-7581; e-mail fred.h.bruyns@state.or.us Proposed rules are available on the Workers' Compensation Division's Web site: <http://wcd.oregon.gov/policy/rules/rules.html#proprules> or from WCD Publications (503) 947-7627 or fax (503) 947-7630.

March 28, 2005

Last Day for Public Comment

/s/ John L. Shilts

Authorized Signer and Date

2/14/05

John L. Shilts, Administrator, Workers' Compensation Division

Printed name

*The *Oregon Bulletin* is published on the 1st of each month and updates the rule text found in the Oregon Administrative Rules Compilation. Notice forms must be submitted to the Administrative Rules Unit, Oregon State Archives, 800 Summer Street NE, Salem, Oregon 97310 by 5:00 pm on the 15th day of the preceding month unless this deadline falls on a Saturday, Sunday or legal holiday when Notice forms are accepted until 5:00 pm on the preceding workday.

Distribution: WCD-ID, S, T, U, AT, EC, EG, NM, WL, S0, S2 & TT

Secretary of State
STATEMENT OF NEED AND FISCAL IMPACT

A Notice of Proposed Rulemaking Hearing or a Notice of Proposed Rulemaking accompanies this form.

Department of Consumer and Business Services,
Workers' Compensation Division

OAR CHAPTER 436

Agency and Division

Administrative Rules Chapter Number

In the Matter of

The Amendment of:

OAR 436-050,
Employer/Insurer Coverage Responsibility

)
) Statutory Authority,
) Statutes Implemented,
) Statement of Need,
) Principal Documents Relied Upon,
) Statement of Fiscal Impact

Statutory Authority: ORS 656.704, 656.726(4), 656.850, and 656.855

Other Authority: ORS 183.335, OAR 137-001, and OAR 436-001

Statutes Implemented: ORS 656.850 and 656.855

Need for the Rule(s):

Rule amendments are needed to:

- Carry out the requirements of ORS 656.855(1)(b) that "The [license] fees shall be set in an amount necessary to support the administration of this section and ORS 656.850."
- Increase penalties for operating as a worker leasing company without a license, sufficient to promote compliance with the licensing requirements of ORS 656.850 and OAR 436-050, and proportionate to the proposed license fee so as not to create a disincentive for obtaining a license."

Documents Relied Upon: Advisory committee meeting records; issues document, and "WORKER LEASING PROGRAM - LICENSE FEE PROPOSAL" dated January 10, 2005. These documents are available for public inspection in the Administrator's Office, Workers' Compensation Division, 350 Winter Street NE, Salem, Oregon 97301-3879, upon request and between the hours of 8:00 a.m. and 5:00 p.m., Monday through Friday. Please call (503) 947-7810 to request copies.

Fiscal and Economic Impact: The current licensing fee does not cover program administration costs; so the program is now partially subsidized by the Premium Assessment Operating Account. The fee increase would allow the Workers' Compensation Division to carry out its statutory obligations for oversight of worker leasing in Oregon. We estimate that there will be 110 licensed companies in the 2005 - 2007 biennium. The proposed \$800 per license/renewal increase means an estimated additional cost to worker leasing companies of \$88,000 for the 2005-2007 biennium. The Workers' Compensation Division needs adequate staff and funding to identify and sanction unlicensed companies. To the extent the division minimizes the operation of unlicensed companies in Oregon, it will facilitate a level playing field for licensed companies and other Oregon businesses.

Administrative Rule Advisory Committee consulted: Yes, January 10, 2005

/s/ John L. Shilts

2/14/05

Signature and Date

John L. Shilts, Administrator, Workers' Compensation Division

Printed name

DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
 WORKERS' COMPENSATION DIVISION
 PROPOSED EMPLOYER/INSURER COVERAGE RESPONSIBILITY RULES

OREGON ADMINISTRATIVE RULES
 CHAPTER 436, DIVISION 050
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436-050-0003 Applicability of Rules

