

CVC ANALYSES 100 TOP BANK FRAUDS – IDENTIFIES LOOP HOLES- SUGGESTS SYSTEMIC IMPROVEMENTS

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Ministry of Personnel, Public Grievances & Pensions

CVC analyses 100 top bank frauds – identifies loop holes- suggests systemic improvements

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Central Vigilance Commission (CVC) has reviewed and analyzed Top 100 Bank Frauds, as on 2017.



Sharing the details Dr. T.M. Bhasin, Vigilance Commissioner, CVC informed that the Commission has sub divided the study into 13 sectors comprising of Gems and Jewellery, Manufacturing, Agro sector, Media, Aviation, Service Sector, Discounting of cheques and bills, Trading sector, IT Sector, Exports sector, Fixed deposits and Demand Loan etc.

Dr. Bhasin said that as a conscious decision and with a view to maintaining discreteness, the names of borrower accounts/entities and the names of the Banks have not been disclosed in the report. However, steps are being taken for all encompassing actions such as investigation by the Premier investigative agencies, fixing staff accountability and recovery measures, etc. for effective action.

Dr. Bhasin said that the modus operandi of these loans has been thoroughly analysed and various loopholes/lapses have been identified. Based on the findings, various industry specific suggestions for systemic improvement have been given in the final report, which have also been sent to Deptt. of Financial Services (DFS) and RBI, in order to plug the loopholes observed by the Commission. The measures suggested include strengthening of SOPs, monitoring system and also highlighting the role of controlling offices, so as examine the aspect of quality of business.

Dr. T.M. Bhasin said that this analytical study was initiated by the Commission as a Preventive Vigilance measure so as to minimize the occurrence of such type frauds in future. RBI has also confirmed to the Commission that inputs given by CVC are very useful and shall be used for systemic improvements to mitigate the risks. Dr. Bhasin said that the intention of the Commission is to bring about awareness among the field functionaries by enhancing their knowledge towards the existing lapses, so that the frauds of similar nature do not recur. These studies have been done by the Commission as a preventive Vigilance tool by utilizing its vast

experience of handling various cases of frauds and Staff accountability related matters.

A copy of the Analysis of Top 100 Bank Frauds by CVC has been uploaded on CVC website for ready reference:

<http://www.cvc.gov.in/sites/default/files/new1111.pdf>

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