

News Release



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U.S. Labor Department Obtains Settlement With Owners of North Carolina Trucking Company Over Delinquent Plan Contributions

ATLANTA – The owners of defunct Galloway Trucking, Inc. in Monroe, NC agreed to restore \$27,766.91 to the company’s retirement plan as restitution for failure to remit employee contributions and loan repayments to the plan.

“We filed this case to ensure that the plan participants recoup the money they set aside for their retirement years,” said Howard Marsh, director of the department’s Atlanta regional office of the Employee Benefits Security Administration (EBSA).

Under the settlement, defendants Brenda G. Galloway and Donnie R. Galloway agreed to waive their rights to benefits under the plan in order to offset the restitution owed to the plan. Money offset against their retirement accounts will be re-distributed to the remaining participants in the plan.

The settlement also appoints M. Larry Lefoldt of Lefoldt & Co. in Jackson, Miss. as the independent fiduciary to manage the plan and permanently bars the Galloways from serving as fiduciaries to any plan governed by the Employee Retirement Income Security Act. In addition, the Galloways agreed their debt to the plan would not be discharged in bankruptcy proceedings.

Galloway Trucking sponsored the employee savings and protection plan for 118 participants. The plan had assets of \$12,499 as of Jan. 31, 2005. The company filed for bankruptcy under Chapter 11 of the Bankruptcy Code in July 2001. The Chapter 11 case was converted to Chapter 7 liquidation in February 2002.

Employers with similar problems, who are not yet the subject of an investigation by EBSA, may be eligible to participate in the department's Voluntary Fiduciary Correction Program (VFCP). Participation in the VFCP requires employers to correct ERISA violations but allows them to avoid EBSA enforcement actions, civil penalties and any applicable excise taxes. For more information see www.dol.gov/ebsa.

The case resulted from an investigation conducted by the EBSA’s Atlanta regional office. In fiscal year 2004, EBSA achieved record monetary results of \$3.1 billion related to the pension, 401(k), health and other benefits of millions of American workers and their families. Employers and workers can contact the regional office at (202) 452-2156 or EBSA’s toll free number, **1-866-444-EBSA (3272)**, for help with problems relating to private-sector pension and health plans.

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(Chao v. Galloway)
Civil Action No. 3:04 CV 357-MU

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