

News Release



U.S. Department of Labor
Office of Public Affairs
Philadelphia, Pa.
Release Number 04-871-PHI

For Immediate Release
Date: May 24, 2004
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U. S. Labor Department Sues Former Trustees of D.C. 401(k) Plan Over Delinquent Employee Contributions

WASHINGTON — The U.S. Department of Labor has sued the former trustees of the Votenet Solutions Inc. 401(k) plan and trust in Washington, D.C., for failing to forward employee contributions to the company's retirement plan.

"This lawsuit underscores the Labor Department's commitment to hold accountable those who are entrusted with the assets of workers' retirement plans," said Mabel Capolongo, director of the Employee Benefits Security Administration's (EBSA) Philadelphia regional office.

The suit alleges that Mitchell Reisberg and Glen Hughlette violated the Employee Retirement Income Security Act (ERISA) by failing to collect employee contributions owed to the plan between November 2000 and March 2002. The suit was filed in federal district court in Washington, D.C., and seeks to permanently bar the defendants from service to and controlling any assets of any plan governed by ERISA.

Votenet Solutions is a provider of Internet products and services related to elections, voting, voter registration and advocacy. The plan covered 33 participants, according to the latest information available to the department. At the time of the improper actions, Reisberg and Hughlette were the vice president and president of Votenet Solutions, respectively. During the past year, neither defendant has been employed by Votenet Solutions.

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. The case was investigated by EBSA's district office in Silver Spring, Md. Employers and workers can contact the district office at (301) 713-2000 or EBSA's toll free number, **1-866-444-3272**, for help with problems relating to private-sector pension and health plans.

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(Chao v. Reisberg)
Civil Action No. 1:04CV00748

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