

VIGEYE VANI

Monthly Newsletter of
Central Vigilance Commission
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The Annual Zonal / Sectoral Review Meeting of the Central Vigilance Commission with the Chief Vigilance Officers of the Banking Sector – 1 was held on 8th June 2012 at Mumbai. Sixteen organizations participated in the meeting, which included the Department of Financial Services, Insurance companies and various Banks. Delay in finalisation of departmental inquiries, implementation of CVC advice, delay in grant of sanction for prosecution, etc. were discussed. Areas requiring systemic improvement along with the need for training/ workshops with regard to Vigilance Administration were also part of the discussions.



From the Editor's Desk



1. As we are all aware of the deleterious effect of Corruption in an organization, leading to impaired efficiency and productivity, not to speak of decline in morale and motivation, it becomes incumbent upon the Management to nurture an environment which encourages whistleblowers to come forward and report wrongdoing.
2. The Commission is the designated agency for handling complaints under the Public Interest Disclosure and Protection of Informers (PIDPI) Resolution. Complaints received in the

Commission under PIDPI, are screened by a Committee set up for the purpose and which decides further course of action. If the Commission is of the opinion that either the complainant or the witnesses need protection, it issues appropriate directions to the government authorities concerned. Following the PIDPI Resolution, the Commission has laid down a detailed procedure for lodging complaints. Various organizations have been holding sensitizing and awareness workshops on handling PIDPI complaints. If a PIDPI complaint is sent to CVO for Investigation and Report, the CVO is expected to respond within a month.

3. The Commission was actively involved in the preparation of the PIDPI Bill, forwarding its suggestions and observations for consideration of the Government. The Public Interest Disclosure and Protection to Person making the disclosures Bill 2010 was introduced by the Central Government in the Lok Sabha and passed by the Lok Sabha on 27.12.2011. Presently, the Bill is under consideration in the Rajya Sabha.

4. In a Departmental Inquiry, the role of the Presenting Officer is as important, if not more, than that of the Inquiry Officer. Many a times, the disciplinary case falls flat owing to the routine manner in which the PO presents evidence for the Management side. In this issue, the role of the PO and the IO has been elaborated at length.

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Dr. Jaya Balachandran
 Additional Secretary,
 CVC



Designed By :
Verendra Singh
 DEO,
 CVC

Visit of the Parliamentary Standing Committee of Bangladesh to the Commission on 30/04/2012



PIDPI Awareness Campaign by Container Corporation of India Ltd.

K. Rajeswara Rao, CVO, CONCOR

1. CVC had on 13.2.2 advised CVOs to give wide publicity to the Public Interest Disclosure & Protection of Informers (PIDPI) Resolution and the guidelines issued by the Commission in this regard. CONCOR immediately prepared an action plan to disseminate information on PIDPI by way of organizing seminars, workshops and training programmes.

2. A seminar was conducted on 10.04.2012 at North Central Region. The MD and CVO of CONCOR along with Dy. Secretary/CVC – Smt. Madhu Sham and officials from three regions i.e., NR, NCR, NWR were present. About 30 officers participated. In his inaugural address, MD, CONCOR, emphasized the need for a corruption free environment for the growth and increase in productivity of the organization. CVO outlined the procedure involved in the handling of complaints made by a whistleblower and the role of investigation.

3. Smt. Madhu Sham – Dy. Secretary, CVC discussed the GOI Resolution on the Public Interest Disclosure & Protection of Informers Resolution. The WBP has been uploaded on the CONCOR website.

4. A programme for release of a book on “Preventive Vigilance Campaign” was also arranged at Corporate Office on 13.03.2012 wherein Sh. A. K. Maitra, Adviser(Vigilance)/ Railway Board, Managing Director, Directors, senior officers of CONCOR and CVOs of other organizations (CVO/STC, CVO/IRCON, CVO/DFCCIL, CVO/NIPT, CVO/RITES and CVO/MTNL)attended the programme. Issues related to PIDPI were discussed.



Seminar at North Central Region attended by MD, CVO and DS/CVC, Smt. Madhu Sham.



Seminar on PIDPI at South Central Region

5. Another seminar on PIDPI was organized at South Central Region (SCR) of CONCOR on 12.03.2012, wherein senior officials from the four regions i.e. Southern Region, South Central Region, Central Region and Eastern Region of CONCOR participated. CVOs/officials of other ministries / organizations also participated in the seminar. Director(P&S) inaugurated the same. Presentations were also made on “CONCOR’s Policy” and “Right to Service for Time-Bound Delivery of Benefits & Services for Employee in CONCOR” at the workshop. Two training programmes were organized at Hyderabad and Ahmedabad during April 2012.

