

## U.S. Department of Labor

Occupational Safety and Health Administration  
365 Smoke Tree Plaza  
North Aurora, IL 60542  
Phone: 630-896-8700 Fax: 630-892-2160



## Citation and Notification of Penalty

**To:**  
Material Handling Systems, Inc./ MHS Technical  
Services, Inc.  
and its successors  
3955 East Blue Lick Rd.  
Louisville, KY 40229

**Inspection Site:**  
150 S. Lombard  
Addison, IL 60101

**Inspection Number:** 1123855  
**Inspection Date(s):** 02/09/2016 - 07/26/2016  
**Issuance Date:** 07/29/2016

*The violation(s) described in this Citation and Notification of Penalty is (are) alleged to have occurred on or about the day(s) the inspection was made unless otherwise indicated within the description given below.*

This Citation and Notification of Penalty (this Citation) describes violations of the Occupational Safety and Health Act of 1970. The penalty(ies) listed herein is (are) based on these violations. You must abate the violations referred to in this Citation by the dates listed and pay the penalties proposed, unless within 15 working days (excluding weekends and Federal holidays) from your receipt of this Citation and Notification of Penalty you either call to schedule an informal conference (see paragraph below) or you mail a notice of contest to the U.S. Department of Labor Area Office at the address shown above. Please refer to the enclosed booklet (OSHA 3000) which outlines your rights and responsibilities and which should be read in conjunction with this form. Issuance of this Citation does not constitute a finding that a violation of the Act has occurred unless there is a failure to contest as provided for in the Act or, if contested, unless this Citation is affirmed by the Review Commission or a court.

**Posting** - The law requires that a copy of this Citation and Notification of Penalty be posted immediately in a prominent place at or near the location of the violation(s) cited herein, or, if it is not practicable because of the nature of the employer's operations, where it will be readily observable by all affected employees. This Citation must remain posted until the violation(s) cited herein has (have) been abated, or for 3 working days (excluding weekends and Federal holidays), whichever is longer.

**Informal Conference** - An informal conference is not required. However, if you wish to have such a conference you may request one with the Area Director during the 15 working day contest period. During such an informal conference you may present any evidence or views which you believe would support an adjustment

to the citation(s) and/or penalty(ies).

If you are considering a request for an informal conference to discuss any issues related to this Citation and Notification of Penalty, you must take care to schedule it early enough to allow time to contest after the informal conference, should you decide to do so. Please keep in mind that a written letter of intent to contest must be submitted to the Area Director within 15 working days of your receipt of this Citation. The running of this contest period is not interrupted by an informal conference.

If you decide to request an informal conference, please complete, remove and post the Notice to Employees next to this Citation and Notification of Penalty as soon as the time, date, and place of the informal conference have been determined. Be sure to bring to the conference any and all supporting documentation of existing conditions as well as any abatement steps taken thus far. If conditions warrant, we can enter into an informal settlement agreement which amicably resolves this matter without litigation or contest.

**Right to Contest** – You have the right to contest this Citation and Notification of Penalty. You may contest all citation items or only individual items. You may also contest proposed penalties and/or abatement dates without contesting the underlying violations. Unless you inform the Area Director in writing that you intend to contest the citation(s) and/or proposed penalty(ies) within 15 working days after receipt, the citation(s) and the proposed penalty(ies) will become a final order of the Occupational Safety and Health Review Commission and may not be reviewed by any court or agency.

**Penalty Payment** – Penalties are due within 15 working days of receipt of this notification unless contested. (See the enclosed booklet and the additional information provided related to the Debt Collection Act of 1982.) Make your check or money order payable to “DOL-OSHA”. Please indicate the Inspection Number on the remittance. You can also make your payment electronically on [www.pay.gov](http://www.pay.gov). On the left side of the pay.gov homepage, you will see an option to Search Public Forms. Type “OSHA” and click Go. From the results, click on OSHA Penalty Payment Form. The direct link is:

<https://www.pay.gov/paygov/forms/formInstance.html?agencyFormId=53090334>.

