

News Release



U.S. Department of Labor
Office of Public Affairs
Los Angeles, Calif.
Release Number: 05-1328-SAN

For Immediate Release
Date: July 13, 2005
Contact: Gloria Della
Phone: (202) 693-8666

Labor Department Obtains Court Order Requiring Riverside, California Companies to Comply with Administrative Subpoenas

RIVERSIDE, Calif. -- The U.S. Department of Labor obtained a court order requiring Riverside, Calif.-based Progressive Health Alliance (PHA) and Contractors & Merchants Association (CMA) to comply with administrative subpoenas the department issued requiring them to produce documents and records necessary to its investigation of the two associations.

“This action sends a message that protecting plan participants’ health care benefits is a high priority for the department,” said Billy Beaver, director of the Los Angeles regional office of the Employee Benefits Security Administration (EBSA), which is investigating the case.

PHA and CMA are associations that recruit employers as members to obtain health benefits for their employees. The companies were subpoenaed by the department March 15 to provide documents relating to their involvement with the benefit plans and any pending, unprocessed or unpaid medical claims.

EBSA petitioned the court May 13 to enforce the subpoenas when the companies failed to comply. In a ruling for EBSA, the court rejected the companies’ arguments that producing the required documents would violate their members’ privacy rights, and that the documents were not relevant to the investigation. The ruling was issued June 21 by the Federal District Court in Riverside.

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 reach EBSA’s Los Angeles regional office at (626) 229-1000 or through EBSA’s toll-free number, **1-866-444-EBSA (3272)**, for help with problems relating to private-sector retirement and health plans.

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(Chao v. Progressive Health Alliance and
Contractors & Merchants Association)
Civil Action No. EDCV 05-408-VAP (SGLx)

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