

News Release



U.S. Department of Labor
Office of Public Affairs
Atlanta, Ga.
Release Number 05-2001-ATL (277)

For Immediate Release
Date Thursday, Oct. 20, 2005
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U.S. Labor Department Obtains Court Order Restoring More than \$17,200 to Atlanta Company's Retirement Savings Plan

ATLANTA – The U.S. Labor Department has obtained a court order requiring Henry A. McLarty, the former head of Atlanta-based Clarion Resources Communications Corp., to restore \$17,280 in losses and interest to Clarion's retirement savings plan.

“This action underscores the Labor Department's commitment to hold accountable those who are entrusted with the assets of workers' retirement plans,” said Howard Marsh, director of the Atlanta regional office of the Employee Benefits Security Administration (EBSA). “The law states that plan fiduciaries have a responsibility to manage the money set aside in retirement plans for the benefit of employees and their families.”

The department sued Clarion Resources Communications and McLarty, former owner and a plan fiduciary, in October 2004 for violating the Employee Retirement Income Security Act (ERISA). The defendants failed to remit employee contributions, as required, to the plan at various times between January and July 2001. They also failed to obtain a fidelity bond as required by law.

Entered in U.S. District Court in Atlanta, the judgment also permanently bars McLarty from serving as a fiduciary to any plan governed by ERISA. The department previously obtained a judgment against Clarion.

Clarion Resources Communications, a telecommunications firm, served as the plan administrator. The profit sharing plan covered 39 participants and had assets of \$45,665 as of Dec. 31, 2000.

Employers with similar problems, who are not yet the subject of an investigation by EBSA, could be eligible to participate in the department's Voluntary Fiduciary Correction Program. Participation in the program requires employers to correct violations of the law but allows them to avoid EBSA enforcement actions and civil penalties, as well as excise taxes. For more information about the Voluntary Fiduciary Correction Program, see www.dol.gov/ebsa.

The case resulted from an investigation conducted by EBSA's Atlanta regional office. 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 can contact the regional office at (202) 452-2156 or EBSA's toll free number, **1-866-444-EBSA (3272)**, for help with problems relating to private-sector pension and health plans.

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(Chao v. Clarion Resources Communications Corp.)
Civil Action No. 1:04-cv-02934RWS

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