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HARRISONBURG CONTRACTOR PLEADS GUILTY TO EMBEZZLEMENT CHARGE

Ricky G. Fann Sr. Faces Possible Prison Term

HARRISONBURG, VIRGINIA -- A local contractor, who co-owned R&B Drywall, pleaded guilty this morning in the United States District Court for the Western District of Virginia in Harrisonburg to charges related to violations of the Employee Retirement Income Security Act of 1974.

Ricky G. Fann Sr., age 62, of Harrisonburg, Va., waived his right to be indicted and pleaded guilty this morning to a one count Information charging him with embezzlement. The maximum penalty faced by the defendant is five years in federal prison and/or a fine of up to \$250,000.

Fann, a co-owner of R&B Drywall, had exclusive control over the company's financial operations. In 1999, the company offered employees a Simple IRA employee welfare benefit which required R&B to match employee contributions up to 3 percent. As the plan fiduciary, it was Fann's duty to take the contributions from the company's CPA and forward them to American Funds for investment.

Today in District Court, Fann admitted that from 2005 through 2008 instead of forwarding the monies from the CPA to American Funds, he converted the money for his own use. In all, Fann embezzled approximately \$25,839 of his employee's money.

The investigation of the case was conducted by the Department of Labor, Office of the Inspector General and Employee Benefits Security Administration. Assistant United States Attorney Thomas Cullen is prosecuting the case for the United States.

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