

# Lloyd's interests 'a vipers' nest'

By Anthony Bevin

Political Correspondent

Mr Brian Sedgemore yesterday alleged a series of high-level scandals in and around the Lloyd's insurance market to back his demand for "a clean-out at the top".

He told the Commons that fraud had continued beyond the Lloyd's Act 1982; that there was need for "a rigorous inquiry" into the activities of Sir Peter Green, a former chairman; that Mr Leslie Dew, a former vice-chairman, had had "a number of commissions" paid into a Swiss bank account; and that he had discovered a "vipers' nest" of Lloyd's interests in the Royal Courts of Justice.

Mr Sedgemore also alleged that Mr Abdul Shamji, the head of one of Johnson Matthey Bankers' biggest debtors, had attempted to buy him off.

Speaking in an all-night Commons debate, just after 3am yesterday, the Labour MP said that his campaign against City fraud had so far attracted 800 supportive letters, of which 100 related to "serious cases".

He gave a warning that there was "a great deal of dirt and flak" yet to come, and said: "Lloyd's must clean itself up or the Government will have to do the cleaning for it."

But in advance of yesterday's publication of the Financial Services Bill, which excludes Lloyd's from its control provisions, he said that the 1982 Act had failed to have an impact on the problem. He said that it was simple statement of fact that fraud had continued after the Lloyd's Act in syndicates managed by Peter Cameron-Webb, Alexander Howden, and Brooks and Dooley.

"After the passing of the Lloyd's Act," he said, "a series of fundamental questions hangs over the operations of the former chairman of Lloyd's, Sir Peter Green."

Mr Sedgemore alleged that serious questions were raised by Sir Peter's Imperial and Cayman Islands Offshore Reinsurance company; his role in the "cover-up" of the Peter Cameron-Webb affair; and his examination of the £500,000 Monte Carlo Unimar "slush fund", which he cleared of impropriety. He said that another Unimar report, when published, would show that Unimar involved "big names".

Turning to the former deputy chairman, Mr Sedgemore said that Mr Dew had been employed by Merrett, a Lloyd's management agency, but had been involved in "substantial banking business for Alexander Howden", another agency. He said that Mr Graham Sloan, director of Howden's banking business, knew the number of the Swiss bank account because he had paid the "commission" into it.

Having wondered how far the power of Lloyd's went, Mr Sedgemore said that he was

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going to send a report to the Lord Chancellor about a case in which Mr John Bickford Smith, the Senior Master of the Supreme Court, intervened.

The action, for a \$2.7 million insurance claim for precious stones stolen in Los Angeles, involved about 15,000 Lloyd's names and although Mr Bickford Smith had not been listed to deal with it, he had "grabbed it for himself" in spite of a warning that one of the defendants was called J. Bickford-Smith - with a hyphen.

Mr Sedgemore said it had been established that the defendant was a cousin of the Senior Master and that another of the Supreme Court Masters was also a defendant in the case, which was eventually struck out. "It is all beginning to look very mucky," he said. "When the Lord Chancellor looks into this case he is going to find a real vipers' nest."

Mr Sedgemore said at the start of his speech that despite the years of rhetoric and the years of fraud there had been no arrests, charges or trials. He also said that there seemed to be no limit to what some of those "involved in those frauds will do".

"The most startling thing happened about three weeks ago," he said. "Mr Abdul Shamji, who believes there is no one he cannot buy, tried to buy me."

He said that Mr Shamji had

contacted one of the MP's informants and at a meeting in the Pavilion Bar in Park Lane's Grosvenor House, he had "put forward a proposal which amounted to an attempt to buy me".

● Yesterday Mr Shamji described Mr Sedgemore's claim as "unbelievable", (Stewart Tendler writes).

The suggestion that he had tried to bribe the Labour MP was a "load of rubbish". Mr Shamji said: "How would I bribe him anyway?"

Mr John Bickford Smith said yesterday he had not heard of Mr Sedgemore's claims. He told *The Times* that he did not remember any counsel in the case of *Tubero v Toomey* telling him that one of the defendants in the case had the same name.

He said he was not and had never been a Lloyd's underwriter. He had a cousin who had the same name, but spelt with a hyphen, who was an underwriter but he did not know the names involved in the case.

He said the case involved "a chap who had litigation running in America and also tried to start litigation here for the same cause. It has been before me several times in fact."

Mr Bickford Smith said: "You have got no idea who the names are in the syndicates because there is only one named in the writ, a representative underwriter."

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