News Release

Former Plan Official Sentenced For Embezzlement
From Union Health Plan

New York, New York - The former plan administrator of the Solidarity of Labor Organizations Health Benefit Fund, Bronx, New York, has been sentenced to 12 months and one day in prison plus three years of supervised release for embezzling from a health fund. William Fagello also was ordered to restore $107,000 to the health plan.

The criminal action was based on an investigation conducted by the New York regional office of the U.S. Department of Labor's Employee Benefits Security Administration (EBSA) and the Office of the Inspector General.

"Theft of employee benefit assets jeopardizes the benefits of workers," said Ann L. Combs, assistant secretary of labor for employee benefits security. "Our legal action sends a clear message that we are committed to protecting the benefit promises made to workers."

Fagello was charged December 2 and plead guilty December 12, 2004 to embezzlement, conspiracy to commit embezzlement from the health fund, and aiding and abetting in a criminal act.   The fund is a multiple employer welfare arrangement governed by the Employee Retirement Income Security Act. The scheme primarily involved writing checks from the health fund to pay for the construction and operation of a nightclub.

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 contact 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 pension and health plans.

The case was prosecuted by the U.S. Attorney's Office for the Southern District of New York.

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(U.S. v. Fagello)
Criminal No. 04 CR1210