

Statement from Labor Commissioner Mark Costello

Contact: Liz McNeill

Phone: 405-521-6102

Date: September 1, 2011

COSTELLO CALLS WORK COMP PENALTIES IN KREMLIN CASE “INSUFFICIENT, INEFFECTIVE AND OUTDATED”

I will seek a restructuring of workers' compensation non-compliance penalties during the next legislative session. The existing penalty structure for workers' compensation non-compliance is insufficient, ineffective, and outdated. The August 4th Zaloudek Grain Company accident where two minor boys each lost a leg from being pulled into a grain auger will result in a \$75 penalty to the employer for failing to provide workers' compensation insurance for each employee. This minuscule penalty is a scandal in that it does not provide a sufficient economic incentive to assure compliance by employers.

An investigation by the Oklahoma Department of Labor reveals that Zaloudek Grain Company had not carried workers' compensation insurance for the 5 months prior to the accident. Zaloudek had obtained Workers' Compensation Insurance on August 9, five days after the horrific accident. Under existing law, all Zaloudek could be cited for was 1 violation that involved 10 employees for a mere penalty of \$75 per employee for a total of only \$750.

I will propose and seek to have the 25 year old workers' compensation non-compliance penalty structure completely overhauled in the next legislative session. As a matter of justice, the penalty for non-compliance should match the serious consequence of injury or death.

Lastly, I encourage the many grain elevator operators in Oklahoma to seek free safety consultation services offered through the Oklahoma Department of Labor. By signing up with the Oklahoma Department of Labor for safety consultation, grain elevator operators can increase worker safety and avoid OSHA safety standard violations. More information may be obtained by going to our website at www.labor.ok.gov.