

F.No.25017/07/2017-PM.III
Government of India/Bharat Sarkar
Ministry of Home Affairs/GrihMantralaya

North Block, New Delhi-110001
Dated the 12th February, 2018

To

The Chief Secretaries of all State Governments/UTs Administrations

Subject: Steps to check Phone Frauds.

With the increase in use of digital payments by the common Indian public, phone frauds, especially through debit / credit cards and e-wallets, are also rising. Such frauds are committed using or involving a payment card, such as a credit card or debit card to fraudulently transfer funds from such card to an e-wallet account. The purpose may be to obtain goods without paying, or to obtain unauthorized funds from an account. Credit card fraud is also an adjunct to identity theft. In most of the cases, the frauds are under Rs. 50000.

2. It has been noticed that financial frauds involving mobile phones, e-wallets etc. are being carried out by the fraudsters by adopting different modes of operations. Few cases are of the kind where the customer himself revealed the debit/credit card details, ATM PIN or OTPs and fell prey to the fraudsters, while in few cases financial frauds have been committed even without the customer being at fault or being aware of it. In such e-frauds, the cheated money is routed first to e-wallets. In this connection RBI has issued Master Direction on Issuance and Operation of Prepaid Payment Instruments vide Master Direction DPSS.CO.PD.No.1164/02.14.006/2017-18 dated 11th October 2017 for all Prepaid Payment Instrument Issuers, System Providers and System Participants.

3. Ministry of Home Affairs is concerned about rising phone frauds and it is in this context that, Hon'ble Home Minister held a meeting on 19th September, 2017 to review the measures to check such crimes in the country. An Inter-Ministerial Committee on Phone Frauds has been constituted under the Ministry of Home Affairs, which is periodically reviewing various aspects of dealing with phone frauds. In pursuance of these reviews, following decisions/steps have been taken by the Government of India to check the phone frauds:

- i. FCORD-FICN Coordination Agency of IB has been designated as central Nodal Agency to coordinate with States/UTs for facilitating investigations. FCORD-FICN is in the process of developing a common platform (web based) for coordination among LEAs and nodal officers of wallet companies.

- ii. RBI has been requested to direct all e-wallet providers to announce their Central Nodal Officer for law enforcement agencies as well as State Nodal Officers in case of larger e-wallets companies and make available such list to FCORD-FICN.

4. In order to check the crimes related to phone frauds, all States / UTs are requested to take following measures immediately:

- i. Designate ADGP / IGP Crime in each State/UT as Nodal Officer to coordinate with FICN-FCORD on matters of phone frauds.
- ii. Share best practices and suggestions to curb phone frauds with FCORD-FICN.
- iii. Most of such crimes are done by Inter-State gangs. States /UTs are requested to strengthen their information exchange network and enhance cooperation in busting such rackets.
- iv. Coordinated multi agency actions be taken in villages/towns from where most of the phone frauds emanate, followed by thorough investigations.
- v. Since most of the frauds are happening due to lack of awareness among public, States / UTs may conduct a widespread awareness campaign to make consumers aware about the latest modus operandi of such criminals especially luring of victims for big financial returns, job offers, lottery etc. to get their personal credentials and OTP for committing financial frauds etc.

5. All the States/UTs Administration are requested to take immediate action as mentioned above and details of Nodal Officers may please be shared with FCORD-FICN and this office.

The receipt of this letter may please be acknowledged.


(Kumar Alok) 17/12/2013

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Copy to:

1. Home Secretaries of all State Governments/UTs.
2. The DGPs of all State Governments/UTs

For information:

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