UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA

Shelton v. Krug

Shelton v. Krug · No. 1:25-cv-665 (TNM) · Decided January 9, 2026

SUMMARY

The United States District Court for the District of Columbia grants Joseph Shelton’s motion for default judgment against Kelly Krug in an ERISA action concerning delinquent employee benefit plan contributions and reports. The court awards $51,707.75 in unpaid contributions, interest, liquidated damages, attorney’s fees, and costs, and orders Krug to provide missing reports, permit an audit, and comply with ongoing contribution and reporting obligations. The opinion is dated January 9, 2026.

CASE DETAILS

COURT	United States District Court for the District of Columbia
WRITING FOR THE COURT	Trevor N. McFadden
JURISDICTION	United States District Court for the District of Columbia
DECIDED	January 9, 2026
DOCKET	1:25-cv-665 (TNM)
DISPOSITION	other
PROCEDURAL POSTURE	Plaintiff brought an ERISA action seeking delinquent employee-benefit-plan contributions, reports, an audit, and related damages and equitable relief. After timely service, defendant failed to appear, the Clerk entered default, and plaintiff moved for default judgment.
STANDARD OF REVIEW	Whether to enter default judgment is committed to the district court's discretion. The court conducts a liability inquiry based on well-pleaded allegations deemed admitted by default and an independent damages inquiry requiring proof of damages to a reasonable certainty.
PRECEDENTIAL VALUE	published
PARTIES	Joseph J. Shelton v. Kelly Krug

TOPICS

default judgment · erisa · employee benefits · injunctions · attorney fees

PRACTICE AREAS

ERISA | employee benefits | civil procedure | remedies

QUESTIONS PRESENTED

1. Whether Krug's failure to respond and the well-pleaded allegations established liability for delinquent ERISA contributions.
2. Whether Krug was liable for failing to submit required monthly reports.
3. Whether the Fund was entitled to audit Krug's employment and contribution records.
4. Whether Shelton proved the amount of unpaid contributions, interest, liquidated damages, attorney's fees, and costs to a reasonable certainty.
5. Whether an injunction requiring future reporting, contribution payments, and cooperation with an audit was appropriate.

HOLDINGS

1. Default judgment was appropriate because the well-pleaded allegations established that Krug was an ERISA employer bound by a collective bargaining agreement requiring contributions to the Fund and that she failed to make those contributions.
2. Krug was liable for failing to submit the monthly reports required by the governing agreements.
3. The Fund was entitled to audit Krug's records relating to covered employees, reports, and contributions.
4. Shelton proved the unpaid contributions, liquidated damages, and interest to a reasonable certainty, and was entitled to $42,512.75 in those damages.
5. Shelton was entitled to $9,195.00 in attorney's fees and litigation costs because the submitted billing records and declarations established that the requested amounts and hourly rates were reasonable.
6. The court granted an injunction requiring Krug to file monthly reports, pay contributions that become due after judgment, and make appropriate records available for audit.

KEY QUOTATIONS

> *"Rule 55 sets forth a two-step process for default judgment."* (at 2)

> *"The "defaulting defendant is deemed to admit every well-pleaded allegation in the complaint.""* (at 3)

> *"The Court agrees and accepts Shelton's estimate "as both reasonable and as accurate as possible under the circumstances.""* (at 5)

> *"ERISA permits a court to order other legal or equitable relief it deems appropriate, which can include an injunction requiring a defendant to permit, and cooperate with, an audit of its books and records."* (at 6-7)

FACTUAL BACKGROUND

Kelly Krug employed Unit Service Workers in Buffalo public schools and was bound by a collective bargaining agreement requiring monthly reports of covered employees' hours and monthly contributions to the Central Pension Fund. Shelton alleged that Krug failed to report or pay contributions for three employee groups during periods beginning in 2019, 2022, and 2023. The Trust Agreement authorized the Fund to audit employer records and recover collection costs, including interest, liquidated damages, attorney's fees, and costs.

