SUBJECT: Statewide Settlement Agreements

A. Purpose.
   This directive provides uniform guidance for the administration of statewide corporate settlement agreements.
   
   *This program directive is an internal guideline not a statutory or regulatory rule and is intended to provide instructions to VOSH personnel regarding internal operation of the Virginia Occupational Safety and Health Program and is solely for the benefit of the program. This document is not subject to the Virginia Register Act or the Administrative Process Act; it does not have general application and is not being enforced as having the force of law.*

B. Scope.
   This directive applies VOSH-wide.

C. Reference.
   OSHA Instruction CPL 2.90 (June 3, 1991)

D. Cancellation.
   Not Applicable.

E. Action.
   Directors and Supervisors shall assure that the policies and procedures established in this directive are uniformly adhered to in administering such statewide settlement agreements.
F. **Effective Date.**

*In effect since June 1, 1992.*

*Note: This is not new material.* Prior to this Program Directive, these guidelines were part of the VOSH Field Operations Manual (FOM). Chapter XXI of the VOSH FOM has since been deleted and replaced with this program directive.

G. **Expiration Date.**

Not Applicable

H. **General Policy.**

1. **Background.** VOSH has established corporate-wide settlement agreements (CSAs) as an appropriate and useful compliance procedure in dealing with certain employers who have been found in violation of the law. The Department believes that CSAs can result in significant improvement in the safety and health environment of Virginia's workers. Such agreements, when entered into on a corporate-wide basis, enable VOSH to obtain formal recognition by the employer of the cited hazards and formal acceptance of the obligation to seek out and abate those hazards throughout all workplaces under its control.

2. **Employer Cooperation.** VOSH recognizes that a CSA is the product of a voluntary negotiation process and, therefore, represents the mutual commitments of all parties, including VOSH, the employer and, where present, the union or other authorized employee representative. VOSH further believes that such mutual commitment to the abatement of cited safety and health hazards is critical to the success of the CSA policy and that every effort must be made to obtain that mutual commitment. VOSH's commitment to the success of this process must be manifested throughout the life of the CSA by a spirit of cooperation and assistance with both employers and employees. VOSH therefore recommends to employers that, wherever possible, the union or other authorized employee representative be included in both the process of negotiating the CSA and in the process of monitoring its implementation.

I. **Negotiation and Execution of Corporate-Wide Settlement Agreements.**

In general, the following guidelines shall apply to all cases involving potential CSAs:

1. Normally, CSAs shall not be considered in cases other than those involving a violation-by-violation citation and penalty. Moreover, CSAs shall normally not be considered for areas of safety and health other than those that have been the subject of a citation. Exceptions to these general norms shall be considered on a case-by-case basis.
2. If VOSH is approached by the company seeking a CSA, the Deputy Commissioner shall be notified through the Compliance Division Director as soon as practicable.

   a. As soon as the company makes its desire for a CSA known, the Compliance Division Director shall screen the Integrated Management Information System (IMIS) for open cases involving the company and canvass the Regional Directors/Supervisors to determine the current status of any such open cases.

   b. CSAs are negotiated by the Compliance Division Director and the Office of Discrimination, Evaluation, Legal and Technical Support (DELTA).

      (1) During the negotiation of these agreements, the Compliance Division Director serves as the contact point for information requests and technical data.

      (2) DELTA shall ensure, to the extent feasible, that verifiable abatement milestones are included in the CSA to enable effective monitoring of the agreement.

   c. Once negotiations on a CSA begin, the Compliance Division Director shall notify all of the Regional Directors/Supervisors and, after consultation with the Deputy Commissioner and the Assistant Attorney General, shall provide instructions for dealing with any current inspections under way in establishments which potentially may be covered by the CSA.

   d. Where an authorized employee representative has elected party status, its input shall be sought and considered during the CSA process.

3. The Compliance Division Director shall contact affected Regional Directors/Supervisors and provide them with an opportunity for input.

4. The Compliance Division Director and DELTA shall obtain the concurrence of the Deputy Commissioner and the Commissioner prior to the execution of CSAs.

J. Administrative Content of Corporate-Wide Settlement Agreements.

CSAs typically contain both administrative and technical provisions. The following provisions shall be considered for inclusion in every CSA. Final terms will depend on the individual facts and circumstances of each case.

