



PROJECT MUSE®

*WESAP: Weirton Steel Employee Stock Annihilation Plan*  
(review)

Lou Martin

West Virginia History: A Journal of Regional Studies, New Series,  
Volume 1, Number 1, Spring 2007, pp. 106-107 (Review)

Published by West Virginia University Press

DOI: <https://doi.org/10.1353/wvh.2008.0026>



➔ *For additional information about this article*

<https://muse.jhu.edu/article/236015>

*WESAP: Weirton Steel Employee Stock Annihilation Plan.* By C. John Kruzeski. (Parsons, WV: McClain Printing Company, 2005. Pp. x, 422.)

In 1984, an employee stock-ownership plan (ESOP) saved Weirton Steel from shutdown, but the company ultimately went bankrupt in 2003. Thousands lost their jobs, pensions, and health insurance. Author C. John Kruzeski wrote *WESAP: Weirton Steel Employee Stock Annihilation Plan* to “tell the real story of the Weirton Steel ESOP” because: “Once this story is revealed, then the highly-promoted business concept of employees owning their own companies through the purchase of an equity interest, can be realistically evaluated” (2). To accomplish this, Kruzeski chronicles events at Weirton Steel by using extensive quotes from the employees’ bulletin, local newspapers, legal documents, and business magazines. He discovers incompetence, corruption, and deception.

Kruzeski begins by reviewing the highlights of Weirton Steel’s history from its inception through the 1970s, based on articles in the *Weirton Steel Employees Bulletin*. In 1929, Weirton Steel became part of the National Steel Corporation. Kruzeski argues that, as executives who were not connected to Weirton took charge of the corporation in the 1970s and early 1980s, the Weirton Division got the “short end of the stick in the internal politics of National Steel” as profits were reinvested in other facilities (49). In 1982, Howard Love, the CEO of National Steel, announced that either Weirton Steel would be shut down or the employees could form an ESOP to buy the division. An employee buyout was particularly attractive to National Steel because the corporation could unload its retiree pension and health care obligations amounting to an estimated debt of \$450 million, which was not properly considered in determining the buyout price.

Kruzeski blames much of the corruption and mismanagement that followed on Herb Elish, who became the CEO, and Harvey Sperry, a partner of the law firm Wilkie, Farr, and Gallagher and later a board member of Weirton Steel. Sperry’s firm became the steward of an internal audit of Weirton Steel’s profitability, yet also served as a lobbyist for Japanese and Brazilian steel firms. The connections between Elish and Sperry in other business dealings suggest to Kruzeski that the two did not have Weirton Steel’s best interests in mind. According to *WESAP*, Weirton Steel’s management bungled capital investment projects, repeatedly misled the public, and orchestrated unwise public stock offerings. Ultimately Kruzeski finds that dozens of people were to blame for the company’s failure, including company officials, apathetic employee-owners, union leaders, politicians,

and outside consultants, many of whom were also involved in a cover-up to conceal the “real story.”

Kruzeski's analysis is too convoluted to conclusively prove his allegations. He rigidly adheres to a chronological narrative which requires him to repeatedly ask readers to remember details for discussions in later chapters. Kruzeski's objectivity may also be questioned because he was emotionally invested in many of the events he describes and does not fully explain his involvement. He also too frequently asks readers to read between the lines of extensive quotes and implies misdoing rather than making explicit allegations. Furthermore, the page numbers cited in his endnotes do not match the page numbers in the text. Kruzeski's analysis would have benefited from listing allegations at the beginning and marshalling evidence to prove them, rather than writing in the style of potboiler, slowly revealing the numerous, confusing details of a convoluted conspiracy.

*WESAP* will be of interest to those who are researching ESOPs, and to those who are already familiar with the individuals involved in the debacle at Weirton Steel. The detailed chronologies at the beginning and end of the book are excellent resources for researching Weirton Steel, and Kruzeski is passionate about communicating the truth to the people of Weirton.

Lou Martin

West Virginia University

*West Virginia Baseball: A History.* By William E. Akin. (Jefferson, NC, and London: McFarland and Company, 2006. Pp. x, 229.)

In this informative and interesting work, William Akin provides a comprehensive history of baseball in West Virginia. More than just an encyclopedic trove of information, Akin's book attempts to place the history of baseball in the mountain state within the overall social context of the state's history. Akin argues that, rather than symptomatic of the important events occurring in West Virginia, baseball was a driving force in the social history of the state. Akin further notes that baseball created a unique community based on the social interactions of those who played the game. Through his comparisons of baseball's development to the major periods in West Virginia's history, Akin describes how baseball's fortunes ebbed and flowed with the fortunes of the state.

Overall, *West Virginia Baseball* is an important contribution to the study of the impact of sport on West Virginia. The book also helps to contradict some of the prevalent stereotypes that portray the state in such a negative light. One predominant generalization about the Appalachian