OFFICE OF THE DY. INSPECTOR GENERAL OF POLICE PUDUCHERRY

NO. 10/OW/DIGP/2024 Dt.10/01/2024

STANDARD OPERATING PROCEDURE

"FOR DEBIT FREEZE OF SUSPECTED BANK ACCOUNTS"

The cybercrime complaints are reported by citizens in **National Cyber crime reporting portal (NCRP)** and also through National Cyber Crime Helpline **number 1930,** or by personal submission to Cyber-crime PS Gorimedu, Puducherry.

The Financial Cyber-Crime complaints must be reported in the **Financial Module (CFCFRMS) of NCRP** for further necessary action by financial intermediaries and banks.

In this process, multiple suspect accounts in various banks and other financial intermediaries may get frozen or lien marked in each case of reported Financial Cyber Crime.

These accounts may belong to:

1. The suspected fraudsters or his associates.
2. Mule accounts used by the fraudsters.
   a) Accounts created by criminals using stolen or synthetic identities.
   b) Accounts belonging to legitimate customers who have allowed the criminals to use their accounts for fraudulent activities by taking money (account holder has knowledge of crime).
   c) Accounts belonging to legitimate customers who have allowed their accounts to be used by the criminals out of ignorance. (Account holder does not have knowledge of crime).
3. Some ordinary citizens or business establishments with whom the fraudsters may have transacted for utilizing or buying various services or products.

There is a rampant pandemic of fake accounts which are used on a widespread level in cyber frauds for example in Puducherry of the 1903 cases in 2023 in which notices were sent to 752 accounts only 140 responded back 612 or 82% accounts were fake

Current Status:

Year	Freezed accounts in cyber cell
2022	Almost negligible – as CFCFRMS on cyber portal for freezing started in Nov 2022 and Cyber cell PS also was inaugurated in march 2023
2023	2760 frozen in 1903 cases

Cyber cell after its inception in 2023 march has so ***far has recovered INR 2.86 crores*** which is consiging with complaint and the amount defrauded ratio is one of the highest success ratio in the country.

Road Ahead:

In the backdrop of meteoric rise and a steep upward trend in cyber crime and furthering complexities, there is a need for creating and following a SoP for the investigating Officers in the State / UT to deal with the freezing / de-freezing and lien marking / lien release processes in relation to the suspect accounts in banks and other financial intermediaries.

The main objective of the SoP is to establish a fair, transparent and strict legal procedure to curb the fraudsters and help the innocent citizens. It will be relevant to mention here that so far only the State's of Uttarakhand and Telangana have a rudimentary SOP system. Puducherry UT will be the 1st State / UT to make a systematic and formalized SOP

FINANCIAL FRAUDS

SOP - DEBIT FREEZE OF SUSPECTED BANK ACCOUNTS

Once the suspect accounts are either frozen or lien marked by the concerned banks or other financial intermediaries, the IO's shall follow the below mentioned procedure to take further action as per law as part of their cyber crime investigation.

1. Download the money flow information from the CFCFRMS (Citizen Financial Cyber Fraud Reporting and Management System) module of the NCRP and incorporate the same in the investigation.

2. Establish clearly the flow of money from the victim's account to the suspect accounts shown in the NCRP report and incorporate the same in the investigation records.

3. **Issue notices U/S 102 CrPC to all the concerned banks or financial intermediaries to debit freeze all the accounts involved in the flow of fraud money.**

4. Follow up with the concerned banks and financial intermediaries and ensure that the suspect accounts are frozen as per the notices issued.

5. **Lien marking or freezing:** Both are required depending upon the nature of fraud for example in layer one and layer 2. Sometimes the accused is directly involved and has been doing cyber fraud with many just lien marking will do more damage than good as it will warn the fraudsters and they will siphon off the entire remaining amount.

Sometimes the account is being used for illegal remittances and cyber fraud together – in such cases also entire account has to be freezed.

6. IO should also investigate whether the suspect account is freezed from some other state as well – normally they are. Inter state cooperation is such cases can result in better result.

If any money lost by the victim in the reported fraud is available in any of the frozen suspected accounts. Then following steps to be implemented

7. **The IO shall issue a notice U/s 91 CrPC to the concerned suspect account holder through the concerned bank or financial intermediary for appearance or production of necessary documents before the IO within 7 days. (Annexure-I)**

8. **If the suspected account holder does not respond to the notice issued the IO shall file a petition through the Public Prosecutor (PP) concerned in the jurisdictional court U/S 457 and 458 CrPC seeking an order to the bank or financial intermediary to deliver the money from the suspect account to the account of the victim.** The IO shall clearly establish the entitlement of the victim in the petition based on evidence. **(Annexure-II)**

9. If the court issues the order as sought, the IO shall coordinate with the banks or financial intermediaries and ensure the implementation of the same.

10. If the court rejects the petition and claim, then the IO shall seek an appeal in the next higher court as per law by consulting the concerned Public Prosecutor.

If the person holding the account appears or files claim regarding the frozen account then

11. The IO shall conduct a detailed enquiry about his identity, his background, genuineness of the account and his relation to the account, explanation for the association with the fraudulent transactions etc. The IO shall also analyse the nature of transactions in the account based on the transactional statements obtained from the bank.

12. If the person's claims are found out to be genuine and has no association or knowledge of fraud, the IO shall submit a report to the concerned unit officer (superior officer in PS) and seek for de-freezing of the account as per Section 102 (3) CrPC. However, the amount of fraud money in the account must be debit frozen and rest of money in the account can be de-frozen.

13. If any such debit freezing is questioned by the account holder, than he may be informed that the due procedure U/S 453 CrPC would be followed.

