

Government of India  
Ministry of Railway  
(Railway Board)

No.2009/ACII/25/2

RBA No. 10 / 2009  
New Delhi, dated: 13.2.09

FA&CAOs  
All Zonal Railways/ PUs.

Sub: Fraudulent encashment of cheques.

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A case of suspected fraud in issue of cheques drawn on RBI Kolkata has been brought to the notice of Board's office by one of the Zonal Railways. The fraud came to light when the cheque presenting bank enquired about it from the concerned Sr.DFM. It was then found that this cheque was not issued by that office. Further investigations have revealed that one cheque book containing 50 cheque leaves pertaining to RBI/Kolkata has been replaced with a fake cheque book. The aforementioned cheque was drawn from the original cheque book stolen from the Sr. DFM's office and replaced with fake cheque book. Railway has advised RBI/Kolkata not to honour any cheque pertaining to the said stolen cheque book. Immediately stop payment advice was given to the banks. On verification of paid cheques received in HQs Books section, it was found that two more cheques pertaining to the above cheque book drawn in favour of one fake party, namely, M/s Saha Enterprises/ ICICI Bank were also encashed by RBI/Kolkata. The case is being handed over to CBI for further investigations.

A preliminary departmental enquiry is also being conducted and detailed report will follow. Modus operandi and other details of the case are, therefore, still awaited. In the meantime, Railways and Production Units may gear up their internal checking machinery to obviate any possibility of similar frauds by strengthening the system of reconciliation of paid cheques with cheques issued and scrupulous compliance of instructions related to handling of cheque books/ stationery.

In this connection attention is drawn to letter no. 2008/ ACII/25/12 dated 14.11.08 wherein all FA&CAOs had been advised to conduct reconciliation of cheques and bills on a monthly basis and bring the arrears to NIL. A feedback on the special drive to clean arrears was called for. Except for a few, most of the units have not given any feedback. This is regrettable.

Kindly ensure that reconciliation of cheques & bills is done on a monthly basis without fail, and arrear in reconciliation, if any, is brought to nil immediately by launching a special drive and report sent to Board. It is also necessary to implement the e-payment system in a time bound manner in consultation with drawing bankers accredited to Railways.

Receipt of the letter may please be acknowledged.

  
(K.B. Nanda)

Executive Director (Accounts)  
Railway Board