

FIRM NEWS

SRZ Represents Sandhogs-Affiliated Employee Benefit Funds in Prosecution Resulting in Guilty Plea by Former Third-Party Administrator

October 28, 2011

SRZ represents the trustees of three employee benefit funds affiliated with the Compressed Air and Free Air Foundations, Tunnels, Caissons, Subways, Cofferdams, Sewer Construction Workers Local 147 of New York, New Jersey States and Vicinity AFL-CIO (“the Sandhogs Union”) in matters relating to embezzlement of the funds’ assets by the former third-party administrator.

Melissa G. King, through her company, King Care LLC and its predecessor, served as the long-standing third-party administrator for three of the Sandhogs Union’s employee benefits plans. Beginning in 2002 and through 2008, she spent tens of millions of dollars of the benefit funds’ assets on jewelry, horses, luxury hotels, her own mortgage and rent, private jets and other personal expenses. Upon discovery of her deception, SRZ worked on behalf of the benefit funds to provide information to the U.S. Department of Labor. Thereafter, Ms. King was arrested and charged with embezzlement, income tax fraud and other criminal counts. On October 21 she pleaded guilty to embezzlement and income tax fraud.

SRZ represented the benefit funds in their cooperation with the U.S. Attorney’s Office and U.S. Department of Labor throughout the prosecution and investigation. The SRZ team was led by employment & employee benefits partner Ronald E. Richman with assistance from

special counsel Max Garfield. Litigation partner Gary Stein also worked on the matter.

Related People



**Ronald
Richman**

Partner
New York



**Max
Garfield**

Special Counsel
New York

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