



US COMPLIANCE

Manufacturing Matters:
Unveiling the Top EPA and OSHA Violations

Planning for the Future

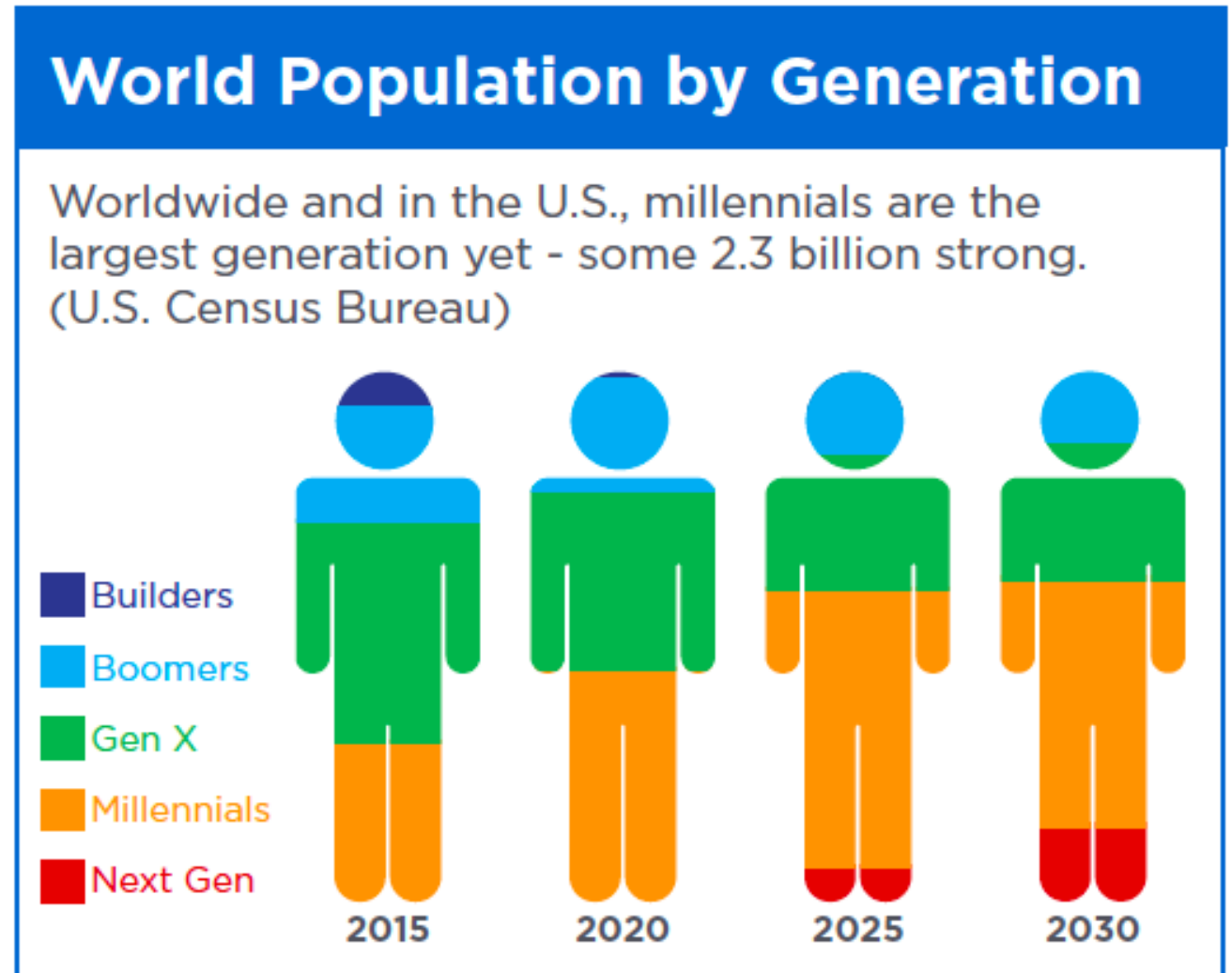


Figure 1: World population by generation according to the U.S. Census Bureau

Source: Morgan Stanley Institute for Sustainable Investing, 2019

Among individual investors:



Morgan Stanley

INSTITUTE FOR SUSTAINABLE INVESTING

Sustainable Signals:

Individual Investor Interest Driven by Impact, Conviction
and Choice

Cultural Attitudes to EHS



Transformational EHS Leaders



LISTEN



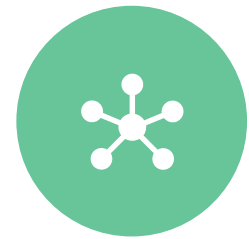
COMMUNICATE



CARE



BE COLLEGIAL



ENGAGE

Environmental Social Governance (ESG)

