

News Release



U.S. Department of Labor
Office of Public Affairs
Chicago, Ill.
Release No. 04-90-CHI

For Immediate Release
Date: Feb. 2, 2004
Contact: Sharon Morrissey
Phone: (202) 693-8664

Labor Department Sues Corporation For Violating Federal Employee Benefit Law

COLUMBUS--The U.S. Department of Labor has sued defunct General Clay Products Corporation, of Columbus, Ohio, for abandoning the company's retirement plan, and also filed suit against its president for failing to forward employee contributions to the health plan. The alleged violations resulted in the loss of health insurance coverage for company workers.

The lawsuit contends that Harold B. Epler, Jr., the president and sole member of the board of directors, neglected to forward employee contributions to the company's health plan, causing the insurance carrier to cancel coverage for company employees. The plan was abandoned when the company closed.

"We took this action to ensure that the plan participants received the money still owed to them," said Joseph Menez, director of the Employee Benefits Security Administration's (EBSA) Cincinnati regional office.

Plans are considered orphaned when officials neglect their duties and plan participants are unable to access their accounts and obtain distributions. The department's lawsuit also alleges retirement plan assets had not been valued and allocated to the participants' accounts on an annual basis.

The department filed the lawsuit in Columbus federal district court to have an independent fiduciary terminate the retirement plans. The lawsuit also asks that the defendants restore all health plan losses and be permanently barred from serving plans governed by the Employee Retirement Income Security Act.

General Clay ceased operating in January 2001. At that time, Epler and his children received full distributions from the plan, but no benefits have been distributed to other participants since July 19, 2002. As of June 30, 2003, the retirement plan had 13 participants and assets totaling \$158,528.63.

In fiscal 2003, EBSA achieved record monetary results of \$1.4 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 Cincinnati Regional Office at 1-859-578-4680 or through EBSA's toll free number, **1-866-444-EBSA (3272)**, for help with any problems relating to private-sector pension and health plans.

#

(Chao v. Epler)
Civil Action No. C2-04-046