

**Government of India
Ministry of Finance
Department of Revenue
Central Board of Direct Taxes**

New Delhi, 08 December, 2016.

PRESS RELEASE

**Income Tax Sleuths Unearth Innovative Methods of Laundering and Transportation
of Cash at Mumbai, Nagpur and Ahmedabad.**

Income tax investigations at **Mumbai** led to the revelation of a syndicate of ground level operators active in converting banned currency notes into legal tenders for a commission. As part of the operation to nab the culprits, Income Tax Investigation Directorate sent out a few decoy customers seeking to exchange banned currency notes into new notes. The syndicate, acting through its mediator, agreed to the exchange for a 35% commission. The exchange was to take place at the mediator's residence. The mediator was caught red handed and new currency notes aggregating to Rs. 29.5 lakh was seized.

It has now emerged that the syndicate comprised of many ground level operators (GLOs) - mainly local youths led by a master aggregator and a mediator. The mediator would seek customers. The GLOs would withdraw new currency in their own names or names of friends and family within the prescribed weekly limits, pass it on to the aggregator for a commission and deposit the old notes in their own accounts or accounts of family or friends in small sums.

Another investigation into cash deposits in a bank account in **Nagpur** revealed that the account holder had no knowledge of the existence of her account where Rs. 3.29 crore had been deposited after 8th November, 2016. Enquiries by the Department revealed 6 more such accounts in her and parents' names. The 7 accounts were opened and operated by unknown persons to launder cash of Rs.4.25 crore. Evidences gathered suggest that copies of PAN and other personal documents that she handed over to a friend few years back were used to fraudulently open these accounts in Kolkata, which were operated to channel suspicious funds to 8 beneficiaries, who are now being investigated.

In an interesting case at **Ahmedabad**, discrete intelligence gathered by the IT investigation team led to a survey at the premises of a transporter in the late hours of 3rd December, 2016. Twenty four cartons in the godown of the transporter meant for transport to Delhi were found. Lorry receipts declared these to contain fire crackers. When the cartons were opened and examined, two cartons were found to conceal currencies in the denomination of Rs.100 aggregating Rs.27 lakhs. On interrogation, the consigner claimed that the cash was on account of sale of fire crackers being transported to Delhi for purchase of fire crackers. The cash was seized on 5th December, 2016.

**(Meenakshi J.Goswami)
Commissioner of Income Tax
(Media and Technical Policy)
Official Spokesperson, CBDT.**