



# U.S. Department of Justice

*United States Attorney  
District of Idaho*

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## NEWS RELEASE

**FOR IMMEDIATE RELEASE  
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### **EMPLOYEE BENEFIT PLAN OFFICIALS ARE SENTENCED**

United States Attorney Thomas E. Moss announced that three former officials of ePEO Link, Inc., a professional employer organization operating in Idaho, each pled guilty to unlawfully interfering with the exercise of rights of participants in the ePEO Link Group Accident & Health Employment Retirement Income Security Act Medical Care Plan.

On June 25, 2008, Roger F. Jeffrey, 54, of La Mesa, California; Jackie Holovka, 53, of Hayden, Idaho; and Frederick Earl Roh, 57, of Scottsdale, Arizona, each pled guilty to a one count misdemeanor violation. The charges stemmed from their individual involvement as fiduciaries of ePEO Link, an employee benefit plan governed by the Employee Retirement Income Security Act (ERISA).

ePEO Link, headquartered in Hayden, Idaho, offered self-funded medical and dental benefits to the employees of client employers who contracted with ePEO for their payroll services. ePEO enrolled client employers in 22 states but focused its business primarily in Idaho, Oregon, California, Texas, Oklahoma, Arizona and Nevada. Up until the time when the plan was terminated in June 2003, the defendants continued to enroll employers even though the self-funded benefit plan was experiencing severe financial problems and was unable to pay health care claims on a current basis.

All three were sentenced in federal court in Boise on July 02, 2008. Jeffrey received six months probation, a \$500 fine, and was ordered to perform 100 hours of community service. Holovka received one year probation, a \$500 fine, and was ordered to pay restitution of \$11,296. Roh received one year probation, a \$500 fine and was ordered to pay restitution of \$9,645.

Related civil actions by participating employers and the federal government also resulted in approximately \$2.37 million towards the unpaid health claims and a consent order barring the defendants and a related service provider from serving as fiduciaries to any employee benefit plan governed by ERISA.

Lonnie M. Olmstead, 67, of Bakersfield, California, also pled guilty to failure to file necessary forms with the Department of Labor. Olmstead owned and operated Integrated Professional Insurance Service, Inc. (IPS) , which was the third party administrator for ePEO Plan claims. Olmstead received one year probation, a \$500 fine and was ordered to perform 100 hours of community service.

The Department of Labor's San Francisco Regional Office Director Billy Beaver stated, "We will aggressively investigate complaints of theft or fraud by unscrupulous operators of employee benefit plans that attempt to victimize the American workers. All too often, such innocent victims are left without the benefits that they paid for and were promised, and we will continue our efforts to protect such employees and their families."

The criminal investigations were conducted by the Seattle District Office of the San Francisco Regional Office of the United States Department of Labor, Employee Benefits Security Administration. The case was prosecuted by the United States Attorney's Office in Boise, Idaho.

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