

COSTELLO MEDIA ADVISORY

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LABOR COMMISSIONER COSTELLO IS OUTRAGED AT WORK COMP PENALTIES IN KREMLIN CASE

OKLAHOMA CITY – Commissioner Mark Costello expressed his frustration with the miniscule penalties his agency may currently assess against the Zaloudek Grain Company for allegedly not carrying Worker’s Compensation Insurance for the past 5 months. An on-going investigation into the August 4 grain elevator accident where two boys employed by Zaloudek each lost a leg after being pulled into a grain auger has resulted in the Oklahoma Department of Labor Workers Compensation Insurance Compliance Unit citing Zaloudek with 1 violation for 10 employees for non-compliance with the Oklahoma Workers’ Compensation Code, each employee worth only \$75 for a total penalty of \$750.

“It’s outrageous that our penalty for non-compliance for this particular case falls at only \$75 per employee. We need to make the penalties meaningful,” stated Commissioner Costello.

Ray Andrews, Director of Employee Standards Division at the Labor Department explained that Zaloudek had obtained Worker’s Compensation Insurance on August 9, five days after the horrific accident. “If insurance is procured within 30 days of the notice of violation, the employer must be assessed a lower civil penalty per employee,” said Andrews.

In 1986, the Oklahoma Legislature enacted a law giving the Commissioner of Labor the authority to enforce the mandatory workers’ compensation law in Oklahoma. In addition to enforcement authority, the Commissioner was also authorized to levy civil penalty fines of no more than \$10,000 for a related series of violations, whether the employer’s non-compliance threatens the safety of 10, 100, 1,000, or 10,000 employees. The penalty structure for worker’s compensation non-compliance has not changed in over 25 years.

Commissioner Costello also commented, “All employers have a responsibility to provide a safe and healthy work environment. It should be a core value and part of any successful business model.”

The Oklahoma Department of Labor offers a free consultation program to grain elevator operators to increase worker safety and avoid OSHA safety standard violations. More information may be obtained by going to our website at www.labor.ok.gov.

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