

News Release



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Contact: Brad Mitchell
Phone: (312) 353-6976

U.S. Labor Department Obtains Settlement with Perry, Mich., Business Owner to Restore Assets to Workers' 401(k) Plan

DETROIT -- The U.S. Department of Labor has obtained a settlement restoring \$17,657 in principal and interest to the 401(k) plan of Great Lakes Trucking Co. Inc., Perry, Mich. The agreement also permanently bars the owner of the company from serving as a fiduciary or service provider to any employee benefit plan governed by the Employee Retirement Income Security Act (ERISA).

"The department will act when plan fiduciaries fail to carry out their duty to protect the retirement plan assets held on behalf of participants," said Joseph Menez, director of the department's Cincinnati regional office of the Employee Benefits Security Administration (EBSA).

The settlement resolves a lawsuit filed by the Labor Department alleging that the owner, George Frazier failed to remit employee contributions to the employee benefit plan from January 1999 through December 2001. The defendant also agreed to the appointment of an independent fiduciary to manage the 401(k) plan.

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 any violations 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, filed in federal district court in Michigan, resulted from an investigation conducted by the Detroit district of EBSA's Cincinnati Regional Office. Employers and workers can reach the Cincinnati regional office at (859) 578-4680 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. Great Lakes Trucking Co.
Civil Action No. 04-74646

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