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Fraud news briefing

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1. 20.1.10 – SOHPISTICATED SCAMS FUEL CARD FRAUD SURGE

The Daily Express reported that card fraud has claimed an extra 3 million victims after soaring by more than 6% in the past two years, according to the annual Card Fraud Index from analyst CPP. It was found that more than 25% of adults now claim to have been affected. The average personal loss is more than £500, with one victim in six reporting losses of more than £1000. Online fraud remains a huge problem affecting a third of victims.

2. 22.1.10 – FRAUD COSTS EVERY ADULT IN BRITAIN £621

The Daily Telegraph reported official estimates from the National Fraud Authority showing that fraud costs the economy more than £30 billion a year, or £621 for every adult in the country. The National Fraud Authority, the agency in charge of fighting fraud, calculated the figure by taking account of previously unpublished loss figures. Nearly £18 billion of fraud losses were incurred in the public sector with more than £9 billion lost in the private sector.

3. 22.1.10 – JAILED, THE £80,000 BENEFIT CHEAT WHO WAS LIVING IN PARIS

The Daily Express reported that a devious fraudster ripped off British taxpayers to the tune of £80,000 while living in luxury in Paris. Devi Luckhee claimed multiple benefits from four addresses in the UK as she crisscrossed the channel on Eurostar. The mother of three kept up the scam for six years and raked in up to £500 a month from the French as well. Luckhee, 33, was jailed for 15 months after pleading guilty to charges of deception and dishonesty.

4. 23.1.10 – ID THIEF, WHOSE TARGETS INCLUDED BERNANKE, GETS 16 YEARS

The Sunday Times reported that Europe's aid to Romania has been placed in the hands of a minister who poses for glossy magazines in her underwear and was embroiled in corruption allegations. Elena Udrea, 36, has been appointed cabinet minister responsible for regional development. She will control a 3.7 billion Euro budget for the development of Romania's housing, infrastructure and tourism.

5. 23.1.10 – THE BOSS WHO STOLE £5 MILLION FROM A UNIVERSITY

The Daily Express reported that a Managing Director with a 'pathological' gambling habit was jailed for six years yesterday after stealing almost £5 million from a university-owned business. Paul Sadler was brought to justice when suspicions were raised as he holidayed in Bermuda with his mistress Christine Eggleton. He was paid around £270,000 a year to run Birmingham Research and Development Ltd, a subsidiary of the University of Birmingham. But he teamed up with Eggleton, his

principal book-keeper, to lead a double life and perpetrate massive fraud. Eggleton admitted stealing £2,085,539 and was jailed for two years; Sadler acknowledged that he had taken £4,999,516 over a period of more than a decade.

6. 24.1.10 – ‘FORGERY AND FRAUD’ IN RUGBY TAKEOVER

The Sunday Telegraph reported that a ferocious legal battle has engulfed one of Britain’s most famous rugby clubs, where allegations of fraud and forgery are being levelled at a businessman claiming to be funded by the Saudi royal family. Documents lodged in a high court case accuse Neil Hollinshead, 31, of deceit in his successful attempt to take control of London Welsh. The former owners of London Welsh gave Mr Hollinshead’s holding company, Red Dragon Rugby Ltd £350,000 to wipe out the club’s old debts. Although some of this has gone to pay players and debts, the court documents allege that £156,000 was paid by Red Dragon into Mr Hollinshead’s private account..

7. 27.1.10 – ICELANDIC TYCOONS AT CENTRE OF SFO RAIDS

The Guardian reported that the Serious Fraud Office (SFO) and counterparts from Iceland have carried out a series of raids on the offices of companies linked to Icelandic tycoons Lydur and Agust Gudmundsson, including the Lincolnshire headquarters of Bakkavor, one of Britain’s largest chilled food suppliers. The raids are understood to be focussed on activities at Exista, Bakkavor’s holding company. Among the actions under scrutiny is the sale of a major stake in Bakkavor by Exista to the Gudmundsson brothers shortly after the banking meltdown.

