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LOCAL CPA PLEADS GUILTY TO FRAUD CHARGES

DALLAS — Just before his trial was to begin today in federal court, Robert David Neal, a/k/a “Michael Skinner” a/k/a “Albert Davis” a/k/a “David Nelson,” pled guilty to all counts in a six-count indictment charging wire fraud, announced U.S. Attorney Richard B. Roper of the Northern District of Texas. Neal, a former resident of Trophy Club, Texas, is currently in federal custody because of a supervised release violation stemming from a May 2002 federal felony conviction, also in the Northern District of Texas. The statutory maximum sentence for each count of wire fraud is 20 years in prison and a \$250,000 fine. He is scheduled to be sentenced before the Honorable A. Joe Fish on July 24, 2007.

From February to September 2005, Robert David Neal formed business entities such as Cambridge Capital Management, Inc. and American Lloyds Life & Casualty, Ltd. for the explicit purpose of conducting an elaborate insurance fraud scheme. Neal also used the names of S.N.C.C., d/b/a Safety National Casualty Corporation and Cambridge Benefits Group, Ltd. to conduct his fraudulent scheme. It was part of Neal’s scheme to represent to his victims that the companies he created were affiliated with the reputable Lloyd’s of London, Safety National Casualty Corporation (based out of Missouri) and AIG (based out of New York).

As part of the scheme, Neal, using the aliases “Michael Skinner” and “Albert Davis” and “David Nelson,” met with consultants and executives from legitimate professional employer organizations (PEOs) to present a marketing pitch to sell them fraudulent workers’ compensation insurance plans at below-market prices. Neal furnished quotes for premiums and certificates of coverage and even created fraudulent insurance application forms and policies by piecing together legitimate insurance companies’ forms. In the course of his fraudulent scheme, Neal hired a legitimate third-party administrator, RTW, in Bloomington, Minnesota, to process the small claims filed by individuals supposedly covered under the policies.

To further his scheme, Neal had a professional website company create a website for American Lloyd’s Life and Casualty, Ltd. (ALLC) to fraudulently represent that ALLC included the wholly owned subsidiary,

Cambridge Benefits Group, Ltd. and that ALLC had the financial strength to underwrite a wide range of risks because it was controlled by two of the largest Lloyd's underwriting syndicates, managing assets in excess of \$2.6 million. He further fraudulently represented that ALLC and its subsidiaries were leaders in the area of reinsurance throughout North America and the Caribbean. He also fraudulently represented that ALLC issued its first policy in 1964 and that Cambridge Benefits Group, Ltd. was chartered in 1988 and served as the Managing General Underwriter for a number of insurance carriers throughout the United States. Law enforcement investigating the case were able to verify that none of the information on the website was accurate.

DSK Services, Inc. of Homosassa, Florida; Employers Consortium, Inc. of Lombard, Illinois; and Risk Management Consultants, of Arlington, Texas, are legitimate PEOs that were victims of Neal's fraud. In total, these companies over the course of three months wired more than \$400,000 to Neal for what they considered to be premium payments for workers' compensation insurance. However, no legitimate insurance policy ever covered any of the small businesses that were supposedly insured through Neal. In addition, had Neal not been arrested and thus allowed to continue his scheme, he was set to take in millions in premium dollars over the next twelve months.

U.S. Attorney Roper praised the investigative efforts of Federal Bureau of Investigation, who led the investigation along with the assistance of the U.S. Department of Labor and the Texas Department of Insurance. The case is being prosecuted by Assistant United States Attorney Erin Nealy Cox.

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