Dilemma: What does ESG mean for my business



Environmental



Social



Governance

Carbon emissions

Diversity & workplace policies

Board structure

Energy efficiency

Labor standards

Board composition

Water scarcity

Supply chain management

Executive compensation

Waste management

Product safety and
usefulness

Political contributions
& lobbying

Pollution mitigation

Customer privacy

Bribery and corruption policies
& oversight

Community impact

Strategic sustainability
oversight

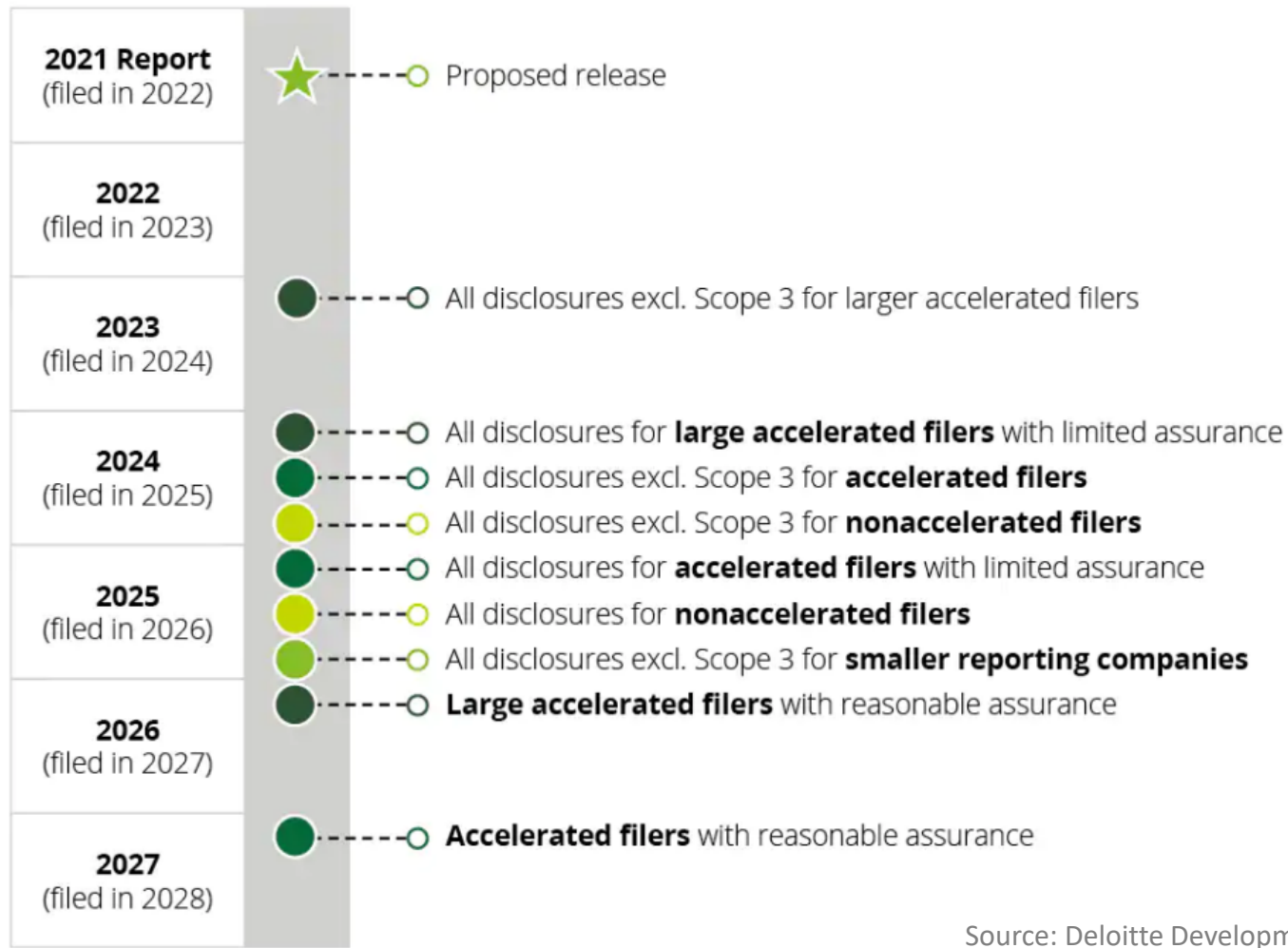
Mandatory ESG disclosures in U.S.

- SEC Proposes to Enhance Disclosures by Certain Investment Advisers and Investment Companies About ESG Investment Practices – May 22, 2022



SEC timeline for ESG Disclosures

Proposed Four Year Phase-in Timeline



Source: Deloitte Development, LLC

Vale S.A. (NYSE: VALE)



First ESG Taskforce Lawsuit Shows SEC Serious on Disclosures

...to identify and investigate ESG-related violations.



