

News Release



U.S. Department of Labor
Office of Public Affairs
Philadelphia, PA
III-03-05-01-048-VA

For Immediate Release
Date: Thurs., May 1, 2003
Contact: Gloria Della
Phone: (202) 693-8664

Labor Department Sues Defunct Virginia Firm Over Delinquent Employee Contributions

WASHINGTON--The U.S. Department of Labor sued defunct Professional Office Enterprises of Alexandria, Va. and its 401(k) plan trustees on April 28, 2003, for failing to timely forward employee contributions to the plan.

“Corporations and executives who are plan fiduciaries have a duty to protect the pension assets of participants,” said Mabel Capolongo, director of the department’s Philadelphia Regional Office of the Employee Benefits Security Administration (EBSA). The case was investigated by the office’s Washington, D.C. District Office.

The lawsuit, filed in federal district court in Alexandria, Va., alleges violations of the Employee Retirement Income Security Act (ERISA) by Paula E. Bielski, Mark F. Bielski, Cynthia A. Sochocki, Melvin L. Keaton, Sr., Gregory Mortimer, the company and the plan. The five trustees failed to ensure that employee contributions were timely remitted to the Plan and failed to collect interest on the delinquent contributions for the period May 1997 to December 2000. They also failed to ensure that plan contributions for certain work weeks in 1999 were remitted to the Plan.

The suit seeks a court order requiring the defendants to restore to the plan all losses plus interest, replacing the trustees with an independent fiduciary appointed by the court, to permanently barring the trustees from acting as fiduciaries to any plan governed by ERISA, and offsetting the individual plan accounts of the defendants to repay money owed to the plan.

The company ceased business operations on Feb. 8, 2001. Professional Office Enterprises was engaged in the office supply business. The plan had \$305,365.46 in assets and 34 participants as of Dec. 31, 2002.

Capolongo 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. For more information about the VFCP see www.dol.gov/ebsa.

Employers and workers can contact the regional office at (301) 713-2000 or EBSA’s toll free number, **1-866-444-EBSA (3272)**, for help with any problems relating to private-sector pension and health plans.

###

(Chao v. Bielski)
Civil Action No. 03-542-A

U.S. Labor Department releases are accessible on the Internet at <http://www.dol.gov/ebsa>. The information in this news release will be made available in alternate format upon request (large print, Braille, audio tape or disc) from the COAST office. Please specify which news release when placing your request. Call (202) 693-7773 or TTY (202) 693-3911.