

# News Release



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## **U.S. Labor Department Obtains Judgment Restoring \$31,336 To Ohio Health Plan Participants**

**CLEVELAND--**The U.S. Department of Labor has obtained a consent order and judgment requiring the trustee of the health plan of Lake County, Ohio-based E & W Services, Inc., to repay \$31,336 directly to participants as restitution for failure to forward employees' premiums and payments for health benefit coverage.

Trustee John Chiappetta also will be barred permanently from serving any employee benefit plan subject to the Employee Retirement Income Security Act (ERISA) in the future. He also is majority owner and president of E & W Services.

The department simultaneously sued Chiappetta for failing to forward insurance premiums withheld from employees' paychecks between Jan. 5, 2001, and May 4, 2001. The contributions were sporadically forwarded to the health insurance provider, who applied the funds toward \$65,000 in back premiums incurred since November 2000. The insurer subsequently terminated coverage in May 2001 because of delinquent premiums. Since the insurance policy was retroactive to Dec. 1, 2000, medical claims were not paid as of that date.

Joseph Menez, director of the department's Cincinnati regional office of the Employee Benefits Security Administration (EBSA), which conducted the investigation, said, "The law requires that those who administer employee benefit plans do so in a prudent and honest manner solely for the benefit of participants and their beneficiaries. It is unacceptable to collect contributions from employees and not pay promised benefits."

In fiscal year 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. The case, investigated by the Cincinnati office, was filed in federal district court in Cleveland. Employers and workers can contact the office at (859) 578-4680 or through EBSA's toll free number, **1-866-444-EBSA (3272)**, for help with any problems relating to private-sector retirement and health plans.

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(Chao v. John Chiappetta)  
Civil Action No. 1:04-cv-00055-DAP

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