



FOR IMMEDIATE RELEASE
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Workers' Compensation

Workers' Comp Insurance Fraud Sweep Recovers \$36K

CRANSTON – The RI Department of Labor and Training Workers' Compensation Fraud and Compliance Unit periodically conducts "industry sweeps" as part of its workers' compensation insurance enforcement program. In 2004, industry sweeps targeted landscapers and auto repair shops. As a result of the sweeps, employees previously not protected by workers' compensation insurance are now covered and noncompliant employers have been penalized.

Using a cross match of tax records, workers' compensation insurance records, and a specific industry code, the Unit is able to compile a record of employers with one or more employees who are not identified as having workers' compensation insurance. This information provides the basis for the industry sweep program.

The landscaper sweep was initiated during the summer of 2004, with 247 registered landscapers targeted for investigation. Of these, 6.9 percent were determined to be noncompliant. Administrative penalties were paid to the Department by eleven landscapers, totaling nearly \$14,000. In six other cases, petitions were filed in the Workers' Compensation Court by the Department requesting that a penalty be assessed.

In 2004, a sweep of 260 targeted auto repair shops was also conducted. Of these, 3.1 percent were found to be noncompliant. Seven employers paid administrative penalties of close to \$22,000. One case is pending a penalty determination before the Workers' Compensation Court.

Employers that fail to carry workers' compensation insurance are subject to a penalty of \$500 to \$1,000 per day for each day of noncompliance. First time non-intentional offenders are subject to an administrative penalty based on the employer's annual premium. Intentional offenders are subject to a felony charge, two years imprisonment and/or a \$10,000 fine.

Employers suspected of failing to have workers' compensation insurance should be reported to the Fraud and Compliance Unit by calling (401) 462-8100, option 8.

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The Rhode Island Department of Labor and Training offers a wide array of employment and training services to both the general public and to individuals with unusual barriers to employment. DLT is ready to assist any job seeker, whether the goal is a first job, a better job, or a career change. Rhode Island's work force is protected through the enforcement of labor laws, prevailing wage rates, and work place health and safety standards. Temporary income support is available to unemployed, sick, or injured workers and a comprehensive rehabilitation program is available to those injured on the job.

DLT is dedicated to the growth and competitiveness of Rhode Island industry, administering a variety of training grants, tax credits, and apprenticeship programs to help employers. Economic indicators and labor market information are available for

long-range planning. The Agency engages in active outreach, helping large and small employers retain their best workers or retrain their existing work force. At no cost to the employer, DLT will also screen job applicants, post job vacancies, and help businesses institute cost-sharing programs that can avert layoffs.

For more information on the innovative programs and services available to all Rhode Islanders at the Department of Labor and Training, please call (401) 462-8000 or visit the web site at www.dlt.ri.gov.

Equal Opportunity Employer

Auxiliary aids and services are available up on request to individuals with disabilities

TDD (401) 462-8006