You will be required to enter your inspection number when making the payment. Payments can be made by credit card or Automated Clearing House (ACH) using your banking information. Payments of \$25,000 or more require a Transaction ID, and also must be paid using ACH. If you require a Transaction ID, please contact the OSHA Debt Collection Team at (202) 693-2170.

OSHA does not agree to any restrictions or conditions or endorsements put on any check, money order, or electronic payment for less than the full amount due, and will process the payments as if these restrictions or conditions do not exist.

**Notification of Corrective Action** – For each violation which you do not contest, you must provide *abatement certification* to the Area Director of the OSHA office issuing the citation and identified above. This abatement certification is to be provided by letter within 10 calendar days after each abatement date. Abatement certification includes the date and method of abatement. If the citation indicates that the violation was corrected during the inspection, no abatement certification is required for that item. The abatement certification letter must be posted at the location where the violation appeared and the corrective action took place or employees must otherwise be effectively informed about abatement activities. A sample abatement certification letter is enclosed with this Citation. In addition, where the citation indicates that *abatement documentation* is necessary, evidence of the purchase or repair of equipment, photographs or video, receipts, training records, etc., verifying that abatement has occurred is required to be provided to the Area Director.

**Employer Discrimination Unlawful** – The law prohibits discrimination by an employer against an employee for filing a complaint or for exercising any rights under this Act. An employee who believes that he/she has been discriminated against may file a complaint no later than 30 days after the discrimination occurred with the U.S. Department of Labor Area Office at the address shown above.

**Employer Rights and Responsibilities** – The enclosed booklet (OSHA 3000) outlines additional employer rights and responsibilities and should be read in conjunction with this notification.

**Notice to Employees** – The law gives an employee or his/her representative the opportunity to object to any abatement date set for a violation if he/she believes the date to be unreasonable. The contest must be mailed to the U.S. Department of Labor Area Office at the address shown above and postmarked within 15 working days (excluding weekends and Federal holidays) of the receipt by the employer of this Citation and Notification of Penalty.

**Inspection Activity Data** – You should be aware that OSHA publishes information on its inspection and citation activity on the Internet under the provisions of the Electronic Freedom of Information Act. The information related to these alleged violations will be posted when our system indicates that you have received this citation. You are encouraged to review the information concerning your establishment at [www.osha.gov](http://www.osha.gov). If you have any dispute with the accuracy of the information displayed, please contact this office.

**U.S. Department of Labor**  
Occupational Safety and Health Administration



## NOTICE TO EMPLOYEES OF INFORMAL CONFERENCE

An informal conference has been scheduled with OSHA to discuss the citation(s) issued on 07/29/2016. The conference will be held by telephone or at the OSHA office located at 365 Smoke Tree Plaza, North Aurora, IL 60542 on \_\_\_\_\_ at \_\_\_\_\_.

Employees and/or representatives of employees have a right to attend an informal conference.

**CERTIFICATION OF CORRECTIVE ACTION WORKSHEET**

**Inspection Number: 1123855**

Company Name: Material Handling Systems, Inc./ MHS Technical Services, Inc.  
Inspection Site: 150 S. Lombard, Addison, IL 60101  
Issuance Date: 07/29/2016

List the specific method of correction for each item on this citation in this package that does not read "Corrected During Inspection" and return to: **U.S. Department of Labor – Occupational Safety and Health Administration, 365 Smoke Tree Plaza, North Aurora, IL 60542**

Citation Number \_\_\_\_\_ and Item Number \_\_\_\_\_ was corrected on \_\_\_\_\_  
By (Method of Abatement): \_\_\_\_\_

Citation Number \_\_\_\_\_ and Item Number \_\_\_\_\_ was corrected on \_\_\_\_\_  
By (Method of Abatement): \_\_\_\_\_

Citation Number \_\_\_\_\_ and Item Number \_\_\_\_\_ was corrected on \_\_\_\_\_  
By (Method of Abatement): \_\_\_\_\_

