

# News Release



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## **Labor Department Sues To Recover Assets Of Northwest Indiana Carpenters' Pension Fund**

**CHICAGO--**The U.S. Department of Labor has sued the trustees of the Northwest Indiana District and Regional Councils of the Carpenters' Pension Trust Fund and the owners of Sand Creek Sales and Development Inc. to recover plan losses on a \$10 million land investment in the Coffee Creek real estate development in Chesterton, Ind. Assets of the pension plan were used to purchase the real estate from Sand Creek Sales and Development.

"In mismanaging a huge investment, pension plan trustees jeopardized the retirement benefits of thousands of union workers," said U. S. Secretary of Labor Elaine L. Chao. "We filed suit to restore money owed to the plan so the union members will have their retirement benefits when they need them."

The lawsuit alleges that the union's attorney, Peter Manous, accepted \$200,000 from Sand Creek co-owner Kevin Pastrick prior to the land purchase in exchange for Manous' agreement to influence the purchase of the real estate by the pension plan. The suit further charges that trustee Gerry Nannenga accepted \$40,000 from Pastrick and \$25,750 from Manous for influencing the plan purchase, while Sand Creek co-owner C. Paul Ihle lied and submitted false documents to government investigators looking into the payments to Manous and Nannenga. Additional defendants named in the suit include pension trustees James Bohlen, Robert Novak, Mark Danielson, Robert Bieker and Terry Sherwood, along with Sand Creek Sales and Development. According to court documents, the trustees failed to prudently discharge their duties to protect the retirement plan assets of union member participants.

The suit seeks to restore any losses incurred by the pension fund and to permanently bar the defendants from serving as fiduciaries or service providers to any employee benefit plan governed by the Employee Retirement Income Security Act. Last year, the department recovered over \$3 billion related to pension, 401(k), health and other benefits for American workers and their families.

In related criminal actions, Nannenga, Pastrick and Manous pled guilty in connection with a kickback scheme involving the same investment. Ihle was later convicted on charges of lying and submitting false documents to government investigators. Each of these men has been sentenced to terms of imprisonment ranging from 18-37 months.

Filed in federal district court in Hammond, the suit resulted from an investigation conducted by the Chicago regional office of the Labor Department's Employee Benefits Security Administration (EBSA). Employers and workers can reach the Chicago office at (312) 353-0900 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. Nannenga) Civil Action No. 2:05CV258

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