- (1) These rules are effective [January 1, 2004]**June 1, 2005**, to carry out the provisions of:
- (a) ORS 656.017 - Employer required to pay compensation and perform other duties.
 - (b) ORS 656.029 - Independent contractor status.
 - (c) ORS 656.126 - Coverage while temporarily in or out of state.
 - (d) ORS 656.407 - Qualifications of insured employers.
 - (e) ORS 656.419 - Guaranty contracts.
 - (f) ORS 656.423 - Cancellation of coverage by employer.
 - (g) ORS 656.427 - Termination of guaranty contract or surety bond liability by insurer.
 - (h) ORS 656.430 - Certification of self-insured employer.
 - (i) ORS 656.434 - Certification effective until canceled or revoked; revocation of certificate.
 - (j) ORS 656.443 - Procedure upon default by employer.
 - (k) ORS 656.447 - Sanctions against insurer for failure to comply with contracts, orders or rules.
 - (l) ORS 656.455 - Records location and inspection.
 - (m) ORS 656.745 - Civil penalties.
 - (n) ORS 656.850 and 656.855 - Worker-leasing companies.
 - (o) ORS 731.475 - Insurer's in-state location.
- (2) Applicable to this chapter, the director may, unless otherwise obligated by statute, in the director's discretion waive any procedural rules as justice so requires.

Stat. Auth: ORS 656.017, 656.029, 656.126, 656.407, 656.419, 656.423, 656.427, 656.430, 656.434, 656.443, 656.447, 656.455, 656.745, 656.850, 656.855, and 731.475

Stats. Implemented: ORS 656.704 and 656.726(4)

Hist: Filed 12/19/75 as WCB Admin. Order 18-1975, eff. 1/1/76, as Rule 436-51-001
 Amended 4/12/76 as WCB Admin. Order 2-1976, eff. 4/12/76 (Temporary as Rule 436-51-130)

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Amended 6/15/76 as WCB Admin. Order 3-1976
 Amended 4/2/80 as WCD Admin. Order 3-1980, eff. 4/2/80
 Amended 2/10/82 as WCD Admin. Order 4-1982, eff. 2/15/82
 Amended 12/22/83 as WCD Admin. Order 7-1983, eff. 12/27/83
 Renumbered from OAR 436-51-008, January 1, 1986
 Amended 12/12/85 as WCD Admin. Order 9-1985, eff. 1/1/86
 Amended 12/18/87 as WCD Admin. Order 9-1987, eff. 1/1/88
 Amended 12/22/89 as WCD Admin. Order 5-1989, eff. 1/1/90
 Amended 11/29/90 as WCD Admin. Order 27-1990, eff. 12/26/90
 Amended 4/1/94 as WCD Admin. Order 94-052, eff. 5/1/94
 Amended 3/8/96 as WCD Admin. Order 96-057, eff. 4/1/96
 Amended 1/9/98 as WCD Admin. Order 98-050, eff. 1/23/98
 Amended 6/22/01 as WCD Admin. Order 01-054, eff. 7/1/01
 Amended 8/28/03 as WCD Admin. Order 03-056, eff. 9/15/03
 Amended 12/3/03 as WCD Admin. Order 03-062, eff. 1/1/04
Amended XX/XX/XX as WCD Admin Order XX-XXX, eff. XX/XX/XX

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

(1) Each applicant 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) Pay the required licensing fee of \$^[1,250] **2,050**.

(2) Each applicant 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) Names and titles of authorized representatives, including the Oregon representative;

(k) List of controlling persons holding or controlling 10 percent or more interest in the company, including their names, titles, residence addresses, and dates of birth;

(l) A record of any present or prior worker leasing company services provided in any state and an explanation of those services;

(m) A letter of verification or good-standing from the controlling regulatory agency of those states in which a worker leasing license or certification is currently held;

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(n) 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;

(o) A record of any actions in which an essential element of the action involved fraud, theft, or embezzlement of monies on the part of the applicant or any controlling person; such actions may include:

(A) Criminal convictions;

(B) Lawsuits;

(C) Guilty pleas;

(D) Judgments; or

(E) Administrative actions;

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

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

(B) Outcomes, sentences, and [or] 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[or] license number for any actions against a license;

(q) 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

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

(3) Incomplete or incorrectly completed application packages will be rejected and returned to the applicant. The applicant will not be authorized to lease employees until the director has issued a license.

(4) Upon receipt of a completed application package, the application will be reviewed. The department may conduct a background investigation of each individual applicant and controlling person. If the application is approved, the director will issue a license.