1. The technical provisions of CSAs deal with the specific hazards and citations which are the subject of the settlement. These provisions shall detail the specific milestones (abatement steps) that are to be accomplished, the dates by which they are to be
completed, and the length of the agreement.

a. In particularly complex situations or where an employer has been notably remiss in meeting past abatement commitments, consideration shall be given to requiring the employer to hire an independent consultant to plan, oversee, and verify abatement actions.

b. Where the nature of the violation indicates the failure of a corporate-wide system or process, consideration shall be given to requiring a corporate-wide self-audit with a certified report to VOSH of the results.

2. The administrative provisions deal with the procedures whereby CSA is to be enforced. These provisions shall address the following matters:

a. Abatement. CSAs typically involve long-term and multi-stage abatements. (See Chapter VIII, B. of the VOSH FOM.) The terms and stages of such abatements shall be explicitly delineated in each CSA.

b. Monitoring. VOSH's right to entry for monitoring purposes shall be explicitly recognized in every agreement.

   (1) The Compliance Division Director shall establish a plan for monitoring the company's abatement progress under the CSA in accordance with the provisions of L.3. of this Directive.

   (2) This plan shall include the scheduling of inspections, as applicable, for initial (baseline) monitoring, periodic monitoring during the life of the agreement, and follow-up after completion.

   (3) CSAs shall list each corporate location covered by the agreement with the name of its manager and its address. If the company wishes to add additional establishments later for some legitimate reason, it may do so only after contacting the Compliance Division Director and requesting such an addition.

c. Enforceability. Each CSA shall contain appropriate provisions for enforcement of the agreement.

   (1) CSAs shall contain the employer's assent that the CSA is a final order of the Commissioner.

   (2) In cases where a bill of complaint has been filed the CSA will be presented to the court for the Judge's signature.

   (3) Depending on circumstances, CSAs may require the employer to certify the
accuracy of any abatement reports required to be submitted to VOSH under J.2.e. of this Directive. Such certification may provide the basis for a referral for criminal prosecution for falsification under Virginia Code § 40.1-51.4:2 if evidence of such falsification can be established.

(4) CSAs shall provide terms for Petitions for Modification of Abatement (PMAs) by the employer if they differ from the provisions of Chapter VIII, B.9. of the VOSH FOM.

(a) The Company shall file a PMA with the Regional Director/Supervisor having jurisdiction over the affected workplace no later than the agreed-upon date specified by the CSA.

(b) If a PMA is received from an employer covered by CSA related to an action required under the CSA, the Regional Director/Supervisor shall ensure that all of the requirements of a PMA have been met at the covered establishment in accordance with the VOSH FOM. This shall specifically include provision of notice to affected employees or their authorized representative as described in Chapter VIII., B.9.c.(5) of the VOSH FOM.

(c) Upon assurance that all of the requirements set forth in the VOSH FOM for submitting PMAs have been met in the establishment submitting the PMA, the Regional Director/Supervisor shall immediately forward a copy of the PMA to the Compliance Division Director with a recommendation as to whether it should be granted or denied. The Regional Director/Supervisor shall include any objections received from affected employees or their authorized representative in accordance with Chapter VIII., V.9.h. of the VOSH FOM.

(d) The Compliance Division Director shall notify all affected Regional Directors/Supervisors of the receipt of a PMA.

(e) The Compliance Division Director shall refer the PMA to the Deputy Commissioner who shall consult with the Compliance Division Director, DELTA, and the Assistant Attorney General prior to reaching a decision on the PMA.

If the Deputy Commissioner decides to approve the PMA, all affected Regional Directors/Supervisors shall be notified as soon as practicable through the Compliance Division Director.
2 The Regional Director/Supervisor originally receiving the PMA shall notify the employer and employee representative by letter.

3 If the Deputy Commissioner decides to object to the PMA, the Regional Director/Supervisor originally receiving the PMA shall be immediately notified through the Compliance Division Director.

