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MEMORANDUM OF FACTS & EVENTS - OSHA'S CITATION DATED 09/18/2009

The following Memorandum shall summarize the facts and events leading up to OSHA's Citation and Notification of Penalty, including the Final Disposition of same:

BACKGROUND

A representative of the U.S. Department of Labor Occupational Safety and Health Administration (hereinafter "OSHA") visited General Crane USA's Pompano Beach, Florida office between 09/08/2009 and 09/16/2009 for inspections.

OSHA's initial visit was prompted by a call from the International Union of Operating Engineers. During this call, blatant false accusations against General Crane were made by the IUOE, including the statement that a prior employee of General Crane had divulged information to the IUOE, which in turn became the subject of OSHA's subsequent investigation. The representations made to the IUOE by the prior employee of General Crane were absolutely false, and were elicited through negligent misrepresentations from the IUOE. The prior employee had not been under the employ of General Crane for over six (6) months prior to making these statements, and furthermore, this prior employee was not and never would have been privy to this type of information.

The focus of OSHA's inspections was to determine General Crane's compliance with reporting mandates for its OSHA 300 Logs and 301 Incident Reports during the focused time period of 2004-2009.

Upon the conclusion of the aforementioned inspections by OSHA, one (1) Citation was issued with two (2) Items listed. The Citation and Notification of Penalty was issued on 09/18/2009.

CITATION CONTENTS

OSHA's Citation 1 Item 1 was classified as an "Other" Type of Violation. The Citation referenced 29 CFR 1904.29(b)(1): A log of all recordable work-related injuries and illnesses (OSHA form 300 or equivalent) was not completed in the detail as required by the regulation. Basically, OSHA alleged that General Crane's 300 Logs lacked sufficient detail in matters such as missing the days away and/or restricted time for injuries that occurred during 2005-2006 (specifically on 09/08/2005, 02/20/2006, 03/22/2006, 06/19/2006, 08/07/2006, 10/03/2006 and 11/11/2006).

The Proposed Penalty for Citation 1 Item 1: \$2,000.00.



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OSHA's Citation 1 Item 2 was also classified as an "Other" Type of Violation. The Citation referenced 29 CFR 1904.29(b)(3): A recordable injury or illness was not recorded on the OSHA 300 Log and 301 Incident Report within seven (7) days of receiving information that a recordable injury or illness has occurred. Basically, OSHA alleged that General Crane's 300 Logs and 301 Incident Reports lacked recorded injuries that occurred during 2004-2006 (specifically on 02/10/2004, 06/24/2004, 11/24/2004, 11/16/2005 and *****09/26/2006*****).

*****NOTE: 09/26/2006 entry was NOT an employee of General Crane USA, but instead an erroneous entry by OSHA and therefore did NOT belong on the Logs*****

The Proposed Penalty for Citation 1 Item 2: \$3,000.00.

GENERAL CRANE'S REASONING & REMEDIATION

Multiple factors had an influence on General Crane's sufficiency of record keeping. Most notably, with the introduction of a new Human Resources Director in 2007, a new and much more efficient system for record keeping was established at General Crane USA. Unfortunately, a small amount of files prior to the current HR Director's arrival were misplaced, misfiled or damaged in a previous hurricane thereby making it impossible for General Crane to have compliant files prior to her arrival in 2007.

It should be noted that ALL files subsequent to General Crane's current HR Director's arrival are fully compliant and satisfactorily archived to OSHA standards, and ALL Logs **were immediately corrected** by General Crane upon notice of their alleged deficiency.

It should also be noted that the alleged lack of entry dated 09/26/2006 on Citation 1 Item 2 was not an oversight by General Crane. This particular person was NOT an employee of General Crane, but instead an employee of an affiliate company, and therefore did NOT belong on General Crane's Logs. Upon further investigation, it was revealed that this person was indeed listed on the affiliate company's Logs as he correctly should have been.

INFORMAL SETTLEMENT CONFERENCE

On 10/09/2009, representatives from General Crane met with representatives with OSHA during an Informal Settlement Conference to amicably work toward a mutually agreeable Informal Settlement Agreement.

FINAL DISPOSITION

The conclusion of this Informal Settlement Conference was as follows:

1. OSHA recognized General Crane had already corrected all issues and further recognized General Crane's exceptional relationship with OSHA and impeccable safety record since its beginning.
2. General Crane was successful in merging both Citation 1 Item 1 with Citation 1 Item 2 since it was General Crane's position that both Items stemmed from the same case and controversy.
3. General Crane was successful in removing entry dated 09/26/2006 on Citation 1 Item 2.
4. General Crane was successful in reducing the Final Penalty Amount to: \$1,500.00, which was PAID IN FULL immediately following execution of the Informal Settlement Agreement between OSHA and General Crane USA.



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