

News Release



U.S. Department of Labor
Office of Public Affairs
Chicago, Ill.
Release Number 03-954-CHI

For Immediate Release
December 22, 2081
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Labor Department Sues Chicago Mobile Telephone Company and 401(k) Trustee For Delinquent Employee Contributions to Plan

CHICAGO – The U.S. Department of Labor has sued Meade Communications, Inc., of Berkeley, Ill., and the fiduciary of the company’s 401(k) plan for failure to remit employee contributions and loan repayments to the plan.

An investigation was conducted by the department’s Employee Benefits Security Administration (EBSA) office in Chicago. As a result of this investigation, the lawsuit, filed in federal district court in Chicago, alleges that the company and James C. Hartmann failed to remit employee contributions and loan repayments and to timely remit the funds to the plan’s investment accounts on numerous occasions over the period Jan. 6, 1998, to Jan.16, 2001. The withholdings allegedly were commingled with Meade’s general assets. Hartmann is president of the company and plan trustee.

“The department is seeking to help the workers participating in this plan through these legal actions. This case seeks to require the defendants repay the losses, including interest, and ask to have Hartmann’s individual plan account offset to accomplish the restoration,” said Ann Combs, Assistant Secretary of the Employee Benefits Security Administration.

The suit also seeks to permanently bar the defendants from serving as fiduciaries to any employee benefit plan covered by the Employee Retirement Income Security Act (ERISA) and to appoint an independent fiduciary to oversee the plan.

Meade Communications, Inc. created the plan to assist eligible employees to provide for their own retirement security. The plan had \$1,376,250 in assets and 27 participants as of Dec. 31, 1999.

Employers with similar problems, who are not yet the subject of an investigation by EBSA, may be eligible to participate in the department’s Voluntary Fiduciary Correction Program (VFCP). Participation in the VFCP requires employers to make workers whole but allows them to avoid EBSA enforcement actions and civil penalties as well as any applicable excise taxes. For more information about the VFCP see www.dol.gov/ebsa.

Employers and workers can contact the regional office at (312) 353-0900 or EBSA’s toll-free number at **1-866-444-3272**, for help with problems relating to private-sector pension and health plans.

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(Chao v. Meade Communications)
Civil Action No. 03-C-0551-C

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