4 The Regional Director/Supervisor shall then proceed in accordance with Chapter VIII, B.9.g.(6)(a) of the VOSH FOM.

5 Copies of all granted PMAs shall be sent to the appropriate Regional Directors/Supervisors.

(5) In the absence of a PMA, the employer's failure to accomplish any action or to adhere to any agreed-upon milestone at any covered location by the date for abatement agreed upon in the CSA may be considered for enforcement in accordance with Section F. of this Chapter.

d. Inspections. VOSH's normal inspection scheduling procedures are NOT affected by CSAs for parts of the establishment(s) or for hazards not explicitly included in the CSAs.

(1) Thus, a CSA which addresses abatement of ergonomics hazards on specific production lines or areas of a plant does not preclude inspection for and citation of other safety and health hazards which are not included in the agreement.

(2) Instead, the Regional Director/Supervisor shall contact the complainant and inform him of the situation.

(a) Formal complaints concerning conditions covered by the CSA for which valid progress reports have been received do not require an inspection.

(b) Instead, the Regional Director/Supervisor shall contact the complainant and inform him of the situation.

(c) If the complainant insists that the company's reports do not accurately describe the action being taken in the establishment, this fact shall be reported to the Compliance Division Director for consideration in scheduling follow-up monitoring inspections.
(3) If a programmed or an unprogrammed inspection is to be conducted in an establishment covered under a CSA, the Regional Director/Supervisor shall contact the Compliance Division Director for guidance prior to completing on-site inspection activity.

(a) In such cases the Compliance Division Director shall determine whether a monitoring inspection should be conducted to verify adherence to terms of the agreement and, if so, to what extent.

(b) If a monitoring inspection is not to be conducted, the Regional Director/Supervisor shall be so informed and shall conduct the investigation in accordance with current procedures.

e. **Periodic Reports.** CSAs shall include specific requirements for submission of periodic written progress reports to VOSH by the employer. (See Chapter VIII, B.7. and 8. of the VOSH FOM)

(1) Progress reports shall be required on a periodic basis when abatement dates are beyond one year from the date of the opening conference.

(a) Such reports shall address in sufficient detail the activities undertaken by the company to implement the requirements of the CSA, including such information as:

1. The number of employees receiving training;

2. The number of employees receiving medical treatment and the type of treatment given;

3. The progress of job analyses, symptom surveys, and the like;

4. Description of control measures implemented, including engineering controls and administrative and work practice controls;

5. Description of steps taken to correct recordkeeping deficiencies.

*(NOTE: The company shall be encouraged to submit the required documentation in the form of videotapes and photographs.)*

(b) Other specific reports linked to abatement milestones (such as implementation of a training program, completion of an engineering
study, or implementation of a medical management program) shall normally be required as appropriate.

(c) The timing of such reports shall be linked as much as possible to a specific calendar date as determined by the sequence of abatement steps.

(2) Certain reports required of employers will be due only to the Compliance Division Director while others will be due to the Regional Offices having jurisdiction over the covered establishments.

(a) Reports covering program requirements with corporate-wide application (e.g., medical management programs, training programs, hazard evaluation programs, general engineering control strategies) shall be sent for evaluation to the Compliance Division Director.

1 The Compliance Division Director shall be responsible for coordinating a review and evaluation of the program elements submitted by the company.

2 The Compliance Division Director shall also be responsible for disseminating the results of the evaluation to the affected Regional Director/Supervisor and shall provide copies of the report received to them upon request.

3 If any of the reports required to be sent to the Compliance Division Director under the CSA are not received when they are due, the Director shall contact the company within 10 days after the due date to attempt to determine the reason for the delay and when the report might be expected.

4 If the reports are still not received within a reasonable time or if the company responds (without adequate justification) that no report will be submitted, the Compliance Division Director shall contact the Deputy Commissioner, DELTA, and the Assistant Attorney General to determine a suitable response.

(b) Progress reports covering the effectiveness of actual in-plant implementation of these corporate program elements shall be sent to the Regional Offices have jurisdiction over the covered establishments.
1. The Regional Director/Supervisor shall be responsible for reviewing and evaluating the implementation progress being made by the covered establishment as described in the periodic progress reports.

2. Each periodic progress report shall be carefully reviewed and the company's abatement progress (as required under the CSA) evaluated.

3. The Regional Director/Supervisor shall also discuss the results of the review of the periodic progress report with the company and with the authorized employee representative, if any, and ask for any additional information which might be helpful in the evaluation. Particular attention shall be paid to the abatement progress that the company has made as to the particular milestones agreed upon in the CSA. The Regional Director/Supervisor shall discuss in particular any weakness of deficiencies.

