

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2466
ANSWERED ON:08.12.2006
INVOLVEMENT OF OFFICIALS IN BANK FRAUDS
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Will the Minister of FINANCE be pleased to state:

- (a) the number of Public Sector bank officials charged under cases of fraud and corruption during the last three years, bank-wise;
- (b) the number out of these removed from service during the said period; and
- (c) the corrective measures taken to check frauds and corruption in banks?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE SHRI PAWAN KUMAR BANSAL

(a) & (b) The Bank-wise number of officials charged under cases of fraud and corruption during the last three years i.e. 2003, 2004 and 2005 and the number of officials out of these removed from the service during the said period are given in Annexure I & II.

(c) Reserve Bank of India as a part of its supervisory process has been sensitizing banks from time to time about common fraud prone areas, modus operandi of frauds and the measure to be taken by them to prevent/reduce the incidence of frauds in banks. On receipt of fraud report from banks, RBI advises the concerned banks to report the case to CBI/Police, examine staff accountability and complete proceedings against the erring staff expeditiously, take steps to recover the amount involved in the fraud, claim insurance wherever applicable and streamline the system and procedures so that frauds do not recur.