Citation Number \_\_\_\_\_ and Item Number \_\_\_\_\_ was corrected on \_\_\_\_\_  
By (Method of Abatement): \_\_\_\_\_

Citation Number \_\_\_\_\_ and Item Number \_\_\_\_\_ was corrected on \_\_\_\_\_  
By (Method of Abatement): \_\_\_\_\_

Citation Number \_\_\_\_\_ and Item Number \_\_\_\_\_ was corrected on \_\_\_\_\_  
By (Method of Abatement): \_\_\_\_\_

I certify that the information contained in this document is accurate and that the affected employees and their representatives have been informed of the abatement.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Typed or Printed Name

\_\_\_\_\_  
Title

**NOTE: 29 USC 666(g)** whoever knowingly makes any false statements, representation or certification in any application, record, plan or other documents filed or required to be maintained pursuant to the Act shall, upon conviction, be punished by a fine of not more than \$10,000 or by imprisonment of not more than 6 months or both.

**POSTING:** A copy of completed Corrective Action Worksheet should be posted for employee review

**U.S. Department of Labor**  
Occupational Safety and Health Administration

**Inspection Number:** 1123855  
**Inspection Date(s):** 02/09/2016 - 07/26/2016  
**Issuance Date:** 07/29/2016



**Citation and Notification of Penalty**

**Company Name:** Material Handling Systems, Inc./ MHS Technical Services, Inc.  
**Inspection Site:** 150 S. Lombard, Addison, IL 60101

**Citation 1 Item 1** Type of Violation: **Serious**

29 CFR 1926.251(e)(8): Synthetic web slings were not immediately removed from service if any of the following conditions specified in 1926.251(e)(8)(i) through (e)(8)(v) were present: (i) Acid or caustic burns; (ii) Melting or charring of any part of the sling surface; (iii) snags, punctures, tears, or cuts; (iv) broken or worn stitches; or (v) distortion of fittings.

On or about February 8, 2016, employees used a damaged synthetic sling with burns to hoist/lower conveyor equipment, exposing employees to struck by hazards while using damaged slings.

Abatement certification is required of this item in accordance with the requirements of 29 CFR 1903.19(c).

**Date By Which Violation Must be Abated:**  
**Proposed Penalty:**

**08/10/2016**  
**\$4400.00**

**U.S. Department of Labor**  
Occupational Safety and Health Administration

**Inspection Number:** 1123855  
**Inspection Date(s):** 02/09/2016 - 07/26/2016  
**Issuance Date:** 07/29/2016



**Citation and Notification of Penalty**

**Company Name:** Material Handling Systems, Inc./ MHS Technical Services, Inc.  
**Inspection Site:** 150 S. Lombard, Addison, IL 60101

**Citation 1 Item 2** Type of Violation: **Serious**

29 CFR 1926.351(e): Arc welding or cutting operation(s) were not shielded by non combustible or flame proof screens to protect employees and other persons working in the vicinity from the direct rays of the arc.

On or about February 8, 2016, employees used a combustible polyethylene tarp as a cutting/welding screen, exposing employees to fire hazards during welding operations.

Abatement certification is required of this item in accordance with the requirements of 29 CFR 1903.19(c).

Date By Which Violation Must be Abated:  
Proposed Penalty:

08/10/2016  
\$6600.00

**U.S. Department of Labor**  
Occupational Safety and Health Administration

**Inspection Number:** 1123855  
**Inspection Date(s):** 02/09/2016 - 07/26/2016  
**Issuance Date:** 07/29/2016



**Citation and Notification of Penalty**

**Company Name:** Material Handling Systems, Inc./ MHS Technical Services, Inc.  
**Inspection Site:** 150 S. Lombard, Addison, IL 60101

**Citation 1 Item 3** Type of Violation: **Serious**

29 CFR 1926.501(a)(2): The employer did not determine if the walking/working surfaces on which its employees were to work on, had the strength and structural integrity to support employees safely.

On or about March 8, 2016, an employee fell 13.5 feet while walking/working on a catwalk/mezzanine where the grating panels were not secured into place. The employer had not determined that the surface could safely support the employees.

