

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:2387  
ANSWERED ON:23.08.2013  
IT REFUND SCAM  
Siddeswara Shri Gowdar Mallikarjunappa

**Will the Minister of FINANCE be pleased to state:**

- (a) whether a huge scam in refund of income tax has been detected in Income Tax (IT) Department by using login IDs and passwords of retired officials of Income Tax Department by the present officials;
- (b) if so, the details of officials found involved in this scam;
- (c) whether the Government has inquired into the scam and has fixed responsibility/taken action against guilty officials of IT Department;
- (d) if so, details thereof;
- (e) if not, the reasons therefor; and
- (f) the details of measures proposed to be taken by the Government to prevent recurrence of such scams in IT Department?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF FINANCE: (SHRI J.D. SEELAM)

- (a) Yes Madam, unauthorised issue of refund has been revealed through inquiry wherein it was detected that user ID of one retired officer was misused to issue fraudulent refunds.
- (b), (c) & (d) The matter was referred to CBI for detailed investigation along with other similar cases found by the department.
- (e) Not applicable.
- (f) The measures taken to curb the above problem are :
  - (i) Auto PAN transfer has been disabled and now due diligence on the part of Assessing Officer is must for PAN transfer.
  - (ii) User ID of the employee are automatically disabled on the date of superannuation of the employee as per the database.
  - (iii) Dummy user ID has been deleted wherein such misuse was noticed. Role assignment for such IDs has been made more stringent.
  - (iv) Strict password policy has been implemented imposing compulsion on users to change their passwords periodically and ensure its security.
  - (v) Network security token has been integrated with software application & login procedure has been improved to Single Sign On Screen.