4. Within 30 calendar days of receipt of the periodic progress report, the Regional Director/Supervisor shall prepare a written statement of the status of the company's compliance with the agreement and forward it to the Compliance Division Director.

5. The Compliance Division Director shall review the Regional Director/Supervisor's statements for each CSA and take appropriate action to ensure complete and consistent abatement.

(3) The Compliance Division Director and DELTA shall ensure, where appropriate, that each agreement specifies which reports are to be sent to the Regional Offices. The employer also may be requested to provide additional copies of reports to any other affected parties such as unions.

(4) If any of the reports required to be sent to the Regional Office under the CSA are not received when they are due, or if reports are received but are judged to be inadequate, the Regional Director/Supervisor shall contact the company within 10 days of the due date to attempt to determine the reason for the delay and/or the inadequacy and when the report might be expected.

(a) If suitable reports are still not received within a reasonable time or if the company responds (without adequate justification) that no report will be submitted, the Regional Director/Supervisor shall contact the Compliance Division Director for advice.
In such cases the Compliance Division Director shall confer with the Deputy Commissioner who, in consultation with DELTA and the Assistant Attorney General, shall decide what action shall be taken.

f. **Termination.** Each CSA shall contain provisions detailing the circumstances under which it may be terminated and procedures for so doing.

### K. Post Execution Responsibilities.

Once a CSA has been executed the Compliance Division Director is to provide guidance to field components relating to compliance policies and procedures.

1. **Coordination.** In coordinating CSAs, the Compliance Division Director shall:
   
   a. Keep copies of all CSAs on file, both negotiated by VOSH and those negotiated by federal OSHA.
   
   b. The Compliance Division Director shall transmit copies of all CSAs to Regional Directors/Supervisors involved as soon as they are executed (signed by all parties).
   
   c. Provide copies of VOSH CSAs and target abatement dates to Region III.
   
   d. The Compliance Division Director shall track CSAs and make determination on the progress being made by the covered companies, to ensure an exchange of information among Regional Offices with covered establishments and between the Central Office and the Regional Offices, and to set priorities for monitoring.

2. **Contact.** For VOSH's field organization, the point of contact for information on CSAs under negotiation is DELTA. The point of contact for CSAs after execution is the Compliance Division Director.

3. **Interpretation.** Should it become necessary to resolve differences (between VOSH and the company or between different VOSH Regional Offices) regarding the interpretation of the provisions of a CSA, the matter shall be decided by the Compliance Division Director.

4. **Resource Allocation.** The Compliance Division Director is responsible for ensuring that adequate resources are allocated by the Regional Directors/Supervisors for the monitoring of CSAs in accordance with current policy.

   a. The Compliance Division Director shall outline a monitoring plan for each employer as soon as practicable (but no more than 60 days) after the effective date of the CSA.
b. The Compliance Division Director shall ensure that Regional Directors/Supervisors conduct monitoring as required by the guidelines provided in E. of this Chapter and as indicated in each CSA.

c. The Compliance Division Director shall ensure that regional workplans are adjusted to reflect monitoring requirements.

5. Acceptance of Abatement Measures. It is difficult to achieve absolute uniformity throughout the corporation in abatement methods because of local conditions.

a. Because of these differences in abatement methods, legitimate disagreements may arise regarding the adequacy of abatement measures taken under CSAs by different establishments of the same corporation.

b. It is expected that most abatement issues can be resolved through the Compliance Division Director and Regional Directors/Supervisors.

c. Cases that give rise to differences which cannot be resolved in this manner, or which involve major policy resolutions, shall be resolved by the Deputy Commissioner in consultation with DELTA and the Assistant Attorney General.

L. Monitoring of Corporate-wide Settlement Agreements.

The success of the CSA program depends on abatement of cited violations by employers covered by such agreements. It is essential that such abatement be comprehensive and consistent across all of the covered employer's facilities.