PROCEDURAL HISTORY

Shelton filed suit under ERISA against Krug to collect contributions allegedly owed under a collective bargaining agreement and the Fund's Trust Agreement. Krug was timely served but did not respond or move to set aside the default. The Clerk entered default, and the court granted Shelton's motion for default judgment after determining liability and damages.

DISPOSITION

other

CASES CITED

- Bricklayers & Trowel Trades Int'l Pension Fund v. Kel-Tech Constr., Inc., 319 F. Supp. 3d 330, 338 (D.D.C. 2018)
- Fanning v. Permanent Sol. Indus., 257 F.R.D. 4, 7 (D.D.C. 2009)
- Fanning v. AMF Mech. Corp., 326 F.R.D. 11, 14 (D.D.C. 2018)
- Hanley-Wood LLC v. Hanley Wood LLC, 783 F. Supp. 2d 147, 150 (D.D.C. 2011)
- AMF Mech. Corp., 326 F.R.D. at 14
- Downs v. JSP Cos., Inc., 297 F. Supp. 3d 163, 168 (D.D.C. 2018)
- Int'l Painters & Allied Trades Indus. Pension Fund v. Exec. Painting, Inc., 719 F. Supp. 2d 45, 53 (D.D.C. 2010)
- Cent. States, Se. & Sw. Areas Pension Fund v. Cent. Transp., Inc., 472 U.S. 559, 581 (1985)
- Flynn v. Mastro Masonry Conts., 237 F. Supp. 2d 66, 70 (D.D.C. 2002)
- Nat'l Shopmen Pension Fund v. Builders Metal Supply, Inc., 304 F.R.D. 47, 50 (D.D.C. 2014)
- Int'l Painters & Allied Trades Indus. Pension Fund v. LaSalle Glass & Mirror Co., 267 F.R.D. 430, 434 (D.D.C. 2010)
- Flynn v. Extreme Granite, Inc., 671 F. Supp. 2d 157, 162 (D.D.C. 2009)
- Boland v. Smith & Rogers Constr. Ltd., 201 F. Supp. 3d 144, 149 (D.D.C. 2016)
- AMF Mech. Corp., 326 F.R.D. at 16
- Smith & Rogers Constr., 201 F. Supp. 3d at 150
- Carpenters Lab.-Mgmt. Pension Fund v. Freeman-Carder LLC, 498 F. Supp. 2d 237, 242 (D.D.C. 2007)
- Bricklayers & Trowel Trades Int'l Pension Fund v. Barron, 317 F. Supp. 3d 157, 163 (D.D.C. 2018)
- Boland v. Yoccabel Const. Co., 293 F.R.D. 13, 20 (D.D.C. 2013)

OPINION

Shelton v. Krug
PER CURIAM.

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA
JOSEPH J. SHELTON,
Plaintiff, v. Case No. 1:25-cv-665 (TNM)
KELLY KRUG,
Defendant.
MEMORANDUM OPINION