First ESG Taskforce Lawsuit Shows SEC Serious on Disclosures

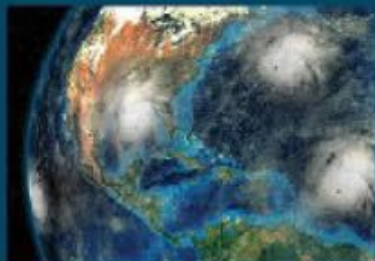
The SEC's recent lawsuit against Vale S.A., a publicly traded mining company based in Rio de Janeiro, demonstrates that the SEC is considering all reporting and public statements, not just required filings, when determining if a company has misled its investors on environmental and social matters, Vinson & Elkins attorneys warn.

- May 13, 2022



EJ ACTION PLAN

*Building Up Environmental Justice
in EPA's Land Protection and Cleanup Programs*



Environmental Justice

“Biden signed an executive order establishing a White House interagency council on environmental justice, create an office of health and climate equity at the Health and Human Services Department, and form a separate environmental justice office at the Justice Department.”

- Washington Post, January 27, 2021



EJ Index (environmental & socioeconomic)

Environmental Indicators

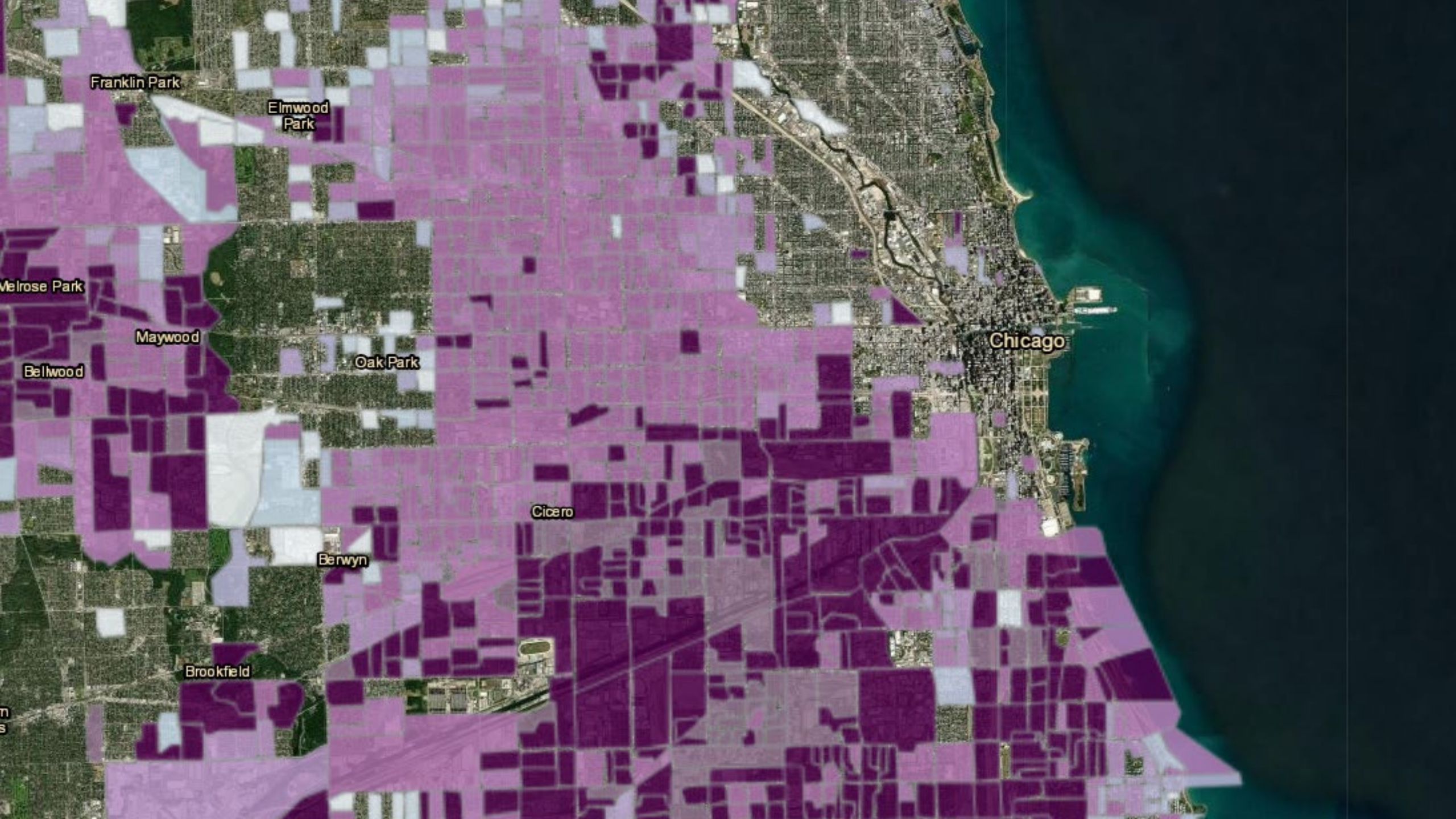
- Particulate Matter 2.5
- Ozone
- Diesel Particulate Matter
- Air Toxics Cancer Risk
- Air Toxics Respiratory Hazard Index
- Traffic Proximity
- Lead Paint
- RMP Facility Proximity
- Hazardous Waste Proximity
- Superfund Proximity
- Underground Storage Tanks
- Wastewater Discharge

