



*United States Attorney  
Southern District of New York*

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**FOR IMMEDIATE RELEASE  
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**CANADIAN MAN PLEADS GUILTY TO MULTI-MILLION DOLLAR  
BOGUS INSURANCE POLICY SCHEME**

MICHAEL J. GARCIA, the United States Attorney for the Southern District of New York, announced that IAN STUART, a/k/a "Ian Stuart-Smith," a/k/a "John Harris," a/k/a "John Harrington," pleaded guilty today to a felony wire fraud charge in Manhattan federal court before the United States District Judge JED S. RAKOFF. The charge to which STUART pleaded guilty stemmed from a massive scheme by which STUART induced insurance agents for various entities throughout the United States and Canada to purchase over \$8.5 million worth of fraudulently issued commercial liability insurance policies. According to the Indictment and STUART's guilty plea:

STUART operated purported insurance brokerages under names such as Surplus Lines, Inc., Heritage, Inc. (a/k/a Heritage International, Inc., a/k/a Heritage Agency, Inc.) and Rupertsland Insurance Intermediaries, Ltd. (a/k/a Rupertsland Intermediaries, Ltd., a/k/a Rupersland, located in New York, New York, and Ontario, Canada. STUART held himself out to New York insurance brokers as a wholesale insurance broker able to place insurance coverage, despite the fact that he was not registered as such as required under New York law. STUART also falsely claimed to be an authorized agent for various insurance companies or entities, including underwriters at Lloyd's of London, Great American Insurance Co., Mount Vernon Fire Insurance Company, Indian Harbor, Colony Insurance, Tower Insurance, Traveler's Insurance, Houston Casualty, Essex Insurance Company, and Markel Insurance.

STUART collected for himself the premium payments for the bogus commercial liability insurance policies he falsely claimed he had placed with various insurance companies and entities, and created fictitious documents purporting to confirm the existence of insurance coverage as part of the scheme. In

total, STUART unlawfully obtained over \$7 million in policy premiums.

STUART, 56, resided in Ontario, Canada, until his arrest on May 5, 2006. STUART was detained in Canada following his arrest and has remained in custody since he was extradited to the United States. As a result of his plea, STUART faces a maximum sentence of 20 years in jail. In addition, he faces a maximum fine of \$250,000 or twice the gross gain or loss resulting from the crime. During the proceeding, STUART agreed to the forfeiture of \$8.5 million, and a sentencing date was scheduled for September 17<sup>th</sup> before Judge RAKOFF.

Mr. GARCIA praised the outstanding efforts of the United States Postal Inspection Service, and thanked the California Department of Insurance, the State of New York Insurance Department, and the York, Ontario, Regional Police for their assistance in the investigation of this case. Mr. GARCIA also thanked the United States Marshal's Service for its work in effecting STUART's extradition. Additionally, Mr. GARCIA expressed his gratitude to the Canadian Ministry of Justice and Canadian Office of the Department of Public Prosecutions for their cooperation in the investigation and extradition.

The case is being handled by the Major Crimes Unit of the United States Attorney's Office. Assistant United States Attorneys ALEXANDER H. SOUTHWELL and DANIEL LEVY are in charge of the prosecution.

If you believe you were a victim of these crimes, including a victim entitled to restitution, and you wish to provide information to law enforcement and/or receive notice of future developments in the case or additional information, please contact Wendy Olsen-Clancy, the Victim Witness Coordinator at the United States Attorney's Office for the Southern District of New York, at (866)874-8900, or [Wendy.Olsen@usdoj.gov](mailto:Wendy.Olsen@usdoj.gov). For additional information, go to <http://www.usdoj.gov/usao/nys/victimwitness.html> on the Internet.

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