

Government of India
Ministry of Railway
(Railway Board)

RBA No. 5 /2013

No.2008/ACII/25/12

New Delhi, dated 30.01.13

FA&CAOs,

All Zonal Railways/PUs.

Sub: Encashment of fake cheque issued for RTGS.

Please connect Railway Board's letter of even no. dated 1.10.12 , bringing to notice a case of fraud in N.E. Railway, wherein an attempt was made to fraudulently encash an amount of Rs. 21,85,87,070/- against a fake cheque purportedly issued by the Railway to make payment through RTGS to four parties. The amount could not be credited to the account of three parties due to technical reasons, whereas a sum of more than Rs. 3 crores was credited to the account of the fourth party. However, timely advice to the bank to stop payment averted withdrawal of the amount.

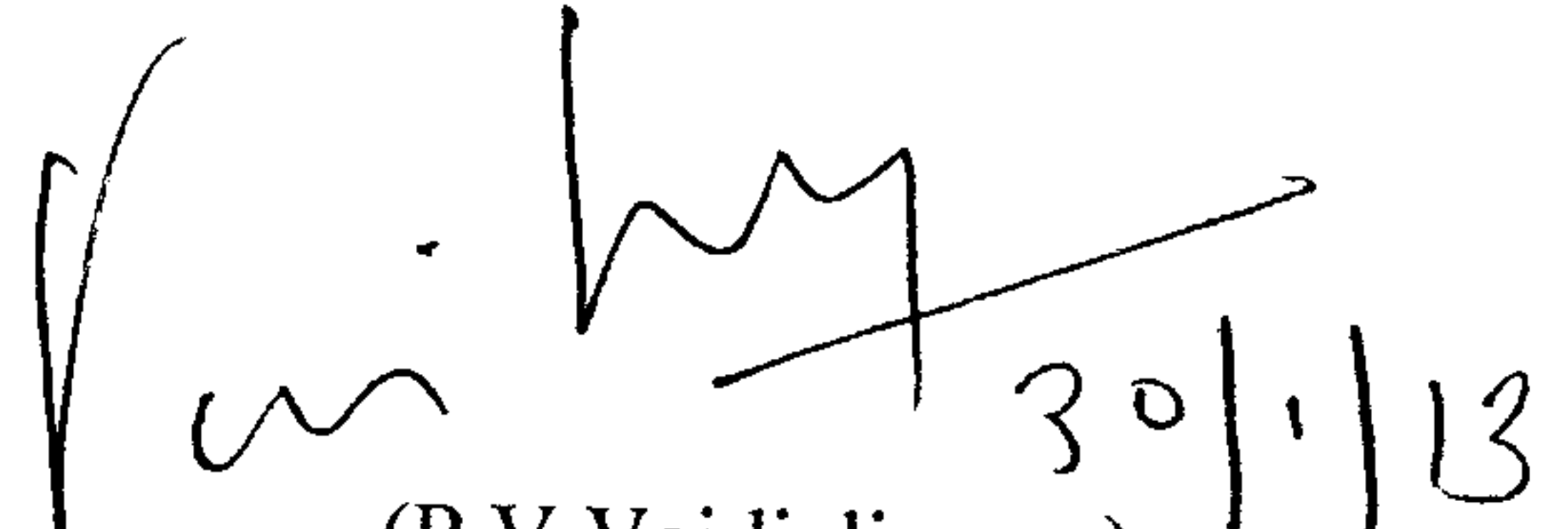
As already advised, the fraud was detected when details of the cheque could not be traced during the reconciliation of debit scrolls and paid cheques sent by the Bank, as the accounting units of the railway provide details of issued cheques to the HQ/Books on a daily basis. The matter was taken up with the cheque issuing officer, who informed that no such cheque had been issued from their office and the original cheque bearing the same no. was very much available in the custody of that office.

Further, the following procedure has been evolved by N.E. Railway to prevent such frauds in future, in consultation with SBI:-

1. Various accounting units of N.E. Railway will prepare a summary of Cheques issued, indicating Cheque Nos. & amount along with serial no. of the list enclosed with a particular cheque, on the close of a working day and ensure/email/ hand - delivery through an authorized staff with identity card to the authorized person of the Cash Office under clear signature & seal of authorized official in the delivery book of the Accounts office. The PMR clerk and the concerned cashier will sign on all pages of the list enclosed with cheque.
2. The list of payees being enclosed with a particular cheque will carry a random serial number which will be generated randomly and this number will be indicated in the endorsement to be made on the back of said Cheque. (Random serial no. to be given to avert/detect presentation of fake cheque). This list will also be e-mailed by railways from an authorized e-mail account to an authorized e-mail account of the Bank branch concerned.

3. Random number book would be in personal custody of nominated Accounts Officers who would release number one by one for a list, without disclosing the numbers to anybody.
4. Cheque issuing officials of Railway would also ensure instant SMS from pre-authorized mobile No. to pre-authorized mobile No. of the Bank official indicating the particulars of cheque (Unit, cheque number, amount, random no if any). They will also keep the details of cheques issued by them in last 2 days readily available for answering any query from Bank.
5. Bank would proceed for encashment/transfer to payee's account only after confirmation of particulars received through the SMS, Cheque summary and e-mailed list with hard copy.
6. Sr.AFA/Cash & Pay/ Divisional Cashier will ensure maintenance of a hand bound Cheque delivery register jointly authenticated by nominated officer of the Bank & C&P office, through which all cheques issued will be delivered to authorized official of the Bank under clear signature and seal. The authorized Cash & Pay staff of Railway should show his official Identity Card to the Bank official who would compare the same with the certified copy of same ID available with Bank and then only accept Cheques.
7. All the cheques along with the list, received in the bank till 12.00 hours through cash office would be paid through the RTGS/NEFT/EFT on the same date. Accordingly, cheques for which payment is to be made on same day, should be got received in the cash office by 11.00 hours positively. All other cheques received in cash office after 11.00 hours will be got deposited in the bank from 16.30 hours to 17.00 hours and these would be paid on next working day.
8. The bank would ensure delivery of Main scroll alongwith detailed scrolls (sent by dealing banks), supported by paid cheques, on next working day and books section would ensure immediate reconciliation of the same with the statement of cheques issued, received from various accounting units.
9. The dealing bank will send the third copy of scrolls (without paid cheques) to the cheque drawing officer directly and retain fourth copy for its own record. Cheque drawing officers are requested to contact dealing branches for obtaining their copy of payment scrolls if they have not received the same. After receiving daily scrolls from dealing branch they are required to scrutinize the scrolls to verify that all cheques are related to their office. If there is any discrepancy, same may be pointed out to dealing branch, as well as concerned FA&CAO/Books, on the same date but in any case, not later than the following day.
10. Banker's cheque issued by the bank for unpaid cases would be returned only through cash office.

It is desired that the reconciliation procedure in your railways may also be reviewed & streamlined by adopting a similar procedure where considered necessary & feasible in consultation with the drawing bank to prevent instances of fraudulent payments.



30/1/13

(P.V. Vaidialingam)

Adviser (Accounts)

Railway Board