|  |  |  |
| --- | --- | --- |
| HMRC_327_AW |  |  |
|  |  |  |

 ***News Release***

|  |  |  |  |
| --- | --- | --- | --- |
|  | For the attention of **News Desks**  | No. of pages: 3 |  |
|  | Date: | 28 July 2016 | Ref: | LON 14/16 |  |

**Toxic waste found as seven arrested in Essex fuel fraud raids**

Seven men have been arrested by HM Revenue and Customs (HMRC) and four tonnes of toxic waste removed, after two fuel laundering plants were discovered in Essex on Wednesday (27 July).

As part of a multi-agency investigation into a suspected £1.4 million fuel fraud, more than 50 officers from HMRC and the Environment Agency, carried out simultaneous searches of three business and six residential addresses in south Essex and Kent yesterday morning.

Between them, the two laundering plants had the potential to produce three million litres of illicit fuel a year, evading an estimated £1.4 million in revenue.

The laundering plants have been dismantled and 36,000 litres of suspected laundered fuel seized, along with three fuel tankers, two vans and £28,000 cash.

Brett Wilkinson, Assistant Director, Fraud Investigation Service, HMRC, MRC,said:

“Laundering fuel is a serious crime which HMRC is determined to tackle. The organised criminals involved in this type of fraud steal millions each year in unpaid duty and taxes, which should be funding public services, not lining their pockets. We are determined to take that profit away.

“The toxic waste from fuel laundering poses a real threat to the environment and costs thousands of pounds to dispose of safely. Taxpayers are not only missing out on the stolen tax, but we also have to fund the substantial clean up and disposal costs.

“We urge anyone with information about the transport, storage or sale of suspected illicit fuel to contact our 24 hour Hotline on 0800 59 5000.”

The seven men arrested were questioned by HMRC and have been bailed. Investigations into the fraud are ongoing.

The laundering of red diesel - a low-tax fuel primarily for agricultural use - has historically involved its filtration through chemicals or acids to remove the Government markers, and it is then sold on as road fuel to unsuspecting motorists.

**Notes for editors**

1. Details of the arrests:
* Two men, aged 55 and 31, were arrested in the Purfleet area and a residential property was searched in the Thurrock area.
* A man, aged 61, was arrested at an address in the Hornchurch area of greater London and a residential property was searched.
* A man, aged 58 was arrested at an address in the Brentwood area and a residential property searched.
* A man, aged 50 was arrested at an address in the east London area and a residential property searched.
* A man, aged 46 was arrested at an address in the Ilford area of London and a residential property searched.
* A man, aged 55 was arrested at an address in the Ilford area of London and a residential property searched.
* Three business premises were also searched in the Maldon, Chelmsford and Gravesend areas.
1. Figures for 2013-14 estimate that the revenue loss from illicit use of fuel has now fallen to around £100 million in the UK, of which around half relates to fraud in Northern Ireland (NI). In percentage terms, the tax gap has fallen from 12% to less than 1% in GB and from 26% to 8% in NI.
2. Laundered fuel is red (or green) diesel, which has historically been filtered through chemicals or acids to remove the Government marker(s). The chemicals and acids remain in the fuel and damage fuel pumps in diesel cars.
3. Although red diesel is predominantly targeted, launderers have also sought to remove the marker from other rebated fuels - especially kerosene - primarily used for heating oil.
4. From 1 April 2015 the UK and Ireland introduced a new fuel marker, which is significantly more resistant to laundering than the existing markers.
5. Anyone with information about people or businesses involved in tax fraud can contact HMRC through the Tax Evasion hotline on 0800 788 887 or at [www.hmrc.gov.uk/reportingfraud/online.htm](http://hmrc.gov.uk/reportingfraud/online.htm)
6. HMRC’s Flickr channel: [www.flickr.com/hmrcgovuk](http://www.flickr.com/hmrcgovuk)
7. Follow HMRC's press office on Twitter @HMRCpressoffice

**Issued by HM Revenue & Customs Press Office**

**Press enquiries only please contact:**

Stephen Cassidy

Tel: 03000 511 593

E-mail: stephen.cassidy@hmrc.gsi.gov.uk

Or

Georgina Myles

Tel: 07748 931504

E-mail: georgina.myles@hmrc.gsi.gov.uk

Out of hours

Tel: 07699 750728

**Website** [www.hmrc.gov.uk](http://www.hmrc.gov.uk)