A STUDY OF CYBER FINANCIAL FRAUD IN THE STATE OF MIZORAM

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ABSTRACT

Cyber crime which is a crime committed by the use of computer or computer devices become one of the most common crimes all over the world. There are different types of crimes and new forms of cyber crimes have been discovered by the criminals by applying advanced technology. There may be different reasons behind committing cyber crimes but one of the main aims of the criminals is gaining monetary gain. By applying different tricks and tactics the criminals tried to defraud the victims in every possible way. Cyber crime is a global concern and even though Governments and authorities takes various preventive steps to mitigate and control this crime the number of cyber crime rate still moving upward and the victims lost massive amount of money in the hands of the cyber criminals. This study is to analyze the effect of cyber financial fraud among the people living in the state of Mizoram. Even though Mizoram State Government takes various steps by setting up of a separate Cyber Crime Police Station, organizing public awareness and following different schemes of the Central Government, cyber financial fraud is still a threat in the society.

The objective of this study is to know the real position of cyber crime and cyber financial fraud in the state of Mizoram. For this study a well-structured questionnaire was prepared for conducting survey and primary data are also collected from Cyber Crime Police Station, Aizawl, Mizoram. This study presents a reliable overview about the effect of cyber crime especially cyber financial fraud in the Mizo society and the level of public awareness in this area of crime. The findings of this study are important recommendation for taking effective steps to control cyber financial fraud not only for Mizoram but for all over India.

Keywords: Cyber, criminals, financial, society, victims.

Introduction

Cyber crime which is committed by using computer or computer devices is a global problem now a day. Cyber crime by definition is any harmful act committed from or against a computer or network.[1] Cyber crime is a term used to broadly describe criminal activity in which computers or computer networks are a tool, a target, or a place of criminal activity and include everything from electronic cracking to denial of service attacks.[2] According to the Organization for Economic Cooperation and Development (OECD) which was the first international organization that initiated guidelines for computer crime "Computer related crime is considered as an illegal, unethical, or unauthorized behaviour relating to the automatic processing and transmission of data".[3] The abuse of computers has also given birth to a gamut of new age crimes that are addressed by the Information Technology Act, 2000.[4] The most comprehensive classification of computer crimes has been given by David L. Carter who classifies computer-related crimes into three broad categories – a) where computer is the target of the crime, b) where computer facilitates the commission of crime and c) where computer is incidental to the crime.[5]

Among different kinds of cyber crimes, cyber financial fraud has become a very critical problem all over the world. With technological advancement online banking and online transaction has become a common practice among the people. By using internet connection the customer do not need to visit the financial bank for transferring money or taking out money from their account. Development in banking system is one of the greatest achievements in financial area of the modern age. It saves time and energy and it improves the lifestyle in a better ways. However, some loopholes in the banking system paved ways for cyber criminals to commit various cyber crimes. Due to technological advancement the cyber criminals often steals money from the victims as one of the main aims of cyber criminals is monetary gain from the victims. In India the number of cyber crime cases especially the rate of cyber financial fraud has been increasing and also in the State of Mizoram, even after taking every necessary step to control cyber crime, the crime rate has been increasing. In Mizoram, there is only one Cyber Crime Police Station which is located in Aizawl, so the jurisdiction of this Police Station covers the whole State relating to different kinds of cyber crime incidents. As cyber crime is

[1] Isha Chattarjee, Law on Information Technology 94 (Central Law Publications, 1st Edn., 2014).
[2] Manish Kumar Chaubey, Cyber Crimes & Legal Measures 6 (Regal Publications 2017).
[3] OECD, Cyber Crime Law, https://www.cybercrimelaw.net/OECD.html (last visited Jan. 9, 2026).
[4] Kant Mani, Legal Framework on Cyber Crimes 35(Kamal Publishers, 3rd Edn., 2019).
[5] Farooq Ahmad, Cyber Law in India (Law on Internet) 362 (New Era Law Publication, 5th Edn., 2019).

increasing it is necessary to set up more cyber crime police station in other districts for protecting the society from different kinds of cyber crimes.

Cyber Financial Fraud – A threat in the Society

When modernization takes place, people use different technology to make life easier. Development in various fields plays a significant role in improvement of the society. Advancement in the banking system which includes online payment, internet banking, mobile banking or different modes of UPI transaction becomes an integral part of modern daily life. However, it also paved the way for committing cyber financial fraud by the cyber criminals.

