

Department of Justice

Office of Public Affairs

FOR IMMEDIATE RELEASE

Thursday, May 20, 2021

Owner of a Tanker Truck Repair Company Pleads Guilty to Lying to OSHA During Explosion Investigation

An Idaho man pleaded guilty today to lying to the Occupational Safety and Health Administration (OSHA) and to making an illegal repair to a cargo tanker in violation of the Hazardous Materials Transportation Act.

According to court documents, Loren Kim Jacobson, 66, of Pocatello, Idaho, and owner of a tanker testing and repair company, KCCS Inc., lied to OSHA during an investigation and made an illegal repair to a cargo tanker in violation of the Hazardous Materials Transportation Act. The case arose from an explosion that occurred at KCCS during a cargo tanker repair on Aug. 14, 2018, severely injuring a KCCS employee.

According to the plea agreement, the KCCS employee's welder flame pierced the skin of the tanker, which contained residual flammable material, resulting in the tanker exploding. After the explosion, an OSHA investigator interviewed Jacobson about the circumstances surrounding the accident, as part of an investigation into whether Jacobson had violated OSHA safety standards for cargo tanker repair work. Jacobson made a materially false statement to the OSHA investigator during that interview, namely that his employee was merely an "observer," not an employee, and that KCCS did not have any employees. This was an important point because OSHA requirements only apply to "employers." Jacobson lied about not having employees to evade legal repercussions and penalties for his violation of various Occupational Safety and Health (OSH) Act safety standards during the repair that resulted in the explosion.

Jacobson also admits in the plea agreement that he did not possess the necessary certification to conduct cargo tanker repairs that he regularly conducted. Under the Hazardous Materials Transportation Act, all repairs to the skin of a cargo tanker require that the repairperson hold an "R-stamp," which can be obtained only after meeting extensive training requirements. The purpose of this requirement is to ensure that those conducting repairs on cargo tankers (which often haul flammable materials) have adequate training and expertise to do so safely. Jacobson admitted that he had a regular practice of making repairs requiring an R-stamp, despite knowing he did not have one, and that he would send employees into the cargo tankers to weld patches from the inside of the tanker so that the illegal repairs would not be visible from the outside. Jacobson did not follow OSHA safety standards for protecting employees from such dangerous "confined space entries." According to the plea agreement, Jacobson directed his employee to conduct a hidden repair of this type on the tanker that subsequently exploded, in violation of both OSHA safety standards and the R-stamp requirement.

"The Environmental Crimes Section's Worker Safety Initiative is designed to make sure that employers like Loren Jacobson, who shirk safety requirements and put their employees, customers, and the public at risk, are held accountable for their actions," said Acting Assistant Attorney General Jean Williams for the Justice Department's Environment and Natural Resources Division. "We are committed to protecting the lives and health of those who do the important work of keeping safe cargo vehicles on the road. This prosecution makes clear to others who might be tempted to ignore these certification and safety programs that they will face felony consequences for putting their employees and the public in danger. Our thanks go out to the investigators from OSHA, the Environmental Protection Agency, and the Department of Transportation who worked diligently to bring these violations to light. And our thoughts are with the victim of this horrible accident."

“Loren Jacobson lied to Occupational Safety and Health Administration Investigators to cover up the extreme risks he had been taking with his employees,” said Special Agent in Charge Quentin Heiden of the U.S. Department of Labor - Office of Inspector General, Los Angeles. “The Department of Labor’s Office of Inspector General will continue to work with our law enforcement partners to ensure the safety of American workers.”

“Today’s guilty plea is a sober reminder that endangering the health and safety of commercial industry workers and the public by violating federal hazardous materials transportation requirements will not be tolerated,” said Special Agent in Charge Cissy Tubbs of the Department of Transportation Office of Inspector General - Western Region Office of Investigations. “We offer our sincerest condolences to the victim of the August 2018 explosion and remain steadfast in our commitment to working with our law enforcement and prosecutorial partners to hold accountable those who flaunt federal requirements to place financial gain above public safety.”

“OSHA’s mission is to ensure that every American comes home safe and sound after the day’s work,” said Boise OSHA Director David Kearns. “When an employer lies to OSHA, he passes the buck, leaving the door open to more workplace injuries and deaths. No one should be killed or injured for a paycheck. Dishonesty is not a means to protect workers. OSHA was pleased to work with our investigative partners and the Department of Justice to hold this employer criminally liable for his deceit.”

“The terrible injuries involved this case are a stark reminder of the need for workplace safety requirements and enforcement,” said Acting U.S. Attorney Rafael M. Gonzalez Jr. for the District of Idaho. “I commend the investigators at OSHA, the Department of Transportation, and the EPA for uncovering the evidence in this case. Working with our partners, our office will continue to hold employers accountable for criminally endangering their employees.”

Jacobson is scheduled to be sentenced on Aug. 25 and faces a maximum penalty of five years in prison per count (10 years total). A federal district court judge will determine any sentence after considering the U.S. Sentencing Guidelines and other statutory factors.

Trial Attorney Cassandra Barnum of the Justice Department’s Environmental Crimes Section and Assistant U.S. Attorney Joshua Hurwit of the District of Idaho are prosecuting this case with assistance from criminal investigators from the Environmental Protection Agency and the Department of Transportation.

Component(s):
[Environment and Natural Resources Division](#)

Press Release Number:
21-464