

News Release



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Owner of Defunct Houston Furniture Manufacturer Sued to Restore Employee Health Insurance Premiums

HOUSTON—The U.S. Department of Labor has sued the former owner of defunct Kemil Inc., Houston, Texas, for failing to remit \$15,174 in employee-paid health premiums to Blue Cross/Blue Shield HMO of Texas.

“This action demonstrates our commitment to protect the hard-earned benefits of American workers,” said Roger Hilburn, director of the department’s Dallas regional office of the Employee Benefits Security Administration (EBSA), which investigated the case.

The lawsuit, filed in the U.S. District Court for the Southern District of Texas in Houston, alleges that Gary Bean failed to forward insurance premiums withheld from Kemil Inc. employee paychecks from Jan. 1, 2000 through Dec. 21, 2001. This resulted in unpaid medical bills amounting to \$17,000. Bean’s actions violated the Employee Retirement Income Security Act (ERISA).

Now closed, the small office furniture manufacturer was the administrator of the health plan which had 13 participants.

Employees 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 program requires employers to correct all violations but allows them to avoid EBSA enforcement actions and civil penalties as well as any applicable excise taxes. For more information about the VFCP, see www.dol.gov/ebsa.

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 reach EBSA’s Dallas regional office at (214) 767-6831 or through its toll-free number, 1-866-444-EBSA (3272), for help with problems related to private-sector retirement and health plans.

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(Chao v. Bean)
Civil Action No. H-05-2765

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