(5) Each license issued under these rules shall automatically expire two years after the date of issuance unless renewed by the licensee.

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

Stats. Implemented: ORS 656.850 and 656.855

Hist: Filed 4/1/94 as Admin. Order 94-052, eff. 5/1/94

Amended 6/22/01 as WCD Admin. Order 01-054, eff. 7/1/01

Amended 8/28/03 as WCD Admin. Order 03-056, eff. 9/15/03

Amended 12/3/03 as WCD Admin. Order 03-062, eff. 1/1/04

Amended XX/XX/XX as WCD Admin Order XX-XXX, eff XX/XX/XX

436-050-0460 Disqualification, Suspension, Revocation of License

(1) The director may disqualify, suspend or revoke the worker-leasing company's license upon a determination that the worker-leasing company has failed to comply with ORS 656.850,

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656.855, or these rules. Reasons for disqualification, suspension or revocation 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) If the worker-leasing company or any controlling person has been convicted of dishonest, fraudulent or illegal practices or conduct in any business or profession;
- (c) If any controlling person has been convicted of a crime within the past 10 years, an essential element of which is fraud, theft, or embezzlement of monies;
- (d) If the worker-leasing company has willfully violated or has failed to comply with any provisions of ORS Chapters 654, 656, 659, 659A, 731 or 737; or any provisions of these rules; or
- (e) 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) "Disqualification" and its variations means a refusal by the director to issue a license to a prospective worker-leasing company for failure to meet the requirements of ORS 656.850, 656.855, or these rules.
- (b) "Suspension" and its variations 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.
- (c) "Revocation" and its variations means a permanent stopping by the director of the worker-leasing company's authority to provide leased workers to clients.
- (d) "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 orders by the director to suspend or revoke a worker-leasing company's authority to provide leased workers to clients.

(3) 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.

(4) 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.

(5) Following a show-cause hearing, the director may rescind the proposed order if the worker-leasing company establishes to the director's satisfaction its ability and commitment to comply with ORS chapter 656 and these rules.

(6) A suspension may be in effect for a period of up to two years.

(7) After a revocation of a worker-leasing company's authority to provide leased workers to clients has been in effect for five years or longer, it may reapply for license.

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(8) 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.

(9) Notwithstanding section (3) 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.

(10) A disqualification, suspension or revocation will apply to any new entity created from the disqualified, suspended, or revoked entity through the sale, transfer or conveyance of ownership interest or of the entity's assets to another entity which takes over its operations.

Stat Auth: ORS 656.704, 656.726(4), 656.850 and 656.855
 Stats. Implemented: ORS 656.850 and 656.855
 Hist: Filed 4/1/94 as Admin. Order 94-052, eff. 5/1/94
 Amended 6/22/01 as WCD Admin. Order 01-054, eff. 7/1/01
 Amended 8/28/03 as WCD Admin. Order 03-056, eff. 9/15/03
Amended XX/XX/XX as WCD Admin Order XX-XXX, eff XX/XX/XX

436-050-0480 Assessment of Civil Penalties

(1) 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.

(2) 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.

(3) An employer who is found to be operating a worker leasing company without having obtained a license or having 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".

(4) 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.

Stat Auth: ORS 656.704, 656.726(4), 656.850 and 656.855
 Stats. Implemented: ORS 656.850 and 656.855
 Hist: Filed 12/3/03 as WCD Admin. Order 03-062, eff. 1/1/04
Amended XX/XX/XX as WCD Admin Order XX-XXX, eff XX/XX/XX

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APPENDIX A

OAR 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

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APPENDIX B

OAR 436-050-0480

Penalty Matrix For Recordkeeping Violations

NUMBER OF COMPLIANCE REVIEWS/AUDITS

TYPE OF RECORD	1	2	3	4
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

OAR 436-050-0480

ORS 656.850 (2)

Penalty Matrix For Operating as a Worker Leasing Company Without a License

MONTHS

1 MONTH	2-3 MONTHS	4-[6] <u>5</u> MONTHS	[7] <u>6</u>+ MONTHS
[250] <u>\$500</u>	[500] <u>\$1,000</u>	[1000] <u>\$1,500</u>	\$2000