

News Release



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Contact: Brad Mitchell
Phone: 312-353-6976

Labor Department Obtains Judgment Restoring Assets To Bloomington, Minn. 401(k) Plan

MINNEAPOLIS, Minn. – The U. S. Department of Labor has obtained a consent judgment requiring the trustee of the 401(k) plans of Minneapolis, Minn.-based The Pelican Group Inc. to restore over \$11,000 to the company’s savings and retirement plan. The suit seeks to recover any missing assets, appoint an independent fiduciary to oversee termination of the plan and distribute plan assets to eligible participants.

Under the judgment, Benjamin K. Taylor was ordered to offset his plan account to make restitution to the plan, removed as a fiduciary to the plan and permanently barred from service to any plan governed by ERISA except the Pelican Group Employer Solutions Plan. He also must pay the cost of a fidelity bond for the plan.

The Labor Department sued The Pelican Group and its owner, Benjamin K. Taylor, alleging they violated the Employee Retirement Income Security Act (ERISA) by failing to timely remit the full amount of employee contributions owed the plan for the period Jan. 1, 2000 to June 1, 2005. The plan held approximately \$458,713 in assets as of Aug. 12, 2005.

“The law requires plan fiduciaries to act responsibly in managing money set aside in retirement plans for the benefit of workers and their families,” said Steven Eischen, director of the department’s Kansas City regional office of the Employee Benefits Security Administration (EBSA). The regional office investigated the case.

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 Compliance Program (VFCP). Participation in the program requires employers to reimburse plans and participants 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.

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 Kansas City regional office at (816) 426-5131 or EBSA’s toll-free number at 1-866-444-EBSA (3272) for help with problems relating to private-sector retirement and health plans.

(Chao v. Taylor)
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