



Press Release

25/06/2026

Directorate of Enforcement (ED), Bengaluru Zonal Office has conducted search operations under section 17 of PMLA, 2002 on 24.06.2026 at 14 premises spread across Bangalore, Mysuru and Belagavi in Karnataka on allegation of systemic corruption in state excise department and therefore, amassing of wealth by govt officials.

The investigation in this case has been initiated based on FIR registered by Karnataka Lokayuktha Police against senior officers/officials of the Karnataka Excise Department on allegation of collecting illegal gratification for processing/issuing various excise licences and thereby using these illegal gratifications for personal aggrandisement.

The information collected from FIR was further bolstered by various verifiable complaint and documents received by the Directorate regarding money laundering activities/processes done by the accused public servants through acquisition of immovable/ movable properties, benami transactions and investment in businesses by the illegally enriched public servants through their family members and associates.

The key persons covered in search operations were Excise officials Jagdish Nayak, K.M. Thammanna and Y D Manjunath along with their family members, business partners and associates.

Modus operandi

The following modus operandi has been uncovered during the search operation:

1. The state excise department is running like an organised syndicate network of public officials, their associates and private individuals for collection of bribes.
2. The network works like a well-oiled machine which runs on corruption money generated by various excise shops which pay a fixed monthly bribe to the field officers. The money is also generated during renewal/shifting of licences and also during issuing of fresh licenses. The bribe so collected is centrally pooled and distributed with the help of intermediaries and associates, who maintains an account of money received and paid in an unofficial cash book (seized from one premise).
3. This illegal gratification i.e. Proceeds of Crime so generated is further used by the individual officers for personal consumption, investment in properties and business.
4. One unique modus of money laundering detected during the investigation has revealed that most of the officers of Excise department have obtained liquor licenses in the names of their family members/entities controlled by family members and are illegally running liquor business.
5. The income generated from these businesses are projected as generated from legal businesses, thus integrating the Proceeds of Crime in regular economy.



During the search proceedings, incriminating evidences in the form of digital devices, bribe distribution cash book, property documents etc. have been seized from different premises. The search operations resulted in the seizure of Proceeds of Crime in form of cash amounting approximately Rs 5.5 Crore and gold jewellery valued at approximately Rs 7.8 Crore and Foreign Currency worth Rs 3.3 Lakh from the premises of Y D Manjunath, his driver, family members and his associates. Therefore, total Proceeds of Crime seized in this case so far, amounts to Rs 13.3 Crore.

Further investigation in under progress.

