

News Release



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U.S. Labor Department Sues To Restore Nearly \$5 Million To Cherry Hill Union Benefit Plan Participants

PHILADELPHIA, Pa. --The U.S. Labor Department has sued the Professional Industrial and Trade Workers Union Health and Welfare Fund and its fiduciaries for misuse and mismanagement of plan assets.

“Misuse of health plan assets jeopardizes the health and welfare of workers and their families, which is absolutely unconscionable and will not be tolerated,” said U.S. Labor Secretary Elaine L. Chao. “Our legal action in this case seeks to restore money owed to the plan so these union members can count on their health care benefits when they need them. Last year, this Administration recovered for workers and their families over \$3 billion related to pension, 401(k), health and other benefits.”

The suit alleges that James Doyle, Cynthia Holloway, Michael Garnet and Mark Macariella violated the Employee Retirement Income Security Act (ERISA) when they failed to administer the fund exclusively to provide benefits for participants and beneficiaries. Company executives Doyle, Garnet and Macariella allegedly used plan assets to pay commissions, union dues, administrative fees and billing fees. Plan trustee Holloway allegedly failed to monitor and correct the executives’ actions.

The suit seeks to require the defendants to restore approximately \$4.98 million in losses to the plan, plus interest; permanently bar them from serving as a fiduciaries or service providers to any ERISA-covered plan; and appoint an independent fiduciary to control plan management and administration.

Filed in the U.S. District Court for the District of New Jersey, the suit resulted from an investigation conducted by the Philadelphia regional office of the Employee Benefits Security Administration (EBSA). Employers and workers can contact the Philadelphia regional office at (215) 861-5300 or EBSA’s toll-free number, (866) 444-EBSA (3272), for help with problems relating to private-sector pension and health plans. Tips for small employers purchasing health benefits may be found at EBSA’s web site under <http://www.dol.gov/ebsa/newsroom/fshlthinstips.html>.

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(Chao v. Doyle)
Civil Action No. 1:05-CV-02264

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