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Ohio -- New Bureau of Workers' Compensation Unit Targets Uninsured Employers: *Fraud* [07/17/08]

The Ohio Bureau of Workers' Compensation announced Thursday the creation of a compliance unit to "aggressively pursue" anyone operating businesses in Ohio without workers' compensation coverage.

Administrator Marsha Ryan said the unit "will work to ensure each business pays its fair share for workers' compensation coverage."

The compliance unit will be staffed with current employees who will be trained to police compliance, collect overdue premiums and work with the Office of the Ohio Attorney General when legal action is necessary.

Noncompliant employers include those whose coverage has lapsed, been cancelled as uncollectible, are operating their businesses without required coverage or have applied for coverage and failed to meet minimum payments.

The bureau said that currently more than 5,540 Ohio employers have an outstanding balance of greater than $10,000 in workers' compensation premiums and penalties and collective owe the State Insurance Fund more than $235 million. Of the group, 1,132 employers have had claims filed by injured workers in the last two years, the bureau added.

Since January 2004, 1,655 employers without workers' compensation coverage have had 2,160 claims filed against them for wage compensation totaling more than $9.2 million and medical costs totaling nearly $5.9 million. In addition, 1,477 employers have reported zero dollars in payroll, which is utilized for premium calculation. However, these same employers reported more than $101 million in total payroll to the Ohio Department of Taxation, the bureau said.

Because the fund is "revenue neutral," Ryan said, "wage compensation and medical costs paid to employees of noncompliant business owners forces employers who abide by the law to absorb the costs through higher workers' compensation premiums."

Categories in which the compliance unit will pursue noncompliant employers fall under Ohio Revised Code 4123.01 and include:

- Employers operating a business without required coverage
- Employers with coverage, but who are not reporting the correct payroll or correct manual classifications.
- Employers whose coverage has lapsed, though continue to operate without coverage as required.

For more information about the bureau and its reform efforts go to www.ohiobwc.com/reform.

Source: Ohio Bureau of Workers' Compensation

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