Demographic Indicators

- The traffic indicator
- The low-income population
- The people of color populations

Supplemental Indicators

- % Low Income
- % Unemployed
- % Limited English Speaking
- % Less than High School Education
- Low Life Expectancy



Franklin Park

Elmwood
Park

Melrose Park

Maywood

Bellwood

Oak Park

Chicago

Cicero

Berwyn

Brookfield

Preparing for the Unexpected

Environmental Enforcement Trends

What They Want to See



SITE WALKTHROUGH, RELEVANT
EQUIPMENT, CHEMICAL
STORAGE, OUTFALLS



PERMITS, PLANS, REPORTS,
AGENCY SUBMITTALS



WASTE MANIFESTS, TRAINING
RECORDS, INSPECTION
DOCUMENTS, LAB DATA

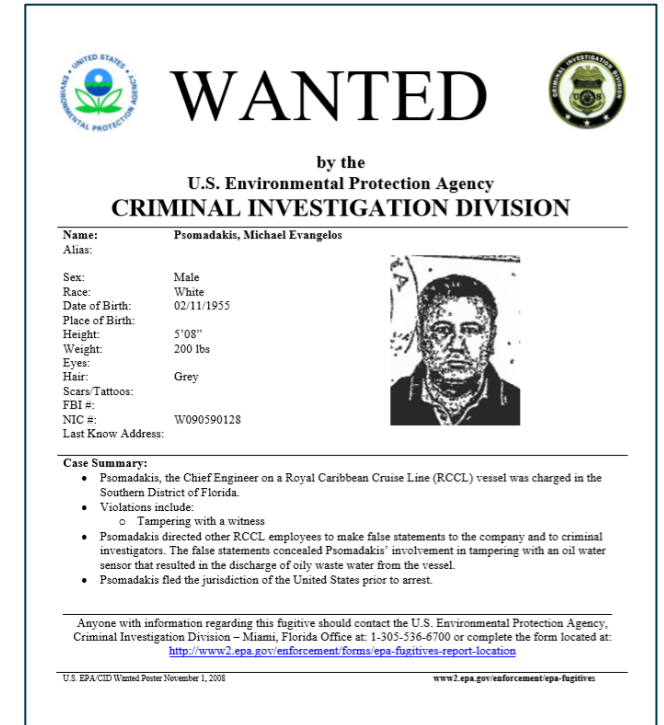
Types of Fines

Civil penalties

- Compliance items commonly result in fines greater than \$10,000
- Local and State agencies can involve the EPA for greater powers

Criminal violations


- Up to 5 years/violation
- Rarely employed, but very powerful



The image is a "WANTED" poster from the U.S. Environmental Protection Agency (EPA) Criminal Investigation Division. It features the EPA logo on the top left and the U.S. Department of Justice logo on the top right. The word "WANTED" is prominently displayed in the center. Below it, the text reads "by the U.S. Environmental Protection Agency CRIMINAL INVESTIGATION DIVISION". The poster includes a mugshot of a man on the right side. To the left of the mugshot, the following information is listed: Name: Psomadakis, Michael Evangelos; Alias: (blank); Sex: Male; Race: White; Date of Birth: 02/11/1955; Place of Birth: (blank); Height: 5'08"; Weight: 200 lbs; Eyes: Grey; Hair: Grey; Scars/Tattoos: (blank); FBI #: (blank); NIC #: W090590128; Last Known Address: (blank). Below the mugshot, a "Case Summary" section provides details about the case, including the fact that Psomadakis, the Chief Engineer on a Royal Caribbean Cruise Line (RCCL) vessel, was charged in the Southern District of Florida. The summary also mentions that Psomadakis directed other RCCL employees to make false statements to the company and to criminal investigators, and that he fled the jurisdiction of the United States prior to arrest. At the bottom of the poster, there is a contact information section for anyone with information regarding this fugitive, directing them to contact the U.S. Environmental Protection Agency, Criminal Investigation Division - Miami, Florida Office at 1-305-536-6700 or to complete the form located at <http://www2.epa.gov/enforcement/forms/epa-fugitives-report-location>. The footer of the poster includes the text "U.S. EPA CID Wanted Poster November 1, 2008" and the website www2.epa.gov/enforcement/epa-fugitives.

