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Plumbers Union Funds Hit Alaska Co. With \$1.9M ERISA Suit

By [Beverly Banks](#) · [Listen to article](#)

Law360 (February 8, 2022, 8:13 PM EST) -- A plumbers union's trust funds are demanding \$1.9 million from an Alaska construction company, accusing it of violating federal benefits law by failing to make its obligated monthly contributions.

The Alaska Local 375 Plumbers & Pipefitters Trust Funds sued Wolf Creek Federal Services in Washington federal court on Monday, requesting over \$1.9 million in contributions, liquidated damages, interest and attorney fees under the Employee Retirement Income Security Act.

"Under [ERISA], defendant is delinquent to the funds due to defendant's failure to comply with its contribution obligations under the CBAs," according to Local 375, which is an affiliate of the [United Association](#) of Journeymen and Apprentices of the Plumbing and Pipefitting Industry.

The union has multiple collective bargaining agreements with the Anchorage-based Wolf Creek under which the company is required to contribute to the funds and provide records upon request for an audit.

The funds' auditors reviewed Wolf Creek's payroll records for employees working on a project at Fort Greely Army Base and found that the company failed to pay fringe benefits of more than \$914,000 between January 2018 through December 2020, according to the suit.

Based on estimations for contributions between December 2015 and December 2017, the funds' auditors determined that the company had failed to pay more than \$1.3 million in fringe benefits from 2015 to 2020. The funds said auditors did not have access to payroll records for the entire time period.

The funds sent Wolf Creek a letter requesting the payments on Oct. 28, but the company "failed and/or refused to pay," according to the suit.

The company's delinquency "has caused the funds to suffer loss of investment income, to incur additional administrative expenses, and has resulted in less monies being available to provide medical, pension and other benefits to covered workers," the union funds said.

The auditors calculated that Wolf Creek owed over \$136,000 in liquidated damages and over \$416,000 in interest.

Because the funds filed a lawsuit in response to the company's missed payments, the trust agreement allows liquidated damages to increase from 10% to 20%, to a total of more than \$272,000, according to the complaint.

Because ERISA permits the funds to claim either the total interest or liquidated damages, whichever is greater, "the funds are entitled to a second award of interest for \$416,037.85, calculated as of Oct. 28, 2021, instead of the liquidated damages amount of \$272,169.46."

If the company continues to ignore its responsibility to pay the contributions, the funds have the right to alter the calculation before a judgment is issued, they said.

The funds are seeking compensation for unpaid contributions, liquidated damages, interest and attorney fees.

The funds also requested that Wolf Creek Federal Services provide documents noting the hours union members worked from December 2015 to the present for an audit, and that the company be required to file monthly remittance reports about its business operations.

A Wolf Creek Federal Services spokesperson declined to comment, and stated that the company had not been served the complaint.

Wolf Creek is a subsidiary of the Chugach Alaska Corp. Some of Wolf Creek's clients include the [U.S. Army](#), [U.S. Air Force](#), [Lockheed Martin](#) and the [Missile Defense Agency](#), according to the company's website.

The funds declined to comment.

The funds are represented by Asti M. Gallina and Matthew A. Mensik of [Witherspoon Kelley](#), and by Neil J. Gregorio, Jill Helbling and Ian M. Grecco of [Tucker Arensberg PC](#).

Counsel information for the company was not immediately available.

The case is Alaska Local 375 Plumbers & Pipefitters Trust Funds by Robert Hubbard, a Fiduciary v. Wolf Creek Federal Services, Inc., case number [2:22-cv-00141](#), in the [U.S. District Court for the Western District of Washington](#) at Seattle.

--Editing by Haylee Pearl.

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Case Information

Case Title

[Alaska Local 375 Plumbers & Pipefitters Trust Funds v. Wolf Creek Federal Services Inc](#)

Case Number

[2:22-cv-00141](#)

Court

Washington Western

Nature of Suit

Labor: E.R.I.S.A.

Judge

[Tana Lin](#)

Date Filed

February 07, 2022

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Companies

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