

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4102
ANSWERED ON:18.08.2000
REFUND ORDERS ISSUED BY I.T. DEPARTMENT
VINAY KUMAR SORAKE

Will the Minister of FINANCE be pleased to state:

- (a) whether a few cases of issuing fraudulent Refund Orders by I.T. authorities have been brought to the notice of the Government;
- (b) if so, the details of such cases which have been investigated and the guilty officials penalized/suspended;
- (c) the details of such cases which are still under investigation;
- (d) whether the Government will conduct a probe on such fraudulent I.T. Refund cases with retrospective effect i.e., suspected cases for the last five years be brought under probe; and
- (e) if not, the reasons therefor?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI V. DHANANJAYA KUMAR)

(a), (b), (c) & (d) Some cases of fraudulent refund orders brought to the notice of the Government were investigated for appropriate action. As per details available in 30 cases action has been taken against the guilty officials whereas the matter is under investigation in three cases. Similar action would be initiated if and when such cases are reported/brought to the notice of the Government.

(Details of cases are given in the Annexure)

(e) Question does not arise

ANNEXURE TO LOK SABHA UNSTARRED QUESTION NO.4102 FOR 18.8.2000.

1. Shri M.N. Dubey, Stenographer.

Shri Dubey was placed under suspension by the Sr. A.R.,ITAT, Indore, w.e.f. 6.8.98. Case has been registered by the CBI vide RC No.11(A)/98 in which their report is awaited.

2. Shri S.R. Naidu, ITO:

Penalty of reduction in pay by 5 stages for five years imposed w.e.f. 30.3.99

3. Shri M.S. Idnani, ITO:

Disciplinary proceedings are in progress.

4. Shri G.G.A.Naidu, ITO Gr.A(Retd)

In this case file is under submission to UPSC

5. Shri G. Venketeswarlu, ITO:

CBI investigated the case. Lower court sentenced imprisonment. The sentence suspended by High Court till disposal of appeal.

6. Bogus refund cases in Karnataka:

Investigation revealed that no I.T. officer is involved.

7. A. Swamy Naidu, ACIT(Retd.)

CBI has started the process of prosecution.

S. Paramshivam, TA] M. Shivraj, ITO] CBI processing case for J.C. Jacob, ITO] launching prosecution.

8. Shri N. Rajagopalan, ITO

Departmental penalty proceeding initiated against the officer.

9. Shri G. Selva Kumar, ITO:

Sanction for prosecution has been accorded to CBI.

10. Smt. S.G. Bellani, ITO (U.S) & Shri S.L. Khanna, UDC

Smt. S.G. Bellani, ITO & Shri S.L. Khanna, UDC were arrested and both are suspended w.e.f. 30.4.92. A charge sheet was filed by the police in Court on 24.2.92 u/s 120(B)/420/409/467/467 & 471 IPC and at present the case is pending in court..

11. Fraudulent encashment of refund of Rs.12924/- issued by ITO Ward 20(3), Calcutta.

Departmental action against the concerned UDE is being taken.

12. Refund fraud in ITO, Ward 6(6), Calcutta.

FIR has been filed against the Advocate & other persons. Involvement of the departmental officials is under investigation.

13. A refund fraud of claiming bogus refunds by filing returns in the name of bogus assesses and enclosing fictitious TDS certificate was detected. Departmental proceedings against four officers of the department were initiated. In one case major penalty of 25% cut in pension for three years was imposed. In one case penalty of `censure` was imposed. In the other case UPSC has advised a penalty of reduction of pay.

14. Shri P.K. Choudhary, ITO: Minor penalty of `censure` was imposed on 21.12.98.

15. Shri K.N. Hazarika, ITO: Minor penalty of `censure` was imposed on 21.12.98.

16. Shri M.N. Day, ITO: Minor penalty of `censure` was imposed on 21.12.98.

17. Shri K.K. Das, ITO: Minor penalty of `censure` was imposed on 21.12.98.

18. Shri S.R. Das, ITO: Minor penalty of `censure` was imposed on 21.12.98.

19. Shri S.K. Majumdar, ITO: Minor penalty of `censure` was imposed on 10.3.99.

20. Shri S.K. Majumdar, ITO: Minor penalty of `censure` was imposed on 31.3.99.

21. Shri A.K. Purkaystha, ITI: Minor penalty of `censure` was imposed on 21.12.98.

22. Shri T.C. Das, ITI: Minor penalty of `censure` was imposed on 21.12.98.

23. Shri Imadul Haque, ITI: Minor penalty of `censure` was imposed on 21.12.98.

24. Shri Sapakut-Uli-Alam, UDC: Major penalty in the nature of reduction to a lower stage in the time scale of pay has been imposed on 21.12.98.

25. Shri S.K. Majumdar, ITO: Major penalty has been initiated.

26. Shri A.K. Purkaystha, ITI: Major penalty has been initiated.

27. Shri A.K. Dev, ITO: Major penalty has been initiated.

28. Shri J. Chakravarty, TA: Major penalty has been initiated.

29. Shri B.R. Purkaystha, ITO: Major penalty has been initiated.

30. Shri N. Lhungdhim, DCIT: Major penalty has been initiated.

31. S/Shri T.M. Phillipose, P.K. Johar, ITOs & Ors:

Their report has been examined and the matter has been referred to CVC on 1.6.2000 for their 1st stage advice.

32. Employees of I.T. Department, Banks & Private Practitioners.

In this case, there is an allegation that one I.T. practitioner M/s Pandaya & Co., in collusion with I.T. officials and one employee of SBI has made bogus claims of refund. The matter is under investigation and as per CCIT's report, the responsibility is being fixed in the matter.

33. A case involving six ITOs of NWR region is under investigation by the CBI.