1. All parties to CSAs must recognize that VOSH is committed to monitoring the employer's abatement progress to ensure that violations are properly corrected, particularly when previous recalcitrant employers are involved or in complex abatement situations where new technologies are emerging and abatement may be hard to obtain in practice. In all monitoring inspections, VOSH shall ensure that employees or their authorized representative are afforded the opportunity to participate as described in Chapter VI., C.2. of the VOSH FOM.

2. Monitoring CSAs is likely to require a considerable commitment of resources and all components of the agency must be prepared to devote the necessary resources to the monitoring effort.

3. Effective monitoring requires baseline, periodic, and follow-up monitoring.

a. Baseline Monitoring. Baseline monitoring is monitoring for the purpose of
determining the extent to which the hazardous condition(s) covered in the CSA exist in a particular worksite. Such monitoring may be required of the company under the terms of the CSA, depending on the nature of the violations.

(1) When the company is required to conduct initial or baseline monitoring at each covered location, it must gather the information specified in the agreement and provide it to the Regional Office having jurisdiction.

(a) If the company does not conduct the required baseline survey of its facility, the Regional Director/Supervisor shall determine the reasons.

(b) If the reasons are not satisfactory and the company still refuses to conduct the baseline survey, the Regional Director/Supervisor shall so inform the Compliance Division Director.

(c) The Compliance Division Director shall evaluate the company's rationale for not conducting the survey, and if judged not adequate, shall refer the matter to the Deputy Commissioner for resolution.

(2) When the company provides baseline data, an on-site VOSH baseline monitoring inspection of the covered establishment will not normally be necessary unless the Regional Director/Supervisor has reason to believe that the data is not reliable.

(3) In cases where such monitoring is not required of the company, e.g., where VOSH is already familiar with conditions in the plant, the Regional Director/Supervisor having jurisdiction over the covered establishments shall determine the need for a baseline monitoring inspection and, if judged necessary and after consultation with the Enforcement Division Director, shall schedule one as soon after the effective date of the CSA as resources permit.

(4) VOSH's initial monitoring shall be extensive enough to establish the degree to which hazards covered by the agreement exist and the steps which the company must take to abate the hazards at the affected establishment.

(5) In the case of the inspected establishment which was the focus of the settlement, inspection case file data will ordinarily provide adequate baseline information.

(6) Baseline monitoring may also be omitted when recent inspection history provides adequate knowledge of conditions in the workplace.
b. **Periodic Monitoring.** Periodic monitoring is monitoring to determine abatement progress being made in an establishment and to verify reported progress. Such monitoring follows baseline monitoring.

(1) Periodic progress reports are required in each CSA and shall be handled in accordance with J.2.e. of this Directive. These reports are part of the periodic monitoring process and shall be carefully reviewed by the Regional Director/Supervisor having jurisdiction.

(2) Periodic monitoring inspections shall be included in the monitoring plan developed by the Compliance Division Director under K.4.a. of this Directive.

(3) Monitoring inspections of covered workplaces may be scheduled at any time during the life of the agreement.

c. **Follow-up Monitoring.** Follow-up monitoring is monitoring for the purpose of determining if the covered establishment has completed all abatement action required under the CSA.

(1) Follow-up monitoring shall be included in the monitoring plan developed by the Enforcement Division Director under K.4.a. of this Directive.

(2) Like periodic monitoring, follow-up monitoring may be combined with other programmed or unprogrammed inspections.

(3) Follow-up inspections shall be scheduled as indicated in L.3.d. of this Directive.

d. **Scheduling of Monitoring Inspections.** The manner of scheduling both periodic and follow-up monitoring inspections shall be as follows:

(1) As soon as possible, but no later than 60 days after the effective date of the CSA, the Compliance Division Director shall determine how many monitoring inspections of establishments covered under the CSA shall be conducted.

(a) Each covered corporation shall initially be scheduled for an on-site monitoring inspection in at least 10 percent of its listed establishment each year.

(b) At least one site from each covered corporation shall be scheduled each year.
(2) The monitoring plan may be modified based on the findings of the evaluations of the periodic progress reports received by the Agency.

(3) The Compliance Division Director shall select the workplaces for on-site monitoring inspections in consultation with the appropriate Regional Directors/Supervisors. Care shall be taken to avoid any appearance of advance notices.

(a) When scheduling such monitoring inspections, the Regional Director/Supervisor shall take into consideration any milestone dates established in the CSA.

