



BRIEFLY...

MSHA DID NOT EVALUATE WHETHER CIVIL MONETARY PENALTIES EFFECTIVELY DETERRED UNSAFE MINE OPERATIONS

August 16, 2019

WHY OIG CONDUCTED THE AUDIT

The Mine Safety and Health Administration's (MSHA) Civil Monetary Penalties (CMP) program financially penalizes mine operators for safety hazards found during inspections. Inspection citations are intended to remedy safety violations and discourage future safety hazards within the mine. MSHA issued more than \$1 billion in CMP violation penalties during Calendar Years (CY) 2000 – 2017.

MSHA has been reported in the media for allegedly allowing mine operators who were delinquent in paying their penalties to continue to operate without consequence.

WHAT OIG DID

We conducted an audit to answer the following question:

To what extent has MSHA's CMP program deterred unsafe mine operations?

To answer this question, we primarily conducted data analysis of publicly available information that represented the scope of our review, CY 2000 – CY 2017, to identify trends and patterns regarding safety violations, penalties assessed, and penalty payment statuses, as they related to mine conditions.

READ THE FULL REPORT

<http://www.oig.dol.gov/public/reports/oa/2019/23-19-002-06-001.pdf>

WHAT OIG FOUND

MSHA did not demonstrate the CMP program deterred unsafe mine operations. Although MSHA officials believed their safety programs collectively improved mine safety, MSHA did not separately evaluate the impact of the CMP program.

Our data analysis showed no correlation between penalties paid and the safety of mine operations. Specifically, the data revealed most fatal or permanent injury accidents occurred at mines where operators generally paid their penalties in full. Additionally, we found no correlation between the percentage of penalties paid and the average number of fatal or permanent injury accidents. Further, the frequency of severe violation recurrence was very similar whether or not violation penalties were paid.

MSHA has not measured the impact of the CMP program on mine safety, as Agency officials believed it is too difficult to distinguish the effect of CMP from other MSHA safety and enforcement initiatives. Without metrics, MSHA cannot ensure CMP is achieving its intended purpose.

Although MSHA did not demonstrate the CMP program was improving mine safety, we found the program was generally successful in collecting assessed penalties. MSHA collected approximately 90 percent of all violation penalties (or \$900 million) during the 18-year period we reviewed.

Finally, our review noted MSHA does not prevent mine operators who were delinquent in paying their penalties from commencing operations on a new mine without consequence.

WHAT OIG RECOMMENDED

We recommended MSHA develop metrics for CMP that will allow review and measurement of the effect of the CMP program on changing operator behavior to deter unsafe mine operations and implement controls to ensure operators are in good standing prior to assigning legal identification numbers for new mines.

In responding to our draft report, MSHA highlighted the difficulties in implementing our recommendations. The OIG will work with MSHA on identifying actions to remediate the issues.