

News Release



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Labor Department Testifies on Enforcement of Employee Benefits Law *Testimony Highlights Capital Consultant Investigations in Oregon*

WASHINGTON – Alan D. Lebowitz, deputy assistant secretary for the U. S. Department of Labor’s Employee Benefits Security Administration (EBSA) yesterday testified before the Senate Committee on Health, Education, Labor and Pensions. Lebowitz described the agency’s success in protecting the benefits of approximately 150 million Americans and promoting the growth of the nation’s private-sector benefit system. The testimony highlighted the agency’s enforcement of employee benefits law and its investigations into the Capital Consultants and related cases.

“We preserve retirement security for workers through traditional enforcement coupled with assistance to individual participants,” Lebowitz said. “As a result, the financial impact of our work for participants is impressive, accounting for monetary results of \$3.1 billion through enforcement and direct assistance to participants last year alone.”

In his testimony, Lebowitz highlighted the vigorous investigative efforts of EBSA’s Seattle District Office related to imprudent investments with Capital Consultants LLC in Oregon. These investigations, along with those conducted by the Securities and Exchange Commission, have led to more than \$300 million in recoveries on behalf of plans, the assessment of more than \$1.8 million in civil penalties and 11 criminal indictments. The agencies efforts also produced permanent injunctions barring 31 individuals from future dealing with employee benefit plans and the retirement or resignation of 51 plan trustees.

Lebowitz shared with the committee the department’s use of 10 regional offices nationwide to conduct a wide range of civil and criminal investigations that protect benefits and restore assets to pay pension, health and other benefits covered by the Employee Retirement Income Security Act (ERISA). EBSA uses a wide range of enforcement tools to enhance its investigative process, including subpoena authority, coordinated investigations, the professionalism and ongoing training of its staff, and compliance assistance to plan fiduciaries.

EBSA has a strong enforcement program that focuses on specific national projects: Health Fraud/Multiple Employer Welfare Arrangements, Employee Contributions Project, Rapid ERISA Action Team, Orphan Plan Project and Employee Stock Ownership Plans. At the same time, the agency focuses on complex cases, like the Enron and Capital Consultants investigations, which deal with sophisticated investments.

A copy of the full testimony is available on EBSA’s Web site at www.dol.gov/ebsa.

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