

News Release



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Labor Department Sues Corona Web Design Firm for Employees' 401(k) Funds

SAN FRANCISCO –The U. S. Department of Labor has sued Corona-based WesTech Solutions Corp. and its president, Donald Cantral, to restore employee contributions not remitted to the company's 401(k) plan.

The suit seeks \$11,323.18 plus interest for 20 former employees who were plan participants. The defendants allegedly commingled employees' contributions with the general corporate account. This money was never transferred into the companies' 401(k) plan from the time the plan was opened on October 3, 2001.

The suit, filed in federal district court for the Central District of California, Eastern Division, seeks to force WesTech and Cantral to restore all money owed to the 401(k) plan. The suit also seeks to permanently bar Cantral from acting as a fiduciary or as a service provider of any employee benefit plan covered by the Employee Retirement Income Security Act. The defendants would also be required to appoint and pay for an independent fiduciary to distribute the plan's assets.

"We're working aggressively to restore these workers' benefits," said Billy Beaver, Los Angeles regional director of the Employee Benefits Security Administration. "The employees participating in this plan deserve to have their money returned to them."

WesTech Solutions built and designed web-based computer system applications. The company was based in Riverside County but suspended operations in September 2002.

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 program requires employers to reimburse plans and participants 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 2004, EBSA achieved record monetary results of \$3.1 billion related to the pension, 401(k), health and other benefits of millions of American workers and their families. Employers and workers with questions or concerns regarding their private-sector pension and health plans can contact the EBSA regional office in Los Angeles at (626) 229-1000 or EBSA's toll free number, 1-866-444-EBSA (3272). Information is also available from the agency's web site at www.dol.gov/ebsa.

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(Chao v. WesTech Solutions Corp.)
Civil Action No. EDCV05 – 0198-SGL

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