



## U.S. Department of Justice

*United States Attorney  
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### **NEWS SUMMARY:**

The United States Attorney's Office announced today that, on May 23, 2005, a federal jury in the Eastern District of Wisconsin found Steven E. Whiting guilty of 10 felony counts of embezzlement and misrepresentation. Whiting was the owner and controlling officer of Badger Die Casting, in Milwaukee, Wisconsin, and Wester Rubber, in Goshen, Indiana.

Whiting acquired Western Rubber in November 1997. During the time of his ownership, Whiting converted to his own use money deducted from employee paychecks that should have been used to pay employee health care bills. Despite having little day-to-day involvement in the conduct of the business, Whiting withdrew more than \$1.2 million in management fees, expenses and rental income from Western Rubber. During the last nine month of his ownership, Whiting authorized the payment of only \$12,000 of employee health claims, leaving employees with approximately \$375,000 in unpaid medical bills.

Whiting acquired Badger Die Casting in July of 1998. During his the time of his ownership, Whiting converted to his own use money deducted from employee paychecks that should have used to pay health insurance premiums, and should have been forwarded to the employees' 401(k) fund. He also misrepresented to the employees that Badger Die Casting remained covered by a health insurance policy when, in fact, he had chosen to self-fund health claims. Despite having little day-to-day involvement in the conduct of the business, Whiting withdrew more than \$1.4 million in management fees, expenses, corporate dividends from Badger Die Casting. During the last 11 months of his ownership, Whiting authorized the payment of only \$141,000 in employee health claims, leaving employees with approximately \$320,000 in unpaid medical bills.

Chief Judge Rudolph T. Randa will sentence Whiting on September 1, 2005. Whiting is likely to receive more than 5 years in federal prison and be ordered to pay hundreds of thousands of dollars in restitution and fines. The matter was investigated by the Department of Labor (Office of Inspector General Special Agent Kathy Schwass, and Employee Benefit Security Administration Senior Investigator Jeffrey Archbold) and the Federal Bureau of Investigation (Special Agent Terry Sparacino), and prosecuted by Assistant United States Attorneys Gordon P. Giampietro and Matthew L. Jacobs.

For more information contact:

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