Ten months ago, Joseph Shelton filed this action under the Employee Retirement Income Security Act ("ERISA") against Kelly Krug to collect contributions owed to an employee benefit plan. Krug never appeared. So Shelton now seeks default judgment. For the following reasons, the Court will grant that motion. I. Joseph Shelton is the chief executive officer of the Central Pension Fund of the International Union of Operating Engineers and Participating Employers ("the Fund"). Compl. ¶ 1, ECF No. 1. The Fund provides retirement benefits to employees covered by collective bargaining agreements between employers and International Union's local affiliates. Id. This case involves one such agreement. It covers Unit Service Workers in the Buffalo Public School System and runs between the employees' union and their employers' union. See id. ¶¶ 6, 10. Kelly Krug employs Unit Service Workers in Buffalo schools and is bound by the agreement. Id. ¶¶ 2, 7–9. Under the collective bargaining agreement, Krug must comply with the Fund's Restated Agreement and Declaration of Trust ("Trust Agreement"). Id. ¶ 7; see Ex. A to Shelton Decl. 1 ("Trust Agreement"), ECF No. 9-3; Ex. B to Shelton Decl. ("Collective Bargaining Agreement"), ECF No. 9-3. That agreement requires employers to make monthly contributions for covered employees to the Fund. Shelton Decl. ¶¶ 7, 9, ECF No. 9-3. Because the amount due depends on the hours an employee worked, employers must also submit monthly reports summarizing hours worked and contributions due. Id. ¶ 7. "Contributions are due within thirty days following the month in which the work was performed." Id. The Trust Agreement also creates enforcement mechanisms. First, the Fund can audit employer records "to ensure the accuracy of reports and Contributions." Trust Agreement § 4.4(a). Second, the Fund can sue to compel missed contributions or reports. Id. § 4.3. Finally, an employer who misses payments is liable for collection costs, including attorney's fees, interest, and liquidated damages. See id. § 4.5. The agreement authorizes Shelton to sue on the Fund's behalf as its CEO. Id. § 4.3. Invoking these provisions, Shelton sued Krug—who he says has fallen behind on her duties. See Compl. ¶ 10. He points to three problems. First, Krug did not make reports or contributions for Buffalo Public School 43 Unit Service Workers from April 2022 to November 2023. Id. Second, she has not reported or paid contributions for Buffalo Public School 12 Unit Service Workers since January 2019. Id. Finally, she has not reported or paid contributions for Buffalo Public School 46 Unit Service Workers since January 2022. Id. Shelton asks the Court to order Krug to provide the missing contributions and reports. See id. ¶¶ 14, 15–17. He also seeks an order allowing the Fund to audit Krug's records. Id. ¶¶ 18–20. Despite timely service, Krug never responded to the

Complaint. See Return of Service, ECF Nos. 4, 5. At Shelton's request, the Clerk entered default against Krug. ECF No. 8. Krug 2 has not moved to set aside this default or otherwise appeared. Shelton now seeks default judgment. See Pl.'s Mot. for Default J. ("Pl.'s Mot."), ECF No. 9. II. Rule 55 sets forth a two-step process for default judgment. First, the Clerk enters a default if the "party against whom a judgment for affirmative relief is sought has failed to plead or otherwise defend." Fed. R. Civ. P. 55(a). The plaintiff then moves for default judgment. Fed. R. Civ. P. 55(b). If the plaintiff's claim is not "for a sum certain or a sum that can be made certain by computation," he must "apply to the court for a default judgment." Fed. R. Civ. P. 55(b)(1), (2). Whether to enter default judgment is committed to the district court's discretion. Bricklayers & Trowel Trades Int'l Pension Fund v. Kel-Tech Constr., Inc., 319 F. Supp. 3d 330, 338 (D.D.C. 2018). To make that decision, the Court conducts both a liability inquiry and damages inquiry. The first assessment is narrow. The "defaulting defendant is deemed to admit every well-pleaded allegation in the complaint." Fanning v. Permanent Sol. Indus., 257 F.R.D. 4, 7 (D.D.C. 2009) (cleaned up). If those facts justify liability, the Court then must "make an independent determination of the sum to be awarded." Fanning v. AMF Mech. Corp., 326 F.R.D. 11, 14 (D.D.C. 2018) (cleaned up). For that assessment, the Court can rely on "detailed affidavits or documentary evidence." Id. (cleaned up). And the plaintiff must prove damages "to a reasonable certainty." Id. (cleaned up). III. A. Start with liability. Default judgment is appropriate when an opposing party is "totally unresponsive." See Hanley-Wood LLC v. Hanley Wood LLC, 783 F. Supp. 2d 147, 150 (D.D.C. 2011) (cleaned up). That is true here. Krug did not respond to the Complaint or this default 3 judgment motion. Nor has she moved to set aside the default. Accord AMF Mech. Corp., 326 F.R.D. at 14. So the Court need only determine whether Shelton's allegations establish liability. See Downs v. JSP Cos., Inc., 297 F. Supp. 3d 163, 168 (D.D.C. 2018). They do. First, Shelton established Krug's liability for delinquent contributions. ERISA requires employers to contribute to multiemployer pension plans as collective bargaining agreements instruct. See 29 U.S.C. § 1145. Shelton alleges that Krug is an employer under ERISA. Compl. ¶ 2; see 29 U.S.C. § 1002(5). He further alleges that she—through her own union—entered into a collective bargaining agreement that requires Fund contributions. Compl. ¶¶ 6–8; see Collective Bargaining Agreement at 41. 1 And he says Krug did not make those contributions for three employee groups. Compl. ¶ 10. These allegations establish Krug's liability for contributions. Accord AMF Mech. Corp., 326 F.R.D. at 14. Second, Shelton established Krug's liability for delinquent reports. He alleges that Krug agreed to report monthly covered employees' hours worked. Compl. ¶¶ 8, 10, 16. But, Shelton says, Krug did not submit these reports just as she did not make corresponding contributions. See id. ¶ 10. Again, these allegations establish Krug's liability. Accord AMF Mech. Corp., 326 F.R.D. at 14. Finally, Shelton established the right to audit Krug's records. "ERISA gives trustees of benefit plans the right to review the records of employers contributing to such plans." Int'l Painters & Allied Trades Indus. Pension Fund v. Exec. Painting, Inc., 719 F. Supp. 2d 45, 53 (D.D.C. 2010) (citing Cent. States, Se. & Sw. Areas Pension Fund v. Cent. Transp., Inc., 472 U.S. 559, 581 (1985)). The Trust

