



*United States Attorney
Southern District of New York*

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CONTACT: U.S. ATTORNEY'S OFFICE
YUSILL SCRIBNER,
REBEKAH CARMICHAEL,
JANICE OH
PUBLIC INFORMATION OFFICE
(212) 637-2600

FORMER CORPORATE BENEFITS MANAGER OF HITACHI AMERICA
SENTENCED IN MANHATTAN FEDERAL COURT TO 57 MONTHS IN
PRISON FOR DEFRAUDING HEALTH CARE PLAN
OF MORE THAN \$6 MILLION DOLLARS

PREET BHARARA, the United States Attorney for the Southern District of New York, announced that DENNIS M. DOWD, formerly the senior manager of human resources of Hitachi America Ltd. ("Hitachi America"), was sentenced today in Manhattan federal court to 57 months in prison for defrauding the Hitachi America Group Health and Welfare Plan (the "Plan") of more than \$6 million. The sentence was imposed by United States District Judge COLLEEN McMAHON. DOWD pleaded guilty on March 11, 2009, to one count of health care fraud and one count of money laundering.

According to the Complaint, the Information and other court documents filed in this case, as well as statements made in court in connection with DOWD's plea and sentencing:

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, 53, of Yorktown Heights, New York, 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," without Hitachi America's authorization. Between 2000 and early 2008, DOWD deposited almost \$8 million into that account in checks

from, among other entities, insurance companies and health care providers. These checks were made payable to the Plan or to Hitachi America or a corporate affiliate.

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; approximately \$42,000 for a Lexus automobile registered to DOWD; and approximately \$625,000 to purchase a house in Vero Beach, Florida. Between 2000 and 2008, DOWD remitted a total of only approximately \$1.5 million back to Hitachi America.

In addition to the prison term, Judge McMAHON sentenced DOWD to three years of supervised release, and ordered DOWD to pay restitution to Hitachi America in the amount of \$7,497,906.

Mr. BHARARA 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's Criminal Investigation Division.

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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