The term cyber financial fraud covers all illegal activity which is committed by using advanced technology to steal money from the victims. It became one of the most common types of cyber crimes because the criminals get monetary gain from the crime they committed. It is an easy way to steal money from others. Without having any physical contact, the victims may lose all of his money to the criminals whom he never met before. Not only the financial institutions but also the financial services industry is a very lucrative target and is, therefore, heavily impacted by the rise of cyber criminality.[6]

Cyber financial fraud usually starts with identity theft. Today, identity theft has emerged as major headache for nations, especially in the western world.[7] The term identity theft refers to fraud that involves stealing money or getting other benefits by pretending to be someone else.[8] The Information Technology Act, 2000 explains the term identity theft as 'Whoever, fraudulently or dishonestly make use of the electronic signature, password or any other unique identification feature of any other person'.[9] Credit card system is one of the easy ways to complete buying and selling. But it paved the way for committing credit card fraud which is a form of identity theft that involves an unauthorized taking of another's credit card information for the purpose of charging purchases to the account or removing funds from it.[10] Online shopping which is one of the most common practices to do buying and selling by using internet connection can also be easily use by cyber criminals to commit crimes. Unlike traditional mode of shopping the buyer and seller never meet in person, by taking chances after

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6 Visma, What is financial cybercrime, and how can we prevent it? (Oct. 26, 2021) https://www.visma.com/insights/content/what-is-financial-cybercrime-and-how-to-prevent-it (last visited Jan. 10, 2026).
7 Pavan Duggal, Cyber Law 215(Universal LexisNexis 2nd Edn. Reprint, 2021).
8 Prashant Mali, Cyber Law & Cyber Crimes Simplified 15 (6th Edn., 2018).
9 Section 66C of the Information Technology Act, 2000 (Act No. 21 of 2000).
10 S.R. Myneni, Information Technology Law (Cyber Laws) 585 (1st Edn., 2013).

completing payment the criminals deceive or tricks the victims by delivering wrong items or fake items and sometimes not delivered anything at all and many victims have lost their money. Cyber financial fraud in the banking system is the main target of cyber criminals and the victims are deeply suffer by losing huge amount of money from their bank account. Cyber offences have emerged as the latest avatars in the world of crime; and hence, are by far most difficult to handle.[11] However, various steps taken by the authority, huge amount of financial fraud money are retrieved back by the Cyber Crime Police.

Cyber Financial Fraud in the State of Mizoram

In the State of Mizoram a separate Cyber Crime Police Station was established in Aizawl in the year 2020. This is the only Cyber Crime Police Station in the state and all cyber crime related cases are registered and necessary investigation procedures are then conducted by the staffs.

To know the awareness level of cyber crime in the state of Mizoram, a random survey was conducted and questionnaire relating to the subject was distributed covering all 11 districts of Mizoram namely Aizawl District, Champhai District, Hnahthial District, Khawzawl District, Kolasib District, Lawngtlai District, Lunglei District, Mamit District, Saitual District, Serchhip District and Siaha District. The study was concluded from 525 responses received from the respondents varying from Government servant, professionals, students, shop keeper, housewives, NGO leaders, Church leaders etc. the questionnaires were distributed in Google Form and the completed responses were separated and details are as given below:

Table 1

Number of Respondents

Category	No. of Respondents	Percentage
Male	315	60
Female	210	40
Total	525	100

Source: Field work

[11] J.P. Mishra, An Introduction to Cyber Law 174 (Central Law Publications, 2nd Edn., 2014).

As shown in Table 1, the numbers of male respondents are 315 comprising of 60% and the numbers of female respondents are 210 comprising of 40% from the total number of respondents.

All the respondents irrespective of their gender, age, qualification or job are given the same questions as provided below:

Do you know the meaning of cyber crime?

46% of the total respondents claimed that they know the meaning of cyber crime while 54% of the total respondents claimed that they do not know the meaning of cyber crime.

Have you receive a fraudulent call from unknown person?

74.5% of the total respondents claimed that they have received fraudulent call from unknown number while 25.5% claimed that they never received fraudulent call from anyone. In cyber financial fraud, the criminals usually start the crime by making fraudulent calls to the victims so this data shows that 74.5% of the respondents are likely to be a victim of cyber financial fraud.

Have you ever faced any kind of cyber crime in your lifetime?

34% of the respondents claimed that they received a call relating to disclose their bank account information. 3% of the respondents claimed that they received online loan offer from unknown bank officials and were asked to provide their banking details. 15% responded as they received email or SMS from unknown by informing that they have a good offer in their bank account while 34.6% claimed that they faced sexual harassment through social media and 0.4% claimed that unknown persons tried to contact them from various social media sites. From this data 87% of the respondents encountered some kind of cyber related crime and only 13% of the respondents are free from any kind of cyber related crime in their lifetime.

Does cyber financial fraud happened in your bank account?

The data shows that 24.6% of the respondents faced cyber financial fraud in their bank account, while 60.2% are not sure whether they have face cyber financial fraud in their bank account. Only 15.2% of the total respondents are so sure that they never experienced any cyber financial fraud in their bank account.

Do you know that Cyber Crime Police Station was established by the Mizoram Government?

74.6% of the respondents are aware that a separate Cyber Crime Police Station was established by Mizoram Government while 25.4% of the respondents does not know the steps taken by the state government in this regard.

Have you attended cyber crime awareness campaign or seminars etc. organized by NGO leader, institution, or department?

