

FIRM HELPS CLIENT COPE WITH THEFT OF PLAN FUNDS BY EMPLOYEE

When a large, multinational corporation and sponsor of multiple qualified retirement plans discovered that an employee had been illegally “appropriating” plan assets, it turned to Hodgson Russ for help. The firm provided assistance and support in unraveling the techniques by which monies were illegally appropriated from the plan accounts of participants, assessing the many operational errors triggered by this appropriation, developing a strategy for restoring funds to the accounts of the affected participants, and correcting the operational errors so as to preserve the qualified status of the affected plans. We helped our client successfully implement the necessary corrections, develop procedures to prevent similar problems in the future, and communicate the corrections to the affected participants in a manner that helped preserve participant confidence in the security of their retirement plans. Our work also included analyzing fiduciary liability and prohibited transaction issues, assisting with reporting obligations, and advising on the potential liability of a third-party administrator.

Practices & Industries

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