

# News Release



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## **Salvage One Leasing Company Sued Over Delinquent Retirement Contributions, Loan Repayments**

**DETROIT** – The U. S. Department of Labor has sued Salvage One Leasing Company Inc. and related companies in Detroit -- along with their president -- for failing to remit or timely forward contributions and loan repayments deducted from employees' paychecks.

“Trustees of a 401(k) plan have a responsibility to ensure that the assets of the plan are used solely to benefit participants. One of the most important responsibilities is putting money withheld from workers' wages into 401(k) accounts,” said Joseph Menez, regional director of the Cincinnati office of the department's Employee Benefits Security Administration (EBSA), which investigated the case.

Salvage One Leasing, Supreme Heating and Supply Co. Inc., and Mechanical HVAC Inc., of Detroit and their president, Mark Provenzano, allegedly violated the Employee Retirement Income Security Act (ERISA) when they failed to forward and timely remit employee contributions to the savings and profit sharing plan. The department also alleges they failed to forward and timely remit loan repayments to the plan's custodian. The improper transactions occurred between January 2000 and July 2004. Provenzano allegedly is liable for the actions of the other firms and Salvage One Leasing, which served as administrator of the plan.

The suit seeks a court order to require the defendants to reimburse the plan for any losses with interest, to offset Provenzano's account to repay any losses and to undo transactions prohibited by law. The suit also asks the court to remove Provenzano as a plan fiduciary and to permanently bar him from serving plans governed by ERISA in the future.

Salvage One has three subsidiaries that are engaged in residential and commercial heating systems, and commercial construction. As of March 31, 2002, the plan had 72 participants and assets totaling \$680,730.

Employers with similar problems may be eligible to participate in the department's Voluntary Fiduciary Correction Program (VFCP). Participating employers must restore all funding to the workers' accounts, but can avoid EBSA enforcement action and civil penalties, as well as any applicable excise taxes. Information about the VFCP is available at [www.dol.gov/ebsa](http://www.dol.gov/ebsa).

Employers and workers can reach EBSA at (859) 578-4680 or EBSA's toll free number, **1-866-444-3272**, for help with any problems relating to private-sector pension and health plans.

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(Chao v. Salvage One Leasing Co., Inc) Civil Action No. 2:04CV73019