



U.S. Department of Justice

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PRESS RELEASE

Richard S. Hartunian, United States Attorney for the Northern District of New York, today announced a criminal Complaint charging **JEFFREY BAZINET**, 42, of Loudonville, New York, with one count of theft and embezzlement from an employee benefit plan, in violation of Title 18, United States Code, Section 664. **BAZINET** was arrested on the charge and appeared before Hon. David R. Homer, in United States Magistrate's Court in Albany. He was released pending action by the grand jury.

According to the Complaint:

BAZINET was the owner/operator of Intelligent System Solutions (ISS) and Cipher Associates, computer companies located in the Albany area which are no longer in business. During its period of operation, ISS established a defined contribution 401 (k) Plan which permitted employee contributions through payroll deductions. **BAZINET** was a trustee for the plan. During the time period September 2008, through February 2009, **BAZINET** closed out the 401 (k) accounts of at least four of ISS's former employees without their knowledge or permission, and took the funds for himself. **BAZINET** falsely represented to the plan administrator that the employees had requested distributions of their pension

savings, and that the disbursement checks should be made payable to ISS and Cipher Associates. **BAZINET** received at least \$11,915.50 of moneys and other assets from the employee benefit plan which he deposited into ISS's and Cipher Associates bank accounts. After learning of the thefts, two of the former employees demanded payment from **BAZINET**. He ultimately paid the withdrawn pension funds to one of the employees, but sent only partial funds to the other employee, after having withheld the funds for over one year. Two of the former employees still have not received any of their pension funds from **BAZINET**.

The case is being investigated by the United States Department of Labor, Employee Benefits Security Administration (EBSA) and the Office of Inspector General. The case is being prosecuted by Assistant United States Attorney Tina E. Sciocchetti of the United States Attorney's Office for the Northern District of New York.

The Complaint contains mere accusations, and the defendant is presumed innocent unless and until proven guilty beyond a reasonable doubt in a court of law.

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