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June 9, 2006

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**FOUNDERS OF SAI PLUS HEALTH PLAN SENTENCED FOR DEFRAUDING
SCHOOL DISTRICTS AND OTHER BUSINESSES**

Diverted Over \$500,000 in Plan Assets

Greenbelt, Maryland – Dr. Maruthi S. Manney, age 48, of Montgomery Village, Maryland was sentenced today to three years in prison, followed by three years of supervised release and his wife, Lakshmi Manney, age 46, was sentenced to 21 months in prison, followed by three years of supervised release after being convicted of mail fraud stemming from their operation of SAI Plus, a health benefit plan they co-founded, announced United States Attorney for the District of Maryland Rod J. Rosenstein. Dr. Manney was also convicted of one count of wire fraud. U.S. District Judge Deborah K. Chasanow also ordered the Manneys to pay restitution of \$615,932.71.

“Maruthi Manney and Lakshmi Manney took premium payments from school districts and other businesses for health insurance that they never intended to provide,” said United States Attorney Rod J. Rosenstein. “When the victims submitted claims for medical care, the Manneys just did not pay.”

"One of the Department of Labor's highest priorities is to protect the benefits of workers and their families," said Ann L. Combs, Assistant Secretary of Labor for Employee Benefits Security. "These defendants robbed workers of their health benefits, thereby leaving them without health coverage at a time when they needed it most. Today's criminal action demonstrates the government's commitment to use its collective enforcement authority to protect the benefits of workers from abuse."

Acting Special Agent in Charge Frank E. Goetz, of the Baltimore Office of the Federal Bureau of Investigation stated, "We are privileged to be part of an investigation that ended the criminal exploitation of innocent, hardworking individuals."

According to evidence presented during the three week trial, Dr. Manney and Lakshmi Manney executed a scheme to defraud several employer groups in Texas who sought health insurance for their employees. The employer groups included several school districts and businesses in East Texas. The defendants made numerous misrepresentations regarding the

health benefit plan: Dr. Manney falsely told the various employer groups that SAI Plus was a licensed third party administrator in Texas; that the plan would process and pay claims within 30 to 60 days; and that SAI Plus would obtain excess loss coverage for each group, and maintain a separate trust account for each groups' health care contributions.

Lakshmi Manney was in charge of the claims department. The evidence also showed that SAI Plus routinely processed the claims and printed the checks, but kept the printed checks in a file cabinet and later in a locked office. Law enforcement officers executed a search warrant at SAI Plus' office in Rockville, Maryland and seized in excess of 4,902 printed checks. The evidence showed that Dr. Manney used \$500,000 of plan assets to invest in another venture, \$12,000 for a holiday party and approximately \$7,600 to purchase club level seats to the Washington Redskins.

United States Attorney Rod J. Rosenstein praised the Federal Bureau of Investigation, the U.S. Department of Labor - Employee Benefits Security Administration and the U.S. Postal Inspection Service for their investigative work. Mr. Rosenstein commended Assistant U. S. Attorneys Bryan E. Foreman and Gina L. Simms, who prosecuted the case.