Waste Crime – The New Narcotics

The Environment Agency reports that, after the conclusion of a Proceeds of Crime hearing in February 2019, a man already serving over 7 years in prison for WEEE evidence fraud has been ordered to pay back £1,373,060.

The Waste Electrical and Electronic Equipment (“WEEE”) Regulations 2013 impose requirements regarding the recovery, reuse, recycling and treatment of WEEE.

In July 2016, Mr Dugbo was convicted of falsifying paperwork to illegally claim that his Leeds-based firm, TLC Recycling Ltd (“TLC”), had collected and recycled more than 19,500 tonnes of household electrical waste during 2011. In reality, his company had never handled the amounts of waste described and he was not entitled to the substantial recycling fees he was paid through government-backed Producer Compliance Schemes, which pay for the recycling of old electrical goods to offset the production of new equipment. Mr Dugbo also breached the terms of his environmental permit, which did not allow the treatment of waste containing ozone-depleting substances, by treating CFC gas cylinders on the TLC site.

Mr Dugbo had previously been disqualified from acting as a company director until November 2017 due to the bad debts of a prior company. His involvement in TLC, which has since gone into liquidation, was in breach of this disqualification.

Mr Dugbo denied all the charges but was convicted in 2016 on all counts—conspiracy to defraud, acting as a company director while disqualified, and breaching an environmental permitting condition—and given a seven and a half year prison sentence, the longest custodial sentence imposed to date for an environmental crime.

The case came back before the courts earlier this month for a Proceeds of Crime hearing following an investigation into the profit Mr Dugbo accrued from his crimes. The Environment Agency worked closely with HMRC to uncover bank accounts in Nigeria, Senegal and Spain and Mr Dugbo has now been ordered to repay £1.3 million or face a further 8 years in prison.

Comment

Although this is an extreme case, it is illustrative of the Environment Agency’s approach to waste crime as “the new narcotics” and demonstrates their commitment and determination to pursue offenders and recover any financial gain.

The largest waste stream in the EU by volume is construction and demolition waste and one major insurer has reported an almost doubling of loss incidents from 2016 to 2017 arising out of inadequate waste management processes in the construction and demolition industries. If, for example, waste is incorrectly classified and sent to an inappropriate facility, a number of the project parties, including the site owner, could face enforcement action as well as claims for project delays and increased costs. All companies must think carefully about whether or not they are handling waste (whether intentionally or otherwise) and, if unsure, seek advice as to whether all relevant legislation has been complied with.

For more information please contact:

Zita Mansi
Senior Associate
+44 (0) 20 7469 0493
z.mansi@beale-law.com

Amelia Hamilton
Trainee Solicitor
+44 (0) 20 7469 0414
a.hamilton@beale-law.com

Sir James Bevan, head of the Environment Agency

International Construction and Insurance Law Specialists

www.beale-law.com