



News

Trial Spotlight: Hinshaw Prevails in ERISA Fiduciary Fraud Case

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Hinshaw partner J. Logan Rappaport, Esq., with the assistance of the client's in-house counsel, Heather Mooneyham, Esq., secured summary judgment on behalf of the Sheet Metal Workers' National Pension Fund and related entities in the United States Bankruptcy Court for the Eastern District of New York. The ruling declared nearly \$800,000 in unpaid pension contributions nondischargeable due to the debtor's fraudulent conduct and defalcation while acting as a fiduciary under the Employee Retirement Income Security Act (ERISA) and New York Lien Law.

The debtor, a former principal of a New York City HVAC company, was denied a bankruptcy discharge as to all creditors after the court found multiple material false oaths and omissions in his bankruptcy schedules.

The decision underscores the strong protections available to employee benefit plans and confirms that fiduciaries under ERISA and New York's Lien Law cannot utilize the bankruptcy process to shield themselves from accountability for their fraudulent conduct.

The case is *Sheet Metal Workers' National Pension Fund et al. v. Rusi*, Case No. 23-40150-JMM, in the United States Bankruptcy Court for the Eastern District of New York.

Attorneys

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