

Jail terms for French carbon trading scammers

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A top fraudster behind a tax scam in France using carbon emission rights was sentenced to nine years in prison Wednesday as authorities press ahead with prosecutions over the 1.6-billion-euro (\$1.9-billion) scandal.

Twelve people were sentenced in Paris for taking part in an international [network](#) of VAT trickery and money-laundering, with fugitive businessman Cyril Astruc receiving the harshest nine-year sentence.

He was convicted in absentia for being the "main organiser and the principal beneficiary" in a network found guilty of defrauding French authorities of 146 million euros between 2008 and 2009.

Only three of the defendants who faced charges ranging from fraud, organised crime to money laundering attended the sentencing hearing on Wednesday.

Turkish bank Garanti Bankasi was ordered to pay a fine of eight million euros for money-laundering.

Also on Wednesday, magistrates investigating another network centred in the southern city of Marseille sent 36 people to trial suspected of a 385-million-[euro](#) scam from 2006 to 2009.

The carbon trading scandal is thought to be one of the biggest tax conspiracies in France, costing local authorities 1.6 billion euros in lost revenue and some five billion euros at the European level.

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The fraud involved buying [carbon](#) permits in one EU country from another, free of VAT, then selling them on with the VAT added to another buyer.

But instead of declaring the VAT and paying it to the relevant tax authority, the trader pocketed the money and used a series of front

companies to make the [scam](#) hard to detect.

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