

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:7265
ANSWERED ON:13.05.2005
BANK SCAM
Kripalani Shri Srichand

Will the Minister of FINANCE be pleased to state:

- (a) the number of bank scam cases reported during the last one year till date;
- (b) the number of officers found involved in each case;
- (c) the details of the action taken against them; and
- (d) the steps taken by the Government to check the recurring of such incidents?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a) & (b) Reserve Bank of India (RBI) has reported that 2520 fraud cases have been reported to them by Public Sector Banks during the calendar year 2004 and action against 4311 employees has been taken for their involvement in these frauds. RBI monitors large value frauds of Rs.1 crore and above and during the calendar year 2004, commercial banks reported 89 such cases out of which staff involvement has been observed in 42 cases.

(c) In all the 42 cases where staff involvement has been observed, the officers concerned have been placed under suspension and departmental inquiries have been initiated. RBI has advised banks to complete staff side action at the earliest.

(d) RBI as a part of its supervisory responsibility has been advising banks from time to time about the common fraud prone areas and the measures to be taken by them to prevent/reduce the incidence of frauds in banks.