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Press Release

COMMISSIONER'S OFFICE

FOR IMMEDIATE RELEASE

Aug. 5, 2011

No. 11-42

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Alaska Workers' Comp Board Assesses \$1.5 Million Penalty

JUNEAU, Alaska—The Alaska Workers' Compensation Board has assessed a \$1.5 million civil penalty to Ultimate Tours, LLC and Godwin Glacier Tours, LLC, for failure to carry workers' compensation insurance, misclassifying employees as independent contractors and violating stop work orders.

"Ultimate Tours/Godwin Glacier Tours operates seasonally in the Seward area," said Mike Monagle, director of the Workers' Compensation Division. "Division of Workers' Compensation staff repeatedly attempted to resolve the situation and bring the employer into compliance with state law, but for six seasons had failed to reach an agreement with this employer."

The tour company, which operates glacier dog sled tours, glacier hikes, and helicopter flightseeing on the Kenai Peninsula, was in violation of stop work orders for failure to insure its employees for 341 days, from Nov. 7, 2005 to Aug. 30, 2010. Five injuries have been reported to the Division of Workers' Compensation.

The tour company was assessed the penalty on 1,215 uninsured employee work days and additional penalties for knowingly misclassifying employees to evade workers' compensation premiums.

Alaska law requires all employers to carry workers' compensation insurance. Employers who fail to comply with the law may be liable for civil penalties up to \$1,000 per uninsured employee per workday.

Employers who violate a stop work order issued by the Alaska Workers' Compensation Board or the Division of Workers' Compensation, may be liable for an additional civil penalty of \$1,000 for each day the employer is in violation of the stop work order.

Employers who knowingly misclassify employees for the purpose of evading payment of workers' compensation premiums are not only subject to civil penalties for failure to insure, but may also be subject to criminal penalties for fraud.

The division provides an Online Employer Coverage Verification Service at Labor.Alaska.Gov/wc/exit.html. Anyone with knowledge about uninsured employers can contact the Special Investigations Unit at wcfraud@alaska.gov or call the Fraud Hotline at 1-888-372-8330.

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Workers' Compensation Division
Labor.Alaska.Gov/wc/

Workers' Compensation Board
Labor.Alaska.Gov/wc/wcboard.htm