

News Release



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Labor Department Obtains Consent Judgment Restoring More Than \$70,000 to New Jersey Union's Plans

NEWARK, N. J. – The U.S. Department of Labor has obtained a consent judgment requiring Jersey City, N.J.- based Allied Novelty and Production Workers' Union Local 148; and Joseph Nardone, Jr., and Ralph Somma, the administrator and trustee to the union's retirement and welfare plans, to restore \$70,742 for engaging in multiple violations of federal pension law. Local 148 already has restored \$6,467 to the plan.

"This action demonstrates the department's commitment to protect the money that is set aside for workers' retirement and welfare benefits," said Francis Clisham, director of the department's New York regional office of the Employee Benefits Security Administration (EBSA), which investigated the case.

The judgment, filed in the federal district court in Newark, resulted from a lawsuit filed by the department in February 2003. The suit alleged that Nardone and Somma imprudently caused the two plans to unlawfully pay for Nardone's defense during his trusteeship litigation, which is in violation of the Employee Retirement Income Security Act.

The defendants also caused the welfare plan to pay for general administrative expenses incurred by an employee in the Production Workers' Local 148 Salaried Employee Pension Plan from February 1996 through July 1999, which was created to provide retirement benefits for local union and employee benefit plan employees; and to pay the salary expenses for the former United Service Union Local 911 president, Edward Bingham, Jr., although he performed no services for the plan.

The Local 148 membership includes a variety of factory workers in New York's five boroughs, Long Island and New Jersey. Local 148, which currently has 2,000 members, absorbed the membership of United Service Union Local 911 in 1997.

In fiscal year 2003, EBSA achieved record monetary results of \$1.4 billion related to the pension, 401(k), health and other benefits of millions of American workers and their families. Employers and workers can reach the New York regional office at (212) 607-8600 or through EBSA's toll-free number, 1-866-444-EBSA (3272), for help with problems relating to private-sector retirement and health plans.

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(Chao v. Nardone) Civil Action No. CV-03-181 (WJM)

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