

# Voya Escapes FINRA Fine for Self-Reporting Mutual Fund Share Overcharges

<https://thediwire.com/voya-escapes-finra-fine-self-reporting-mutual-fund-share-overcharges/>

April 26, 2019



Voya Financial Partners dodged a possibly hefty fine after self-reporting to FINRA that it had sold higher sales load mutual fund shares to 143 retirement plan and charitable organization customers that were eligible to purchase no-load shares. Voya estimated that it overcharged the accounts by approximately \$104,044 for mutual fund purchases made since January 1, 2009.

Back in 2015, FINRA ordered Voya to pay a \$325,000 fine, along with restitution of \$41,853, for failing to apply



sales-charge discounts for transactions that included non-traded REITs and business-development companies.

In November 2015, Voya initiated a review and found that it had sold certain retirement plan and charitable organization customers Class A, Class B and Class C mutual fund shares with front- and back-end sales loads and higher ongoing fees and expenses, instead of Class A shares that did not have the front-end sales charge.

FINRA requested Voya review the applicable sales in a five-year “look-back” to January 1, 2011, which Voya voluntarily expanded an additional two years.

FINRA recognized Voya’s “extraordinary cooperation for having initiated, prior to detection or intervention by a regulator, an investigation to identify whether customers received sales charge waivers” to which they were entitled.

According to the letter of acceptance, waiver, and consent, Voya agreed to pay restitution and interest of \$125,982, of which approximately \$56,065 resulted from its voluntary expanded look-back period. The firm also agreed to ensure that retirement and charitable waivers are appropriately applied to all future transactions.

FINRA further praised Voya for “promptly establishing a plan of remediation for eligible customers who did not receive appropriate sales charge waivers; promptly self-reporting to FINRA; promptly taking action and remedial steps to correct the violative conduct; and employing subsequent corrective measures...to revise its procedures to avoid recurrence of the misconduct.”

Voya has approximately 2,312 registered representatives and 1,210 branch offices across the country.

[Click here to visit The DI Wire directory page.](#)