

# Bankruptcies, repeaters and losses

Use big data to find the crooks

The logo for Dagbladet, featuring the word "Dagbladet" in white, bold, sans-serif font inside a red rectangular box.

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**Links and additional info:**

**<https://www.dagbladet.no/nyheter/offentlig-for-forste-gang/69857227>**

**On bankruptcies: <http://www.konkursradet.no/introduction-to-bankruptcy.5304842-300329.html>**

**20 pages report on methods:**

**<https://www.skup.no/sites/default/files/metoderapport/2018-10/Konkursgjengangerne.%20Dagbladet.pdf>**

**Bankruptcy is a legal term for when a person or business cannot repay their outstanding debts.**

**The bankruptcy process begins with a petition filed by the debtor, or on behalf of creditors.**

**All of the debtor's assets are measured and evaluated, and the assets may be used to repay a portion of outstanding debt.**

**Bankruptcy is not a criminal offence. On the other hand, bankruptcy may uncover illegal actions such as inadequate keeping of accounts.**

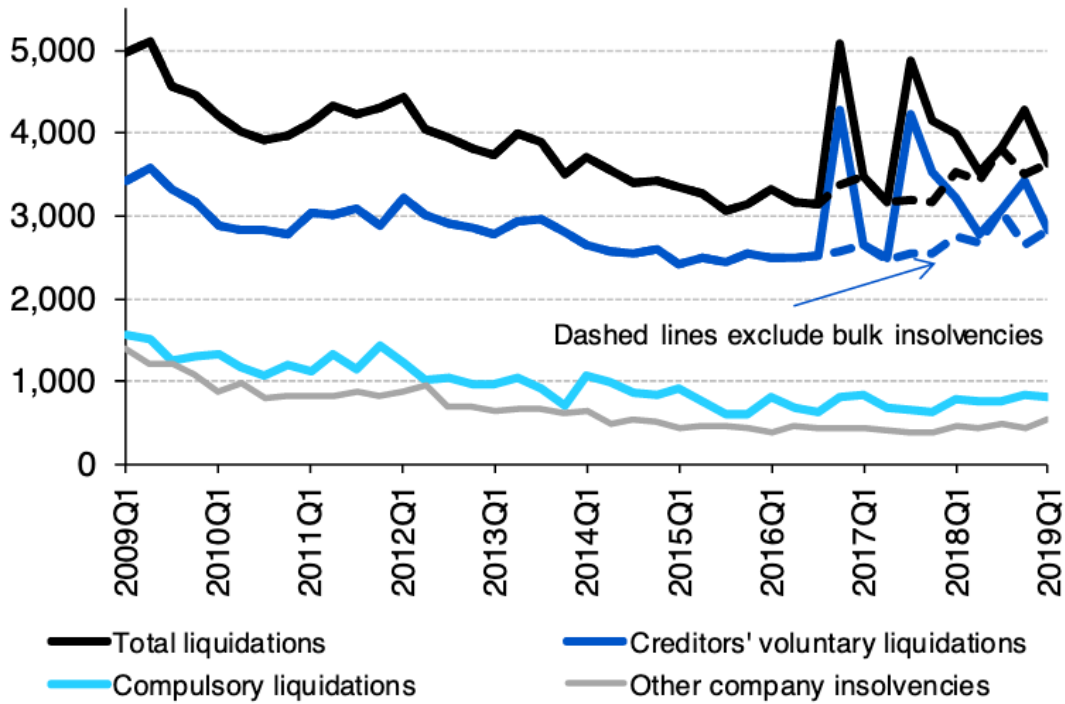
## Why?

- Bankruptcies acts like a thermometer of the economy, or like a “weather forecast”.
- People involved in businesses going bankrupt normally don't have to cover any debt. Bankruptcies cost creditors billions world wide each year.
- Creditors are banks, families who pre-pay services/purchases and very often the government, **i.e. taxpayers**, due to unpaid taxes and VAT.

# Dictionary

- **Bankruptcy:** Initiated by the company itself or by one or more debtors, when a person or business cannot pay debt. A bankruptcy petition is handed to the court. Bankruptcy provides a legal framework to dissolve an insolvent business.
- **Liquidator/Trustee/administrator of an estate:** A lawyer appointed by the court to handle the bankruptcy: Track, seize and realise the assets. Hand in reports to the court and later distribute assets among the creditors. In most cases only a small portion of the required money to cover debt is obtained. If a limited company (Ltd.) goes bankrupt, the company will cease to exist. This means that the debt will never be settled.
- **Claims:** Creditors can report a claim to the liquidator, getting cash or assets if there is any. Claims can be ranked by different criteria.
- **Disqualification from business:** If involved in a bankruptcy with great losses to creditors or where several illegal activities are discovered by the trustee, she or he can recommend that the person responsible is deemed disqualified for a period of time by the court. In Norway this quarantine lasts two years.

**Figure 1: Total underlying company insolvencies increased in Q1 2019**  
England and Wales, seasonally adjusted.



# Getting motivated

- Find the annual losses to tax payers:
  - Send a FOIA to the tax authorities asking total claims of unpaid taxes to estates over the last five years.

# 2013-2017 Norway (euros)

National tax authorities claims:	900 millions
- Settled debt:	3 millions (= 0,6 per cent...)
+ Local tax collectors unpaid debt:	780 millions
<b>Sub total:</b>	<b>1,68 billions</b>
+ Wages to workers covered by govt:	400 millions
+ Court expenses	?
+ Police investigations	?
+ Govt expenses to trustees/liquidators	?
<b>Total:</b>	<b><u>2 billion euros (+ the unknowns)</u></b>
<i>Average yearly 2013-2017:</i>	<i>400 million euros in net loss, at least...</i>