

News

Kaleda Comments on DOL Audits of Retirement Plan Advisers

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Principal David Kaleda was quoted in the PLANADVISER article, “PANC 2018: DOL Audits of Retirement Plan Advisers,” where he commented on the recent trends in Department of Labor (DOL) audits and its focus on investment advisers and compensation disclosures, including joint enforcement efforts with the Securities and Exchange Commission (SEC) which he previously addressed in the article, “[Employee Benefit Security Administration Enforcement Activity](#).”

“DOL has become very focused on investment advisers,” said Kaleda, speaking on the “DOL Audits of Retirement Plan Advisers” panel at the 2018 PLANADVISER National Conference. “The Employee Benefits Security Administration [EBSA] manual says they will target the adviser and provider communities.”

DOL has focused on compensation disclosures provided by advisers and other providers to plans, Kaleda added and then noted how Groom is currently helping clients handle more than 30 DOL investigations with more than half of those involving advisers and other service providers. He noted that in 1996 the number involving providers likely would have been less than five because the DOL’s focus was on plan sponsors.

Kaleda goes on to explain how that dealing with a DOL investigation is different from dealing with the SEC and commented on how advisers might approach a DOL investigation. He also noted that one of the key areas of focus will be how an adviser is compensated and whether all of the services provided by an adviser or other provider may be paid from plan assets.