



Properties Seized In Jharkhand MGNREGA Scam | Jharkhand | 19 Apr 2024

Why in News?

The [Enforcement Directorate \(ED\)](#) has provisionally attached four immovable properties having a value of ₹ 22.47 lakh belonging to the accused in case of the [Mahatma Gandhi National Rural Employment Guarantee Act \(MGNREGA\)](#) scam in Jharkhand.

Key Points

- The probe agency had initiated an investigation on the basis of 16 FIRs registered by Jharkhand Police in reference to embezzlement of ₹ 18 crore in MGNREGA work in **Jharkhand's Khunti district**.
- ED had conducted several searches under the provisions of [Prevention of Money Laundering Act 2002 \(PMLA\)](#) in 2022 during which huge cash of ₹ 19.58 crore was recovered and seized.

Prevention of Money Laundering Act 2002 (PMLA)

▪ About:

- The Prevention of Money Laundering Act, 2002 (PMLA) is an Act of the Parliament of India enacted to prevent money laundering and provide for the confiscation of property derived from money laundering.
- It aims to combat money laundering related to illegal activities such as drug trafficking, smuggling, and terrorism financing.

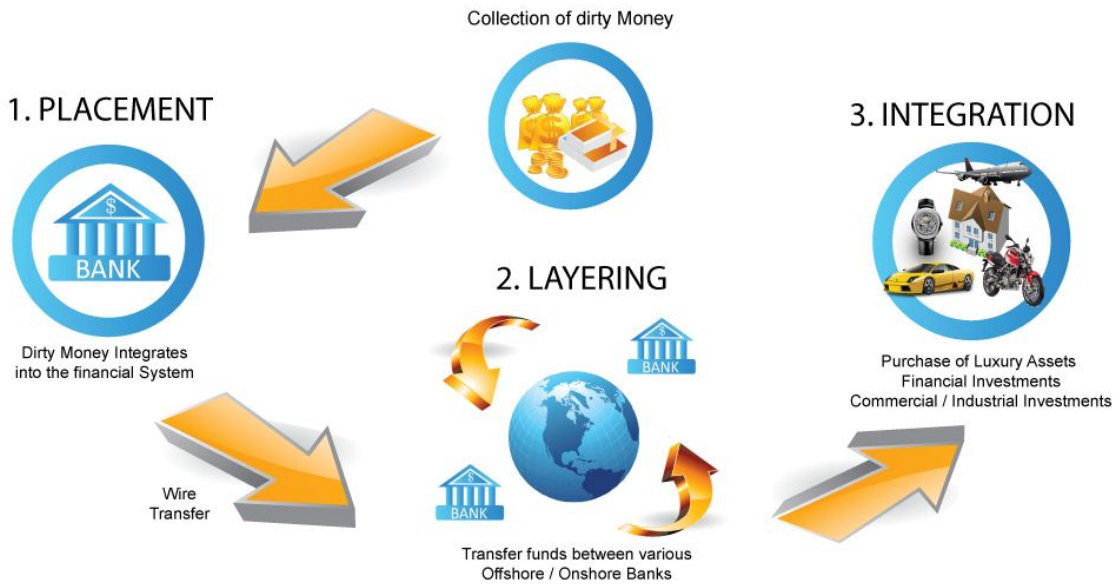
▪ Key Provisions of PMLA:

- **Offences and Penalties:** PMLA defines money laundering offences and imposes penalties for such activities. It includes rigorous imprisonment and fines for offenders.
- **Attachment and Confiscation of Property:** The Act allows for the attachment and confiscation of property involved in money laundering. It provides for the establishment of an Adjudicating Authority to oversee these proceedings.
- **Reporting Requirements:** PMLA mandates certain entities, such as banks and financial institutions, to maintain records of transactions and report suspicious transactions to the Financial Intelligence Unit (FIU).
- **Designated Authority and Appellate Tribunal:** The Act establishes a Designated Authority to assist in the investigation and prosecution of money laundering offences. It also provides for the establishment of an Appellate Tribunal to hear appeals against orders of the Adjudicating Authority.

▪ Amendments to PMLA, 2002 in 2023:

- **Clarification about the Position of Proceeds of Crime:** Proceeds of the Crime not only includes the property derived from scheduled offence but would also include any other property derived or obtained indulging into any criminal activity relate-able or similar to the scheduled offence.
- **Money Laundering Redefined:** Money Laundering was not an independent crime rather depended on another crime, known as the predicate offence or scheduled offence. The amendment seeks to treat money laundering as a stand-alone crime.

A TYPICAL MONEY LAUNDERING SCHEME



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