Abatement documentation is required of this item in accordance with the requirements of 29 CFR 1903.19(d).

Date By Which Violation Must be Abated:  
Proposed Penalty:

08/10/2016  
\$7000.00

**U.S. Department of Labor**  
Occupational Safety and Health Administration

**Inspection Number:** 1123855  
**Inspection Date(s):** 02/09/2016 - 07/26/2016  
**Issuance Date:** 07/29/2016



**Citation and Notification of Penalty**

**Company Name:** Material Handling Systems, Inc./ MHS Technical Services, Inc.  
**Inspection Site:** 150 S. Lombard, Addison, IL 60101

**Citation 2 Item 1** Type of Violation: **Willful**

29 CFR 1926.501(b)(1): Each employee on a walking/working surface with an unprotected side or edge 6 feet (1.8 m) or more above a lower level was not protected from falling by the use of guardrail systems, safety net systems, or personal fall arrest systems.

On or about February 8, 2016, an employee was exposed to a 22.2 foot fall hazard while engaged in demolition activities on the PD10-3 conveyor system. The employer did not ensure each employee was protected by means of a guardrail system, safety net system, or personal fall arrest system.

Abatement documentation is required of this item in accordance with the requirements of 29 CFR 1903.19(d).

Date By Which Violation Must be Abated:  
Proposed Penalty:

08/10/2016  
\$70000.00

**U.S. Department of Labor**  
Occupational Safety and Health Administration

**Inspection Number:** 1123855  
**Inspection Date(s):** 02/09/2016 - 07/26/2016  
**Issuance Date:** 07/29/2016



**Citation and Notification of Penalty**

**Company Name:** Material Handling Systems, Inc./ MHS Technical Services, Inc.  
**Inspection Site:** 150 S. Lombard, Addison, IL 60101

**Citation 2 Item 2** Type of Violation: **Willful**

29 CFR 1926.501(b)(1): Each employee on a walking/working surface with an unprotected side or edge 6 feet (1.8 m) or more above a lower level is not protected from falling by the use of guardrail systems, safety net systems, or personal fall arrest systems.

Employees are exposed to fall hazards while engaged in construction and demolition activities 6 feet or more above lower levels. The employer does not protect each employee by means of a guardrail system, safety net system, or personal fall arrest system.

The following instances most recently occurred February 6-8, 2016, at the above addressed jobsite:

Employees engaged in demolition activities are not protected against falling from the S1-F1-1 conveyor system, thereby exposing the employees to a 11.2 foot fall hazard.

To abate this hazard in the future, the employer must ensure that its employees performing construction activities at six feet or greater are protected from falls, and that no employee is working without adequate fall protection.

Abatement documentation is required of this item in accordance with the requirements of 29 CFR 1903.19(d).

**Date By Which Violation Must be Abated:** 08/10/2016  
**Proposed Penalty:** \$70000.00

U.S. Department of Labor  
Occupational Safety and Health Administration

Inspection Number: 1123855  
Inspection Date(s): 02/09/2016 - 07/26/2016  
Issuance Date: 07/29/2016



**Citation and Notification of Penalty**

**Company Name:** Material Handling Systems, Inc./ MHS Technical Services, Inc.  
**Inspection Site:** 150 S. Lombard, Addison, IL 60101

**Citation 2 Item 3** Type of Violation: **Willful**

29 CFR 1926.501(b)(1): Each employee on a walking/working surface with an unprotected side or edge 6 feet (1.8 m) or more above a lower level is not protected from falling by the use of guardrail systems, safety net systems, or personal fall arrest systems.

An employee is exposed to fall hazards while engaged in construction and demolition activities 6 feet or more above lower levels. The employer does not protect each employee by means of a guardrail system, safety net system, or personal fall arrest system.

The following instance most recently occurred on February 8, 2016, at the above addressed jobsite:

An employee engaged in demolition activities is not protected against falling from the PD12-3 conveyor system, thereby exposing the employee to a 11.2 foot fall hazard.

