



# Chhattisgarh DMF Scam

## Why in News?

Recently, the [Enforcement Directorate \(ED\)](#) has arrested a Chhattisgarh government official in relation to the [District Mineral Foundation \(DMF\)](#) scam.

## Key Points

- **DMF Scam Investigation:**
  - The ED is focusing on widespread misuse of the [DMF](#), which is meant to benefit communities affected by mining activities.
- **District Mineral Foundation (DMF):**
  - DMF is a non-profit trust established to work for the interest and benefit of people affected by mining operations.
  - Funded by a percentage of the royalty from mining companies, DMF aims to develop infrastructure and provide healthcare, education, and livelihood support in mining-affected areas.
- **Enforcement Directorate (ED):**
  - The [ED](#) is a law enforcement agency responsible for investigating and enforcing laws related to economic offenses, particularly money laundering under the [Prevention of Money Laundering Act \(PMLA\), 2002](#).
  - It plays a key role in probing financial crimes and corruption, such as the current investigation into the DMF scam.

## DMF Scheme

- **About:**
  - As per the [Mine and Minerals Development Regulation \(Amendment\) Act, 2015](#), in every district affected by mining-related operations, the state government shall, by notification, establish a trust as a non-profit body to be called the District Mineral Foundation.
- **DMF Funds:**
  - Every mining lease holder is required to contribute a fraction of the royalty up to one-third towards the District Mineral Foundation (DMF), as per the rates set by the Central Government.
  - This fund will be used for welfare of the people affected in the mining affected areas.
- **Objective:**
  - The idea behind the contribution is that local mining-affected communities, mostly tribal and among the poorest in the country, also have the right to benefit from natural resources extracted from where they live.
- **Functioning:**
  - The functioning of the DMF trusts and the fund use governed by states' DMF Rules incorporate the mandates of a central guideline, [Pradhan Mantri Khanij Kshetra Kalyan Yojana \(PMKKKY\)](#).

