



*United States Attorney
Southern District of New York*

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**CANADIAN MAN CHARGED WITH MULTIMILLION-DOLLAR
INSURANCE FRAUD SCHEME ARRIVES IN NEW YORK**

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," arrived in New York yesterday afternoon after being extradited from Canada on federal insurance fraud charges. The charges relate to a massive insurance fraud scheme by which STUART allegedly induced various entities throughout the United States and Canada to purchase over \$7 million worth of fraudulently issued commercial liability insurance policies. According to the Indictment filed in 2004 in Manhattan federal court:

STUART operated purported insurance brokerages called 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, which were both 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 without being registered -- as required by New York law -- and falsely held himself out 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.

In connection with this scheme, STUART collected for himself premium payments for the commercial liability insurance policies purportedly placed with various insurance companies and entities, and created fictitious documents purporting to confirm the existence of insurance coverage. STUART unlawfully obtained over \$7 million in policy premiums through this fraud.

The Indictment charges STUART with ten counts of mail fraud and ten counts of wire fraud. If convicted, STUART faces a maximum sentence of 20 years in jail for each wire and mail fraud count. In addition, each count carries a maximum fine of \$250,000, or twice the gross gain or loss resulting from the crime.

STUART, 56, resided in Ontario, Canada, until his arrest on May 5, 2006. STUART was detained in Canada, following his arrest, until his extradition to the United States.

Mr. GARCIA praised the outstanding efforts of the United States Postal Inspection Service, and thanked the California Department of Insurance and the State of New York Insurance Department, as well as the Royal Canadian Mounted Police for their assistance in the investigation of this case. Mr. GARCIA also thanked the United States Marshals Service for its work in effecting the 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.

Assistant United States Attorney ALEXANDER H. SOUTHWELL is in charge of the prosecution.

If you believe you were a victim of these crimes 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. For additional information, go to <http://www.usdoj.gov/usao/nys/victimwitness.html> on the Internet.

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