

Stubbs

Topic: Production (Product and Workplace Safety)

Characters: Nick (Stubbs), Punch Press Operator
Tom, Loss Control Specialist
Annette, Manager of Human Resources

Stubbs is somewhat of a celebrity around the tool and die plant, a subsidiary of a large steel company. Six years ago, Stubbs (whose real name is Nick) had an accident involving a punch press. Tom, the new Loss Control Specialist, recently asked his boss, Annette, the Manager of Human Resources, to describe what happened. Apparently, Stubbs was using a machine that required the use of both hands to hold down machine buttons when starting and releasing the machine from cycling. Well, Stubbs decided that he could increase his piece rate if he depressed one of the buttons with his knee and used his free hand to move parts in and out of the machine. One day Stubbs placed his left hand in what is known as the “pinch point” of the punch press die areas while the machine was inadvertently activated. Three of “Stubb’s” fingers were permanently severed, [whence] his nickname.

Though he received a workers’ compensation settlement for the loss of those three fingers shortly after the incident, he has just filed a lawsuit against the company that originally manufactured the punch press machine. Furthermore, all punch press maintenance and inspection records preceding the incident are being subpoenaed. However, the company has responded that it abides by OSHA (Occupational Safety and Health Administration) regulations and record keeping (i.e., maintains records for only five years).

Tom and Annette know that OSHA requires that they keep records on machine use for five years. To date, Tom has uncovered over ten years of machine use activity. His boss, Annette, read through the compiled files and realized that some of the older records seriously exposed the company to damages. For instance, within those records is a citing by OSHA for a lack of safeguards (e.g., limit switches, electronic field sensors, plexiglass shields, and barrier guards) on the equipment. Such safeguards may have prevented the accident. Moreover, Annette knows that it is likely the manufacturer would countersue her company or use any machine records in its plea of innocent. As a result, she tells Tom to throw out all the older records. Finally, she orders Tom to have the piece of equipment chopped up and scrapped as quickly as possible so the lack of safeguarding devices couldn’t be proven. Tom now ponders what he is asked to do. One thing he thinks about is whether this act would harm or help his friend Stubbs’ chances for collection from the manufacturer (or the company he worked for). Either company could afford a few million, but “What about Stubbs?”

Author: Curtis Jay Bonk, PhD., CPA, Assistant Professor of Educational Psychology, West Virginia University.

Co-author: Mary M. Bonk, CPA, Director of Financial Analysis, West Virginia University Hospitals, Inc.