BENEFITS OF VIGILANCE INSPECTION



Pradeep Gupta, CVO, Manganese Ore India Ltd.



1. The Vigilance Department of MOIL regularly takes up inspection of different processes of mining and related activities of the organization. During one such inspection, irregularities relating to transportation of ore fines in a mine came to light, as follows:-

2. BACKGROUND

Ore produced at different locations in a mine is transported to a common despatch location called siding by trucks etc. Within the siding, some of the ore may require further relocating. This relocating is called rehandling. The loading of the ore on to buyers' trucks or train wagons at the siding, for despatch is commonly known as railing. In MOIL the above activities of transportation, rehandling and loading are outsourced to an outside agency. Expectedly, the per unit rate for transportation is much higher than that of rehandling.

As cleaned ore produced from a mine has to be sorted out on the basis of lump size, a 'vibrating screen' for this purpose is installed strategically in the siding. The screen sorts all ore feed (of mixed size) into different categories, whereafter the output is directly obtained in the siding.

3. INVESTIGATION

The first evidence of irregularity was observed when it was found that the ore fines obtained in the siding as output was being wrongly shown as transported and thus excess payment was made to the transporting contractor. Detailed information was obtained from the mine authorities. The transportation, despatch, and production records were studied in depth.

4. FINDINGS

It was found that 4498 MT of fines was produced through the Vibrating Screen and was shown in the related records as transported. As the Vibrating Screen plant is located in the siding itself, there was no need to transport the fines as ore produced in siding requires only rehandling and that too not always. The payment rate of rehandling is far less than that of transportation. In the instant case, only 2072 MT of ore despatched by wagons (railway) would have needed rehandling. The excess payment made to the transportation contractor worked to over Rs. 3.00 lacs.

In view of the findings it was confirmed that this was a case of malpractice of undue payment to the contractor.

5. ACTION ON THE BASIS OF ENQUIRY REPORT

During detailed departmental Inquiry, the Inquiry officer concluded that an excess payment of Rs. 1,72,460/- was made to the contractor. The same was subsequently recovered from him by the company.

All the accused officers i.e. Mine Manager, Asstt. Manager in-charge and Mine Foreman in-charge. were awarded major penalty after conducting departmental Inquiry in the matter.

6. LONG TERM BENEFIT

We studied the beneficial effect of the above action in terms of improvement of practices and any consequent financial savings to the company. We compared the period of 07 months prior to our investigation (01 Jan'10 – 31 July' 10) with the same period after investigation (01 Jan'11 – 31 July' 11). It was found that there was a reduction of 31 % in the transportation and rehandling cost per tonne of ore. In absolute terms, this amounted to over Rs. 13.00 lacs savings per year for that mine.

Role of Approving Authorities in the Contract Process

**Sushil Chandra, CVO,
Nuclear Power Corporation of India Limited**

Most organizations spend about 50% to 70% of their expenditure in procurement of materials and services. Since, procurement is made through contracts, skill in contract management is essential.

Contract awarding & execution is a multi-stage process, in which the approval/ acceptance of the competent authority is mandatory. Some check-points to be kept in mind are as follows:-

1. ADMINISTRATIVE APPROVAL

- Check justification of work/ project so as to find out what is necessary. Whether the timing of the work/project is in line with the organization's strategic management objectives. Whether the location of the work/project is suitable to the nature of project/work.

- Preliminary/Block Estimate-Check the basis- it should be based on the latest executed or awarded rates.

- Check cost-benefit analysis & its basis, assumptions, if any, to ensure realistic projections.

2. FINANCIAL SANCTION & BUDGET PROVISION

- Check Availability of Funds.

- Check Budget Provision and Allocation of Funds.

- Technical Sanction

3. TECHNICAL SANCTION

This is the stage where the foundation of the contract is laid.

4. APPROVAL OF NIT & TENDER DOCUMENTS

The Tender Evaluation Accepting/Approving Authority should insist on getting the tender document for all tenders which come to him for acceptance, for his approval before these are floated.

5. FORMATION OF EVALUATION COMMITTEE

- Committee members to be equal level

- Must have representation of Finance dept and User dept.

6. ACCEPTANCE OF TECHNICAL EVALUATION

- Check whether Pre-qualification/eligibility strictly based on criteria laid down in the tender. The recommending committee should be asked to certify that the supporting documents have been checked and verified.

