

# News Release



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## **Defunct Rochester, N.Y., Firm and Owner Agree To Payment of Delinquent Employee Contributions to 401(k) Plan**

**NEW YORK** –Project Solutions of Rochester Inc. and the owner of the defunct company, Earl Shepherd, agreed to repay \$37,932.14 to the company’s 401(k) SIMPLE plan as restitution for employee contributions that were deducted from employees’ paychecks but never forwarded to the plan.

The agreement is part of a consent judgment obtained by the U.S. Department of Labor. It resolves a lawsuit the department filed May 23, in federal district court in Rochester alleging violations of the Employee Retirement Income Security Act (ERISA). ERISA is the federal law that protects private employee pension and benefits plans.

“Those responsible for such plans must carry out their duties solely in the interests of plan participants,” said James Benages, regional director for the Labor Department’s Employee Benefits Security Administration (EBSA). “When they fail to do so, we will take all necessary steps, including legal action, to recover what amounts are due to plan participants.”

The lawsuit alleged that, beginning in September 2000, the company failed to forward employee contributions to the plan and Shepherd failed to ensure that such contributions were made, as required by ERISA.

Project Solutions, a Rochester, N.Y., information technology consulting firm, has ceased operations. Its 401(k) plan covered as many as 23 participants and held \$76,645 in assets as of Dec. 31, 2001.

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, civil penalties and any applicable excise taxes. For more information see [www.dol.gov/ebsa](http://www.dol.gov/ebsa).

The lawsuit resulted from an investigation conducted by EBSA’s Boston office. Employers and workers can contact that office at (617) 565-9600 or EBSA’s toll free number, 1-866-444-EBSA (3272), for help with any problems relating to private-sector pension and health plans. In fiscal year 2004, EBSA achieved record monetary results of \$3.1 billion related to pension, 401(k), health and other benefits of millions of American workers and their families.

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(Chao v. Project Solutions of Rochester, Inc.)  
Civil Action No. 05-CV-6262 L(P)