

News Release



U.S. Department of Labor
Office of Public Affairs
Chicago, Ill.
Release Number: 05-1061-Chi

For Immediate Release
Oct. 12, 2005
Contact: Brad Mitchell & David James
Phone: (312) 353-6976 202-693-4676

U.S. Labor Department Obtains \$700,000 Restoration to Michigan Plumbers and Pipefitters Pension Fund

CHICAGO -- The U.S. Department of Labor has recovered \$700,000 in pension funds for the Upper Peninsula Plumbers and Pipefitters Pension Fund in Lansing, Mich. The funds are restitution for imprudently investing pension assets in the Aspen Bay Pulp & Fibre LLC, a company formed to provide working capital for the proposed development of the Aspen Bay Pulp Mill project in Menominee, Mich. The department also may assess a civil money penalty under the Employee Retirement Income Security Act (ERISA).

"This is great news for the workers and retirees who depend upon this pension fund," said U.S. Secretary of Labor Elaine L. Chao. "Seeking this order is part of the Department's aggressive benefit protection campaign, which last year recovered over \$3 billion in retirement, 401(k), health and other programs for workers and their families."

The lawsuit, filed in federal district court in Michigan, alleges that trustee Jerome Hedstrom violated the ERISA when he failed to investigate the merits of the Aspen Bay Pulp Mill investment before committing pension assets to the project. The pension plan covered more than 800 union members in Menominee, Marquette and Escanaba.

The Cincinnati regional office of the Labor Department's Employee Benefits Security Administration (EBSA) investigated the case. Employers and workers can reach the Cincinnati regional office at (859) 578-4680 or through EBSA's toll-free number, 1-866-444-EBSA (3272), for help with problems relating to private-sector retirement and health plans.

###

(Chao v. Hedstrom)
Civil Action No. 1:05-cv-523