



Press Release

5/09/2024

Directorate of Enforcement (ED), Bengaluru Zonal Office has arrested Vasantkumar Durgappa Sajjan, a retired Special Land Acquisition Officer of the Karnataka Industrial Area Development Board (KIADB), and land broker Maibub Allabuksh Dundasi on 3/09/2024 under the Prevention of Money Laundering Act (PMLA), 2002. This action is part of an ongoing investigation into a fraudulent double payment scheme involving KIADB, where compensation amounting to Rs. 72 Crore was improperly disbursed.

ED initiated investigation on the basis of FIR registered by Vidyagiri Police Station, Dharwad under various sections of IPC, 1860 against V D Sajjan (Former Special Land Acquisition Officer of KIADB Dharwad Zonal Office) and others. Further, the above FIR was transferred to CID, Dharwad and charge sheet in respect of the FIR has also been filed by the CID, Dharwad. It is alleged in the FIR & Chargesheet that the V D Sajjan, SLAO, KIADB Dharwad and other officials of KIADB, Dharwad conspired with the land brokers/other accused and sanctioned an amount of Rs. 19.99 Crore (approx.) to seven individuals on the pretext of compensation for land acquisition. However, these individuals had been paid compensation previously. Thus, causing lose to the government exchequer.

KIADB is the nodal agency for land acquisition in Karnataka state. Money has been withdrawn fraudulently from KIADB as compensation for land acquisition during year 2021-22. However, compensation to the original land sellers has been paid in year 2010-12. The fraudulently withdrawn money has been transferred into bank accounts opened with fake identity and address proofs.

ED investigation revealed that the actual fraudulent payments exceeded the FIR amount, reaching approximately Rs. 72 Crore. These payments were made to bank accounts opened with fake identities and then laundered through shell accounts. The funds were used to acquire immovable properties, vehicles, residential properties, and fixed deposits.

Earlier, on August 9 and 10, 2024, the ED conducted search operations across 12 locations in Karnataka, leading to the seizure of Rs. 1.50 Crore in cash and significant evidence of the scam. Evidence of double payments far exceeding the FIR amount was discovered during these searches.

Further investigation is under progress.