



महाप्रबंधक
GENERAL MANAGER

Chitra
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Ranjit

भारतीय रिज़र्व बैंक
विदेशी मुद्रा विभाग, फोर्ट ग्लेसिस
राजाजी सालै, चेन्नै 600 001
RESERVE BANK OF INDIA
Foreign Exchange Department
Rajaji Salai, Chennai 600 001

FED(Che)Admin/ 5008 /01.07.010/2010-2011

April 11, 2011

Dear Shri. Roshan Mathew

Fictitious offers of cheap funds from abroad

You are aware that there has been a spate of fictitious offers of cheap funds from abroad in recent times. These offers generally relate to lottery winnings/ remittance of cheap funds in foreign currency from abroad/ employment offers/ scholarship offers/ job offers/ emigration visas/ admission to reputed overseas universities, etc. They are generally made through letters, e-mails, mobile phones, SMS, etc. Sometimes the fraudsters send fake emails in the name of RBI officials attaching certificates, letters, circulars, etc., that look as if they have been sent by Reserve Bank top executives/ senior officials to make them appear as genuine. Communications on fake letterheads of the Reserve Bank and purportedly signed by its top executives/ senior officials are also being sent to targeted people. The fraudsters also convince the victims by impersonating as senior officials of the Reserve Bank with telephone numbers and/ or fictitious e-mail ids. Attempts to duplicate the Reserve Bank website to lure the public have also come to our notice.

2. Fraudsters seek money from the gullible people under different genuine sounding pretexts, such as, processing fees/ transaction fees/ tax clearance charges/ conversion charges, clearing fees, etc. The victims of the fraud are persuaded to deposit the amount in accounts with banks in India. Once the initial amount demanded is deposited, the money is withdrawn immediately from the account and fresh demand for an even higher amount follows. Generally the fraudster states that the money is held in RBI and that RBI will disburse the fund only when the amount asked for is deposited in the specified bank account. This process goes on till the victim either suspects a fraud or is left with no more money to pay. The usual modus operandi is that the victim deposits cash at a bank branch and the money is withdrawn through an ATM; possibly abroad. The possibility of use of KYC compliant mule accounts for perpetrating the fraud can also not be ruled out.

3. Many people have fallen victim to such teasing offers and lost huge amounts in the process. The Reserve Bank has already alerted the public on several occasions about such fictitious schemes/ offers, through the print and the electronic media and more such public education campaigns are being planned. RBI's web site www.rbi.org.in carries a permanent ticker on its home page on the subject.

4. You will agree that creating awareness is the best defence against such frauds. We, at our end, have been emphasising this point in all interactions with ADs. Your bank and staff, given their level of awareness and outreach, can play a very important role in this vital social endeavour. On another front, they are also potential targets for the fraudsters. Given that banking system is being used by the fraudsters to collect money from innocent victims, all of us collectively have an important role to play. I solicit your cooperation in spreading this message and enhancing public awareness against such frauds by ensuring that KYC norms are strictly observed. The bank staff needs to be particularly alert about suspicious patterns of transactions like large deposits of cash and immediate withdrawal through ATMs. Last but not the least, the level of public awareness needs to be stepped up. You can use various customer touch points like branches, ATMs, mailing of bank statements, your web site etc. for this purpose. I am enclosing copies each of a leaflet and a booklet containing FAQs on this subject (both in English and Tamil). I request you to arrange to take copies of this material and display it prominently at your branches, particularly at the cash receipt teller counters. You may also arrange to distribute copies through customer touch points. We will provide extra copies, both in hard and soft form, should you require.

5. My colleagues will be more than pleased to interact with your staff on this matter. You may contact me at 044-25369045 or at skmaheshwari@rbi.org.in or my colleagues Sh. P. Thangarasu, Assistant General Manager at 044-25360927 or at pthangarasu@rbi.org.in or fedchennai@rbi.org.in for any further clarification or assistance in this regard.

