

## BRIEFLY...

Highlights of Report Number 05-12-001-06-001,  
issued to the Assistant Secretary of Labor for Mine  
Safety and Health.

### WHY READ THE REPORT

The Federal Mine Safety and Health Act of 1977 requires Mine Safety and Health Administration (MSHA) personnel to inspect mines to determine compliance with prescribed health and safety standards. During calendar years 2009 and 2010, MSHA inspections resulted in the issuance of 174,354 and 172,035 violations, and it assessed monetary penalties of \$137.0 million and \$146.4 million, respectively.

The Civil Penalty Compliance Office within MSHA's Office of Assessments is responsible for collecting and accounting for delinquent penalties and referring delinquent penalties to the U.S. Department of Treasury. As of October 2010, for fiscal years 2001 through 2010, it had reported collecting 86 percent of the monetary penalties owed. In 2007, as part of its overall enforcement strategy, MSHA and the Solicitor of Labor began specific efforts to pursue violators that owed large amounts of delinquent civil penalties or ignored paying their civil penalties although they were financially capable of meeting their legal liabilities (i.e., scofflaws).

### WHY OIG CONDUCTED THE AUDIT

We conducted this audit to determine whether MSHA properly collected and accounted for final civil penalties from violators. In addition, we obtained current information concerning a problem identified in 2008 related to violations for which civil penalties had not been assessed.

Our audit work covered MSHA's penalty collection activities and write-off of uncollectable debt during fiscal years (FY) 2009 and 2010. Additionally, we reviewed information provided by MSHA concerning its failure to assess civil penalties for several thousand violations issued between January 1995 and July 2006.

### READ THE FULL REPORT

To view the report, including the scope, methodology, and full agency response, go to:

<http://www.oig.dol.gov/public/reports/oa/2012/05-12-001-06-001.pdf>

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## MSHA NEEDS To IMPROVE ITS CIVIL PENALTY COLLECTION PRACTICES

### WHAT OIG FOUND

The OIG found that MSHA did not have an accurate view of the amount and age of its uncollected civil penalties. As of October 2011, MSHA had collected and deposited \$124.8 million (85 percent) of \$147.1 million for civil penalties that became final orders in FYs 2009 and 2010. However, MSHA did not always (a) timely apply payments against outstanding debt of violators, and timely and consistently refer delinquent debt to Treasury; (b) identify potential scofflaw violators; and (c) ensure that penalties were uncollectable before writing off the debt.

In January 2008, MSHA reported that it had erroneously not assessed a civil penalty for more than 5,000 violations that it had issued between January 1995 and July 2006. MSHA primarily attributed the oversight to ineffective monitoring by management but also cited other contributing factors. MSHA could not assess a civil penalty for 97 percent of the violations because the 5-year statute of limitations had run out. MSHA reported it took corrective actions to ensure it timely assessed all penalties.

### WHAT OIG RECOMMENDED

We recommended the Assistant Secretary for Mine Safety and Health require MSHA management to:

- Revise existing procedures to assure timely application of civil penalty payments, particularly when applying payments to the oldest debt if the violator does not identify how to apply the payment;
- Revise procedures to assure consistent referrals to Treasury;
- Finalize policies and procedures to identify all potential scofflaw violators; and
- Implement controls to assure appropriate and consistent write-off of uncollectable civil penalties.

The Assistant Secretary agreed with our recommendations and believed they would improve the Agency's civil penalty collection practices. However, he emphasized that some MSHA policies and procedures already exceed statutory requirements. While we agree that some MSHA policies and practices exceed statutory and government-wide requirements, to be effective, policies and procedures must be clearly defined and consistently implemented.