

# News Release



U.S. Department of Labor  
Office of Public Affairs  
Chicago, Ill.  
Release Number 04-544-CHI

For Immediate Release  
Date: March 25, 2004  
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## **Labor Department Sues Defunct Cleveland Company's Trustee To Restore Employee Contributions to 401(k) Plan**

**CLEVELAND**--The U.S. Department of Labor sued the former trustee of the 401(k) plan of defunct White's Information Systems, Inc., of Cleveland, Ohio, for failing to forward to the account contributions withheld from employees' paychecks.

"Plan fiduciaries have a duty to protect the assets held in retirement plans that are promised to participants," said Joseph Menez, director of the department's Cincinnati Regional Office of the Employee Benefits Security Administration (EBSA), which investigated the case.

The suit, filed in federal district court in Cleveland, alleges that James A. White failed to forward partial contributions from two plan participants' accounts and all contributions from a third participant's account from May through July 2000, in violation of the Employee Retirement Income Security Act (ERISA). White was a plan trustee and former owner of the company. The suit also alleges that the defendant failed to remit employee contributions to the plan between November 1999 and July 2000 and did not maintain a fidelity bond for the plan.

The department is seeking a court order appointing an independent fiduciary to distribute retirement assets to participants and terminate the plan. The suit also asks the court to require White to restore all losses owed to the plan with interest, to correct all prohibited transactions and to permanently bar him from service to any plan governed by ERISA.

WISI was a management-information consulting firm that provided computer software services to federal and state agencies and private companies. The 401(k) plan had 20 participants and assets of \$212,907, according to the latest financial information available to the department.

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 Cincinnati Regional Office at (859) 578-4680 or through EBSA's 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. White)  
Civil Action No. 1:04CV0416

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