

Government of India
Ministry of Communications
Department of Telecom
O/o DG Telecom HQ

Dated 04-10-2023

To

All LSA Heads

Subject : Comprehensive Audit and analysis of sampled mobile connections during routine Monthly/Quarterly CAF Audit.

During the last couple of years, it has been observed that there is a substantial rise in fraudulent activities and many a times, telecom resources particularly mobile connections are being used for carrying out such fraudulent activities which can be termed as misuse in telecom resources.

2. In order to arrest the misuse of telecom resources, the emphasis is rapidly shifting to ensure the bonafide usage of telecom services including adequate verification of customer. Therefore, the monthly/quarterly CAF audit being carried out by LSAs should be comprehensive, keeping into consideration of the following points :

- i. The purpose of audit is to assess the implementation of KYC process in principle, not to find grammatical mistakes/mismatched entries.
- ii. For the apparently forged cases observed during CAF audit, Complaints/FIRs shall be filed by TSPs and LSAs. The complete course of action along with blacklisting of PoS shall also be done.
- iii. LSAs shall check whether the CAFs of the mobile connections found non-compliant during CAF audit are recently activated (may be in a last few months/days) or are older mobile connections.
- iv. Analysis of mobile connections which are activated and disconnected in the same month and also allegedly involved in fraudulent activities.
- v. Analysis of mobile connections reported as involved in fraudulent activities on following points :
 - a. Loopholes in the KYC guidelines.

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- b. Inadequate implementation of KYC guidelines by TSPs.
- c. Human behavior (fraudsters are not afraid to commit online frauds etc. and their KYC is genuine).
- d. Non-performance at the end of LEAs.
- e. Combination of a to d above.

vii. Findings in the audit conducted by LSAs on following points :

- a. Any vulnerabilities which are exploited by fraudsters in KYC instructions issued by DoT.
- b. If there are no such vulnerabilities, then LSAs should check whether these instructions are implemented in principle by TSPs or not.
- c. If there are no such vulnerabilities, and the instructions are being adequately implemented by TSPs, LSAs should check any non-compliance observed and do the analysis of same.

3. In view of above, LSAs are requested to consider the above points while carrying out monthly/quarterly CAF audit.

This is issued with the approval of Competent Authority.

Signed by
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