

News Release



U.S. Department of Labor
Office of Public Affairs
Philadelphia, Pa.
Release No. 04-67-PHI

For Immediate Release
Date: Jan. 20, 2004
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Virginia Trustee Sued to Restore Employee Contributions to 401(k) Profit Sharing Plan

ALEXANDRIA – The U.S. Department of Labor has sued the trustee of the RVJ International, Inc. 401(k) plan for failure to forward employee contributions to the company's plan.

The suit alleges that Nicasio S. Ignacio, Jr. violated the Employee Retirement Income Security Act (ERISA) when he failed to take steps to collect employee contributions owed by the company and forward the assets to the plan between January 1997 and May 2001.

The suit, filed in federal district court in Alexandria, seeks to require that Ignacio restore all losses to the plan with interest, and permanently bar him from serving as a fiduciary to or dealing with any ERISA-covered plans in the future.

"The law clearly states that employee contributions must be forwarded to the plan to pay future promised benefits," said Mabel Capolongo, director of the Philadelphia regional office of the department's Employee Benefits Security Administration (EBSA) that investigated the case.

RVJ International provides assistance in technological applications to the public and private sectors. The company sponsored the 401(k) plan for 14 participants and had \$45,501 in assets as of September 2003.

Employers with similar problems, who are not yet the subject of an investigation by EBSA, may be eligible to participate in the department's Voluntary Fiduciary Correction Program (VFCP). Participation in the VFCP requires employers to make workers whole but allows them to avoid EBSA enforcement actions and civil penalties as well as any applicable excise taxes. For more information about the VFCP, see www.dol.gov/ebsa.

EBSA obtained more than \$1.4 billion in record monetary results in 2003 through strong enforcement of the law that protects pension, 401(k) and health benefits. Employers and workers can contact the Philadelphia regional office at (215) 861-5300 or EBSA's toll-free number at **1-866-444-EBSA (3272)**, for help with problems relating to private-sector pension and health plans.

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(Chao v. Ignacio
Civil Action No. 04-52-A

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