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कर्मचारी भविष्य निधि संगठन
Employees' Provident Fund Organisation
(श्रम एवं रोजगार मंत्रालय, भारत सरकार)
Ministry of Labour & Employment, Govt. Of India
(मुख्य कार्यालय)/ Head Office

भविष्य निधि भवन, 14-भीकाएजी कामा प्लेस, नई दिल्ली- 110066.
Bhavishya Nidhi Bhawan, 14-Bhikaiji Cama Place, New Delhi-110066

No. Bkg/1(5)/2006/Bank Agreement/Part/

27794

Dated: 19.09.2011

19 सितम्बर 2011

To

**All Regional Provident Fund Commissioners-In-Charge,
Regional/Sub-Regional Offices.**

**Subject: Fraudulent payments in the Accounts of EPFO through fake cheques-
precautionary measure to avoid fraudulent payment- reg.**

Sir,

Instances of fraudulent encashment of cheques in EPF A/c No. I & X have been reported by Regional Offices, Kolkata, Shimla, Jaipur, Delhi, Chandigarh and Sub-Regional Office, Bhatinda.

2. The modus operandi of such fraudulent encashment are as under:

- Cheque folios similar to those supplied to EPFO Offices by State Bank of India have been printed with same number series.
- The payee names have been changed.
- The imaginary amounts have been incorporated in the cheques.
- Cheques pertaining to transfer in/transfer out have been tampered in relation to payee.
- Signatures of the drawers are tampered.

- The matter was taken up with State Bank of India for corrective action and with an instruction to credit back the amount fraudulently debited from the EPF Account No. I & X. In certain cases, the amounts have been recovered to some extent and credited to the respective accounts.
- The State Bank of India has also taken precautionary steps to overcome the problems of fraudulent payment by putting an alert/caution message in the website of the Bank regarding presentation of fake/forged cheques of EPFO for payment at non-home branches.

5. Instructions have been issued earlier by Finance Division vide letter No. Bkg.1(5)2006/Agreement/Part-III/23390-23590 dated 27.10.2010(copy enclosed) to all field offices to take all precautionary measures in this regard such as monitoring of cash book thoroughly, especially in respect of those cheques which have been returned back but the amount has been debited to our account by the bank against some other cheque which may be fake cheque having same cheque number. In case any fraudulent case is noticed, then the matter may be taken up immediately with the bank authority and FIR should also be lodged with Police Authorities. Reports have also been received from State Bank of India to the effect that they have also lodged FIRs too.
6. It is further reiterated that all precautions shall be taken to check and arrest such practices by fraud racket who adopt deceit practices of grabbing the Trust money and money of the Provident Fund Members through presenting fake and tampered cheques. The only solution to stop such practices is to transmit the claim proceeds through National Electronic Fund Transfer(NEFT)or RTGS(Real Time Gross Settlement) to the fullest extent.
7. Instructions were issued by Head Office to field offices vide letters dated 18.11.2010, 17.01.2011, 15.02.2011, 11.04.2011 and 10.08.2011 for improving the performance. The progress on implementation of e-payment modalities has been reviewed from time to time. It is observed that in spite of such instructions and even after one year elapsed since e-payment modalities have been implemented in the Organization through National Electronic Fund Transfer(NEFT), there are still some field offices which not yet achieved the target of 70% and above in payment through NEFT. It is very serious and it seems that the instructions have not been followed in true spirit which resulted in fraudulent debit of money from the Trust and cheating of Provident Fund Members by fraudulent racket. In view of above, all out efforts are required to be taken by each office for successful implementation of e-payment modalities in your office to the fullest extent.

8. One of the efforts in this regard would be to educate the members/subscribers to opt for payment in their account with NEFT/RTGS enabled bank branches to save time lag between authorization of claim and actual receipt of payment and thus to avoid fraudulent payment. The payment through cheques enables the fraud racket to tamper the cheques and to receive the amounts involved deceitly from EPF Accounts. The payment through cheques has the following disadvantages.
- a) There is time lag between authorization of claim and printing of cheques.
 - b) Too much time is taken for signing voluminous cheques.
 - c) Too much time is taken for physically handing over of cheques and forwarding letters to Post Offices.
 - d) Post Offices also take time to dispatch voluminous cheques.
 - e) Too much time is also involved in clearing of cheques.
9. The benefits of payment through NEFT/RTGS may be brought out and placed on the reception counter so that the members, who visit the Provident Fund Offices for different enquiries etc., can acquaint themselves with the e-payment mode and thereby to plan for the same.
10. Employers may be requested to come forward in opening of the salary accounts of their employees in the NEFT/RTGS enabled bank branches. Field offices may also take action to educate the members about the benefits of payment through NEFT/RTGS by releasing advertisements in the local dailies, by sending direct mailers to the employers/chambers/trade unions etc.

All the Officers-In-Charge of Regional and Sub Regional Offices are advised to take all precautionary and safety measures on priority so that such forged and fake cheques are not encashed and payment through NEFT/RTGS is ensured.

Enclosures : As above

Yours faithfully,



(RAJESH BANSAL)

Financial Advisor & Chief Accounts Officer

19/09/2011

Copy Communicated to :

1. All Additional CPFCs, Zones for necessary monitoring.
2. DD(OL) for Hindi translation.
3. RPFC,NDC for uploading in the official website.



19/9/21

(P.K.UDGATA)

RPFC-I(Finance & Accounts)



Speed Post

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Employees' Provident Fund Organisation
(Ministry of Labour & Employment, Govt. Of India)
Head Office, Bhavishya Nidhi Bhawan,
14-Bhikaiji Cama Place, New Delhi-110 066.

No. Bkg.-1(5)06/Agreement/Part-III/

Dated:

To

All ACCs of Zones
All RPFs of Regional Office
All RPFs-OIC, Sub-Regional Office

27 अक्टूबर 2010

Subject **Fake cheque presentation.**

Sir,

Instances have come to the notice of Head Office where the cheques have been encashed which are not issued but with specified details of the issued cheques. These are the fake cheques which are encashed and allowed by the Bank. These cheques have same cheque No. as of specified cheques issued by our offices. The cheques are presented in a bank which is not the banker of the presenter by opening bank account by the fake beneficiaries.

2 Considering the seriousness of the matter, it has been opined that the field officers should check the cash book thoroughly especially in respect of those cheques which are not encashed and returned back. In case any instance come to the notice where the specified cheques issued by the office is received back as un-encashed but the amount has been debited to our account by the bank against some other cheque which may be a fake cheque having same cheque number, then the matter may be taken up immediately with the bank authorities and a FIR should also be filed with Police authorities.

3. The matter has also been discussed with higher authorities of State Bank of India at Headquarters level in a meeting with SBI. The bank authorities are also taking necessary steps in this regard.

4. You may also take all precautionary safety measure in this regard. In case any such instances come to the notice, the same may be taken up immediately at your level with the higher officials of

5. Please also ensure that NEFT process is invariably used for settlement, so that the issue of cheque /fake cheque does not occur.

Yours faithfully,

जारी किया
ISSUED

(Abhay K. Singh)
Financial Advisor & Chief Accounts Officer

0/c

RS
27/10/10