



THE UNITED STATES ATTORNEY'S OFFICE
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Department of Justice

U.S. Attorney's Office

District of Montana

FOR IMMEDIATE RELEASE

Friday, November 22, 2013

Steven C. Munson Pleads Guilty In U.S. Federal Court

The United States Attorney's Office announced that during a federal court session in Missoula, on November 22, 2013, before U.S. Magistrate Judge Jeremiah C. Lynch, STEVEN C. MUNSON, a 61-year-old resident of Bozeman, pled guilty to theft from an employee benefit plan. Sentencing has been set for March 24, 2014. He is currently released on special conditions.

In an Offer of Proof filed by Assistant U.S. Attorney Timothy J. Racicot, the government stated it would have proved at trial the following:

During the time period relevant to the charges in the Indictment, MUNSON was the sole owner of DDCS Express, Inc., a postal service provider based in Bozeman. DDCS operated mail routes pursuant to contracts with the U.S. Postal Service ("USPS"). DDCS sponsored an employee benefit plan - the DDCS Express, Inc. 401(k) Plan. The Plan was defined by ERISA as an employee benefit plan. DDCS was the Plan's administrator and sponsor and MUNSON was the Plan's trustee. The Plan allowed employees to make voluntary contributions through salary deductions. In addition, the Plan was to receive fringe benefit contributions from the USPS contracts, as each contract expressly required that DDCS make fringe benefit payments to each employee for all hours worked. The Plan was previously administered by Montana Pension Administration, Inc., and American Funds was the Plan's previous record-keeper, but both entities resigned in 2008 due to DDCS's deficient performance.

On July 16, 2010, the Employee Benefits Security Administration ("EBSA") received a complaint from a DDCS employee that MUNSON had not deposited the required amounts into the Plan and had not filed the required reports disclosing the financial conditions of the Plan. The EBSA opened an investigation and determined MUNSON did not make any deposits into the Plan from January 2007 through June 2010. He also failed to pay his employees all of the fringe benefits due and owing and eventually liquidated the 401(k) plan but did not return the remaining funds to his employees. The total amount of loss attributable to MUNSON's conduct is approximately \$70,770.52, which is broken down as follows: \$2,652.25 in unpaid contributions to the Plan, \$46,219.28 in unpaid fringe benefits, and \$21,898.99 in funds removed from the liquidated Plan account and not remitted to employees.

During the same period of time that he failed to fund and manage the Plan, MUNSON paid himself considerable sums of money. He wrote himself approximately \$744,000 in company checks during the relevant time period.

MUNSON faces possible penalties of 5 years in prison, a \$250,000 fine, and 3 years supervised release.

The investigation was conducted by the U.S. Department of Labor - Employee Benefits Security Administration.

Component(s):

USAO - Montana

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