From PD's Desk

It is with great pride and joy that we bring out the eighth edition of 'The Forerunner' for it is in this issue that we share with our readers news and photos of the Red Letter Day in RTI, Nagpur's calendar, the visit of the Comptroller and Auditor General of India on 9th July, 2010. A well spiced up RTI with all its greenery welcomed the C & AG. The sprawling campus, training infrastructure and the hostel facilities, the methodologies adopted for training were all appreciated by the C & AG. He also evinced keen interest in the performance of the Institute in the designated area of excellence. A compendium (DVD) of all the research work, case studies and reading material published so far by the Institute on its centre of excellence theme "Audit of Fraud, Fraud Detection Techniques and Forensic Audit" was released by the C & AG. In his key note address, the C & AG stressed the need to upgrade one's professional skills and knowledge. For this, he said, we need to upgrade the facilities at the training institutions and also the skills of Core Faculty. The trainees on their part should take the training seriously, he said.

We, at RTI, Nagpur, have drawn a great deal of inspiration and strength from the C & AG's words of praise and guidance. We rededicate ourselves to the cause of capacity building in IA & AD.

S. Snehalatha
Principal Director

The Mandate

Headquarters declared this institute as a Centre of Excellence in 'Audit of Fraud, Fraud Detection Techniques & Forensic Audit' in October 2003 with a mandate to act as a repository of information on the subject through developing quality reading material, case studies (national and international), research papers and database of expert faculty and media reports. Significant developments in the matter are also to be reported through a newsletter for information to the user offices and sister institutes.

In this Issue

- Honourable Comptroller & Auditor General of India's visit to RTI Nagpur
  - Memorable Moments.

- Budget Glossary (Contd...)

- The Journey So Far - Compendium of material developed and disseminated so far.

- Impact of Training.
- Evaluation of Training.

- What is Forensic Accounting?

- Case Study on ' Forgery and Misappropriation of Funds'.

- What is 3G?

- Red Flags and Anti-Fraud Measures in 'Pension Payment Process'.
- India's First ATM Card Fraud.

What is new?


- Mid-year RAC meeting held - September 2010.

CAG's Visit to RTI, Nagpur
9 July 2010

Awaiting CAG

Traditional welcoming of CAG

CAG at the entrance of RTI

CAG listening to presentation

CAG addressing the audience

CAG releasing compendium

CAG releasing Newsletter

CAG interacting with audience
In the previous issue of Newsletter revenue receipts collected through various taxes under revenue section of Consolidated Fund was discussed. Now in this issue we will discuss how Receipts in the Capital Account of the Consolidated fund are grouped under three broad heads- Public Debt, Recoveries of Loans and Advances, and Miscellaneous Receipts.

**Public Debt:** Public Debt receipts and Public Debt disbursements are borrowings and repayments during the year respectively. The difference is the net accretion to the public debt. Public Debt can be split into internal (money borrowed within the country) and external (funds borrowed from non-Indian sources). Internal debt comprises Treasury Bills, Market Stabilisation Schemes, Ways and Means Advances, and Securities against Small Savings.

**Treasury Bills (T-Bills):** These are bonds (debt securities) with maturity of less than a year. These are issued to meet short term losses in receipts and expenditure. Bonds of longer maturities are called Dated Securities.

**Market Stabilisation Schemes:** The scheme was launched in April 2004 to strengthen RBI's ability to conduct exchange rate and monitory management. These securities are issued not to meet the Government's expenditure but to provide RBI with a stock of securities with which it can intervene in the market for managing liquidity.

**Ways and Means Advances (WMA):** One of RBI's roles is to serve as banker to both Central and State Governments. In this capacity, RBI provides temporary support to tide over mismatches in their Receipts and Payments in the form of Ways and Means Advances.

**Securities against Small Savings:** The Government meets a small part of its loan requirements by appropriating small savings collections by issuing securities to the fund.

**Miscellaneous Receipts:** These are receipts from disinvestment in public sector undertakings. Capital account receipts of the Consolidated Fund- Public Debt, recoveries of loans and advances and miscellaneous receipts and revenue receipts of the Consolidated Fund.

(To be continued)

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**OUR PRODUCTS**

Compendium of material developed and disseminated so far by this Institute on theme "Audit of Fraud, Fraud Detection Techniques & Digital Forensics"

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**A to Z of Frauds**

**P - Phishing** - Have you had an email from your bank asking you to log in and check your account, or update your details? **Delete it straight away** - It's a scam designed to harvest your login details by tricking you into logging in to a fake website which will capture your details so scammers can empty your bank account.

