

# News Release



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## **Former Executive of Los Angeles Child Development Center Pleads Guilty to Obstruction of Government Investigation**

**LOS ANGELES** -- Margo Wainwright Harris pled guilty to misrepresenting to the Labor Department that more than \$80,000 owed to the money purchase retirement plan of the Frederick Douglass Child Development Center Inc. in Los Angeles had been repaid. Her plea came after the first week of a criminal trial in federal district court following an indictment that was issued in March 2005.

Harris was on the board of directors of the Frederick Douglass Child Development Center, which provided Head Start programs and preschool services to children in Los Angeles. During a Department of Labor civil investigation in March 2000, Harris deposited \$80,936 into the center's retirement plan account to prove that these assets, which had been improperly withdrawn from the plan's account in 1999, had been restored. Two days later, after generating a receipt of the deposit, Harris withdrew \$80,000 from this same account and transferred it to the account of Youth Intervention Program, a non-profit organization for which Harris was executive director. Several days later she directed a subordinate to present the March 2000 deposit receipt to the Department of Labor to prove that the money had been restored.

Under the plea agreement, Harris must restore the more than \$80,000 owed to the plan and faces a maximum sentence of five years in prison, three years of supervised release, a fine of at least \$250,000 and a special assessment. Harris is to be sentenced on Nov. 7, 2005.

"This defendant lied to the Labor Department about restoring retirement assets to the Frederick Douglass retirement plan," said Billy Beaver, director of Los Angeles regional office of the Employee Benefits Security Administration (EBSA). "The government's legal action in this case sends a clear message that we are committed to protecting the benefit promises made to workers."

The investigation was conducted by EBSA's Los Angeles regional office and the U.S. Attorney's Office in Los Angeles, with assistance from the U.S. Postal Inspection Service. The guilty plea was entered in U.S. District Court for the Central District of California in Los Angeles.

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(U.S. v. Harris)  
Criminal No. CR 05-233-PA

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