

News Release



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U.S. Labor Department Obtains Judgment Restoring Assets For Illinois Workers

CHICAGO--The U.S. Department of Labor (DOL) has obtained a consent judgment and order requiring the Clinic in Altgeld Inc. of Chicago to restore \$67,997 to the company's 401(k) plan as restitution for delinquent employee contributions and loan payments that were not forwarded to the plan.

"Our legal action demonstrates our commitment to protecting the retirement security of workers," said Kenneth Bazar, director of the department's Employee Benefits Security Administration's (EBSA) Chicago regional office, which investigated the case. "We took action to ensure that assets are restored to the Clinic in Altgeld plan so that participants can receive their future retirement benefits."

The lawsuit alleges that Constance Jackson, Paulette Cage, and the Clinic in Altgeld violated the Employee Retirement Income Security Act of 1974 (ERISA) when they failed to timely remit employee contributions and to remit loan payments owed to the company's 401(k) plan at various times from April 1998 through October 2001. The suit also alleges the defendants retained the assets with those of the clinic and the clinic failed to obtain a fidelity bond as required by law. The suit was filed on April 1, 2004 in federal district court in Chicago.

The Clinic in Altgeld Inc. is a Chicago-based nonprofit organization that originated in 1970 to provide health care to low-income families in the Altged Gardens Public Housing Project. The company served as the plan administrator and Constance Jackson and Paulette Cage acted as the trustees of the 401(k). According to the latest information available to the department, the plan covered 48 participants and had \$348,635 in assets.

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.

In fiscal year 2003, EBSA achieved record monetary results of \$1.4 billion related to the pension, 401(k), health and other benefits of millions of American workers and their families. Employers and workers can reach EBSA's Chicago regional office at (312) 353-0900 or through its toll-free number, 1-866-444-EBSA (3272), for help with problems relating to private-sector retirement and health plans.

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(Chao v. The Clinic in Altgeld, Inc.) Civil Action No.

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