



News Release

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Labor Department Restores More Than \$11,000 to Defunct Charleston Company's Health Plan

CHARLESTON, W.Va.--The U.S. Labor Department has obtained a consent judgment requiring Davis Wooddell, sole owner and president of defunct Trojan Steel Company (TSC) and former trustee of the company's health and welfare plan, to restore \$11,323 to plan participants as compensation for contributions and premiums that were never forwarded to the plan's health insurance carrier. TSC, doing business as New Steel Company, is a Charleston, W. Va., steel manufacturing firm that ceased operation in October 2002.

As part of the consent judgment, Wooddell must also pay the Labor Department a \$2,265 civil money penalty under the Employee Retirement Income Security Act (ERISA).

"Plan officials have a legal responsibility to properly handle all plan assets entrusted to them," says Mabel Capolongo, regional director of the Employee Benefits Security Administration (EBSA). "This action will ensure that former TSC employees receive the funds they earnestly contributed to their health and welfare plan."

Under the plan, administered by Mountain State Blue Cross/Blue Shield, participants were required to contribute a percentage of the health insurance premium through payroll deduction. Former employees who participated in the plan also paid premiums to Trojan for coverage under the Consolidated Omnibus Budget Reconciliation Act (COBRA).

EBSA's investigation revealed that from June through August 2002, both the payroll deductions for participating employees totaling \$6,545 and COBRA premiums collected from former employees totaling \$3,530 were retained in Trojan's general account and never forwarded to Mountain State as required by ERISA.

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. The Washington District Office of EBSA investigated the case. Employers and workers with questions or concerns regarding their private-sector pension and health plans can contact the EBSA Washington District Office at (301) 713-2000 or EBSA's toll free number, 1-866- 444-EBSA (3272). Information is also available from the agency's Web site at www.dol.gov/ebsa.

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(Chao v. Wooddell)
Civil Action No. 2:05-0199

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