To abate this hazard in the future, the employer must ensure that its employees performing construction activities at six feet or greater are protected from falls, and that no employee is working without adequate fall protection.

Abatement documentation is required of this item in accordance with the requirements of 29 CFR 1903.19(d).

Date By Which Violation Must be Abated:  
Proposed Penalty:

08/10/2016  
\$70000.00

U.S. Department of Labor  
Occupational Safety and Health Administration

Inspection Number: 1123855  
Inspection Date(s): 02/09/2016 - 07/26/2016  
Issuance Date: 07/29/2016



**Citation and Notification of Penalty**

**Company Name:** Material Handling Systems, Inc./ MHS Technical Services, Inc.  
**Inspection Site:** 150 S. Lombard, Addison, IL 60101

**Citation 3 Item 1**    Type of Violation: **Repeat**

29 CFR 1926.21(b)(2): The employer is not instructing each employee in the recognition and avoidance of unsafe condition(s) and the regulation(s) applicable to his work environment to control or eliminate any hazard(s) or other exposure to illness or injury.

Employees are exposed to fall and struck-by hazards while engaged in construction and demolition activities. The employer does not instruct each employee in the recognition and avoidance of unsafe conditions or the proper regulations to control or eliminate any hazard(s) or other exposure to illness or injury.

The following instance most recently occurred on February 8, 2016, at the above addressed jobsite:

Employees engaged in construction and demolition activities are not protected against fall and struck-by hazards, thereby exposing employees to associated injuries.

Material Handling Systems, Inc. was previously cited for a violation of this occupational safety and health standard or its equivalent standard 1926.21(b)(2), which was contained in OSHA inspection number 967995, citation number 1, item number 1 and was affirmed as a final order on August 13, 2014, with respect to a workplace located at 6000 Riverside Dr. Keasbey, NJ 08832.

To abate this hazard in the future, the employer must ensure that its employees performing construction activities are instructed in the recognition and avoidance of unsafe conditions, and the regulations applicable to his work environment to control or eliminate any hazards.

Abatement documentation is required of this item in accordance with the requirements of 29 CFR 1903.19(d).

**Date By Which Violation Must be Abated:** 08/24/2016  
**Proposed Penalty:** \$15400.00

See pages 1 through 4 of this Citation and Notification of Penalty for information on employer and employee rights and responsibilities.

**U.S. Department of Labor**  
Occupational Safety and Health Administration

**Inspection Number:** 1123855  
**Inspection Date(s):** 02/09/2016 - 07/26/2016  
**Issuance Date:** 07/29/2016



### **Citation and Notification of Penalty**

**Company Name:** Material Handling Systems, Inc./ MHS Technical Services, Inc.  
**Inspection Site:** 150 S. Lombard, Addison, IL 60101

#### **Citation 3 Item 2    Type of Violation: **Repeat****

29 CFR 1926.501(b)(1): "Unprotected sides and edges." Each employee on a walking/working surface (horizontal and vertical surface) with an unprotected side or edge which is 6 feet (1.8 m) or more above a lower level is not protected from falling by the use of guardrail systems, safety net systems, or personal fall arrest systems.

An employee is exposed to fall hazards while engaged in construction and demolition activities 6 feet or more above lower levels. The employer does not protect each employee by means of a guardrail system, safety net system, or personal fall arrest system.

The following instance most recently occurred on March 8, 2016, at the above addressed jobsite:

An employee engaged in construction activities is not protected against falling from an unprotected side on the catwalk/mezzanine, thereby exposing the employee to a 13.5 foot fall hazard.

Material Handling Systems, Inc. was previously cited for a violation of this occupational safety and health standard or its equivalent standard 1926.501(b)(1), which was contained in OSHA inspection number 1089484, citation number 1, item number 1 and was affirmed as a final order on October 13, 2015, with respect to a workplace located at 150 S. Lombard Addison, IL 60101.