Even though cyber crime is a societal problem only 25.4% of the respondents claimed that they had attended cyber crime related awareness campaign or seminars etc. However, 17.2% claimed that even though they did not attend physically they watched and listened the related programme broadcasted through television, radio and different social media sites. It is clear that 57.4% of the respondents do not have any awareness on cyber crime related matters.

Do you know the Information Technology Act, 2000 was enacted for cyber crime related offences in India?

23.3% of the respondents knows that the Information Technology Act, 2000 was enacted for cyber crime related offences in India while 76.7% of the respondents do not know about it. So from this data it is clear that it is necessary to take steps to educate people about cyber crime and the punishment provisions laid down by the law.

Data Collected from Cyber Crime Police Station, Aizawl

For this study, the researcher visited the Cyber Crime Police Station, Aizawl and found out that the Cyber Crime Police Station, Aizawl even though it is the only Police Station which deals with cyber related cases for the whole state of Mizoram, there is highly insufficient of office staff who needs to deal with all the cyber related cases for all eleven Districts in Mizoram. From registering cases to investigation procedures and final submission of report in the Court, cyber crime investigation process requires more time and energy. As cyber crime cases is still increasing and new forms of crimes has taken place it is necessary to upgrade the working conditions of Cyber Crime Police Station.

Table 2

Cyber Crime Cases Record during 2020 - 2025

No. of Case Registered	No. of Enquiry taken	No. of Person arrested	No. of cases charge sheeted	No. of Pending Trial	No. of persons convicted
356	2307	145	119	46	72

Source: Data collected from Cyber Crime Police Station, Aizawl

From the data collected, since the establishment of a separate Cyber Crime Police Station, a separate data record has been maintained by the Police Station. According to the record, during the year 2020 – 2025, a total number of 356 cases were registered, total number of enquiry taken is 2307, 145 cyber criminals were arrested, a total number of 119 cases were charge sheeted in the Court, 46 cases were still pending in the Court and a total number of 72 cyber criminals were convicted.

Table 3

Cash Recovery Record during 2020 – 2025

Year	Amount
2020	No Record
2021	₹1,57,290/-
2022	₹21,68,758/-
2023	₹30,24,210/-
2024	₹1,61,51,089
2025	₹63,10,299/-
Total	₹12,78,11,646

Source: Data collected from Cyber Crime Police Station, Aizawl

Table 3 clearly shows that when the Cyber Crime Police Station has been established in the year 2020 even though cases were registered but no amount of money was recovered in that year. When investigation process takes place amount were recovered from the year 2021. From the above data it is crystal clear that the amount involved in cyber financial fraud has been increasing every year. This clearly indicated that cyber financial fraud cases have been one of the main problems in the Mizo society. There are still huge amount of money which are still pending in the investigation process.

Conclusion

Cyber crime cases which is a growing concern become the social problem in today's world. The effect of this crime can be traced from developed countries to even small states. New form of cyber crimes has been discovered by the criminals so it is necessary to upgrade cyber security systems. The Central Government takes various steps to control cyber crime by enacting a separate law known as the Information Technology Act, 2000 (which has been amended in 2008), setting up of Indian Cyber Crime Coordination Centre (14C) and the Indian Computer Emergency Response Team (CERT-In), establishment of National Cybercrime Reporting system, National Cybercrime Training Centre (NCTC) and National Cybercrime Forensic Laboratory (NCFL) etc.

By following initiatives taken by Central Government Mizoram Governments have taken different steps to prevent cyber crime and cyber financial fraud by establishing Cyber Crime Police Station, Technical Support Cell and Cyber Forensic Laboratory, operating Cyber Crime Helpline 1930, organizing various awareness programmes for police, judicial members, advocates, government officials and for the general public. Different Financial Banks and Financial Institutions also take major steps to prevent cyber financial fraud in the banking system. Various steps taken by the banks are - Mandatory OTP verification for making transaction, creating their own mobile banking application and internet banking application for their customers, organizing customers and employees sensitization programme relating to cyber financial fraud etc. Government alone is not enough to fight back cyber crimes so it is the primary duty to support and take necessary steps by the people in every society. More cyber crime prevention awareness should be conducted to educate every age group as this crime does not leave young ages and older people. Young age groups who have more exposure in internet activity need much knowledge about this type of crime. So it is mandatory to conduct awareness programme in schools, college, institutions and universities. Regarding cyber financial fraud the cyber criminals mainly access the bank account of the victims, so it is also important to make more protective security system relating to online banking, internet banking and UPI system among working class groups. Old age group who are mostly pensioners are also victims in cyber financial fraud so it is needed to give them information about the sensitivity of online transactions and not to share personal information to others. As the world is changing there will still be a lot of room for cyber criminals but if the police personnel and authorities received support from society members and instructions given by them are followed, Mizoram will become more peaceful society free from cyber crime and cyber financial fraud.

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