



THE UNITED STATES ATTORNEY'S OFFICE
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Department of Justice

U.S. Attorney's Office

District of Minnesota

FOR IMMEDIATE RELEASE

Tuesday, November 22, 2016

Minnesota Business Owner Indicted For Stealing More Than \$755,000 From Employee Pension Plan

United States Attorney Andrew M. Luger today announced an indictment charging WALLACE DAVID GREGERSON, 65, for operating an embezzlement scheme to defraud his employees and steal more than \$755,000 from their pension plans. GREGERSON made an initial appearance today before Magistrate Judge Mayeron in U.S. District Court in Minneapolis, Minn.

According to the indictment and documents filed in court, GREGERSON was the president and sole owner of Lighting Affiliates, Inc. ("Lighting Affiliates"), a Minnesota corporation that sold lighting fixtures and related products. The Lighting Affiliates 401(k) Profit Sharing Plan (the "Plan") was established as an employee benefit for eligible employees' retirement savings. The Plan was funded by three types of contributions: voluntary salary reduction 401(k) contributions the Lighting Affiliates employees had deducted from their paychecks; 401(k) matching contributions made by Lighting Affiliates; and profit sharing contributions made by Lighting Affiliates.

According to the indictment and documents filed in court, GREGERSON, who was the sole trustee of the Plan, used his position to withdraw funds from the Plan and deposit those funds into Lighting Affiliates bank accounts. Between February 2011 and July 2013, GREGERSON drained the profit sharing portion of the Plan by withdrawing a total of approximately \$675,233.55, and drained his former employees' individual 401(k) accounts by withdrawing a total of approximately \$80,667.23.

According to the indictment and documents filed in court, as part of the scheme, GREGERSON persuaded the financial institutions holding the Plan's assets to provide him with funds belonging to the Plan and its participants by making false representations. GREGERSON provided written statements falsely affirming that the funds would be re-invested in another qualified plan or that the withdrawals were at the employee's request.

According to the indictment and documents filed in court, GREGERSON used the majority of the funds to either pay for Lighting Affiliates' expenses or for personal expenses such as country club membership dues, sports tickets, clothing purchases, and tuition payments on behalf of his daughter.

The case is being prosecuted by Assistant United States Attorney Kimberly A. Svendsen.

This case is the result of an investigation conducted by the U.S. Department of Labor Employee Benefits Security Administration and the U.S. Department of Labor Office of the Inspector General.

Defendant Information:

WALLACE DAVID GREGERSON, 65

Plymouth, Minn.

Charges:

- Mail fraud, 6 counts
- Money laundering, 2 counts
- Theft and Embezzlement from Employee Plan, 1 count

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The charges contained in the indictment are merely allegations, and the defendant is presumed innocent unless and until proven guilty.

Component(s):

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