

# News Release



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## **Labor Department Obtains Consent Judgment Restoring \$50,000 To New York Union's Health and Pension Plans**

**NEW YORK**--The U.S. Department of Labor obtained a consent judgment requiring former trustees of the health and pension plans of District 6, International Union of Industrial Service, Transport & Health Employees in New York City to restore \$50,000 for failing to prevent multiple violations of federal employee benefits law by another trustee.

Under the consent judgment, former trustees Jerome Vuoso, Ludovic Marcovici and Francis Winn also must pay \$10,000 in civil penalties, forfeit and restore any assets they have from the District 6 pension plan back to the plan, and are permanently barred from serving any employee benefit plan covered by ERISA.

"Plan officials who mismanage health and retirement plan assets jeopardize the benefits of workers," said Secretary of Labor Elaine L. Chao. "Last year, the Administration achieved record monetary results, recovering a total of \$1.4 billion for retirement, 401(k), health and other benefits."

The judgment resulted from a lawsuit filed in federal district court in New York City on March 19, 2002. The suit alleged that trustees Vuoso, Marcovici and Winn failed to monitor trustee William Perry, who allegedly committed numerous violations of the Employee Retirement Income Security Act (ERISA) from November 1993 through January 2000.

Perry allegedly endorsed and diverted to himself checks amounting to more than \$1 million that were made payable to participants in the health plan and their medical providers; paid the union an excessive amount as reimbursement for administrative expenses; failed to properly document expenses; and failed to collect rent on real estate investments that constituted over 90 percent of plan assets. Litigation is ongoing with respect to defendants Perry and District 6.

District 6 is an employee organization that represents health workers and other industries throughout the eastern seaboard. The pension plan has 300 participants and held \$371,400 in assets as of December 1999. The health plan covers 3,250 participants and held \$1,422,069 in assets as of August 2001.

Employers and workers can reach EBSA's New York regional office at (212) 607-8600 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. Perry)  
Civil Action No. 02CIV2205(LLM)

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