

*Original Article***Economic Crimes in India****Sheenam Kaushik¹, Ashima Garg²**

<p>Author Affiliation ^{1,2}Assistant Professor, Department of Law, Maharishi Markandeshwar (Deemed to be University), Mullana, Haryana 133207, India.</p> <p>Corresponding Author Ashima Garg, Assistant Professor, Department of Law, Maharishi Markandeshwar (Deemed to be University), Mullana, Haryana 133207, India. E-mail: ashima.garg17@gmail.com</p>	<p>Abstract</p> <p>This Special work is dedicated to examine the economic crimes in India that not only erode the Nation's Economy but the taxpayer's money and took off the people's trust from the institutions. It is a serious and growing threat in India. Technology is one factor which is used by the scammers for committing frauds and conspiracy at collective level is the other thing.</p> <p>Keywords: Money Laundering; Fugitive Economic Offender; Larceny; Swindle.</p>
--	--

How to cite this article:

Sheenam Kaushik, Ashima Garg. Economic Crimes in India. Indian J Law Hum Behav. 2019;5(2):241-243.

Introduction

Economic crime more accurately known as the white-collar crime is said to be the illegal activities or transaction done by a particular person or group to take financial advantage or economic gain. Money laundering, Bank fraud, counterfeiting of currency, financial scams, credit card fraud are some classic examples of the economic offences. In this paper, explanation is focused on different types of economic crimes and scams that are held in India in recent times.

Types of Economic Crime in India❖ **Bank Fraud**

Bank fraud is the crime where an individual or a group participate in a unethical or illegal act or practice to take economic advantage by faulty representation to shame banks and financial institutions.

❖ **Bribery**

To bribe is to get favourable work done by offering money to the person from whom one seeks a favour. It is a common type of crime used by many individuals specially by public servants.

❖ **Cyber crime**

With the increased use of technology, computer networks crime is threat to the security of person and his financial status. Leakage of financial information from the websites, mails, software etc.

❖ **Money Laundering**

With the objective of hiding the source of money and to make it legitimate for further transactions. Money laundering is done by hoaxers or criminals.

❖ **Insider Trading**

The exercise of taking advantage of private information on securities exchange is said to

be insider trading.

❖ **Welfare Fraud**

Misuse of the state welfare system by involving in the activities to avail the benefits of cash, food originally for which they are not eligible.

❖ **Securities Fraud**

In this fraud, purchases are made by the investors on the basis of inaccurate information provided by the dealer.

White Collar Crimes in Different Professions

1. In the field of Medical:
 - Inappropriate use of medical licenses.
 - Gender determination by the doctors.
 - Delay in treatment to charge high fees from patients.
2. In the field of Legal Profession:
 - Non compliance with law.
 - Presenting the case with false intentions.
3. In the field of academics:
 - Fetching enormous amount of donations in lieu of amission.
 - Intelligence is replaced by money.
 - Accumulation of funds via fake government aids.

SCAMS

From the very long time , India falls as an easy prey to the shocking financial crimes which shows the weakness of an Indian system as well as human gluttony that spoil the lives of innocent people. Some Examples of scams are:

❖ **Speak Asia SCAM**

Based in Singapore, Speak Asia Online Limited company is involved in the scam in which they asked contributors to fill forms in lieu of using it as a source for market research-the amount of filling form was 11000 and also one has to gather more people in hoax of earning 52000 a year. In this scam, 2.4 million Indians got duped for Inr 2276 crores as company did not pay anything to anyone.

❖ **Saradha CHIT Fund SCAM**

Another scam which shows the viciousness of top business leaders is the Saradha Chit Fund Scam in which investors are tempted for the high returns in West Bengal. This Swindle was worth 2460 crores.

❖ **Sahara**

In this scam, Securities and Exchange Board of India injunction prevented two companies of SAHARA to issue OFCD (Optionally fully Convertible Debentures) and refund the money of 3 crore investors that is worth about 24000 crores. In this case, till the time money was refunded to the investors, the chief of SAHARA Subrata Roy was in the custody of the top court.

❖ **Nirav Modi**

The fraud that recently caught everyone's attention is the fraud done by the Nirav Modi worth 11000 crores. Also the Diamond Merchant can be said as the poster boy of India's Banking crises showing PNB carelessness where the merchant's company using letter of understanding (LOU) borrowed money from the bank and never bothered to repay it. Not even this, after the first default, in conspiracy PNB employees rather than following protocol asked other banks to issue loans on the basis of LOU.

❖ **Rotomac**

Not only the Nirav modi's case but also the scam shocking India's trust in banks is when Vikram Kothari Rotomac pen promoter alleged by CBI about the defaultment of 3695 crores collective of seven nationalized banks.

❖ **Satyam Scandal**

A Jaw Dropper incident that took place in early 2009 when chairman of Satya Computer now known as Mahindra Satyam Ramalinga Raju resigned and wrote a letter about the manipulation done by him in the accounts book worth of 7000 crore for which special court executed the rigorous imprisonment of 7 years for the Raju and other guiltyies.

There is no denying the fact that whenever this kinds of frauds are done. It is the money of the honest taxpayer nation's economy which got crumbled which can be prevented by effective checks at each organisation.

Fugitive Economic Offender Bill, 2018

A person is declared as a fugitive offender if:

- An individual is accused of the economic offence of Rs 100 crore or more, and.
- He has left India to avoid prosecution.

When a person is declared fugitive the property of a person is seized and handed over to the central government.

Fugitive Law

This law gives the power to the government for acquiring all the assets of the persons including benami assets and also the foreign assets with the support of international cooperative mechanism.

Fugitive Offender Bill and Vijay Mallya

In March 2016, Mallya flee to UK after the accusation of the defaultments of loans and money laundering. Even after the lots of proceedings in which Mallya tried to settle down the case, the ED plea to the Prevention of Money Laundering Act (PMLA) court that the offers are just a mockery and solicited for the confiscation of his properties and submit to the union government. After the petition by the Enforcement Directorate Vijay Mallya has been declared as the first one "A Fugitive Economic offender" under the New Fugitive Economic Offender's Act enacted last year.

Conclusion

These severe crimes have devastating effects on the country's economy. Its consequences not only extends to an individual but affects economy as a whole.

Neither any government nor any law should take these crimes leniently and should not overlook the consequences faced by the victims.

- Any individual or an organisation engaged in such crime should be severely punished.
- If the crime is inexcusable, the culprit should be given life imprisonment.
- Awareness programs should be conducted to make the public aware about the crimes being practised in the society.
- Government should impose strict regulations and remedies regarding economic offenders.
- Economic crimes should be brought under harsh penalty brackets so that people are afraid of committing such crimes.

References

1. Braithwaite, John (1989): Crime, Shame and Reintegration. Cambridge.
2. Coleman, James William (1998): The Criminal Elite. Understanding White Collar Crime. 4. Aufl. New York.
3. <http://legalserviceindia.com/legal/article-530-white-collar-crime-detail-study.html>.
4. <https://economictimes.indiatimes.com/news/politics-and-nation/vijay-mallya-becomes-first-person-to-be-declared-a-fugitive-economic-offender/articleshow/67394758.cms>.