

News Release



U.S. Department of Labor
Office of Public Affairs
Chicago, Ill.
Release Number 05-618-CHI

For Immediate Release
Date: May 27, 2005
Contact: Gloria Della
Phone: (202) 693-8664

U.S. Labor Department Obtains Default Judgment Restoring Assets To Pay Retirement Benefits to Employees of Minn. Company

MINNEAPOLIS – The U. S. Department of Labor obtained a default judgment requiring the chief executive officer of The Lampland Company Inc., Rochester, Minn., to restore \$3,756 to the company’s SIMPLE IRA plan as restitution for failure to forward to the plan contributions withheld from employees’ paychecks.

“Corporations and executives who are plan fiduciaries have a duty to protect the pension assets of participants,” said Steven Eischen, director of the department’s Employee Benefits Security Administration’s (EBSA) regional office in Kansas City. “We filed this case to ensure that the plan participants recoup the money they set aside for their retirement years.”

The department sued the company and corporate executive Jay A. Lampland on April 19, 2004, for allegedly failing to forward to the plan contributions withheld from employees’ paychecks from April through December 2000. During that time, Lampland was the CEO, president and director of the company. The money allegedly was used for operating expenses and remained commingled with the company’s general assets.

The Lampland Company is a privately owned corporation that makes underground tunnels such as storm sewers. As of Dec. 31, 2000, the plan had \$12,443.43 in assets and five participants, including Lampland.

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 program requires employers to correct violations of the law but allows them to avoid EBSA enforcement actions, civil penalties and any applicable excise taxes. For more information go to www.dol.gov/ebsa.

The case, filed in federal district court in Minneapolis, resulted from an investigation conducted by the Kansas City regional office of EBSA. 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 contact the regional office at (816) 426-5131 or through EBSA’s toll free number, **1-866-444-EBSA (3272)**, for help with problems relating to private-sector retirement and health plans.

###

(Chao v. The Lampland Company, Inc.) Civil Action No. 04-CV-1667

U.S. Labor Department releases are accessible on the Internet at <http://www.dol.gov>. 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 at (202) 693-7765 or TTY (202) 693-7755. The U.S. Department of Labor is committed to providing America's employers and employees with easy access to understandable information on how to comply with its laws and regulations. For more information, please visit <http://www.dol.gov/compliance>.