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News Release

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New Prague man indicted for embezzling funds from an employee benefit plan

A federal indictment unsealed earlier today in the District of Minnesota alleges that a 62-year-old New Prague man embezzled approximately \$642,166 from his company's employee benefit plan. The indictment charges Delroy Joseph Sand, Jr., with one count of embezzlement and theft from an employee benefit plan. It also charges him with one count of failure to file a required report and one count of obstruction of agency proceedings. The indictment was unsealed following Sand's initial appearance in federal court.

The indictment states that from February of 2008 through September of 2009, Sand was the trustee for the employees' retirement savings plan at Hecla, Inc., a business that provides adult foster care as well as group home and mental health services in Minnesota. The company benefit plan was established in 1985, and under law, an annual financial report regarding the plan must be filed with the federal government. Sand, however, allegedly failed to file the financial report for 2008. Moreover, he purportedly stole money from the plan and then, in October of 2009, obstructed an examination of the plan by the United States Department of Labor. Specifically, the indictment states he failed to provide documentation necessary for the examination and, instead, offered false information throughout the review process.

If convicted, Sand faces a potential maximum penalty of ten years in prison on the failure to file a required report charge and five years each for embezzlement and obstruction of proceedings. All sentences will be determined by a federal district court judge.

This case is the result of an investigation by the U.S. Department of Labor – Employee Benefits Security Administration, with assistance from the Federal Bureau of Investigation. It is being prosecuted by Assistant U.S. Attorney William J. Otteson.

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An indictment is a determination by a grand jury that there is probable cause to believe that offenses have been committed by a defendant. A defendant, of course, is presumed innocent until he or she pleads guilty or is proven guilty at trial.