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FOR IMMEDIATE RELEASE:

**INDIANAPOLIS MEN SENTENCED FOR
\$400,000 EMBEZZLEMENT FROM HEALTH CARE BENEFIT
PROGRAM**

PRESS RELEASE

Susan W. Brooks, United States Attorney for the Southern District of Indiana, announced that PAUL SCALI, 64, Indianapolis, Indiana, was sentenced to 37 months imprisonment, and RUSSELL ROTH, Indianapolis, Indiana, was sentenced to 30 months imprisonment today by Chief U.S. District Judge Larry J. McKinney following their guilty pleas to conspiracy to embezzle from a health care benefit program. This case was the result of an investigation by the United States Department of Labor.

The Indiana Construction Industry Trust was a Multiple Employer Welfare Arrangement in which relatively small businesses in the construction trades were able to pool resources to buy health insurance for their employees. PAUL SCALI was the chairman of the

board of trustees overseeing the health care benefit plan, and, starting around 1999, he also oversaw the administration of the plan itself. RUSSELL ROTH was a vice president of the trust's insurance company and responsible for operations. Around February, 2001, SCALI and ROTH began embezzling money directly from the trust's operating accounts. SCALI wrote checks directly out of operating accounts to himself, ROTH and others at the trust. SCALI and ROTH also arranged for a charter airplane at the trust's expense to take them and others on personal trips. They did this without disclosing any of the payments to the board of trustees. At the end of 2001, as the trust was moving deeply into debt, SCALI and ROTH arranged to lease "precious stones" purportedly worth \$2.9 million, for a lease payment of about \$40,000, which they listed on the trust's balance sheet as an asset with no corresponding liability. The total amount of cash and benefits that were embezzled from the trust was \$441,250.

According to Assistant United States Attorney Winfield D. Ong, who prosecuted the case for the government, Chief Judge McKinney also imposed 2 years supervised release each for SCALI and ROTH following their release from imprisonment. SCALI and ROTH were each ordered to make restitution in the amount of \$441,250.

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