Material Handling Systems, Inc. was previously cited for a violation of this occupational safety and health standard or its equivalent standard 1926.21(b)(2), which was contained in OSHA inspection number 967995, citation number 1, item number 1 and was affirmed as a final order on August 13, 2014, with respect to a workplace located at 6000 Riverside Dr. Keasbey, NJ 08832.

To abate this hazard in the future, the employer must ensure that its employees performing construction activities at six feet or greater are protected from falls, and that no employee is working without adequate fall protection.

See pages 1 through 4 of this Citation and Notification of Penalty for information on employer and employee rights and responsibilities.

**U.S. Department of Labor**  
Occupational Safety and Health Administration

**Inspection Number:** 1123855  
**Inspection Date(s):** 02/09/2016 - 07/26/2016  
**Issuance Date:** 07/29/2016



**Citation and Notification of Penalty**

**Company Name:** Material Handling Systems, Inc./ MHS Technical Services, Inc.  
**Inspection Site:** 150 S. Lombard, Addison, IL 60101

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Abatement documentation is required of this item in accordance with the requirements of 29 CFR 1903.19(d).

**Date By Which Violation Must be Abated:**  
**Proposed Penalty:**

**08/10/2016**  
**\$38500.00**

**U.S. Department of Labor**  
Occupational Safety and Health Administration

**Inspection Number:** 1123855  
**Inspection Date(s):** 02/09/2016 - 07/26/2016  
**Issuance Date:** 07/29/2016



### **Citation and Notification of Penalty**

**Company Name:** Material Handling Systems, Inc./ MHS Technical Services, Inc.  
**Inspection Site:** 150 S. Lombard, Addison, IL 60101

#### **Citation 3 Item 3**    Type of Violation: **Repeat**

29 CFR 1926.501(b)(3): Each employee in a hoist area is not protected from falling 6 feet (1.8 m) or more to lower levels by guardrail systems or personal fall arrest systems:

An employee is exposed to fall hazards while engaged in hoisting conveyor equipment from an elevated catwalk. The employer does not protect each employee by means of a guardrail system, safety net system, personal fall arrest system, or an alternative fall protection measure.

The following instance most recently occurred on February 1, 2016, at the above addressed jobsite:

An employee engaged in hoisting activities is not protected against falling from a catwalk, thereby exposing the employee to a 20 foot fall hazard.

Material Handling Systems, Inc. was previously cited for a violation of this occupational safety and health standard or its equivalent standard 1926.501(b)(1), which was contained in OSHA inspection number 1089484, citation number 1, item number 1 and was affirmed as a final order on October 13, 2015, with respect to a workplace located at 150 S. Lombard Addison, IL 60101.

Material Handling Systems, Inc. was previously cited for a violation of this occupational safety and health standard or its equivalent standard 1926.21(b)(2), which was contained in OSHA inspection number 967995, citation number 1, item number 1 and was affirmed as a final order on August 13, 2014, with respect to a workplace located at 6000 Riverside Dr. Keasbey, NJ 08832.

To abate this hazard in the future, the employer must ensure that its employees performing hoisting operations at six feet or greater are protected from falls, and that no employee is working without adequate fall protection.

See pages 1 through 4 of this Citation and Notification of Penalty for information on employer and employee rights and responsibilities.

**U.S. Department of Labor**  
Occupational Safety and Health Administration

**Inspection Number:** 1123855  
**Inspection Date(s):** 02/09/2016 - 07/26/2016  
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**Citation and Notification of Penalty**

**Company Name:** Material Handling Systems, Inc./ MHS Technical Services, Inc.  
**Inspection Site:** 150 S. Lombard, Addison, IL 60101

Abatement documentation is required of this item in accordance with the requirements of 29 CFR 1903.19(d).

**Date By Which Violation Must be Abated:**  
**Proposed Penalty:**

08/10/2016  
\$38500.00

A handwritten signature in black ink, appearing to read "Jacob Scott", written over a horizontal line.

