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

Over 4,902 Benefit Checks Printed But Never Delivered

Greenbelt, Maryland – United States Attorney for the District of Maryland Rod J. Rosenstein announces that today Dr. Maruthi S. Manney, age 47, of Montgomery Village, Maryland and his wife, Lakshmi Manney, age 45, were convicted after a three-week trial of various counts of wire and mail fraud stemming from their operation of a health benefit plan they co-founded known as SAI Plus. Dr. Manney was convicted of one count of wire fraud and 8 counts of mail fraud. Lakshmi Manney was convicted of 8 counts of mail fraud.

“The victims paid for health insurance coverage that Maruthi Manney and Lakshmi Manney never intended to provide,” said United States Attorney Rod J. Rosenstein. “They took health insurance premium payments from school districts and other businesses, but when it came time to pay for medical care for their customers, they just did not pay.”

According to evidence presented at 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.

Both defendants face a maximum penalty of 5 years imprisonment for each count of mail fraud and a \$250,000 fine. Dr. Manney also faces a maximum penalty of 5 years for the wire fraud count. Sentencing for both defendants is scheduled for January 30, 2006.

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 are prosecuting the case.