WANTED

by the
U.S. Environmental Protection Agency
CRIMINAL INVESTIGATION DIVISION

Name: Psomadakis, Michael Evangelos
Alias:
Sex: Male
Race: White
Date of Birth: 02/11/1955
Place of Birth:
Height: 5'08"
Weight: 200 lbs
Eyes: Grey
Hair: Grey
Scars/Tattoos:
FBI #:
NIC #: W090590128
Last Known Address:


Case Summary:

- Psomadakis, the Chief Engineer on a Royal Caribbean Cruise Line (RCCL) vessel was charged in the Southern District of Florida.
- Violations include:
 - Tampering with a witness
- Psomadakis directed other RCCL employees to make false statements to the company and to criminal investigators. The false statements concealed Psomadakis' involvement in tampering with an oil water sensor that resulted in the discharge of oily waste water from the vessel.
- Psomadakis fled the jurisdiction of the United States prior to arrest.

Anyone with information regarding this fugitive should contact the U.S. Environmental Protection Agency, Criminal Investigation Division - Miami, Florida Office at: 1-305-536-6700 or complete the form located at: <http://www2.epa.gov/enforcement/forms/epa-fugitives-report-location>

U.S. EPA CID Wanted Poster November 1, 2008 www2.epa.gov/enforcement/epa-fugitives

<https://www.epa.gov/>

Targeted Efforts

Inspections by regulatory agencies may be triggered for a variety of reasons:

- Routine Inspections
- Referrals
- Report Discrepancies
- Permit Status
- Permit Change
- Public Notification

Regulation	Federal Max per Day per Violation (2023)
Air Quality	\$117,468
RCRA – Waste Management	\$117,468
Water Quality	\$64,618
EPCRA – Tier II/TRI	\$67,544
CERCLA	\$67,544

<https://www.epa.gov/sites/production/files/2020-01/documents/2020penaltyinflationruleadjustments.pdf>

