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**FORMER HEAD OF HUMAN RESOURCES FOR MAJOR ELECTRONIC
MANUFACTURER ARRESTED FOR DEFRAUDING HEALTH CARE
PLAN OF CLOSE TO \$8 MILLION**

MICHAEL J. GARCIA, United States Attorney for the Southern District of New York; DANIEL R. PETROLE, Deputy Inspector General for the United States Department of Labor, Office of Inspector General ("DOL-OIG"); JONATHAN KAY, Regional Director for the New York Regional Office of the United States Department of Labor, Employee Benefits Security Administration ("DOL-EBSA"); and PATRICIA J. HAYNES, Special Agent in Charge for the New York Field Office of the Internal Revenue Service, Criminal Investigations ("IRS"), announced today the arrest of DENNIS M. DOWD, formerly the senior manager of human resources of Hitachi America Ltd. ("Hitachi America"), a New York and California based corporation, in connection with a scheme to defraud the Hitachi America Ltd. Group Health and Welfare Plan (the "Plan") of approximately \$8 million. According to the Complaint unsealed today in Manhattan federal court:

Hitachi America is a subsidiary of Hitachi Ltd., a Japanese corporation, and it markets and manufactures electronic equipment, computer systems, and consumer electronics, among other products, and provides 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, who was hired by Hitachi America in 1979, was a senior manager of corporate benefits for Hitachi America until March of this year. 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 for insurance claims belonging 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 to a corporate affiliate thereof), were also deposited into the account.

DOWD diverted the funds in the bank account he created to pay for personal expenses related to himself and his family, 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 paid for a Lexus automobile registered to DOWD; and approximately \$625,000 paid to purchase a house in Vero Beach, Florida.

DOWD is charged with one count of embezzlement in connection with health care, one count of health care fraud, and one count of money laundering. DOWD faces a total maximum sentence of 30 years' imprisonment if convicted.

DOWD, 52, of Yorktown Heights, New York, was arrested this morning and will be presented later today in Manhattan federal court before United States Magistrate Judge KEVIN NATHANIEL FOX.

Mr. GARCIA praised the work of the DOL-OIG, DOL-EBSA, and the IRS. Mr. GARCIA said the investigation is continuing.

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.

The charges contained in the Complaint are merely accusations and the defendant is presumed innocent unless and until proven guilty.

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