**Q - Queen** - Yes even Her Majesty has been impersonated by scammers posing as representatives of the Queen Elizabeth Foundation, offering personal development and educational grants to disabled people. In return for an administration fee. **How low can scammers get?** I hear you ask? - pretty low!

(To be contd.)

**Contact us for material**

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Ph. (0712)-2545420, 2545816, 2545829
Fax : 0712 -2562577

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**Continuing Professional Education (CPE)**
(Institute's Faculty trained between April 2010 & September 2010)

<table>
<thead>
<tr>
<th>Name of the Officers</th>
<th>Topic/ Subject</th>
<th>Place of Training</th>
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<tbody>
<tr>
<td>P.P. Ghare, SAO &amp; CF</td>
<td>IFRS &amp; Due Diligence- What Next for Corporate India?</td>
<td>IIA, India &amp; Nagpur Audit Club, Nagpur</td>
</tr>
<tr>
<td>K.G. Hatwar, SAO &amp; CF</td>
<td>Workshop on Energy Conservation &amp; Energy Audit</td>
<td>Regional Training Institute, Mumbai</td>
</tr>
<tr>
<td>P.P. Ghare, SAO &amp; CF</td>
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</table>
Our institute, at the end of every training programme conducts an evaluation test. The following table indicates the details of the participants who secured the first and the second positions in the tests. They were awarded with token mementoes and merit certificates to sustain their interest and motivational levels. Their offices were also informed about it.

**General Courses**
- **Course on Audit of Direct Taxes**
  - Month & Year: April 2010
  - First Rank: Smt. U.S. Masurkar, AAO
  - Second Rank: Shri Mukul Kumar, SAO
- **Audit of Public Works & Irrigation Development Corporations**
  - Month & Year: July 2010
  - First Rank: Shri Satish Rambhau Jumde, SAO
  - Second Rank: Shri J.P. Singh, AAO
- **Intensive training course on Direct Taxes**
  - Month & Year: Aug. 2010
  - First Rank: Ms. Neeta Sunil B., AAO
  - Second Rank: Shri Tarun Prakash Deepak, AAO

**IS Courses**
- **Level 1- Basic Comp. Skill Batch-1**
  - Month & Year: April 2010
  - First Rank: Shri R.K. Srivastava, AAO
  - Second Rank: Ms. T.V. Mani, Sr. Auditor
- **MS-ACCESS**
  - Month & Year: April 2010
  - First Rank: Shri Abhay Kotwaliwale, Sr. AO
  - Second Rank: Shri Madanlal, AAO
- **IDEA**
  - Month & Year: May 2010
  - First Rank: Shri Sudhir Kumar Joshi, AAO
  - Second Rank: Shri N. Chandrasekhar, AAO
- **Maintenance of H/W and S/W**
  - Month & Year: May 2010
  - First Rank: Shri Subhashish Basak, AAO
  - Second Rank: Shri Shambhu Raisinghani, AAO
- **Level 1- Basic Comp. Skill Batch-2**
  - Month & Year: June 2010
  - First Rank: Shri Ajay Kumar Jangir, Sr. Auditor
  - Second Rank: Shri R. D. Dhapadkar, Sr. Auditor
- **IDEA**
  - Month & Year: June 2010
  - First Rank: Shri Shiju B Samuel, AAO
  - Second Rank: Shri Kumar Swamy, AAO
- **MS-ACCESS**
  - Month & Year: July 2010
  - First Rank: Shri Deepak Narayan Koturwar, AAO
  - Second Rank: Shri A. Mahadevan, AAO
- **Level 1- IT Audit-Basics Batch-1**
  - Month & Year: July 2010
  - First Rank: Ms. Sanjivani Pawde, Sr. Auditor
  - Second Rank: Ms. Sanghamitra D. Day, Sr. Auditor
- **IDEA**
  - Month & Year: July 2010
  - First Rank: Shri Tapan Kumar Mazumdar, AAO
  - Second Rank: Shri Ashish Kumar Dwivedi, AAO
- **ORACLE**
  - Month & Year: Aug. 2010
  - First Rank: Shri Vaiyapari, AAO
  - Second Rank: Shri A. Satyanarayana, AAO
- **Level 1- IT Audit-Basics Batch-2**
  - Month & Year: Sept. 2010
  - First Rank: Shri Chennu Balachandra, AAO
  - Second Rank: Shri Kunal Bose, AAO

**IMPACT OF TRAINING**
Entry Behaviour Tests (EBT) are conducted at the beginning of IS based courses in order to assess the knowledge and skill levels of the participants in the subjects concerned. Participant-wise results of the End Course Tests (ECT) are compared with the results of the Entry Behaviour Test (EBT) to quantify the impact of training. A chart depicting the impact of training in respect of all IS based courses conducted between April & September 2010 is given below.