OSHA Inspection Strategy



US COMPLIANCE

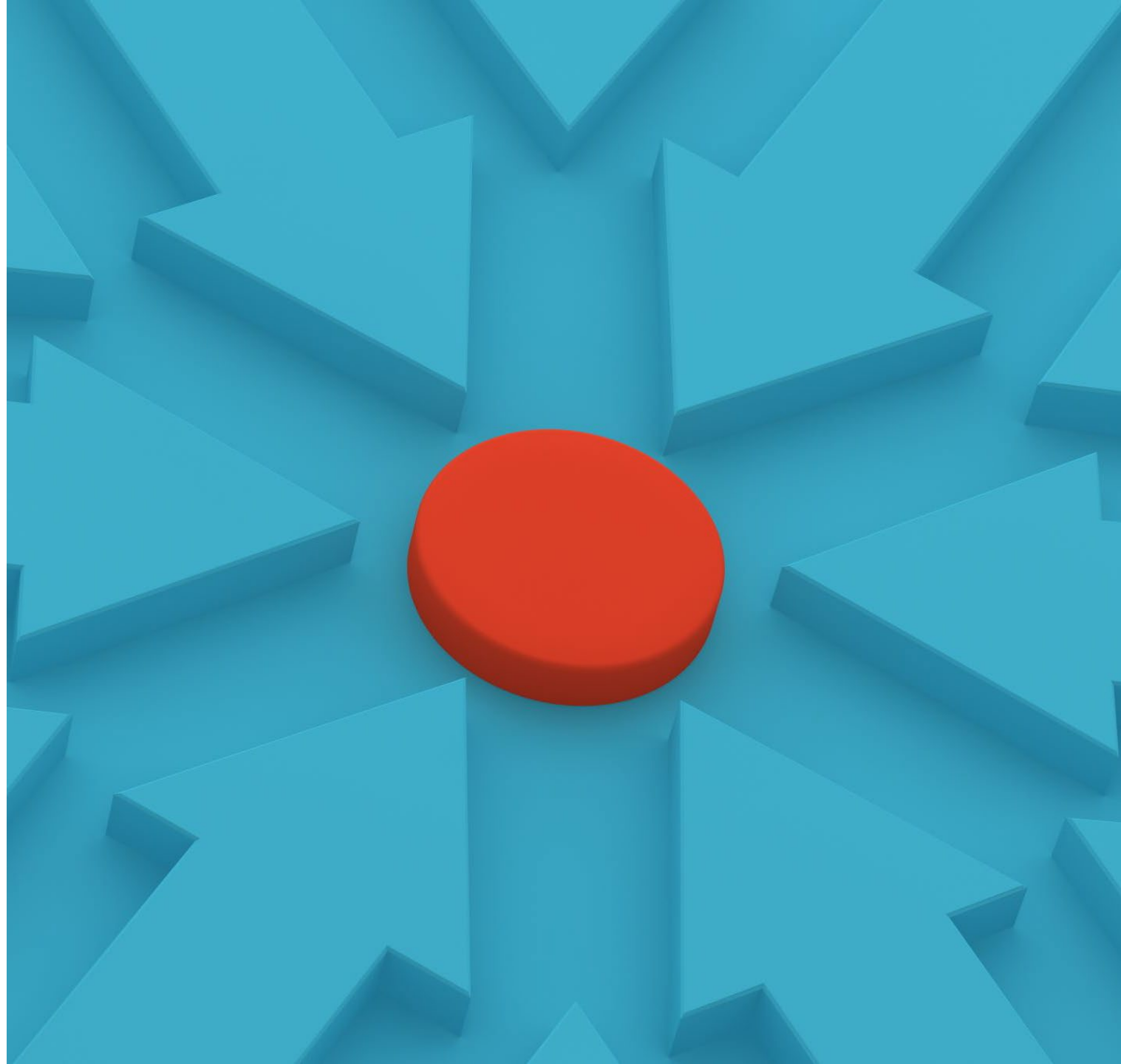
OSHA INSPECTION STRATEGY

- **IMMINENT DANGER SITUATIONS**
 - hazards that could cause death or serious physical harm receive top priority. Compliance officers will ask employers to correct these hazards immediately or remove endangered employees.
- **SEVERE INJURIES AND ILLNESSES**
 - employers must report: • All work-related fatalities within 8 hours. • All work-related inpatient hospitalizations, amputations, or losses of an eye within 24 hours.
- **WORKER COMPLAINTS**
 - allegations of hazards or violations also receive a high priority. Employees may request anonymity when they file complaints.
- **REFERRALS**
 - hazards from other federal, state or local agencies, individuals, organizations or the media receive consideration for inspection.
- **TARGETED INSPECTIONS**
 - inspections aimed at specific high-hazard industries or individual workplaces that have experienced high rates of injuries and illnesses also receive priority.
- **FOLLOW-UP INSPECTIONS**
 - checks for abatement of violations cited during previous inspections are also conducted by the agency in certain circumstances.

CARE
PROTECT
GROW

TARGETED INSPECTIONS

- SITE SPECIFIC TARGETING
- NATIONAL EMPHASIS PROGRAMS
- LOCAL EMPHASIS PROGRAMS





US COMPLIANCE

SITE SPECIFIC TARGETING (SST)

- **EFFECTIVE 2.7.2023 (EXPIRES 2.7.2025)**
 - Directs agency enforcement resources to establishments with the highest rates of injuries and illnesses.
 - The agency selects establishments based on injury and illness data employers submitted on Form 300A for calendar years 2019-2021.
 - OSHA will generate inspection lists of establishments with elevated Days Away, Restricted, or Transferred (DART) rates for CY 2021
 - And sites with upward trending rates for the three-year range of CY 2019 - 2021.

CARE
PROTECT
GROW



US COMPLIANCE

DART RATE FORMULA

OSHA DART Rate Formula

Total number of recordable incidents resulting in DART × 200,000

Total number of hours worked by all employees

©2020 Creative Safety Supply

CARE
PROTECT
GROW

NATIONAL EMPHASIS PROGRAMS

- COMBUSTIBLE DUST
- HAZARDOUS MACHINERY
- HEXAVALENT CHROMIUM
- LEAD
- PRIMARY METAL INDUSTRIES
- PROCESS SAFETY MANAGEMENT (PSM)
- SILICA, CRYSTALLINE

[HTTPS://WWW.OSHA.GOV/ENFORCEMENT/DIRECTIVES/NEP](https://www.osha.gov/enforcement/directives/NEP)





