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FOR IMMEDIATE RELEASE

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Parker Business Woman Sentenced for Employee Benefit Plan Embezzlement

DENVER – Emily R. Strunk, age 45, of Parker, Colorado was recently sentenced by U.S. District Court Judge William J. Martinez to serve 78 months in federal prison for wire fraud, money laundering, and embezzlement from an employee benefit plan, federal law enforcement authorities announced. Following her prison sentence, Strunk was ordered to spend three years on supervised release. Judge Martinez also ordered her to pay \$2,590,608.35 in restitution to the victims of her crime. Strunk was indicted on April 7, 2016, and pled guilty on September 29, 2016.

According to the facts in the indictment and plea agreement, Strunk was a third-party administrator for employee pension and retirement plans, operating through various businesses including North American Employer Solutions, LLC; BAC Human Resources, LLC; Colorado Benefits Outsourcing, LLC; Benefits Team Administration, LLC; Benefits Administrators & Consultants LLC; and Columbine Employee Benefits Inc. Starting in 2005, and continuing through September 2015, Strunk devised a scheme to fraudulently obtain money from her clients' employee pension or retirement funds. As the third party administrator, Strunk would gain access to her clients' plan assets and either directly transfer those assets to her personal and business checking accounts or direct her clients to transfer funds to those bank accounts, which she falsely identified as "trust" accounts. She also directed her clients to send employee retirement contributions directly to her checking accounts, which again were falsely identified as "trust" accounts. Strunk commingled her clients' funds in her checking accounts, failed to keep accurate records of her clients' and their plan participants' assets, and used her clients money for her own personal and business expenses. Most of Strunk's clients were small businesses.

Strunk concealed her fraud by falsifying plan participants' online account statements, making it appear that their money was invested in certain assets when, in fact, the funds were in Strunk's checking account or she had spent them. Strunk also filed or caused to be filed false Forms 5500 with the Department of Labor (DOL) for client plans subject to the Employee Retirement Income Security Act (ERISA). On those forms, she falsely stated the total amount of plan assets and omitted that her fraud and dishonesty caused a loss to the plan, thereby lying to the DOL and her clients to conceal her fraud.

Ms. Strunk deliberately and systematically stole the hard-earned money of small business employees. We don't do that," said Acting U.S. Attorney Bob Troyer. "The Department of Labor's Employee Benefits Security Administration and the IRS Criminal Investigations did an outstanding job investigating this matter, as did the Assistant U.S. Attorneys who ensured the defendant would receive the sentence she deserves."

"This criminal action demonstrates the U.S. Department of Labor's resolve to vigorously enforce the law to ensure that those who defraud employee benefit plans are brought to justice. This case also exemplifies our commitment to protect employee benefits in coordination with fellow federal agencies," said Mark Underwood, Acting Regional Director of the Employee Benefits Security Administration's Kansas City Regional Office."

"The role of IRS Criminal Investigation becomes even more important in embezzlement and fraud cases due to the complex financial transactions that can take time to investigate," said Steven Osborne, Special Agent in Charge, IRS-Criminal Investigation, Denver Field Office. "We will continue to work with our law enforcement partners to investigate this and other money laundering schemes in order to bring justice to the victims."

This case was investigated by the Department of Labor Employee Benefits Security Administration (DOL-EBSA) and the Internal Revenue Service – Criminal Investigation (IRS-CI). The case was prosecuted by Assistant U.S. Attorney Anna Edgar.

Topic(s):

Financial Fraud

Labor & Employment

Component(s):USAO - Colorado

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