**EVALUATION OF TRAINING**
Based on the participants’ feedback, every training programme is evaluated and grades are awarded. Details in respect of the courses conducted during April '10 to September '10 are depicted below.

**Overall Rating of the Courses conducted during April '10 to Sept. '10**

**Performance of Participants**

**IS Courses**
- "A" Grade (90% & above)
- "B" Grade (70% - 79%)

**General Courses**
- "A" Grade (75% & above)
- "B" Grade (70% - 79%)

*All types of frauds are characterized by certain contributing factors related to the values and motivations of the fraud perpetrators and the management of the defrauded organization* - Belden Menkus
What is Forensic Accounting?

"Auditor should be the watchdog and not be the bloodhound". It's a good quote that every auditor should know. This quote makes the definition of Forensic Accountants even simpler. The Forensic Accountant is a bloodhound of Book keeping. These bloodhounds sniff out fraud and criminal transactions in bank, corporate entity or from any other organization's financial records. They hound for the conclusive evidences. External Auditors find out the deliberate misstatements only but the Forensic Accountants find out the misstatements deliberately. External auditors look at the numbers but the forensic auditors look beyond the numbers.

Forensic Accountant takes a more proactive, skeptical approach in examining the books of Accounting. They make no assumption of management integrity (if they can assume so then there is no need for their appointment), show less concerns for the arithmetical accuracy, have nothing to do with the Accounting or Assurance standards but are keen in exposing any possibility of fraud.

The traits of the Forensic Accountants could be compared to a well baked Pizza. The base of forensic accounting is Accounting knowledge. Size and the extent of baking decide the quality of the Pizza. A middle layer is a dispersed knowledge of auditing, internal controls, risk assessment and fraud detection. It is like the spread of the cheese in Pizza. The toppings of this Pizza are a basic understanding of the legal environment. The legal environment is essential in order to support the litigations. The Cherry on the toppings of the pizza is a strong set of communication skills, both written and oral. It is just the beautification part. Perfect combination of the Pizza base, Cheese spread and good toppings makes the pizza delicious and the Forensic Auditor the perfect. It's a combination that will be in demand for as long as human nature exists.

Forensic accounting is the application of a specialized knowledge and specific skills to stumble upon the evidence of economic transactions. The job demands reporting, where the accountability of the fraud is established and the report is considered as evidence in the court of law or in the administrative proceeding.

In addition to the specialized knowledge about the techniques of finding out the frauds one needs patience and analytical mindset. One has to look beyond the numbers and grasp the substance of the situation. It is basically the work of the intelligent accountant. He needs to question seemingly benign document and look for inconsistencies. He searches for evidence of criminal conduct or assists in the determination of, or rebuttal of, claimed damages.

He requires the ability to think. Far from being an ability that is specific to success in any particular field, developing the ability to think enhances a person's chances of success in life, thus increasing a person's worth in today's society.

Sherlock Holmes was probably the most famous practitioner being the Forensic Chemist. But Kautilya was the first economist who openly recognized the need of forensic accountants. He identified forty ways of embezzlement centuries ago.

The opportunities for the Forensic Accountants are growing at a rapid speed. Collapse of Enron and WTC twin towers have blessed the American Forensic Accountants with the opportunities.

In India the formation of Serious Fraud Investigation Office is a landmark creation for Forensic Accountants. Growing cyber crimes, failure of regulators to track the security scams, series of co-operative banks bursting - all are pinpointing to the need of forensic accounting, irrespective of whether we understand the need or not.

In the Indian context the Forensic Accountants are the most required in the wake of the growing frauds. The law enforcement officers are the experts of analyzing the fingerprints and the narcotic persons but what about the digital evidence analysis? Very few know about it.

It's the thrill of hunt. Maurice E. Peloubet who coined the term Forensic Accountant in 1946 said that the preparation of financial statements has some but not all of the characteristics of forensic accounting.