US COMPLIANCE

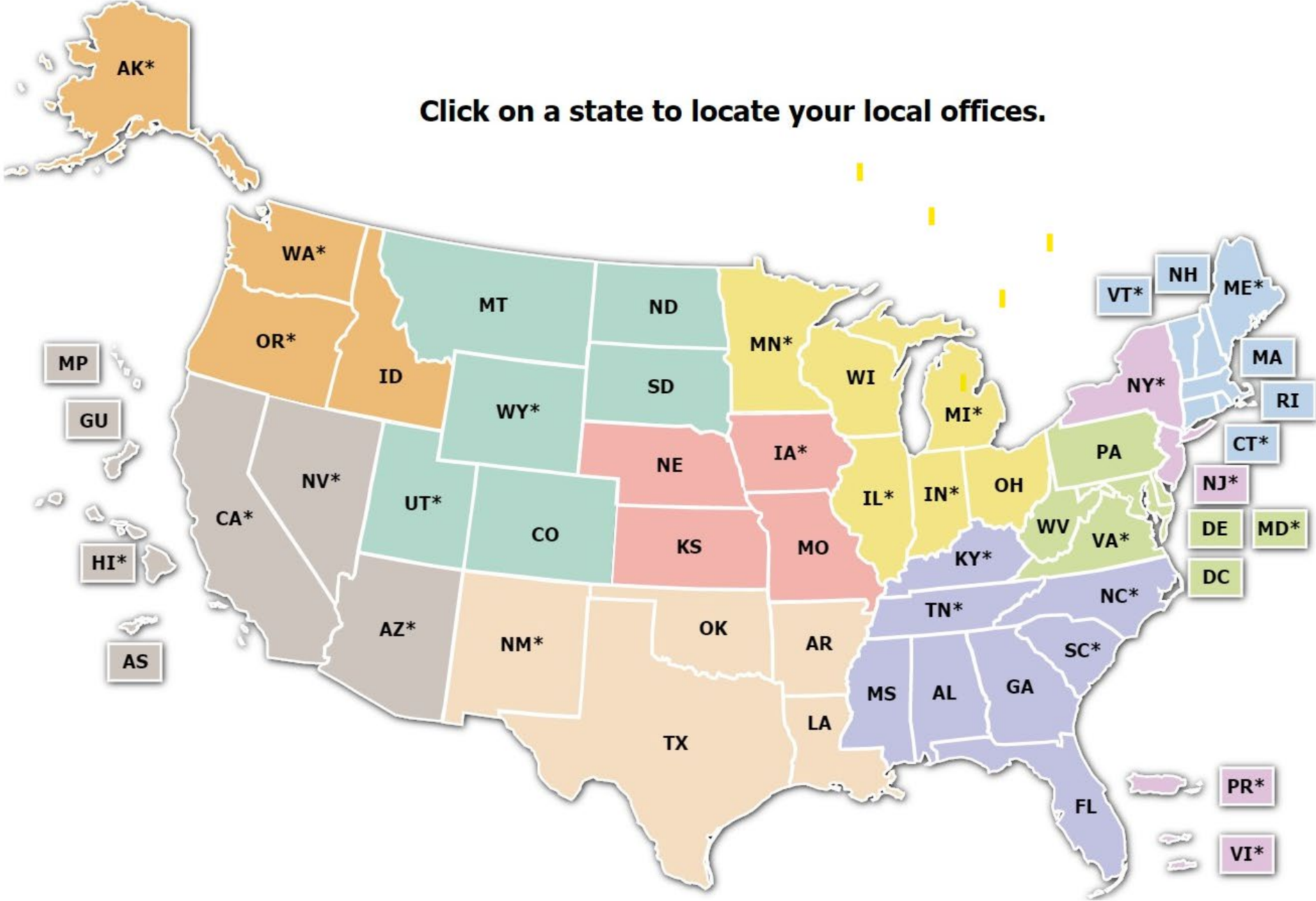
LOCAL EMPHASIS PROGRAMS

- REGION 5 - IL, IN, MI, MN, OH, WI
 - Emphasis Program for Fall Hazards in Construction and General Industry
 - Emphasis Program for Grain Handling Facilities
 - Emphasis Program for Powered Industrial Vehicles
 - Emphasis Program for the Wood Pallet Manufacturing Industry
 - Emphasis Program for Exposure to Noise Hazards in the Workplace
 - Regional Emphasis Program for Transportation Tank Cleaning
 - Emphasis Program for Food Manufacturers

CARE
PROTECT
GROW

[HTTPS://WWW.OSHA.GOV/ENFORCEMENT/DIRECTIVES/LEP](https://www.osha.gov/enforcement/directives/lep)

OSHA Offices by State



Find Office By State

Select a State

Go

Consultation Offices

State Plans

Worker Rights (Complaints)

OSHA Office Directory

OSHA Regional Offices

- Region 1: Boston
- Region 2: New York
- Region 3: Philadelphia
- Region 4: Atlanta
- Region 5: Chicago
- Region 6: Dallas
- Region 7: Kansas City
- Region 8: Denver
- Region 9: San Francisco
- Region 10: Seattle

OSHA INSPECTION STATISTICS

OSHA Inspection Statistics	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020 [*]	FY 2021 [*]
Total Inspections	31,948	32,408	32,023	33,393	21,710	24,333
Total Programmed Inspections	12,731	14,377	13,956	14,900	8,729	10,584
Total Unprogrammed Inspections	19,217	18,031	18,067	18,493	12,981	13,749
~ Fatality/Catastrophe Inspections	890	837	941	919	1,498	1,386
~ Complaints Inspection	8,870	8,249	7,489	7,391	4,592	4,955
~ Referrals*	6,691	6,286	6,463	6,718	4,810	5,310
~ Other Unprogrammed Inspections	2,766	2,659	3,174	3,465	2,081	2,098
[*] The COVID-19 global pandemic caused by the novel coronavirus SARS-CoV-2 occurred during this time.						