Agreement gives the Fund the same audit rights. Trust 1 All record cites use the pagination generated by the Court's CM/ECF system. 4 Agreement § 4.4; Compl. ¶ 20. And Shelton brings this lawsuit on the Fund and its trustees' behalf. See Compl. ¶ 1; Shelton Decl. ¶¶ 2, 3. So an audit is in order. B. Now to damages. ERISA authorizes several remedies in actions for delinquent contributions: "(1) the unpaid contributions; (2) interest on the unpaid contributions; (3) liquidated damages; (4) reasonable attorney's fees and costs," and (5) other appropriate relief. Flynn v. Mastro Masonry Conts., 237 F. Supp. 2d 66, 70 (D.D.C. 2002) (cleaned up); see 29 U.S.C. § 1132(g)(2). Shelton seeks each available remedy, and the Court will grant those requests. First, the Court will grant $42,512.75 in damages. See Pl.'s Mot. at 8; Ex. C to Shelton Decl. at 45, ECF No. 9-3. That requested sum includes an estimated $31,910.00 in delinquent contributions, plus $4,786.50 in liquidated damages, and $5,816.25 in interest. Ex. C to Shelton Decl. at 45. Start with the contributions figure. Although Shelton cannot precisely calculate the missing amount—because Krug has not provided remittance reports—he estimates the figure with "reasonable certainty." AMF Mech. Corp., 326 F.R.D. at 14 (cleaned up). As Shelton explains, his estimate began with a list from the local union showing which employees worked for Krug. Pl.'s Mot. at 9. He then estimated the contributions for those employees, presuming a 40-hour workweek. Id.; see Shelton Decl. ¶ 9 (explaining that Krug must provide contributions for "up to and including forty (40) hours per week" per employee). Finally, he submitted a spreadsheet showing these calculations, allowing the Court to review the missing amounts due to the three employee groups for each month. Ex. C to Shelton Decl. at 44–45. Faced with a defendant's failure to provide reports necessary for calculating contributions, other courts have approved similar estimates. See, e.g., Nat'l Shopmen Pension 5 Fund v. Builders Metal Supply, Inc., 304 F.R.D. 47, 50 (D.D.C. 2014) (approving a contribution estimate based on the "highest amount of hours reported to the Fund" the prior year); Int'l Painters & Allied Trades Indus. Pension Fund v. LaSalle Glass & Mirror Co., 267 F.R.D. 430, 434 (D.D.C. 2010) (accepting as reasonable the plaintiffs' damage calculation using an average of existing reports); Flynn v. Extreme Granite, Inc., 671 F. Supp. 2d 157, 162 (D.D.C. 2009) (emphasizing "the defendant's failure to provide periodic reports or allow the plaintiffs access to the defendant's books and records" before accepting the plaintiffs' estimate). The Court agrees and accepts Shelton's estimate "as both reasonable and as accurate as possible under the circumstances." Extreme Granite, 671 F. Supp. 2d at 162. Shelton has also adequately demonstrated that the Fund is entitled to $4,786.50 in liquidated damages and $5,816.25 in interest for the missing contributions. Ex. C to Shelton Decl. at 44–45. These numbers follow from the delinquent contributions. See Trust Agreement § 4.5(b), (c) (authorizing liquidated damages and interest on late payments). Having evaluated Shelton's calculations, the Court finds that Shelton is entitled to the amounts