(b) Such monitoring inspections shall have an inspection priority equal to serious formal complaints.

(4) The scope of monitoring inspections shall normally be limited to the conditions covered by the CSA since their purpose is to ensure that the company is adhering to the provisions of the CSA. Where potential violations are observed that require investigation but which are outside the conditions covered by the CSA, a referral shall be made in accordance with Chapter XIV, B.2.b.(1). of the VOSH FOM.

(NOTE: As noted at L.3.c., monitoring inspections may be combined with other programmed or unprogrammed inspections. Where this is the case, observed violations lying outside the scope of the monitoring inspection shall normally be addressed through the other inspection activity.)

(5) The Regional Director/Supervisor shall be responsible for analyzing the results of the monitoring inspections together with appropriate staff.

(a) Conclusions shall be communicated to the Compliance Division Director as soon as possible, but not later than two (2) weeks after the analysis shall have been completed.

(b) Particular attention shall be paid to the abatement progress that the company has made as to the particular milestones agreed upon in the CSA.

(6) The Compliance Division Director shall determine what, if any, further action will be appropriate.
(7) Whenever periodic progress reports submitted by the company raise suspicions about their truthfulness or indicate a lack of adequate abatement progress, or when it is necessary to investigate complaints that the agreement is not being properly implemented, the Regional Director/Supervisor shall consult with the Compliance Division Director who shall determine whether a monitoring inspection should be conducted.

M. Enforcement of CSAs.

If violations of the terms of the CSA are documented during monitoring of a covered worksite, appropriate enforcement action shall be taken, depending on the nature to the violations.

1. Such enforcement actions may range from warning letters to court action.

2. To promote uniform enforcement and to ensure the continued effectiveness of CSAs, the following procedures shall be adhered to:

   a. If, after a review of the evidence, a Regional Director/Supervisor believes that the employer is not fulfilling the abatement responsibilities agreed upon in the CSA, the procedures given below shall be followed:

      (1) As soon as possible after reaching this conclusion, the Regional Director/Supervisor shall contact the employer for an explanation.

         (a) If the employer appears to be making a good-faith effort to abate and this is corroborated by the employees themselves, no failure-to-abate (FTA) shall be proposed, provided the employer agrees to remedy the deficiency.

         (b) If the employer has no reasonable explanation for the deficiency and refuses to remedy it, the Regional Director/Supervisor shall proceed to recommend an FTA.

         (c) If the employer believes that the deficiency is not covered under the CSA, the Regional Director/Supervisor shall attempt to resolve the dispute.

            1 Failing that, the case shall be referred to the Compliance Division Director for resolution.

            2 If the question still cannot be resolved, the case shall be referred to the Deputy Commissioner, who may consult with DELTA and the Assistant Attorney General, for a final decision.
(2) Any establishment covered by the agreement may be considered for a FTA even if that location was not originally cited and is not currently under citation for the violation. Similarly, an abatement action required by the CSA may be considered for a FTA even if was not addressed by the original citation.

b. Any proposed FTA or any other proposed enforcement action related to issues covered in a CSA must be submitted to the Compliance Division Director for approval prior to issuance.

c. The Compliance Division Director shall consult with the Deputy Commissioner and DELTA and decide upon a course of action.

N. **Final Abatement.**

If the company informs the Regional Director/Supervisor that it believes that abatement action under the CSA has been completed in all of its covered facilities or for any particular facility, the Compliance Division Director shall be so advised.

1. The Compliance Division Director shall schedule follow-up inspections in accordance with L.3.d of this Directive.

2. After completing follow-up inspection activity in 10 percent of covered establishments and finding that all feasible abatement measures have been implemented with no significant deficiencies, the CSA shall be considered completed and all open case files related to the CSA shall be closed.

3. The Compliance Division Director shall inform all Regional Directors/Supervisors having covered establishments that the company has fulfilled its obligations under the CSA. The Compliance Division Director shall then inform federal OSHA Region III of his findings.

Theron J. Bell  
Commissioner

Attachment: None.

Distribution: Commissioner of Labor and Industry  
Deputy Commissioner  
Directors and Supervisors  
Occupational Compliance Staff  
Training and Consultation Staffs  
DELTA  
OSHA Regional Administrator, Region III