6. Kindly acknowledge receipt of this letter and let me know the steps taken by you in this regard.

With warm regards,

Yours sincerely,



(S. K. Maheshwari)
General Manager

Shri. Roshan Mathew

Branch

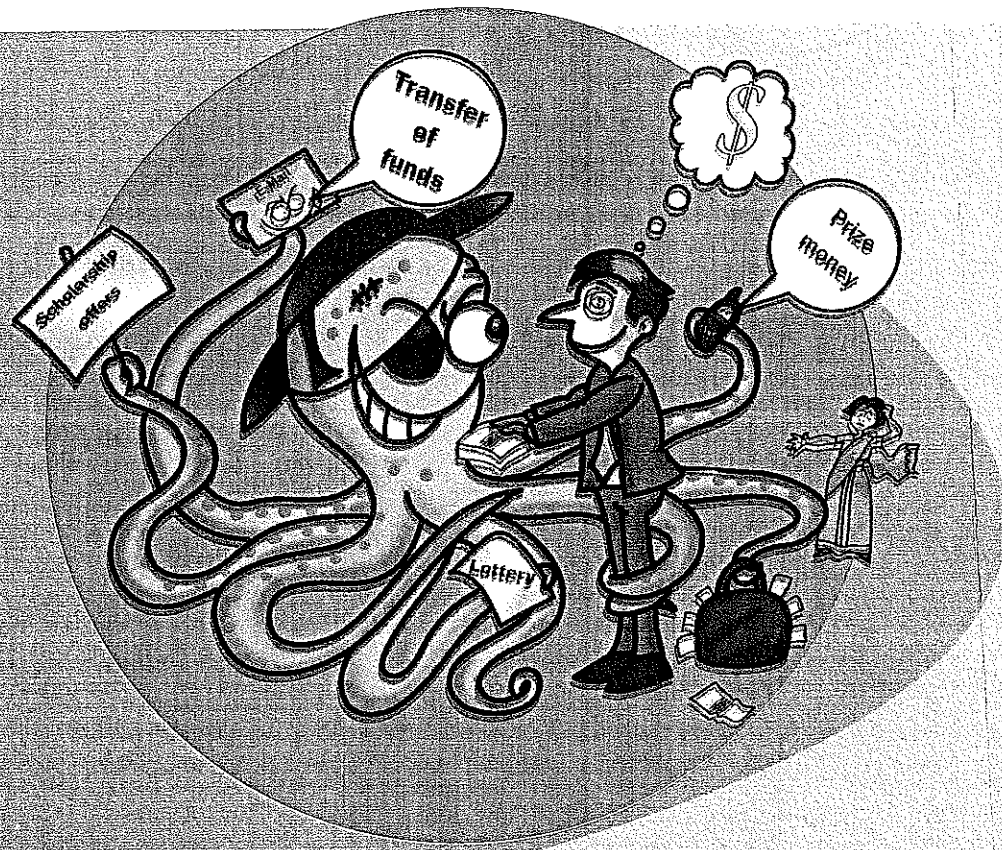
Manager

DBS Bank Ltd

806, Anna Salai

Chennai-600002

Beware of e-mails, SMS, Phone calls about Fictitious offers of funds from abroad



- ▶ Remittance towards participation in lotteries / prizes is prohibited under the Foreign Exchange Management Act, 1999.
- ▶ RBI does not keep accounts of individuals / companies / trusts or holds foreign funds for disbursal.
- ▶ RBI does not issue certificates evidencing receipt and holding of funds from abroad.
- ▶ You may immediately bring the details of such offers to the notice of local police authorities / Cyber Crime Cells for booking the culprits.
- ▶ Do not allow others to operate your bank accounts! Do not agree to share your account details in exchange for offers of cash!!



RESERVE BANK OF INDIA
www.rbi.org.in

Is the Reserve Bank doing something to warn the public??

› The Reserve Bank has issued many A.P.(DIR Series) circulars in the past cautioning the banks authorised to deal in foreign exchange (called Authorised Dealer banks) about such frauds, the latest in the series being A.P. (DIR Series) circular no 54 dated May 26, 2010.

› RBI has issued press releases to caution the public against such fictitious offers which are available on its website www.rbi.org.in as a permanent ticker.

› It has publicized the same in electronic and print media under the Jago Grahak Jago programme in coordination with Government of India.

› We also advise the people who approach us for clarifications about such fraudulent offers to file complaints with the local police.

Is RBI investigating such crimes??

› The Reserve Bank does not have any investigative powers to trace and book the culprits.

› Directorate of Enforcement is the investigating agency under FEMA, 1999.

› The victims of frauds should approach the local police which is authorised to take action against such fraudsters and also ensure that such frauds do not occur in future.

What should I do when we receive such fake offers?

› You should ignore such communications and not pay any money to participate in such schemes.