- Check that the Evaluation has been done as per evaluation criteria in the tender.

- Check if any deviations have been brought out by the committee. If yes, examine carefully.

7. CONDUCTING NEGOTIATIONS:

- Check whether it is really necessary.

- Check whether Agenda for negotiation has been fixed?

- Do not allow increase in rates during negotiations.

- Ensure Retendering, if L-1 backs out.

8. FINAL ACCEPTANCE OF AWARD OF TENDER:

Approving/accepting authorities should maintain an adequate distance from the process of tender awarding. His duty is to ensure that all issues are addressed in the tender committee proceedings.

9. INSPECTIONS DURING EXECUTION

Surprise inspection is the best method to ensure the implementation of prescribed systems and guidelines as per contract provisions.

10. EXTRA/SUBSTITUTED ITEMS

Check justification as to why this could not be envisaged at the time of tendering.

11. EXTENSION OF TIME & CONTRACTOR'S CLAIMS

Check Hindrance Register to verify & analyse reasons for time extensions.

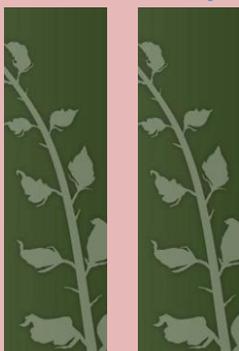
The above points are to be considered at the relevant stages. Andrew Carnegie says, *"the only irreplaceable capital an organization possesses is the knowledge and ability of its people. The productivity of that capital depends on how effectively people share their competence with those who can use it."*

Seminar on Tax Evasion and E-Filing of Tax Returns organized by ASSOCHAM on 31-05-2012

Summary of Speech by Shri R. Sri Kumar, Vigilance Commissioner, Central Vigilance Commission

1. Corruption can be tackled through a multi pronged approach as follows:-

a) Simplification of rules, regulations, archaic laws, procedures and processes. b) Submission of applications on-line and making available their status online, will lead to transparency and adherence to the system of first-come-first-served. If all transactions are done electronically, through Bank account, the corruption level is bound to decline. Banks should comply with KYC norms strictly so that no benami accounts are allowed to be opened. Non-compliance with KYC norms has to be dealt with strictly. c) Re-distribution of manpower in Govt./Public Sector Enterprises, in order to provide adequate manpower support from those Govt. Departments/organizations, where officials have little or no work. Upgradation of the skills of employees through training will improve the delivery of services substantially. d) A curb on the use of discretionary power would help in reduction of corruption. e) Government's decision to enact Public Procurement Law would help in streamlining systems and procedures for public procurement. f) While the poor need to be subsidized, there is a need to prevent leakages in the system of providing assistance/subsidy to the poor. g) Punish the corrupt quietly and appropriately. h) Land records should be computerized in all States and Union Territories, to detect cases of benami ownership. i) Enactment of laws to confiscate assets acquired out of bribe money. j) Political consensus has to emerge on electoral reforms particularly funding of elections at every level.



Shri R Sri Kumar, Vigilance Commissioner CVC, second from right, at the Seminar.



2. The Hon'ble PM has fixed a target of 12% of GDP as direct tax collection for the year 2012-13. With the economy growing at less than 7%, fast depreciation of Rupee against US Dollar, high inflation rate, very high fiscal deficit, international price of crude remaining above US\$ 100/- per barrel, it is a challenging task to improve both direct and indirect tax collections unless tax evasion is curbed.

3. Tax Evasion can be substantially reduced by changing the mindset of the industry people, business managers and industrialists by creating awareness about the social benefit of paying taxes. In this respect professional bodies such as ICAI, Institute of Company Secretaries, Institute of Engineers can play a vital role in educating their members in guiding their clients. Instead of becoming conduits between a Corporate and corrupt official, if they follow ethical practices and refuse to be a party in the exchange of illegal money, tax compliance can improve dramatically. CBDT & CBEC will also have to re-define their ways of functioning and treating tax payers. They need to innovate and make Tax Laws simple so that they are not subject to different interpretations. A clear message has to be sent that tax payers would not be harassed. It is, therefore, necessary that every stakeholder/citizen of India plays a positive role in improving tax collection which in turn would help in bringing down the fiscal deficit which in turn will help in containing inflation.

