



NEWS RELEASE

3rd August 2010

IFB Concludes Joint Police Operation Targeting Organised Household Insurance Fraudsters

A joint operation between the Insurance Fraud Bureau (IFB) and Lancashire Constabulary, code named 'Flash', today concluded at Preston Crown Court. Following an extremely complex two year investigation 2 local men were sentenced today to a total of thirty month's imprisonment for defrauding insurance companies and 2 additional local men received 9 month's suspended sentences for the same offence.

The operation involved individuals allegedly submitting false household, pet and motor claims. As a part of the investigations, property believed to have been fraudulently obtained was retained by the Police.

Bureau member, Fortis Insurance, approached the IFB in 2007 with suspicions around a number of claims. Following investigation, the IFB identified a significant number of further claims that fell across multiple member insurers and across a number of product lines. The Bureau contacted detectives at Lancashire Police with in excess of 100 potentially suspect claims. Individually these claims were designed to appear independent, but upon investigation, the insurance industry discovered they were in fact linked in a number of ways including common bank details, false supplier names, similar wording on invoices supplied to the insurers and details around the loss. The scam required the gang to report false incidents not only to insurers but in some instances also to the police.

Detective Inspector Groombridge, Nelson CID stated: "Dishonest claimants cost the decent law abiding public dearly and nowhere is this more evident than in the Nelson area. Every resident, motorist and trader potentially pays increased premiums to compensate for the greed of these criminals who flaunt the trappings of wealth but have no discernable honest source of income. I am particularly encouraged by the working relationship that has developed through this case with the Insurance Fraud Bureau, this has been a great success and I look forward to this dual investigative role being effective in the future".



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Richard Davies, Board Member, Insurance Fraud Bureau says: "The members of the IFB are determined to protect honest policy holders and this is a clear example of the power of collaboration. We are delighted with the results of this operation which sees organised fraudsters across multiple insurance products on our radar. There is growing evidence to show that the proceeds from this type of fraud are used to fund other forms of serious crime including drugs trafficking and gun running.

I would urge anyone with information on insurance fraud to call or click the IFB's free and confidential Cheattline - on 0800 328 2550 or <http://www.insurancefraudbureau.org/report/>."

Rob Smale, Claims and Operations Director at Fortis Insurance adds: "We are grateful to both Lancashire Police and the IFB for their efforts in bringing this case to justice. Fortis is proud to be a supporter of the Insurance Fraud Bureau, which is a key part of our anti fraud strategy. We are committed to reducing the impact of insurance fraud on our customers, and will continue to work collaboratively with the Insurance Fraud Bureau in the future."

The IFB is seeing a growing appetite across regional Police Forces to work with the Bureau to pursue the fraudsters targeting the insurance industry. Figures estimate that the value of undetected insurance fraud is £1.9bn and on average adds £44 to every honest policy holders' premium per annum.

ENDS

Details of those convicted:

- Nadeem Dad of Barkerhouse Road in Nelson was sentenced to 15 months (25 days already served)
- Amer Dad of Barkerhouse Road in Nelson was sentenced to 15 months (25 days already served)
- Munsiff Dad of Barkerhouse Road in Nelson was sentenced to 9 months, suspended for 2 years
- Recordus Oleskevicius of Fletcher Street in Nelson was sentenced to 9 months, suspended for two years and 240 hours unpaid work



Notes to Editors:

The Insurance Fraud Bureau (IFB)

The Insurance Fraud Bureau (IFB) launched on July 26th 2006 and has been formed to provide a cost effective, tactical solution for the detection and prevention of organised, cross industry fraud, supporting the wider Association of British Insurers industry fraud strategy. The IFB leads or co-ordinates the industry response to the identification of criminal fraud networks and works closely with the Police and law enforcement agencies.

www.insurancefraudbureau.org

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