

News Release



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U.S. Labor Department Sues Fiduciary of Michigan 401(k) Plan Over Misuse of Employee Pension Contributions

GRAND RAPIDS — The U.S. Department of Labor has sued the owner of Van-Kal Truck Equipment Inc. of Mattawan, Mich., for failing to forward employee contributions to the company's 401 (k) plan. The department also sued owner Steven P. Mullins to prevent him from discharging any debt owed to the plan.

"Fiduciaries of 401(k) plans have a responsibility to ensure that the assets of the plans are used solely to benefit participants. One of the most important responsibilities is putting money from workers' wages into their 401(k) accounts on time," said Joseph Menez, director of the Cincinnati regional office of the Employee Benefits Security Administration (EBSA).

The suit alleges that Steven P. Mullins violated the Employee Retirement Income Security Act (ERISA) by failing to remit employee contributions to the 401(k) at various times between November 2001 and October 2002. The 401(k) plan covered 13 participants. At the time of the improper actions, Mullins owned the company and was a plan fiduciary. The suit was filed in federal district court in Grand Rapid, Mich.

The suit seeks to require that Mullins restore all losses with interest, correct any transactions prohibited by law and permanently bar him from service to any plan governed by ERISA. The suit also asks the court to appoint an independent fiduciary to oversee the plan.

Van-Kal Truck Equipment Inc. produced and serviced custom commercial trucks.

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

(Chao v. Van-Kal Truck Equipment, Inc.)
Civil Action No. 1:04CV0233

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