4. Our country can easily grow @ 9-10% p.a. by taking progressive steps as mentioned earlier. If we are able to contain corruption, it has the capability of bringing down inflation by 1-1½ %. Similarly, economic growth is bound to go up by at least 1%.

ROLE OF THE PRESENTING OFFICER AND THE INQUIRY OFFICER IN A DEPARTMENTAL INQUIRY

Surjit Singh, Director, CVC

ROLE OF THE PRESENTING OFFICER

- He is not only a delegate of the Disciplinary Authority but is also required to obey his instructions/orders .
- He should carefully study the papers received along with the appointment order.
- Be conversant with rules / procedures of Inquiry.
- Discuss the case with the Investigation Officer and take note of the weaknesses of the case/ evidence.
- Plan the course of inquiry and assist the Inquiry Officer in completing the same expeditiously.
- Get hold of all the documents/ statements recorded during investigation.
- Scrutinize the entire evidence carefully and re –construct each step of transaction.
- Ensure that documents allowed by the IO are made available to the Charged Officer at the earliest.
- Help the IO to ensure that CO does not adopt dilatory tactics and delay Inquiry.
- Prepare the prosecution witnesses for the evidence.
- Prepare all the questions to be asked from the witnesses in general examination.
- If any documents are not admitted, prove the charge through witness.
- Note down carefully questions asked by the CO during cross examination and object to irrelevant questions.
- Avail the opportunity of re-examination, if necessary.
- Prepare properly for cross examination of defense witnesses.
- Prepare the *written briefs well in time, make logical presentation before the IO to see the charges are established.*

ROLE OF THE INQUIRY OFFICER

- He is the delegate of the DA but not subject to his orders/ instructions in regard to conduct of Inquiry.
- Required to ensure that Inquiry is conducted in accordance with the CDA Rules.
- Ensure that Inquiry is conducted in accordance with the principles of natural justice affording reasonable opportunity to the CO.
- He is required to come to reasoned conclusions on the basis of the evidence adduced during Inquiry.
- Ensure that Inquiry is conducted within a reasonable time and without allowing any dilatory tactics.
- Both sides should get just and reasonable opportunity to present their viewpoints/evidence.
- Draw up a positive programme in consultation with the parties concerned.
- Do not allow the parties to dominate the proceedings by seeking adjournments.
- Be serene and even-headed during Hearings.
- Rules of evidence be kept in view.
- Protect the witness from any unfair treatment during examination.
- Ensure that the witness understands the question put to him before he answers.
- Recall the witness for re-examination only if it is absolutely necessary in the interest of justice.
- Pass judicious orders on objections/ points arising during Inquiry.
- Both parties be given sufficient opportunity to file written briefs.
- After signing the report, IO becomes *functus officio* and cannot make any change in the report.

RECOGNISING HONESTY

**Vineet Pandey, Ex.CVO,
Central Warehousing Corporation**

1. In the current scenario anyone and everyone has an opinion on the subject of corruption and is ever-ready with his comments. However, we cannot ignore the fact that in the past few decades the country has developed vastly in various sectors. The tremendous expansion and development in the area of transport & communication has brought air & rail travel within the reach of the common man. The telephone which used to be a status symbol, accessible to a privileged few, has now reached lower income groups. Millions of people have been brought above the poverty line.

2. What needs to be taken note of is that whatever we have achieved today as a nation is based on the contribution of millions of dedicated, sincere and honest countrymen which includes the functionaries of the government and public sector institutions. This silent majority has been discharging its assigned duties and responsibilities with impeccable integrity and commitment. Unfortunately, this positive aspect has been lost sight of primarily because honest performance based on ethical values, does not have “news” value.

3. It has become customary to bracket all govt. officials as “corrupt babus” which is neither justified nor acceptable. The constant stereo-typing of all govt. functionaries as corrupt has affected the self-respect and confidence of a majority of honest functionaries. Even though we are rated adversely on the International Transparency Index, there is no reason why we cannot improve our position provided a conscious effort is made to identify, recognise and encourage the honest. Whereas, it would be the constant endeavour of anticorruption institutions to face the challenge of corruption they have also to ensure that honest, dedicated officials do their work without any fear, pressure or favour and also are honoured and rewarded. This will require participative effort from all of us.



❖ *“Truth never damages a cause that is just”.*

❖ *“I look only to the good qualities of men. Not being faultless myself, I won’t presume to probe into the faults of others.”*

❖ *“I object to violence because when it appears to do good, the good is only temporary; the evil it does is permanent.”*

-- Mahatma Gandhi

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