

NPPM

HT 26/4

21 November 1984

MR REDWOOD

FRAUD

I saw Ian Hay Davison at Lloyd's yesterday to ask him how the various cases in hand were proceeding. He said that the Lloyd's disciplinary procedures would be applied to Brooks and Dooley on 12 December 1984; Wigham Poland/Posgate on 14 January 1985; and thereafter would operate monthly to consider the "gang of four" (Grob etc), Wallrock of Minets and the PCW syndication.

Fraud investigations were in progress on PCW, the gang of four and the Multiguarantee case. In the first two, the Lloyd's disciplinary procedures were likely to precede any prosecution. So far as Multiguarantee was concerned, forgery was involved and the matter was in police hands. The operation, which was now in liquidation, involved the issue of a large number of extended warranties on goods which were falsely said to be insured with Lloyd's.

It seems to me likely that as news of disciplinary action by Lloyd's emerges at monthly intervals, together with the plans on City regulation, these frauds will get greater coverage. It is bound to be asked whether the DPP is doing

anything, and it would be desirable that at least one case should be seen to be progressing. Ian Davison thought Multiguarantee was the one more meriting early action.

D.H.

DAVID HOBSON