



**US Department of Labor
Employee Benefits Security Administration
November 2003**

EBSA Achieves Record \$1.4 Billion in Fiscal Year 2003 Results

Through its enforcement of the Employee Retirement Income Security Act (ERISA), the Employee Benefits Security Administration (EBSA) is responsible for ensuring the integrity of the private employee benefit plan system in the United States. EBSA's oversight authority extends to approximately 730,000 pension plans and another 6 million health and welfare plans. These plans cover approximately 150 million workers and their dependents and include assets of nearly \$4 trillion.

The financial impact of EBSA's activities is impressive. For the first time ever, total monetary results were more than \$1.4 billion in FY 2003 – an increase of nearly 60% over FY 2002.

Total Monetary Results	FY2002	FY2003	Change
Plan Assets Restored or Protected, Prohibited Transactions Corrected, Participant Benefits Recovered	\$881,107,261	\$1,397,606,776	58.62%
Monetary Results of Approved Voluntary Fiduciary Correction Program Applications	\$1,949,898	\$8,736,232	348.04%
Total Results	\$883,057,159	\$1,406,343,008	59.26%

Percentage of Civil Investigations Closed "With Results" Increased by 18%

In FY 2003, EBSA closed 4,253 civil investigations, with 2,939 (69.10%) resulting in monetary results for plans or other corrective action. Although the number of cases actually dropped because of improved targeting and more resource-intensive investigations, the proportion of investigations closed "with results" increased by 18% over FY 2002.

EBSA often pursues voluntary compliance as a means to correct violations and restore losses to employee benefit plans. However, in cases where voluntary compliance efforts have failed, or which involve issues for which voluntary compliance is not appropriate, EBSA forwards a recommendation to the Solicitor of Labor that litigation be instituted. In FY 2003, 291 cases were referred for litigation. Together, EBSA and the Solicitor of Labor determine which cases are appropriate for litigation, considering the ability to obtain meaningful relief through litigation, cost of litigation, viability of other enforcement options, and agency enforcement priorities. Nationwide in FY 2003, litigation was filed in 108 civil cases.¹

Civil Investigation Statistics	FY2002	FY2003	Change
Civil Investigations Closed	4,925	4,253	-13.64%
Civil Investigations Closed with Results	2,877	2,939	2.16%
% Civil Investigations Closed with Results	58.42%	69.10%	18.28%
Civil Cases Referred for Litigation	241	291	20.75%
Civil Cases With Litigation Filed	104	108	3.85%

¹ EBSA cases referred to the Solicitor's office for litigation are often resolved, with monetary payments, short of litigation.

EBSA Investigations Led to the Indictment of 137 Persons for Crimes Related to Employee Benefit Plans

EBSA has responsibility to enforce the criminal provisions under ERISA and criminal provisions under Title 18 of the United States Code that relate to employee benefit plans. EBSA conducts criminal investigations in consultation with the U.S. Attorneys office and, in many instances, jointly with other federal and state law enforcement agencies.

In FY 2003, EBSA closed 175 criminal investigations. EBSA's criminal investigations, as well as its participation in criminal investigations with other law enforcement agencies, led to the indictment of 137 individuals – including plan officials, corporate officers, and service providers – for offenses related to employee benefit plans. The agency also achieved a more than 16% increase in the number of criminal investigations closed with either a guilty plea or with a criminal conviction.

Criminal Investigation Statistics	FY2002	FY2003	Change
Criminal Investigations Closed	154	175	13.64%
Number of Individuals Indicted	134	137	2.24%
Criminal Investigations Closed with Guilty Pleas or Convictions	49	57	16.33%

Improved VFCP Yielded Tremendous Results For Compliance Assistance

EBSA's Voluntary Fiduciary Correction Program (VFCP) encourages self-correction of certain violations of ERISA. Improved in November of 2002, the VFCP allows plan officials who have identified certain violations of ERISA to take corrective action to remedy the breaches and voluntarily report the violations to EBSA, without becoming the subject of an enforcement action. The Program presents significant incentives for fiduciaries and others to correct certain ERISA violations.

In FY 2003, EBSA received 240 applications for the VFCP – a 336.36% increase over FY 2002. This enormous increase reflects the extent to which the regulated community has embraced the program since it was improved in 2002. In FY 2003, applicants restored more than \$8.7 million in assets to employee benefit plans through this program.

VFCP Statistics	FY2002	FY2003	Change
Program Applications Received	55	240	336.36%
Monetary Results of Approved Applications	\$1,949,898	\$8,736,232	348.04%

Nearly \$83 Million Restored to Workers Through Informal Participant Assistance

When a worker experiences a problem with an employee benefit plan, EBSA has proven effective in resolving requests for assistance. In FY 2003, EBSA handled over 173,000 inquiries and recovered nearly \$83 million in benefits on behalf of workers and their families through informal resolution of individual complaints. Many of these inquiries were received via EBSA's toll-free number: 1-866-444-EBSA (3272).

These inquiries are also a major source of enforcement leads. When EBSA becomes aware of repeated complaints with respect to a particular plan, employer, or service provider, or when there is information indicating a suspected fiduciary breach, the matter is referred for investigation. In FY 2003, 1,362 investigations were opened as a result of referrals from inquiries.

Inquiry Statistics	FY2002	FY2003	Change
Total Inquiries	184,851	173,598	-6.09%
Monetary Benefit Recoveries from Inquiries	\$48,684,859	\$82,906,277	70.29%
Investigations Opened from Inquiry Referrals	1,347	1,362	1.11%

Expanded Outreach Effort Demonstrated by 29% Increase in Events

EBSA also conducts education and outreach events for workers, employers, plan officials and members of Congress. These nationwide activities include assisting dislocated workers who are facing job loss, educating employers of their obligations under ERISA, using a train-the-trainer format to inform Congressional staff of EBSA programs for their use in constituent services, and providing employees with information concerning their rights under the law. In FY 2003, EBSA conducted 2,079 outreach events – an increase of more than 29% over FY 2002.

Outreach, Education and Assistance Statistics	FY2002	FY2003	Change
Dislocated Worker Rapid Response Sessions	858	695	-18.99%
Congressional Briefings	78	215	175.64%
Compliance Assistance Activities	257	458	78.21%
Other Participant Assistance/Public Awareness	417	711	70.50%
Total Outreach Events	1,610	2,079	29.13%