

News Release



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New Jersey Computer Consultant Sued Over Delinquent Employee Contributions

NEWARK, N.J. – The U.S. Department of Labor sued The Learning Edge Inc. of Montvale, N.J., and its president for failing to properly remit more than \$25,000 in employee contributions to the company's 401(k) plan.

"The Department of Labor will aggressively enforce the law to protect the retirement funds of this nation's hardworking men and women," said Francis Clisham, director of the New York regional office of the Employee Benefits Security Administration (EBSA). "Our legal action will ensure that these workers receive future benefits owed to them."

The suit alleges that Alexander Urrea and the company violated the Employee Retirement Income Security Act (ERISA) when they failed to remit contributions withheld from employees' paychecks to the 401(k) plan from August 2000 to August 2002. The department also alleged that the defendants failed to timely forward to and collect contributions owed to the plan during the period 1998 to 2000.

At the time of the violation, Urrea was the plan trustee and president of The Learning Edge. The suit alleges he failed to take steps to collect the delinquent contributions owed to the plan from Learning Edge.

The department is asking the court to require that Urrea repay any losses with interest, undo any transactions prohibited by law and be removed as a fiduciary to the plan. The department also is seeking a court order to appoint an independent fiduciary to manage the 401(k), require that Learning Edge repay any illegal gains received from the plan, and permanently bar the defendants from service to plans governed by ERISA.

The Learning Edge is a computer consulting firm to public and private school systems located in the Mid-Atlantic region. The firm relocated from Rockland County, N.Y., to Montvale. The retirement plan covered as many as 15 participants and had \$107,174, according to the latest available financial information.

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

The suit, filed in the federal district court in Newark, N.J., resulted from an investigation conducted by EBSA's New York regional office. In fiscal year 2003, EBSA achieved record monetary results totaling \$1.4 billion for retirement, 401(k), health and other programs. Employers and workers can reach EBSA's New York office at (212) 607-8600 or through EBSA's toll-free number at **1-866-444-EBSA(3272)**, for help with problems relating to private-sector retirement and health plans.

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(Chao v. Urrea)
Civil Action No. 04-Civ-4056 (JAG)

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