In FY 2021, OSHA conducted 24,333 inspections, including 13,749 (about 57 percent) unprogrammed inspections, which includes employee complaints, injuries/fatalities, and referrals. Of these 24,333 inspections, 10,584 (about 43 percent) were programmed inspections that focused OSHA's enforcement resources towards industries and operations where known hazards exist (e.g., COVID-19, respirable silica, combustible dusts, chemical processing, ship-breaking, and falls in construction).

Top 10 Most Cited Standards

FY 2022



1

**Fall Protection:
General Requirements**
1926.501
5,915 violations



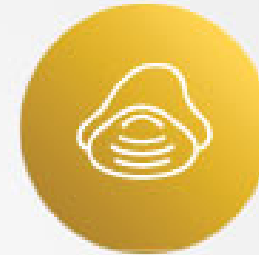
2

Hazard Communication
1910.1200
2,639 violations



3

Ladders
1926.1053
2,449 violations



4

Respiratory Protection
1910.134
2,412 violations



5

Scaffolding
1926.451
2,251 violations



6

**Control of Hazardous
Energy (Lockout/Tagout)**
1910.147
2,122 violations



7

**Powered
Industrial Trucks**
1910.178



8

**Fall Protection:
Training Requirements**
1926.503



9

**Personal Protective and
Lifesaving Equipment:
Eye and Face Protection**
1926.102



10

**Machine
Guarding**
1910.212

Frequently Cited OSHA Standards Results

NAICS Code: 3261 *Plastics Product Manufacturing*

Establishment Size: ALL sizes

Listed below are the standards which were cited by **Federal OSHA** for the 3261 NAICS Code for establishments with ALL sizes employees, that were **issue** through September 2022. Penalties shown reflect current rather than initial amounts. For more information, see [definitions](#).

Standard	Citations	Inspections	Penalty	Description
Total	804	247	\$4,949,163	<i>All Standards cited for Plastics Product Manufacturing</i>
19100147	153	78	\$1,617,438	The control of hazardous energy (lockout/tagout).
19100212	92	79	\$1,314,171	General requirements for all machines.
19100178	73	49	\$276,813	Powered industrial trucks.
19101200	59	34	\$83,317	Hazard Communication.
19100305	42	30	\$92,122	Wiring methods, components, and equipment for general use.
19100303	32	28	\$131,204	General.
19100132	31	26	\$216,196	General requirements.
19100134	30	14	\$68,349	Respiratory Protection.
19100095	23	12	\$83,295	Occupational noise exposure.
19100219	23	13	\$109,032	Mechanical power-transmission apparatus.

Frequently Cited OSHA Standards Results

NAICS Code: 3262 *Rubber Product Manufacturing*

Establishment Size: ALL sizes

Listed below are the standards which were cited by **Federal OSHA** for the 3262 NAICS Code for establishments with ALL sizes employees, that were **issued** during the period October through September 2022. Penalties shown reflect current rather than initial amounts. For more information, see [definitions](#).

Standard	Citations	Inspections	Penalty	Description
Total	201	54	\$772,562	<i>All Standards cited for Rubber Product Manufacturing</i>
19100212	32	27	\$243,829	General requirements for all machines.
19100147	21	9	\$144,690	The control of hazardous energy (lockout/tagout).
19101200	20	7	\$26,885	Hazard Communication.
19100134	14	4	\$6,412	Respiratory Protection.
19100178	12	8	\$14,676	Powered industrial trucks.
19100303	11	6	\$33,594	General.
19100022	8	5	\$44,439	General requirements.
19100028	6	4	\$37,229	Duty to have fall protection and falling object protection.
19100219	6	4	\$13,813	Mechanical power-transmission apparatus.
5A0001	6	4	\$38,743	OSH Act General Duty Paragraph

OSHA PENALTY INCREASES



2023 Penalty Adjustments	
Type of Violation	Penalty
Serious Other-Than-Serious Posting Requirements	\$15,625 per violation
Failure to Abate	\$15,625 per day beyond the abatement date
Willful or Repeated	\$156,259 per violation



US COMPLIANCE

Providing Environmental, Health, and Safety services to general industry with our unique Compliance as a Service (CaaS) model for over 35 years.

USCOMPLIANCE.COM