



*United States Attorney
Southern District of New York*

FOR IMMEDIATE RELEASE

March 11, 2009

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**FORMER CORPORATE BENEFITS MANAGER OF HITACHI AMERICA
PLEADS GUILTY TO DEFRAUDING HEALTH CARE
PLAN OF MORE THAN SIX MILLION DOLLARS**

LEV L. DASSIN, the Acting United States Attorney for the Southern District of New York, announced today that DENNIS M. DOWD, formerly the senior manager of human resources of Hitachi America Ltd. ("Hitachi America"), a New York- and California-based corporation, pleaded guilty before United States Magistrate Judge ANDREW J. PECK to charges arising out of a scheme to defraud the Hitachi America Ltd. Group Health and Welfare Plan (the "Plan") of approximately \$6.1 million.

According to the Complaint, the Information, and statements made in court in connection with DOWD's guilty plea:

Hitachi America is a subsidiary of Hitachi Ltd., a Japanese corporation, and manufactures and markets electronic equipment, computer systems, and consumer electronics, among other products, as well as providing industrial equipment and services throughout North America. Hitachi America maintained the Plan to provide health benefits to eligible employees of Hitachi America and certain of its corporate affiliates.

DOWD was hired by Hitachi America in 1979 and was a senior manager of corporate benefits for Hitachi America until March of 2008. He was responsible for managing various aspects of Hitachi America's employee benefits programs, including the Plan.

In January 1997, DOWD opened a bank account in the name "Hitachi Group Insurance Health and Welfare Trust", an account whose creation was not authorized by Hitachi America. Between 2000 and early 2008, DOWD deposited approximately \$8 million into that account, approximately \$4.9 million of which were payments from an excess insurer (which covered beneficiary payments that exceeded certain dollar limits) to the Plan. Checks totaling an

additional approximately \$2.9 million from, among other entities, insurance companies and health care providers that were made payable to the Plan or to Hitachi America or a corporate affiliate, were also deposited into the account.

DOWD used the account to pay for personal and family expenses, including, among other things: at least \$1 million in payments to credit cards held in DOWD's name that were used to purchase, among other things, consumer goods; at least \$2 million in checks made payable to DOWD using various spellings of DOWD's name; approximately \$42,000 for a Lexus automobile registered to DOWD; and approximately \$625,000 to purchase a house in Vero Beach, Florida. Of the approximately \$8 million dollars deposited into the account, it appears that DOWD remitted a total of only approximately \$1.9 million back to Hitachi.

DOWD, 52, of Yorktown Heights, New York, pleaded guilty to one count of health care fraud and one count of money laundering. DOWD faces a total maximum sentence of 20 years in prison. He also agreed to the forfeiture of \$6,100,000 in United States currency, several bank accounts, a Lexus automobile, and real property located in Point Lookout, New York, and Vero Beach, Florida. He is scheduled to be sentenced before United States District Judge COLLEEN McMAHON on June 11, 2009.

Mr. DASSIN praised the work of the United States Department of Labor Office of Inspector General, New York Office of the United States Department of Labor Employee Benefits Security Administration, and the Internal Revenue Service Criminal Investigations.

This case is being prosecuted by the Office's Major Crimes Unit. Assistant United States Attorneys JOSEPH P. FACCI PONTI and ANNA E. ARREOLA are in charge of the prosecution.

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