



BEDFORDSHIRE POLICE

fighting crime, protecting the public

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Operation Exhort – Five Year Insurance Fraud Investigation Concludes

A five year investigation by Bedfordshire Police into a major insurance fraud by an organised criminal enterprise based in Luton has finally concluded with three of the last four defendants being found Guilty at Luton Crown Court today.

Kamsan Mahmood, 42 of Long Meadow Farm, Chalton, Istafa Hussain, 35, of Lincoln Road, Luton and Peter Charlery, 45, of Long Meadow Farm, Chalton, were all found guilty of conspiracy to defraud. Irtiza Fazal, 40, of Lincoln Road was found not guilty by the jury following a seven week- long trial.

The three convicted men have all been remanded in custody and will be sentenced on April 27 at Luton Crown Court.

The investigation, codenamed Operation Exhort, resulted in a total of 39 defendants who appeared at Crown Court at separate hearings over a period of three years and represents one of the largest fraud rings the industry has ever seen. The earlier court proceedings could not be published for legal reasons until now.

The entire investigation resulted in 33 defendants pleading guilty to a variety of offences in connection with the £5.3 million insurance fraud. The remaining eight pleaded not guilty at two separate trials – seven have been convicted and one acquitted. A further eight people were cautioned for their involvement in the crime.

The impact of the investigation by Bedfordshire Police and industry partner, the Insurance Fraud Bureau, has been huge and uncovered a web of deceit involving people from a number of professions from the legal, medical and motor trade.

“In 2006 Luton was a known hotspot for offences, also known as ‘cash for crash’, but in 2011 that is no longer the case,” said Andrew Richer, Senior Investigating Officer and Assistant Chief Constable of Bedfordshire Police.

Speaking after today’s verdicts he added; “The case had grown considerably in size and complexity since the initial lines of investigation were pursued in May 2006. This was a calculated and systematic fraud perpetrated on numerous victims. In some cases collisions



were engineered to involve unsuspecting motorists and in other cases claims were made about accidents which were entirely fictitious. This kind of fraud substantially inflates insurance premiums for every honest driver in the country. I am pleased that working with our industry partner, the Insurance Fraud Bureau (IFB), we have been able to bring offenders to justice and confiscate substantial assets and money which were the proceeds of crime.”

Glen Marr, Director, IFB added: “Today once again demonstrates the effectiveness of the insurance industry and Police working collaboratively to disrupt fraudsters and, protect innocent motorists and genuine policyholders. Additionally, it reinforces the intolerance of the insurance industry towards fraud.”

"On behalf of the industry, we would like to acknowledge and thank Bedfordshire Police for their sterling work on this operation. Furthermore, the support and efforts of employees within individual insurers and their representatives should be recognised, without which the end result would not have been possible. It was very much a successful team effort that contributed to today's result.

“Undetected general insurance claims fraud is estimated to cost the industry £1.9bn a year and that adds on average £44 to every policyholder’s annual insurance premium.

"We will continue to find, pursue and expose criminals involved in organised insurance fraud. The message is loud and clear - seek to defraud an insurer and you risk serious repercussions, to include prosecution and seizure of assets.

"We'd also like to take this opportunity to encourage anyone who is concerned that they may have been the victim of an insurance fraud, or with information concerning any type of insurance fraud, to call our free and confidential fraud Cheatline on 0800 328 2550 or report online at www.insurancefraudbureau.org/report".

Ends

- Note To Editors:

Bedfordshire Police will comment further / release photos of the recently convicted defendants and any other relevant material when they are sentenced on April 27th.

During the investigation Bedfordshire Police worked with the Insurance Fraud Bureau. The IFB was launched in July 2006, to clamp down on organised, cross-industry insurance fraud in order to protect honest policyholders. Criminal gangs organising complex scams are earning up to £4 million a week from organised insurance fraud and frequently use the proceeds to fund other forms of criminality.

Via the IFB, the insurance industry is working collaboratively to detect and expose these criminal gangs; 97% of the UK’s personal lines insurers are participants in the IFB service. The Bureau analyses the details of insurance policies and claims records of all insurer members to identify suspicious activity. It then leads or co-ordinates investigations with the effected insurers and police to expose fraudsters and bring them to justice, recovering fraudulent monies paid out and seeking criminal prosecution.

The IFB runs a free and confidential Cheatline for anyone with information on insurance fraud or who fears they may have been a victim of a staged accident. Please call our free confidential **Cheatline on 0800 328 2550** or for further information visit www.insurancefraudbureau.org.

For further media enquiries about the IFB please contact Nicky Godfrey at Peak Marketing and Communication Services Ltd on 020 8661 2444 or email nicky.godfrey@peak-marketing.co.uk or more information log on to www.peak-marketing.co.uk