Gutkha Scam

Why in news?

The CBI conducted raids in several locations in Chennai, including the houses of TN Director General of Police, ex-DGP, Health Minister and former Milk and Dairy Development Minister, in relation to the multi-crore gutkha scam.

What is the Gutkha scam case?

- Top ministers, police officers and revenue officials are alleged to have taken bribes to allow the manufacture and sale of gutkha, which was banned in the state in 2013.
- It started with a confidential letter from the Income Tax Department to the Tamil Nadu government in August 2016.
- The then Principal Director of Investigation (Income Tax) met the then Chief Secretary, and Director General of Police.
- During the visit he handed over copies of the Book of Account seized during the searches on the premises of the manufacturer and staff of MDM brand of gutkha in July 2016 in Chennai.
- The documents contained a list of names, including those of the Health Minister, two DGP-rank officers and others, who allegedly received bribes.
- The bribe was to the tune of Rs.39.91 crore from the gutkha manufacturer to facilitate the storage, transportation and sale of the banned commodity.
- The police officers in question had, at different points during the period of the scam, served as Commissioner of Police, Chennai.

What is the status of gutkha sale in the state?

- Despite the ban in 2013, the business has been thriving in Tamil Nadu.
- According to reports, around 30,000 traders sell these products in Chennai district alone.
- There are only 25 officers to monitor them and this includes officials who are allegedly paid a monthly bribe of Rs 35 lakhs by each company.
- Around 119 tons have reportedly been seized since 2013 in Chennai,.
- However, the quantity circulating in the market is predicted to be ten times that amount.

Source: The Indian Express