**Jacob Scott**  
Area Director

**U.S. Department of Labor**  
Occupational Safety and Health Administration  
365 Smoke Tree Plaza  
North Aurora, IL 60542  
Phone: 630-896-8700 Fax: 630-892-2160



## INVOICE / DEBT COLLECTION NOTICE

**Company Name:** Material Handling Systems, Inc./ MHS Technical Services, Inc.  
**Inspection Site:** 150 S. Lombard, Addison, IL 60101  
**Issuance Date:** 07/29/2016

<b>Summary of Penalties for Inspection Number</b>	<b>1123855</b>
<b>Citation 1, Serious</b>	<b>\$18000.00</b>
<b>Citation 2, Willful</b>	<b>\$210000.00</b>
<b>Citation 3, Repeat</b>	<b>\$92400.00</b>
<b>TOTAL PROPOSED PENALTIES</b>	<b>\$320400.00</b>

To avoid additional charges, please remit payment promptly to this Area Office for the total amount of the uncontested penalties summarized above. Make your check or money order payable to: "DOL-OSHA". Please indicate OSHA's Inspection Number (indicated above) on the remittance. You can also make your payment electronically on [www.pay.gov](http://www.pay.gov). On the left side of the pay.gov homepage, you will see an option to Search Public Forms. Type "OSHA" and click Go. From the results, click on **OSHA Penalty Payment Form**. The direct link is <https://www.pay.gov/paygov/forms/formInstance.html?agencyFormId=53090334>. You will be required to enter your inspection number when making the payment. Payments can be made by credit card or Automated Clearing House (ACH) using your banking information. Payments of \$25,000 or more require a Transaction ID, and also must be paid using ACH. If you require a Transaction ID, please contact the OSHA Debt Collection Team at (202) 693-2170.

OSHA does not agree to any restrictions or conditions or endorsements put on any check, money order, or electronic payment for less than the full amount due, and will cash the check or money order as if these restrictions or conditions do not exist.

If a personal check is issued, it will be converted into an electronic fund transfer (EFT). This means that our bank will copy your check and use the account information on it to electronically debit your account for the amount of the check. The debit from your account will then usually occur within 24 hours and will be shown on your regular account statement. You will not receive your original check back. The bank will destroy your

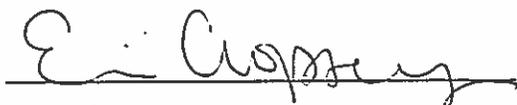
original check, but will keep a copy of it. If the EFT cannot be completed because of insufficient funds or closed account, the bank will attempt to make the transfer up to 2 times.

Pursuant to the Debt Collection Act of 1982 (Public Law 97-365) and regulations of the U.S. Department of Labor (29 CFR Part 20), the Occupational Safety and Health Administration is required to assess interest, delinquent charges, and administrative costs for the collection of delinquent penalty debts for violations of the Occupational Safety and Health Act.

**Interest:** Interest charges will be assessed at an annual rate determined by the Secretary of the Treasury on all penalty debt amounts not paid within one month (30 calendar days) of the date on which the debt amount becomes due and payable (penalty due date). The current interest rate is one percent (1%). Interest will accrue from the date on which the penalty amounts (as proposed or adjusted) become a final order of the Occupational Safety and Health Review Commission (that is, 15 working days from your receipt of the Citation and Notification of Penalty), unless you file a notice of contest. Interest charges will be waived if the full amount owed is paid within 30 calendar days of the final order.

**Delinquent Charges:** A debt is considered delinquent if it has not been paid within one month (30 calendar days) of the penalty due date or if a satisfactory payment arrangement has not been made. If the debt remains delinquent for more than 90 calendar days, a delinquent charge of six percent (6%) per annum will be assessed accruing from the date that the debt became delinquent.

**Administrative Costs:** Agencies of the Department of Labor are required to assess additional charges for the recovery of delinquent debts. These additional charges are administrative costs incurred by the Agency in its attempt to collect an unpaid debt. Administrative costs will be assessed for demand letters sent in an attempt to collect the unpaid debt.



**Jacob Scott**  
Area Director

7/29/14  
Date