he seeks. See Ex. C to Shelton Decl. at 44–45. Second, the Court will grant $9,195.00 in attorney's fees and litigation costs. See Pl.'s Mot. at 9–10. Shelton's attorney submitted a declaration and billing records explaining the work completed for this case. See Griffin Decl., ECF No. 9-4. The attorney charged $400/hour for his work and the paralegal charged $155/hour for his work, see id. ¶ 4, rates that are well within the norm for such services in this district, see Boland v. Smith & Rogers Constr. Ltd., 201 F. Supp. 3d 144, 149 (D.D.C. 2016) (awarding attorney's fees where attorney charged $590/hour and paralegal charged $170/hour). Shelton's attorney described his experience and affirmed the accuracy of his invoice. See Griffin Decl. ¶¶ 6–10; Ex. A to Griffin Decl. at 6–7, ECF No. 9–4. 6 Both Shelton and his attorney also report $755 in costs. See Griffin Decl. ¶ 11; Shelton Decl. ¶ 12–13. The Court finds these fees and costs justified and reasonable. Third, Shelton is entitled to an injunction ordering Krug to fulfil her reporting and contribution obligations and to permit an audit. See Compl. at 5, 6; Pl.'s Mot. at 10–12. 2 "ERISA permits a court to order other legal or equitable relief it deems appropriate, which can include an injunction requiring a defendant to permit, and cooperate with, an audit of its books and records." AMF Mech. Corp., 326 F.R.D. at 16 (cleaned up); see 29 U.S.C. § 1132(g)(2)(E). In this district, "courts have awarded injunctions requiring an employer to comply with its obligations under ERISA and collective bargaining agreements." Smith & Rogers Constr., 201 F. Supp. 3d at 150 (collecting cases). To date, Krug has flouted her statutory and contractual duties from January 2019 to the present. Compl. ¶ 10. And she did not engage with this suit. In short, she "has demonstrated no willingness to comply with either [her] contractual or statutory obligations or to participate in the judicial process." Carpenters Lab.-Mgmt. Pension Fund v. Freeman-Carder LLC, 498 F. Supp. 2d 237, 242 (D.D.C. 2007). That warrants an injunction. Accord Bricklayers & Trowel Trades Int'l Pension Fund v. Barron, 317 F. Supp. 3d 157, 163 (D.D.C. 2018). The Court will direct Krug to file monthly reports as required by the parties' agreements and to pay all contributions to the Fund that may become due after the entry of judgment. She must also make all appropriate records available for audit. 2 The Complaint refers to this relief as an "order" without using the term "injunction." See Compl. at 5, 6. But Shelton's motion for default judgment assumes he has requested an injunction. See Pl.'s Mot. at 11–12. So the Court construes his request for an "order" as a request for an injunction. See Boland v. Yoccabel Const. Co., 293 F.R.D. 13, 20 (D.D.C. 2013) (doing the same). 7 IV. For these reasons, the Court will grant Shelton's motion for default judgment. Krug must pay $51,707.75, representing the unpaid contributions, interest, liquidated damages, attorney's fees, and costs due. She must also provide the missing reports, submit to an audit, and comply with her contribution and reporting obligations. A separate order will issue today. 2026.01.09 15:40:52 -05'00' Dated: January 9, 2026 TREVOR N. McFADDEN, U.S.D.J. 8