

# News Release



U.S. Department of Labor  
Office of Public Affairs  
Dallas, Texas  
EBSA-03-48

For Immediate Release:  
Tues., April 8, 2003  
Contact: Gloria Della  
Phone: (202) 693-8664

## **Oklahoma Employee Leasing Firm, Owner To Restore Delinquent Plan Contributions**

**TULSA, Okla.** — The owner of the Tulsa, Okla., employee leasing firm Vanguard Professionals Inc. agreed to pay \$19,800 in delinquent 401(k) contributions and penalties, according to a consent order and judgment obtained by the U. S. Department of Labor on April 3, 2003.

The judgment also permanently bans Vanguard and owner Steve D. Wright from serving in positions of trust to any plan governed by the Employee Retirement Income Security Act (ERISA) in the future. The court requires Wright to notify participants of possible money that may be paid to them under the judgment.

A lawsuit filed simultaneously with the judgment alleges that the defendants failed to remit to the plan contributions and plan assets, to segregate plan assets from those of the firm, and to properly administer the plan. The suit also alleges that the defendants used plan assets to benefit a party-in-interest.

The prototype 401(k) plan was created in 1991 to allow employee and employer contributions. The plan was terminated March 31, 1999, and the assets were distributed to participants.

This case, filed in federal district court in Tulsa, resulted from an investigation conducted by the Dallas regional office of the department's Employee Benefits Security Administration (EBSA) into alleged violations of ERISA.

Regional Director Steve Eischen noted that 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.

"The VFCP gives plan sponsors a way to come into compliance with ERISA by restoring workers' benefits while avoiding an investigation by EBSA," said Eischen. "It protects workers' health and retirement benefits and allows us to focus our resources on those who seek to avoid compliance."

For more information about the VFCP see [www.dol.gov/ebsa](http://www.dol.gov/ebsa).

Employers and workers can contact the Dallas regional office at (214) 767-6831 or EBSA's toll free number, 1-866-444-EBSA (3272), for help with problems relating to private-sector pension and health plans.

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(Chao v. Vanguard Professionals Inc.) Civil Action No. 03-CV-223EA(J)

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