This statement is enough for the Chartered Accountants in India to foray in this field. It is the new kid on the block. Both CBI and CID cops do the forensic accounting work. Until recently there was no separate community in India. But now movement of Indian forensic community is gathering pace.

The growing number of regulator and administrative agencies will demand the services in the nature of forensic practice. Chartered Accountants are going to find themselves more involved in what is essentially a type of forensic practice. The changing nature of the Accounting and Auditing & Assurance standards also confirms this.

Nearly 40 percent of the top 100 American accounting firms are expanding their forensics and fraud services, according to Accounting Today. If this data is of some relevance to Indian scenario then the day is not far away when forensic practice will contribute maximum to the total revenue of the Indian Chartered Accountants community. Far from the humdrum stereotypic accountant, your mind might have initially conjured, the forensic accounting professional is more of a private investigator with a financial sixth sense than the book keeper with a green eyeshade.

Frauds are easier to hide when profits are good
- Charles F. McCoy
(A case of forgery and misappropriation of funds)

As a part of fulfilling the mandate given, this Institute had released a series of case studies, prepared based on the transaction audit paras reported in Chapter IV of various State Audit Reports. In this issue, a case study, "Misappropriation of Funds" prepared based on para 4.1.2 of the Audit Report (Civil) of the Comptroller & Auditor General of India for the year ended 31 March 2007 of the Government of Assam is discussed.

Background of the case

In the office of the Commandant, 3rd Assam Police Battalion, Titabor, Assam, pay bills were drawn by inflating number of employees (in inner column) in respect of constables. The mandatory details like (i) budget provision and expenditure up to previous month, (ii) sanctioned strength and men-in-position against each category of staff were not recorded in the pay bills or verified from respective control registers for 75 months between April 2000 and June 2006, resulted in a misappropriation of ₹ 19.07 crore.

The Commandant, being Drawing & Disbursing Officer, even as he failed to exercise the above mandatory checks, had disbursed pay cheques to several subordinate officials for onward disbursement to the battalion personnel (platoon-wise) stationed at Headquarters and outskirts. The undischarged amounts were not returned by these officials nor had them accounted for in the cash book. Entire amount was shown in the cash book as expended.

The annual budget estimates prepared by the Commandant (DDO) projecting funds required for the vacant posts also in the Unit, were allocated by the Director General of Police (CO). Scrutiny of the records of the unit revealed that in disregard of financial discipline and rules neither the funds allotted in excess of requirement were refunded, nor were savings surrendered to the Government. Instead the surplus was shown as utilized, whereabouts of which were not ascertained by the Controlling Officer.

How the misappropriation was detected?

Actual requirement of money for disbursment of salaries with reference to the actual strength (men-in-position) in the office of the Commandant, 3rd Assam Police Battalion, Titabor, Pay Chart and Pay Record Registers etc. was cross checked by the audit team from the O/o the Accountant General (Audit), Assam, Guwahati with pay bills/pay bill copy books, acquittance rolls and moneys drawn from the treasury. Audit, based on the red flags, exposed that an amount of ₹ 19.07 crore was drawn in excess by inflating number of employees in respect of constables during 75 months between April 2000 and June 2006 and the same was misappropriated.

Category of Fraud

It is a case of Forgery & Misappropriation of Cash where ghost employees were involved. Due to lapse of the Middle Management which did not exercise the prescribed checks, gave ample opportunity to internal fraudsters to withdraw excess amount of Government money.

The failure

As per rule 95 of Assam Financial Rules, the head of office is personally responsible for accounting all moneys received and disbursed. No check was found exercised by DDOs as regards actual requirement of money for payment of salaries vis-a-vis men-in-position nor any check was exercised as regard actual disbursement with reference to pay cheques issued and acquittance rolls received.

Bill copy book beyond March 2003 was not at all maintained. In the bill copy books from March 2000 to March 2003, pay bills of officers and staff except pay bills of NK/LNK/Constables were copied down in detail. In respect of NK/LNK/Constables only gross amount of pay, allowances admissible and deductions made were noted in consolidated manner. These dissimilarities of depiction of figures in respect of those three categories were overlooked by the DDOs. From April 2003 onwards bill copy books were not insisted by the DDOs before the bills were passed for payment.

Complaints lodged by several residents of Titabor with the Assam Human Rights Commission (AHRSC) about the misappropriation of government money against the then Commandant and a HAV/ABSI in March 2002 and November 2002 were closed by submitting vague reports to higher authorities without proper scrutiny of the facts.

