



Department of Justice

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Southern District of Ohio

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DUBLIN BUSINESSMAN CHARGED WITH EMBEZZLING MONEY FROM COMPANY PENSION PLAN

COLUMBUS – A federal grand jury here has indicted Cliff A. Gallatin, 56, of Dublin, charging him with one count of embezzling money intended for the pension account for employees of the company he owned, American Systems Consulting, Inc. (ASCI).

Carter M. Stewart, United States Attorney for the Southern District of Ohio, James Vanderberg, Special Agent-in-Charge of the Chicago Regional Office of the U.S. Department of Labor, Office of Inspector General (DOL-OIG), and Paul C. Baumann, Regional Director, Cincinnati Regional Office, U.S. Department of Labor Employee Benefits Security Administration (EBSA) announced the indictment returned yesterday.

The indictment alleges that Gallatin diverted approximately \$80,000 between January 2003 and June 2008. The money had been withheld from his employees' paychecks and was intended to fund their accounts in the ASCI 401(k) Profit Sharing Plan, an employee pension benefit plan subject to Title I of the Employee Retirement Income Security Act of 1974 (ERISA).

"By allegedly embezzling funds from his company and not contributing to the ERISA-covered plan, this individual violated the trust of his employees," Vanderberg said. "My office will continue to work with EBSA and our law enforcement partners to investigate fraud and abuse in benefit plans covered by ERISA."

"Mr. Gallatin will appear in court to answer for his actions," Stewart said. "The number of people who worked for the company ranged from under 50 to more than 100 at the company's peak."

The now-defunct company was in the information technology consulting and website hosting business.

Judge James L. Graham will preside over the case. He will set a date for an initial appearance and an arraignment. Embezzlement is punishable by up to five years imprisonment and a fine of up to \$250,000.

Stewart commended the joint investigation by the Department of Labor Employee Benefits Security Administration and the Department of Labor Office of Inspector General, and Assistant U.S. Attorney Dale E. Williams Jr., who is prosecuting the case.

An indictment is merely an accusation. A defendant should be presumed innocent unless convicted in court.