

4123-17-15.7 Denial or revocation of PEO registration.

- (A) The administrator shall deny or revoke the registration of a PEO or PEO reporting entity if it fails to comply with the requirements of rule 4123-17-15.4 of the Administrative Code.
- (B) The administrator may deny or revoke the registration of a PEO or PEO reporting entity and rescind its status as a coemployer upon finding that the PEO or PEO reporting entity has done any of the following:
 - (1) Obtained or attempted to obtain registration through misrepresentation, misstatement of a material fact, or fraud;
 - (2) Misappropriated any funds of the client employer;
 - (3) Used fraudulent or coercive practices to obtain or retain business or demonstrated financial irresponsibility;
 - (4) Failed to appear, without reasonable cause or excuse, in response to a subpoena lawfully issued by the administrator;
 - (5) Failed to comply with the requirements of rules 4123-17-15 to 4123-17-15.5 of the Administrative Code.
- (C) A PEO may appeal a denial or revocation of status under this rule pursuant to the administrative hearing procedure set forth in Chapter 119. of the Revised Code.
- (D) The administrator's decision to deny or revoke a PEO's registration or to rescind its status as a coemployer is stayed pending the exhaustion of all administrative appeals by the PEO.
- (E) Upon revocation of the registration of a PEO, each client employer associated with that PEO shall file payroll reports and pay workers' compensation premiums directly to the administrator on its own behalf at a rate determined by the administrator based solely on the claims experience of the client employer.
- (F) When an employer contacts the bureau to determine whether a particular PEO is registered, if the administrator has denied or revoked that PEO's registration or rescinded its status as a coemployer, and if all administrative appeals are not yet exhausted when the employer inquires, the appropriate bureau personnel shall inform the inquiring employer of the denial, revocation, or rescission and the fact that the PEO has the right to appeal the administrator's decision.

Effective: 2/17/14