

News Release



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U.S. Labor Department Settlement Orders Lombard, Illinois Executive to Restore Retirement Funds and Pay Health Claims Owed to Providers

CHICAGO--Lombard, Ill.-based Employer's Consortium, Inc. (ECI) and its president, Andrew Cory, must pay outstanding charges owed to several medical providers and funds owed to individual retirement accounts of the Employer's Consortium, Inc. 401(k) plan, according to a settlement announced today by the U.S. Department of Labor.

Under the consent judgment and order filed in Federal District Court in Chicago, Cory and ECI agreed to pay \$60,551.33 to four health and medical service providers to satisfy outstanding claims against the ECI health plan, and to negotiate settlement of another \$264,846.03 in outstanding claims owed to other health and medical providers as a result of unpaid claims of participants and beneficiaries in the health plan. In addition, ECI and Cory have agreed to pay \$32,315.37 to the individual accounts of participants who were in the company's 401(k) plan from December 2000 through February 2003. Cory will also be prohibited for five years from sponsoring, establishing or administering any welfare or multiple employer welfare arrangements governed by the Employee Retirement Income Security Act (ERISA) that are funded in whole or part from the general assets of companies.

"The department will act when plan fiduciaries fail to carry out their duty to protect the retirement plan assets and health benefits held or promised on behalf of participants," said Kenneth Bazar, director of the department's Chicago regional office of the Employee Benefits Security Administration (EBSA).

The settlement resolves a Labor Department lawsuit, filed simultaneously with the judgment, alleging that Cory failed to hold plan assets in trust, to act solely in the interest of plan participants and beneficiaries, and to ensure adequate funding of health and medical benefit claims.

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 correct violations of the law 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.

The suit resulted from an investigation conducted by the Chicago regional office of EBSA. Employers and workers can reach the Chicago regional office at (312) 353-0900 or through EBSA's toll-free number, 1-866-444-EBSA (3272), for help with problems relating to private-sector retirement and health plans. 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.

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(Chao v. Employer's Consortium, Inc.)
Civil Action No. [05 C 3534](#)

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