Unclaimed money in frozen accounts:

If the money frozen in any suspected account/s is in excess of the amount involved in the case being investigated, that excess money may belong to other victims from across the country.

14. In such cases, if the account holder does not appear or no claims are made by him in reply to the notice issued, the IO shall file a petition in the jurisdictional court U/s 457 and 458 CrPC for an order directing that money to be at the disposal of the state government.

15. If any person claiming to be the account holder appears and/or claims the excess money to be his bonafide or genuinely earned money, detailed enquiry may be conducted in this regard by the IO and a decision to betaken based on the facts. If the claim is found to be genuine, the IO shall submit a report to the unit officer ((superior officer in PS) seeking de-freezing of the account as per section 102 (3) CrPC except the debit freezing for the extent of fraud money involved in the case.

16. If the person's claim is not found fraud to be genuine and satisfactory, the IO shall reject the claim and direct him to approach the Unit officer, if he has any grievance. The unit officer shall entertain such grievances and take final decision based on the facts.

If the suspect account is found to be involved in multiple frauds (intra and interstate)

17. **The IO and the unit officer shall coordinate with the concerned police officers and assist them in legally obtaining court orders in their cases. Where ever the account holders have not appeared or filed any claim and enquiry was not done with regard to the genuineness. Such suspect accounts shall not be de-freezed at all for any reason.**

(BRIJENDRA KUMAR YADAV, I.P.S)
DY. INSPECTOR GENERAL OF POLICE
PUDUCHERRY

To

1. All SSPs, Puducherry / Karaikal.
2. The Supdt. Of Police (Cyber Crime Cell), Puducherry.
3. The SHO (Cyber Crime PS), Puducherry.

Copy to

The Director General of Police, Puducherry – For kind information.

Annexure – I

Notice U/s 91 CrPC

Ref: Crime No._____ of _____ PS

It is to inform that a cyber crime has been registered vide reference cited above and during investigation it has been found that the fraudulently obtained money has been deposited into the account number _____ which is held by you as per the bank records.

Hence, you are hereby directed to appear before the undersigned within 7 days(seven days) from the receipt of this notice along with all the relevant documents about your identity and all the documents related to the said bank account and transaction to proceed further with the investigation into the case.

SHO / IO Name: _____

PS: _____

District: _____

Contact Number: _____

To

The Account holder:
Account number:
Bank:
Branch:
Note to OC/IO:

1. Mention the name and address of the account holder if available
2. Otherwise, the above notice may be sent to the concerned bank manager with a request to serve the same on the account holder as per records and submit the acknowledgement.

Annexure – II

In the court of Hon'ble _____

Petition U/S 457 CrPC

Sub: Request to issue an order directing the bank (or financial intermediary) to deliver the money to the victim's bank account from the suspect fraud account.

Ref: 1. Crime No. _____ of PS _____
2. Notice U/s 91 CrPC No _____ dated _____

With reference to the above, it is to submit that (brief of the case)_____

_____

In this case the victim lost Rs. _____ from his account No._____ to the suspect fraud account _____ which is frozen.

During the course of investigation, on date _____ Notice U/S 91 CrPC was issued to the account holder directing him to appear before the investigating officer within 7 days (seven days) along with all connected documents linked with the said account to proceed with further investigation into the case

However, the suspect account holder has not responded till date. In this background, it is requested to issue an order directing the bank (or financial intermediary) to deliver the amount of Rs. _____ from the suspected fraud account _____ to the original victim's account in bank _____ branch _____ IFSC code _____as the victim has the legal entitlement over the same.

Further, the rest of the money (if any) in the suspected fraud account continues to be frozen as the same may belong to various victim citizens across the country.

O/C: _____
PS Name: _____
District: _____

Enclosure:

1. NCRB complaint
2. Money trail report from CFCFRMS
3. FIR
4. Victim's/complainant's identity
5. Victim's/Complainant's bank account identity
6. Copy of the 91 CrPC notice issued to the suspected account holder.

Annexure-III

Enquiry report about Suspect's account

1. NCRP Acknowledgement No. and MO
2. FIR details
3. Suspect Bank details
    a. Account Number
    b. Bank Name:
    c. Branch Details:
4. Victim lost amount
5. Amount Frozen
6. Suspect account Lien marked/frozen/both
7. Account holder name with complete address proof and photograph to establish his identity:
8. Identity of victim account holder:
    a. Passbook:
    b. ATM card:
    c. Aadhar card:
    d. Mobile Number:
9. Relationship to the account:
10. Explanation for the association withthe fraudulent transactions
11. Nature of transactions: (Net banking, UPI etc)
12. Final conclusion by the IO:

O/C: _____

PS Name: _____

District: _____

Date:

Enclosures

1. Copy of money trail report from NCRP (CFCFRMS)
2. Copy of FIR

Annexure – IV

Notice U/S 102 CrPC

Sub: De-freezing of bank account

Ref: 1. Crime No. _____ of PS
2. NCRP acknowledgement No. _____
3. Application of account holder date _____

With reference to the above, it is to inform that bank account number _____ of account holder / suspect has been frozen vide reference cited. Now, the account holder has submitted an application and requested for unfreezing the same.

The matter has been examined and it is found out that the claim of the person is genuine as he has no complicity in the crime as per the investigation till now.

Hence, the said account shall be unfrozen.

To
The bank manager,
_____ branch,
_____ bank.

O/C: _____
PS Name: _____
District: _____

Enclosures:

1. NCRP complaint
2. Money trail report from CFCFRMS
3. FIR
4. Suspect account details