

Budget Deal Allows OSHA to Dramatically Increase Fines

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Howard Mavity was quoted on *BLR* on November 9, 2015. The article "Budget Deal Allows OSHA to Dramatically Increase Fines" discussed how after 25 years at current levels, OSHA fines stand to jump as much as 82 percent according to provisions of the recently passed Federal Budget Agreement.

According to Howard, "The agreement requires OSHA to make a one-time 'catch-up' increase to compensate for more than two decades of no increases." He explained that the catch-up increase cannot exceed the rate of inflation from 1990 through 2015, which is expected to be around 82 percent.

If the maximum catch-up increase is applied, the current highest fine of \$70,000 for repeat and willful violations would exceed \$125,000. And the current \$7,000 maximum fine for serious and failure-to-abate violations would jump to \$12,744. Once the catch-up is implemented, said Howard, OSHA will then annually increase maximum penalties according to the rate of inflation for the prior fiscal year. In the past, OSHA fines have not risen with annual inflation.

OSHA has not yet commented on the development and Mavity says it is not known whether the agency will choose to increase penalties as permitted under the agreement. "However," he added, "based on the consistent comments from OSHA leadership about the benefits of stiffer regulatory punishments, it's highly likely that it will implement most, if not all, of the increases."

Meanwhile, Howard advised employers to prepare for the likelihood that these new "sledgehammer penalties" will be implemented. The increase in fines can be used to attract the attention of corporate leadership, he adds.

"Rather than just treating safety as a cost center, you should work with your company safety professionals to develop a business plan to achieve your company's goals in this area," he advised.

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