



PRESS RELEASE

09.09.2025

Directorate of Enforcement (ED), Bangalore Zonal Office, has a filed a Supplementary Prosecution Complaint on 04/09/25 against 17 accused persons in the Hon'ble Court of 3rd Additional District & Sessions Judge PMLA, 2002, at, Mangalore, D. K, in connection with double compensation scam at Karnataka Industrial Area Development Board (KIADB), Dharwad, in the case of VD Sajjan and others under the provisions of the Prevention of Money Laundering Act (PMLA), 2002.

This scam was perpetrated by VD Sajjan (Retired Special Land Acquisition Officer, Dharwad) in collusion with other accused persons. A total of 3 persons were arrested in the case during the course of investigation and presently, all of them are in judicial custody under PMLA, 2002.

Investigation under PMLA, 2002 in this case has revealed ingenious modus operandi used by the accused persons to fraudulently claim and withdraw double compensation from KIADB in the name of persons who had already received compensation or who had passed away or who are ineligible persons to receive compensation.

ED investigation revealed the modus of fraudulently updating Aadhar details of different individuals by the accused persons to create fake identities. The fake identities created were further used to open bank account through which Proceeds of Crime (POC) was laundered.

It is pertinent to mention here that the investigation was initiated based on the FIR related to 7 fraudulent transactions in KIADB, Dharwad amounting to Rs 19.9 Crore. However, PMLA investigation uncovered total 29 fraudulent transactions amounting to Rs 64.48 Crore. The details of the same has been shared with the LEA investigating the scheduled offence under section 66(2) of the PMLA, 2002.

In the meanwhile, ED has attached properties amounting to Rs.13 Crore (approx.) so far in this case. Earlier, a Prosecution Complaint was filed in this case against 22 accused persons in the Court of 3rd Additional District & Sessions Judge PMLA, 2002, at, Mangaluru, D. K in November 2024. The Hon'ble Court has taken cognisance of the same and the case is under trial.

Further investigation is under progress.