

NEWS RELEASE



Monmouth County Prosecutor's Office
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Luis A. Valentin, Prosecutor

MILLSTONE CONTRACTOR SENTENCED TO PRISON FOR THEFT OF EMPLOYEES' PENSION FUNDS

On April 27, 2007, Frank Knight, 55, of Millstone Township, NJ, was sentenced to five years in State Prison for second degree Theft by Failure to Make Required Disposition. As part of the sentence Superior Court Judge Patricia DelBueno Cleary also ordered Knight to pay \$560,770.99 in restitution to his employees' pension plan. Knight had previously been convicted after a jury trial that was held before Judge Cleary on October 31 through November 2, 2006. His motion for bail pending appeal was denied.

Knight was the president and sole shareholder of Knight Contracting, Inc. He established a pension program for his employees in 1999 and designated himself as the trustee. The pension was funded through direct deductions from employees' wages which, under federal law, had to be deposited into the pension fund within 15 days. In July 2004, the Monmouth County Prosecutor's Office received complaints from several current and former employees of Knight Contracting, Inc., alleging that Knight had not been depositing pension funds deducted from their paychecks into the pension plan. The United States Department of Labor had also received similar complaints regarding Knight Contracting, Inc., in March of 2004. A joint investigation conducted by the Monmouth County Prosecutor's Office and the United States Department of Labor confirmed that Knight failed to deposit any of the pension money he withheld from his employees into the pension plan between July 2002 and December 2003. During that period of time, he failed to deposit \$600,000.00 of withheld employee wages. While he returned some of the money to individual employees, the pension plan remains underfunded by over \$560,000.00.

Monmouth County Prosecutor Luis A. Valentin stated that, "The sentence imposed in this case demonstrates that corporate officers who violate the fiduciary obligation they owe their employees will face serious consequences."

This case was assigned to Assistant Prosecutor Thomas F. Fichter. Timothy J. Provost, Esquire, of Freehold, NJ, represented Knight during the trial. Knight was represented by Michael D'Alessio, Esquire, of Roseland, NJ, at the sentencing.

Released: April 27, 2007