Internal Audit wing of the department during their audit of accounts of the Commandant conducted for the period up to 2003-04 had failed to detect overdrawals and misappropriation of government money.

Monthly expenditure statements submitted by the DDO (the Commandant, 3rd Assam Police Battalion, Titabor, Assam) to his Controlling Officer (DGP) were neither scrutinized nor forwarded to the Finance Department. Had a comparative study of expenditure by the DDO been made by the Controlling Officer with the expenditure of other similar Unit/Battalion, reason of such huge excess expenditure could have been detected.

Thus failure of budgetary control at Finance Department level, manpower management control and internal control system at DDO's level and controlling officer's level led the door open for misappropriation of Government money.

Effect of Audit

The perpetrators had been booked and an amount of ₹ 14,35,000 recovered till April 2007.
What is 3G?

Definition of 3G:
3G is the third generation of wireless technologies. It comes with enhancements over previous wireless technologies, like high-speed transmission, advanced multimedia access and global roaming. 3G is mostly used with mobile phones and handsets as a means to connect the phone to the Internet or other IP networks in order to make voice and video calls, to download and upload data and to surf the net.

How is 3G better?:
3G has the following enhancements over 2.5G and previous networks:
- Several times higher data speed;
- Enhanced audio and video streaming;
- Video-conferencing support;
- Web and WAP browsing at higher speeds;
- IPTV (TV through the Internet) support.

3G Technical Specifications:
The transfer rate for 3G networks is between 128 and 144 kbps (kilobits per second) for devices that are moving fast and 384 kbps for slow ones (like for pedestrians). For fixed wireless LANs, the speed goes beyond 2 Mbps.

What is Required for Using 3G?:
The first thing you require is a device (e.g. a mobile phone) that is 3G compatible. This is where the name 3G phone comes from - a phone that has 3G functionality; nothing to do with the number of cameras or the memory it has. An example is the iPhone 3G.

3G phones commonly have two cameras since the technology allows the user to have video calls, for which a user-facing camera is required for capturing him/her.

Unlike with Wi-Fi which you can get for free in hotspots, you need to subscribe to a service provider to get 3G network connectivity. We often call this kind of service a data plan or network plan.

What Does 3G Cost?:
3G is not very cheap, but it is worthwhile for users that need connectivity on the move. Some providers offer it within a somewhat costly package, but most of them have plans where the user pays for the amount of data transferred. This is because the technology is packet-based. For example, there are service plans where there is a flat rate for the first Gigabyte of data transferred, and a per minute cost for each additional Megabyte.

3G Standards
The dream of 3G is to unify the world's mobile computing devices through a single, worldwide radio transmission standard. Imagine being able to go anywhere in the world secure in the knowledge that your mobile phone is compatible with the local system, a scenario known as "global roaming".

3G Services in India
Once you have 3G Services activated and your handset supports video calls then you can even make video calls to a compatible device without having webcam or sitting in front of computer.

A 3G service network is well capable of sending and receiving video calls, watch live TV, access the internet, receive emails and download music tracks, as well as the usual voice call and messaging services found on a mobile phone. So this gives a nice and fast way of communication and use a mobile phone more than what it does at present.

Over Allocation
- © Original Artist
- www.CartoonStock.com

Dr. M.D. Kabra, Chief Commissioner of Income Tax, Vidarbha Region, Nagpur inaugurating course on 'Audit of Direct Taxes' held between 26.8.10 & 07.9.10

Participants of All India Workshop on 'Anti-Fraud Framework & Digital Forensics' with Faculty Dr. Sadu Israel, AG(C&RA), AP, Hyderabad

Auditors must recognise their responsibility to the public investors by including management activities in their review.
- Robbins McKesson
In continuation of our earlier issue a few more Red Flags and Anti-fraud measures for various activities involved in the 'Pension Payment Process' are presented below:

