



**R. Booth Goodwin II, United States Attorney
Southern District of West Virginia**



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**CHARLESTON MAN SENTENCED FOR EMBEZZLING FROM EMPLOYEE
BENEFIT PLAN**

\$600,000 from Employee Pension Plan Misappropriated

CHARLESTON, W. Va. – United States Attorney R. Booth Goodwin II announced today that a former West Virginia investment advisor was sentenced to 12 months and one day in prison for embezzling money from an employee benefit plan. Knox H. Fuqua, 50, of Charleston, West Virginia, previously pleaded guilty in June to federal charges in connection with the theft and embezzlement of the assets of an employee benefit plan in June 2005.

“Unfortunately, the financial crisis we have all felt has exposed shameless schemes that have decimated pocketbooks and retirement accounts alike,” stated U.S. Attorney Booth Goodwin. “While we respect the decision of the Court, we are disappointed that this defendant received a sentence of imprisonment that is one third of the 30-37 month prison term recommended under the United States Sentencing Guidelines for such a crime. Nevertheless, we will continue to commit all the time and resources necessary to ensure that criminals of this sort are prosecuted and punished, and that victims are repaid.”

Fuqua was an investment advisor operating through KHF Advisors LLC and Appalachian Asset Management, Inc. from December 3, 2003, through August 1, 2005. At his plea hearing, Fuqua admitted to misappropriating and converting \$600,000 of the 401(k) employee benefit plan of Community Health Systems, Inc. in order to meet the demands of another client who sought the return of previous investments.

The employee benefit plan was made whole as a result of litigation by the U.S. Department of Labor and the trustee of the employee benefit plan.

"This defendant's theft of employee benefit assets jeopardized the retirement security of these workers," said Phyllis C. Borzi, Assistant Secretary of the Labor Department's Employee Benefit Security Administration. "Today's sentencing shows our commitment to taking enforcement action against those who are entrusted with the safekeeping of employee retirement assets, but fail to uphold their duty."

This case was brought as part of President Barack Obama's Financial Fraud Enforcement Task Force.

President Obama established the interagency Financial Fraud Enforcement Task Force to wage an aggressive, coordinated and proactive effort to investigate and prosecute financial crimes. The task force includes representatives from a broad range of federal agencies, regulatory authorities, inspectors general, and state and local law enforcement who, working together, bring to bear a powerful array of criminal and civil enforcement resources. The task force is working to improve efforts across the federal executive branch, and with state and local partners, to investigate and prosecute significant financial crimes, ensure just and effective punishment for those who perpetrate financial crimes, combat discrimination in the lending and financial markets, and recover proceeds for victims of financial crimes.

The case was investigated by the Internal Revenue Service, Criminal Investigation Division; Department of Labor, Office of Inspector General; Office of Labor Racketeering and Fraud Investigations; United States Postal Inspection Service; and Department of Labor Employee Benefits Security Administration. Assistant United States Attorney Susan M. Robinson handled the prosecution.

United States District Judge John T. Copenhaver Jr. presided over the proceedings.

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