

News Release



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Contact: John M. Chavez
Phone: (617) 565-2075

U.S. Labor Department Sues Westwood, Massachusetts Resident to Restore Funds to Defunct Company's Pension Plan

BOSTON – The U.S. Department of Labor has sued Joseph P. Zoppo of Westwood, Mass., seeking to compel him to restore misused funds to the pension plan of his now-defunct company, I/O Desktop Specialists Inc.

According to James Benages, regional director of the Labor Department's Employee Benefits Security Administration (EBSA) in Boston, the department's lawsuit alleges violations of the Employee Retirement Income Security Act (ERISA), the federal law that protects private employee pension and benefit plans.

The lawsuit alleges that Joseph P. Zoppo, as CEO of I/O Desktop Specialists and trustee of the company's retirement plan, failed to transmit to the plan money withheld from employee paychecks. Instead, he diverted that money for other uses, including for the daily operation of the company.

Benages said, "The law specifically prohibits the use of pension plan assets for any purpose other than the benefit of plan participants and beneficiaries. The filing of this court case demonstrates that we will pursue the recovery of misused plan assets no matter how small the amount involved."

I/O Desktop Specialists, formerly located in New Hampshire, closed down May 2001, after which Zoppo filed for bankruptcy in Massachusetts. On Sept. 16, 2003, a judgment was entered in that case determining that \$9,726 plus interest in the amount of \$690 was a non-dischargeable debt to the I/O Retirement Plan.

The Labor Department's lawsuit asks the court to require Zoppo to repay the debt to the plan and undo all prohibited transactions in which he engaged. It also seeks to permanently prohibit Zoppo from future violations of ERISA and to permanently bar him from serving as a fiduciary to any ERISA-covered plan. The suit petitions the court to appoint an independent fiduciary to properly terminate the retirement plan, file the required documents and distribute the assets to the plan's participants and beneficiaries.

This case, filed with the U.S. District Court for the District of Massachusetts, was investigated by EBSA's Boston regional office. In fiscal year 2004, EBSA achieved record monetary results of \$3.1 billion related to the pension, 401(k), health and other benefits of millions of American workers and their families. Employers and workers can reach EBSA's Boston regional office at 617-565-9600. Help with problems relating to private-sector retirement and health plans can also be obtained through EBSA's toll-free number, 1-866-444-EBSA (3272).

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(Chao v. Zoppo - Civil Action Number: 05-10092)

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