

Bank Fraud Case – Union Bank of India

An FIR was lodged on 17/03/2010, wherein it was alleged that Shri Anil Yadav, while working as Branch Manager, Service Branch, Union Bank of India, Indore from July 2006 to January 2010, **fraudulently debited Rs 20,92,250/- from Expenditure Account Clearing House Charges of various branches of the Bank at Indore and diverted Rs 10,05,430/- to his personal account maintained with SBI Indore. It was also alleged that Shri Anil Yadav used ID and passwords of other officials, unauthorizedly for making fraudulent transaction. Shri Anil Yadav, diverted Rs 16.26 Lakhs, from various accounts of customers to the account of Ms Preeti Malviya, by fraudulently debiting such accounts purportedly showing such debits as cheque clearing charges.** The amount so credited to the account of Smt Preeti Malviya, through fraudulent transfers was withdrawn on various occasions through transfer and ATM Transactions.

The investigation revealed that **each Branch of Union Bank of India, maintains an Income Account, wherein cheque returning charges (which are levied on the customers, whose cheques are returned unpaid)** are credited as income to the concerned branch for rendering the service.

Accused Anil Yadav, while working as Senior Manager, in Service Branch, of UBI was vested with "CCS Powers" (Current Context Sol) ID. The service branch of UBI is working as back office for local and nearby branches of UBI.

Investigation revealed that Ms Preeti Malviya opened and SB account with UBI, with the help of Anil Yadav, who filled the account opening form, introduced the account holder and authorized the account. This account was opened on 04/06/2007 with a balance of Rs 500/- at MG Road Branch of Union Bank of India.

Two cheque books were issued in the name of Ms Preeti Malviya, and as per the Cheque book issue register the cheque book was collected by Anil Yadav. The entries in the Cheque Book issue register was made by Shri Anil Yadav. One ATM card was also found to have been issued. The statement of account of Smt Preeti Malviya for the period showed transaction of Rs 62,17,381/-. **These amount were withdrawn, through ATM. The investigation disclosed that payment through cheques were made through this SB Account, to Indore Development Authority, for booking property in favour of Anil Yadav.** Similarly, Insurance policies were also purchased by Shri Anil Yadav, using cheques issued from the SB Account of Ms Preeti Malviya.

Investigation disclosed that a total 264 fraudulent transaction amounting to Rs 15,47,299/-, were made from service branch and the same are credited to the account of Smt Preeti Malviya from various account of customers and impersonal bank accounts like stationary Expenses account, POB remittance account and Clearing Houseing Charges, Account head. No physical vouchers were found available in the service branch, regarding these fraudulent transactions. Shri Anil Yadav, used the ID and password of other employees. A diary was seized during searches, from the possession of Anil Yadav, containing the ID and password of these Bank Employees.

RDA major penalty was recommended against various Bank Officers, who had passed the Cheques of Ms Preeti Malviya, despite clear mismatch in signatures.

Chargesheet was filed on 31/10/2011, in the Court of Special Judge CBI Cases Indore against Anil Yadav, under section 120B r/w 409, 420, 477A of IPC and section 13(2) r/w 13(1)(d) of PC Act, 1988.

The Court vide its order dated 07/05/2014 has convicted accused Anil Yadav with 4 years RI and 2.5 Lakhs, on each count (409, 477A, 420 of IPC and Section 13(2) of PC Act, 1988)