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US Labor Department announces settlement in Crandall Canyon Mine collapse ***Murray Energy Corp. subsidiaries agree to pay \$1.15 million,*** ***accept 4 contributory and 3 flagrant violations, and settle other cases***

ARLINGTON, Va. – The U.S. Department of Labor has reached a settlement with the operators of the Crandall Canyon Mine and other Murray Energy Corp. subsidiaries, resolving litigation and violations cited after the mine’s 2007 collapse, which killed eight miners and an MSHA inspector. Six victims were killed in the initial collapse on Aug. 6, 2007, and were never recovered. The other three victims were killed Aug. 16 while attempting to rescue the six missing miners. The settlement resolves the department’s civil case with the operators, Murray Energy Corp. subsidiaries Genwal Resources Inc. and Andalex Resources Inc. The case was stayed between December 2008 and March 2012 pending completion of a criminal investigation by the U.S. Department of Justice.

“In this settlement, Genwal Resources and Andalex Resources have acknowledged responsibility for the failures that led to the tragedy at Crandall Canyon,” said Solicitor of Labor M. Patricia Smith. “These failures resulted in the needless deaths of nine members of the mining community.”

The accident investigation conducted by MSHA revealed that a grossly deficient mine design led to pillar failures. Consequently, the agency issued 20 enforcement violations to the mine’s operators and assessed penalties totaling \$1,639,351.

Under the settlement, the operators accepted four of the citations and orders as “contributory,” meaning that the company’s violations contributed to the cause or effect of the accident. Those violations include the improper mine design as well as the operators’ repeated failure to revise the design, despite knowledge that it was inadequate to protect miners from bursting coal pillars.

The operators also agreed to classifying violations of three safety standards as “flagrant,” the most serious type of violation under the Federal Mine Safety and Health Act of 1977 that can carry the highest penalty assessment. Two of the flagrant violations are directly related to criminal charges brought by the U.S. attorney’s office in Salt Lake City. Genwal Resources pleaded guilty to the two charges in March 2012. The third flagrant violation involves the operators’ failure to improve the mine’s design following an Aug. 3, 2007, coal burst, which occurred three days before the first fatal accident.

“The violations contained in this settlement support MSHA’s investigation findings that the mine operators allowed conditions at Crandall Canyon to deteriorate and ignored the warning signs,” said Joseph A. Main, assistant secretary of labor for mine safety and health. “This was a tragedy that should never have happened. Miners deserve to return home after a shift in the same condition they left. MSHA will continue to fight for that right on behalf of our nation’s miners.”

According to the settlement, Genwal Resources and Andalex Resources have agreed to pay in total \$949,351 in civil penalties for the Crandall Canyon violations, following some modifications to the enforcement actions. Three of the enforcement actions carrying a total of \$340,000 in penalties have been vacated. In addition, the Murray Energy subsidiaries have agreed to pay \$200,649 to settle other violations committed at other mines in Utah, with no modifications made to those citations or orders. The settlement has been filed with Federal Mine Safety and Health Review Commission Administrative Law Judge Richard Manning for his consideration.

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