

# News Release



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## **Former Executive of Tennessee Company Pleads Guilty to Criminal Charges Involving Pension Plan**

**ATLANTA**—The former president of Standard Coosa Thatcher (SCT) Yarns, Inc. pled guilty in federal district court in Tennessee to 31 counts of mail fraud, embezzlement, graft, conspiracy to launder money and money laundering that resulted in over \$11 million in losses to the company's pension plan.

"Theft of employee benefit assets jeopardizes the benefits of workers," said Ann L. Combs, Assistant Secretary of Labor of the Employee Benefits Security Administration. "This case reaffirms our commitment to protecting workers' benefits by identifying criminal activity wherever and whenever it occurs."

The former president of SCT, Kenneth H. Combs, Jr. (no relation to Ann L. Combs), was indicted in November 2002 on the criminal counts involving multiple schemes to recklessly invest the assets of the pension plan. Combs received more than \$155,400 in kickbacks from the reckless investments. He also converted pension assets for his personal use. The pension plan lost \$11,670,491 as a result of the improper investments.

Sentencing for Combs is scheduled for April 9, 2004. Trial for one of the other co-defendants, Daniel S. Geiger of California, is scheduled to begin Jan. 27, 2004. Geiger is charged with 15 counts of wire fraud, bribery, money laundering, conspiracy to conceal and disguise the proceeds of a wire fraud scheme, conspiracy to launder money and money laundering. Co-defendant Roderick B. Askew, a foreign citizen, is a fugitive believed to be abroad.

SCT, located in Chattanooga, Tenn., manufactured yarn for the textile industry. The company sponsored two retirement plans covering 771 participants and had \$65,801 in assets, according to the latest data available to the Labor Department. The Pension Benefit Guaranty Corporation has taken over the retirement plans for hourly and salaried employees and will pay benefits to retirees.

The Atlanta regional office of the U.S. Department of Labor's Employee Benefits Security Administration (EBSA) and the Federal Bureau of Investigations investigated the case. The U.S. Attorney's Office for the Eastern District of Tennessee prosecuted the case.

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(U.S. v. Combs)  
Criminal No. 1:02-CR-187

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