

The Federal Unemployment Tax Act establishes:

- federal unemployment tax rates
- credits against the tax
- state law approval provisions
- definitions

Unemployment insurance (UI) rules

The UI rules are written statements providing the administrative guidelines for OESC to follow in delivering unemployment insurance services. These administrative rules are written under the authority of state and federal law and have the effect of law.

The administrative rules governing the Oklahoma unemployment insurance program are found in the Oklahoma Administrative Code at 240:1-1-1 through 240: 25-3-1.

Unemployment insurance (UI) fraud

It is a crime to commit unemployment insurance fraud. Section 5-103 of the Oklahoma Employment Security Act states that an employer who makes a false statement or representation knowing it to be false or fails to disclose a material fact is guilty of a misdemeanor. Individuals who commit fraud are subject to fines, penalties and/or criminal prosecution.

Acts that constitute employer fraud include:

- misclassifying workers
- incorrectly reporting wages
- providing false information to prevent an otherwise eligible claimant from obtaining unemployment insurance benefits
- failing to pay unemployment insurance (UI) taxes
- failing to report necessary information
- prohibiting inspection
- engaging in SUTA dumping, or the manipulation of tax rates to pay a lower rate than the earned experience rate

Employer audits

The U.S. Department of Labor, Employment and Training Administration sets mandatory performance goals to ensure states are correctly and efficiently administering the Unemployment Insurance program. One of the required measures is the employer audit program. Each state is required to audit selected employers for compliance with the Oklahoma Employment Security Act.