8. 28.1.10 – FRAUD AND PERSONAL INJURY CLAIMS DRIVE SHARP INCREASE IN THE COST OF INSURANCE

The Times reported that a sharp increase in fraudulent insurance claims is helping to fuel a record rise in the cost of motor cover, according to the AA, the roadside recovery group. A marked rise in the number of insurance claims, often involving soaring settlement costs, has also driven up premiums for household insurance as providers struggle to stay profitable, the AA said. In its latest British Insurance Premium Index, the AA said that premiums for car insurance had risen by 7 percent during the fourth quarter, the fastest rise since it began to compile records in 1994. The average annual premium for comprehensive car cover rose by 18 percent over the year to just over £1,000, the AA said. The average quoted premium for combined building and contents insurance rose by 8 percent in the fourth quarter and was up by 10.8 percent over the year.

9. 28.1.10 – 10 BENEFIT CLAIMANTS SHARE IN £1 MILLION BLUNDER

The Guardian reported that ten benefit claimants were overpaid an average £100,000 each by the Department for Work and Pensions (DWP) last year before the mistakes were realised and they were asked to return the cash. The highest single overpayment was for £136,567. Total overpayments because of fraud and error cost the DWP £2.6 billion last year. The ten largest debts owed to the DWP totalled £1,046,514.10, the figures, obtained in a parliamentary question, show.

10. 4.2.10 – TERROR POLICE CHARGED WITH £100,000 FRAUD

The Times reported that three detectives have appeared at Westminster Magistrates Court, accused of fraudulently claiming £100,000 while investigating the 7/7 London bombings. DS Nevill Caldecourt, 50, DS Peter Allbut, 45, and DDC Daren Pooley, 40, all based at Scotland Yard, were charged with conspiracy to defraud and misconduct in a public office. The charges relate to an alleged plot to overcharge the Metropolitan Police for flats rented in Leeds. A full trial will take place at Southwark Crown Court.

11. 4.2.10 – £2.3 MILLION RULING IN ORCHESTRA FRAUD CASE

The Times reported that the London Philharmonic Orchestra has won a High Court judgement for £2.3 million against a financial director who allegedly embezzled its funds. Mr Justice Field yesterday entered judgement against Cameron Poole, 35, for a total of £2,351,155. His assets had been frozen in November by a court order, extended after the hearing was told there was a risk that he would flee to his home country of Australia or use his financial expertise to frustrate the LPO's efforts to recover its money.

12. 5.2.10 – CUSTOMS TARGET TRADERS WHO CHEAT RECYCLERS

The South China Morning Post reported that Hong Kong customs officers will target unscrupulous traders who use rigged scales to cheat waste recyclers after the number of complaints rose last year. Some 179 enforcement actions were taken last year against traders who used rigged scales, up 70 percent from 2008, the third consecutive year that recorded an increase. A total of 149 people were convicted, 45 of whom worked for waste recyclers and 44 seafood traders.

13. 5.2.10 – KEN LEWIS CHARGED WITH FRAUD OVER MERRILL LYNCH DEAL

The Independent reported that Ken Lewis, the retired boss of Bank of America (BofA), and the company's former finance chief Joe Price, have been charged with fraud over their handling of the acquisition of Merrill Lynch during the financial panic of 2008. The New York Attorney-General, Andrew Cuomo, launched a civil lawsuit against the two men and Bank of America itself, saying that the defendants misled shareholders and the federal government over the acquisition. The acquisition of Merrill Lynch, on the same weekend that Lehman Brothers failed, secured Mr Lewis's long-held ambition to turn BofA into a major force in investment banking, but it also cost him his job. He was forced to retire early amid shareholder anger that losses at Merrill Lynch forced the bank to turn to the federal government for \$45 billion in bailout money.

14. 6.2.10 - LAWYER JAILED FOR £6.7 MILLION FRAUD SUES BOSSES FOR £12 MILLION

The Daily Mail reported that a glamorous city lawyer has been jailed for swindling £6.7 million from one of the world's richest banks but Kate Johns is still suing the firm for £12 million. Johns was sentenced to five years in prison for tricking her employers at Japanese bank Tokyo-Mitsubishi into falsely approving huge sums of credit for a friend's struggling airline. For her role, the 39-year old received kickbacks worth £1.95 million which she used to fund a lavish lifestyle and to pay off the £1.1 million mortgage on her Georgian townhouse in Camden, North London. Yet, despite her fraud, the mother-of-one wants £12 million compensation, claiming that she was a victim of bullying and sexual discrimination while working as the bank's £150,000-a-year deputy head of legal services – and lawyers believe she could be successful, as the criminal trial will have no bearing on the tribunal.