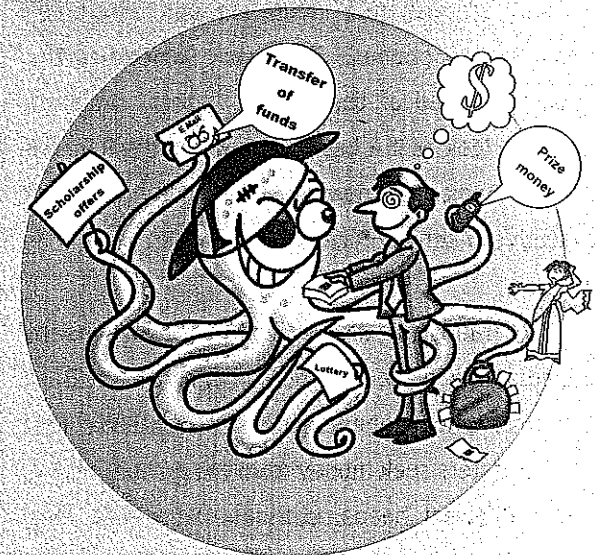
› Please contact the local police / Cyber Crime Cell/ local Economic Offences Wing immediately to register the complaint.

› In case of any doubts regarding such fictitious offers received, the public may refer to the Reserve Bank's website for clarifications.



RESERVE BANK OF INDIA
www.rbi.org.in

Beware of Fictitious Offers from abroad



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Sending money abroad for participating in lottery is prohibited under FEMA!!!

Modus operandi of the fraudsters to cheat the public

- › Fictitious offers may relate to lottery winnings / remittance of cheap funds in foreign currency from abroad/ employment offers / scholarship offers /job offers / emigration visas/ admissions to reputed overseas universities, etc.
- › They are generally made through letters, e-mails, mobile phones, SMS, etc. Sometimes the fraudsters issue of certificates, letters, circulars, etc., that look as if it has been sent by the Reserve Bank of India and purportedly signed by its top executives / senior officials to make them appear as genuine.
- › The fraudsters also convince the victims by impersonating as senior officials of the Reserve Bank with telephone numbers and/or fictitious e-mail IDs.
- › Fraudsters seek money from the gullible people, under different heads, such as, processing fees/ transaction fees/ tax clearance charges/ conversion charges, clearing fees, etc.
- › The potential victims of the fraud are persuaded to deposit the amount in accounts with various banks in India.
- › Once the initial amount demanded is deposited, the money is withdrawn immediately from the account and fresh demands made for an even higher amount follows in the name of transaction tax, registration money, etc.

Are these offers are fictitious?? Why?

› Unfortunately everything about these offers is fictitious from the email IDs used to contact the potential victims to the person calling on phone and also the offer itself.

But the caller or mailer said that the money is held in RBI in an account in the name of individual / company / trust and that RBI will disburse the fund only when the amount asked for is deposited in the bank

- › The Reserve Bank does not maintain any accounts in the names of individuals / companies / trusts, etc., for disbursements.
- › RBI also does not open accounts for individuals to deposit money with the Reserve Bank.
- › Further, RBI does not issue certificates or confirmations or receipts evidencing the holding of money in these accounts.
- › The Reserve Bank does not authorise any of its officials for such disbursements.

Will I get back my money if I participate in these schemes / offers??

- › The money that is deposited in the account is withdrawn almost immediately after it has been deposited. So naturally the money is lost, but more importantly, you would violate the provisions of the Foreign Exchange Management Act, 1999 by doing this.
- › In terms of the Current Account Rules

framed under the Foreign Exchange Management Act, 1999, remittances in any form towards participation in lottery schemes or lottery like schemes, functioning under different names like money circulation scheme or remittances for the purpose of securing prize money/awards etc., are prohibited.

› Accordingly, action can be taken against any person resident in India for collecting and effecting / remitting such payments directly/indirectly outside India for contravention of the Foreign Exchange Management Act, 1999.

Why is RBI concerned about these frauds?

- › Many people have become victims of such fictitious offers of cheap funds and have lost huge sums of money.
- › Further, sending remittances outside India for this purpose is against the provisions of FEMA, 1999.
- › Letters/ certificates, etc. on fake RBI letter heads and purportedly signed by its top executives are in circulation even though RBI does not maintain any accounts in the names of individuals / companies / trusts, etc., for disbursement of funds.
- › Also the fraudsters impersonate the officers of the Reserve Bank and contact the victims over phone by giving telephone numbers and fake email IDs, in the matter.
- › There have been attempts to duplicate the Reserve Bank website to lure the public.