<table>
<thead>
<tr>
<th>Red Flags (Fraud indicators)</th>
<th>Anti-fraud measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.5 Entry about full time appointment in respect of Non Government Primary Schools/Non Government Secondary Schools/Non Government College teachers, the pension case has been processed.</td>
<td><strong>Preventive</strong>&lt;br&gt;As per provisions qualifying service starts from the date of appointment as full time teacher and this date must be indicated in the service book. <strong>Detective</strong>&lt;br&gt;1. Sort the service books in which dates of appointment as full time teachers were not recorded.&lt;br&gt;2. Verify whether the appointment had been approved by the competent authority and comment accordingly.</td>
</tr>
<tr>
<td>2.6 Entry about date of recognition and grant-in-aid commencement of NGPS/NGSS/NGC was not indicated, but the case has been processed.</td>
<td><strong>Preventive</strong>&lt;br&gt;As per provisions, qualifying service starts from the date on which the institution was recognised and aided by Government and the same should be indicated in the service book. <strong>Detective</strong>&lt;br&gt;1. Verify the date of recognition and grant-in-aid commencement of the concerned school/college.&lt;br&gt;2. Compare these dates with the date from which qualifying service started in respect of the pensioner(s) and comment accordingly.</td>
</tr>
<tr>
<td>2.7 A period of over one year break in service was condoned and counted for qualifying service.</td>
<td><strong>Preventive</strong>&lt;br&gt;1. Competent authority can condone maximum six breaks in entire service limited to two years and no spell should be for more than one year.&lt;br&gt;2. The period of breaks condoned is a non qualifying service.&lt;br&gt;3. As regards break on account of strike, suitable certificate about 'break condoned will not affect past service' is to be recorded. <strong>Detective</strong>&lt;br&gt;1. Select the employees retired in whose cases break in service was condoned.&lt;br&gt;2. Verify from their records whether the total number of breaks exceed six and the spell of break condoned exceeded one year and comment accordingly.</td>
</tr>
<tr>
<td>2.8 A case of non-technical resignation has been processed. (A resignation is considered as a technical resignation, if an employee working in an organisation applies for a post in a different organisation through proper channel and resigned from there subsequently.)</td>
<td><strong>Preventive</strong>&lt;br&gt;Resignation, if the post resigned from was not applied for initially through proper channel, results in forfeiture of past service. Therefore, the employee is entitled for terminal benefits only and not pension. <strong>Detective</strong>&lt;br&gt;1. Select the list of employees resigned from their service.&lt;br&gt;2. Verify from their records about the nature of resignation.&lt;br&gt;3. If the resignation was technical, verify whether service rendered previously was pensionable.&lt;br&gt;4. Comment in case of deviation, if any.</td>
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**India's First ATM Card Fraud**

**CASE HISTORY ANATOMY**

The Chennai City Police have busted an international gang involved in cyber crime, with the arrest of Deepak Prem Manwani (22), who was caught red-handed while breaking into an ATM in the city in June last, it is reliably learnt. The dimensions of the city cops' achievement can be gauged from the fact that they have netted a man who is on the wanted list of the formidable FBI of the United States. At the time of his detention, he had with him ₹ 7.5 lakh knocked off from two ATMs in T Nagar and Abiramipuram in the city. Prior to that, he had walked away with ₹ 50,000 from an ATM in Mumbai. While investigating Manwani's case, the police stumbled upon a cyber crime involving scores of persons across the globe. Manwani is an MBA drop-out from a Pune college and served as a marketing executive in a Chennai-based firm for some time. Interestingly, his audacious crime career started at an Internet cafe. While browsing the Net one day, he got attracted to a site which offered him assistance in breaking into the ATMs. His contacts, sitting somewhere in Europe, were ready to give him credit card numbers of a few American banks for ₹5 per card. The site also offered the magnetic codes of those cards, but charged $200 per code. The operators of the site had devised a fascinating idea to get the personal identification number (PIN) of the card users. They floated a new site which resembled that of a reputed telecom company.

That company has millions of subscribers. The fake site offered the visitors to return ₹11.75 per head which, the site promoters said, had been collected in excess by mistake from them. Believing that it was a genuine offer from the telecom company in question, several lakh subscribers logged on to the site to get back that little money, but in the process parted with their PINs.

Armed with all requisite data to hack the bank ATMs, the gang started its systematic looting. Apparently, Manwani and many others of his ilk entered into a deal with the gang behind the site and could purchase any amount of data, of course on certain terms, or simply enter into a deal on a booty-sharing basis. Meanwhile, Manwani also managed to generate 30 plastic cards that contained necessary data to enable him to break into ATMs. He was so enterprising that he was able to sell away a few such cards to his contacts in Mumbai. The police are on the lookout for those persons too. On receipt of large-scale complaints from the billed credit card users and banks in the United States, the FBI started an investigation into the affair and also alerted the CBI in New Delhi that the international gang had developed some links in India too. Manwani has since been released on bail after interrogation by the CBI. But the city police believe that this is the beginning of the end of a major cyber crime.