

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4394
ANSWERED ON:08.08.2014
IT REFUND SCAM
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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 and if so, the details of officials found involved in this scam;
- (b) whether Government has enquired into the scam and has fixed responsibility of guilty officials of IT Department and if so, the details of action taken against the guilty officials;
- (c) if not, the reasons therefor; and
- (d) the details of measures Government would take to prevent occurrence of such scams in IT Department?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRIMATI NIRMALA SITHARAMAN)

- (a) Unauthorized issue of refunds of income tax using login ID and password of an officer (since retired) was detected in 2012.
- (b) The matter has been referred to the Central Bureau of Investigation (CBI) for further detailed investigation.
- (c) Does not arise in view of the reply given in (b) above.
- (d) The measures taken to prevent occurrence of such scams are:
 - (i) Automatic transfer of Permanent Account Number (PAN) from one Assessing Officer to another has been disabled and due diligence on the part of the Assessing Officer has been made mandatory for PAN transfer.
 - (ii) A new password management policy has been implemented wherein changing/resetting of password is mandatory after an interval of 30 days.
 - (iii) A single sign-on policy has been implemented wherein security features of RSA token and login to ITD application have been integrated.
 - (iv) The User-Id of an employee will be automatically disabled on his date of superannuation.
 - (v) System Audit trail of user login and log out timings is maintained for follow up.
 - (vi) Immediate investigation and stern action against officers found to be guilty.