

# News Release



U.S. Department of Labor  
Office of Public Affairs  
Kansas City, Mo.  
Release Number: 04-1610-KAN

For Immediate Release  
Date: Aug. 24, 2004  
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## **U.S. Labor Department Sues Owner of Now-Defunct Standard Hart Printing** *Topeka-based Company Owes Pension Plan Nearly \$15,000*

**TOPEKA, Kan.** — The U.S. Department of Labor has filed an adversary complaint to require the owner of the now-defunct Standard Hart Printing Inc. of Topeka, Kan., to pay \$14,794 owed to the company's SIMPLE IRA and health plans as restitution for employee contributions that weren't forwarded to the plans.

"The Labor Department acted so that the plan participants will receive the money still owed to them," said Steven R. Eischen, director of the Kansas City regional office of the department's Employee Benefits Security Administration (EBSA), which investigated the case. "Even when a plan fiduciary declares personal bankruptcy, we act to recoup as much money as possible for its plan participants."

The complaint, filed in the federal district court in Topeka, alleges that Richard Ashcraft violated his fiduciary duties under the Employee Retirement Income Security Act (ERISA) by allowing employee contributions owed to the retirement and health plans to be used for the benefit of Standard Hart Printing. From September 28, 2001 to the present, Ashcraft allegedly failed to forward \$14,794 in voluntary employee contributions to the plans. The suit also alleges that the defendant failed to segregate the employees' contributions from the company's general assets.

The department's adversary complaint seeks a determination from the court that the debt created by Ashcraft's failure to forward to the plan – the employee contributions plus lost earnings on those contributions – are non-dischargeable in the bankruptcy action.

Ashcraft became the sole owner of Standard Hart Printing in 1991 when he purchased the company. As of December 2002, the SIMPLE IRA plan held \$13,313 and had 20 participants. The health plan was fully insured with Blue Cross/Blue Shield and had seven participants.

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 applicable excise taxes. For more information about the VFCP see [www.dol.gov/ebsa](http://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. Employers and workers can reach EBSA's Kansas City regional office at 816-426-5131 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. Richard Ashcraft)  
Civil Action No. 04-07086

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