



# Involvement of bank officials in money laundering during post monetization

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Enforcement Directorate has intimated that bank employees have been found indulging in money laundering and other unfair practices during the phase of demonetisation and that the investigations have been initiated under the provisions of Prevention of Money Laundering Act (PMLA), 2002 against certain bank officials of various banks during post demonetization. The act provides for attachment of property as well as prosecution of the accused involved in money laundering.

Further, as part of their staff accountability mechanisms, on the basis of prima facie involvement in irregularities relating to demonetisation, Public Sector Banks (PSBs) are so far reported to have placed 156 officials under suspension and to have transferred 41 officials. PSBs are also reported to have filed 26 cases with Police/CBI wherever criminal cases are involved. In respect of Private Sector Banks, Reserve Bank of India (RBI) has informed that 11 employees have been placed under suspension where bank employees have been found involved in 'irregular exchange of transaction' of Specified Bank Note (SBN) during the phase of demonetization. RBI has further informed that the banks have initiated internal investigation and complaints have been filed with police/CBI.

Whenever a complaint against a bank official(s) is received and any irregularities are found or observed on the part of Banks' official (s), the Banks initiate action as per their extant rules and commensurate punishment is awarded to the delinquent employees based on the seriousness of the wrongdoings as per Bank's disciplinary rules.

This was stated by Shri Santosh Kumar Gangwar, Minister of State in the Ministry of Finance in written reply to a question in Rajya Sabha today.

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**DSM/KA**

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