

# VIGEYE VANI

## Monthly Newsletter of Central Vigilance Commission



MAY 2011



It gives me great pleasure that the Central Vigilance Commission is bringing out the second edition of its Newsletter “VIGEYE VANI”. The first issue brought out in April 2011 highlighted various initiatives undertaken by the Central Vigilance Commission in combating corruption.

The focus in “VIGEYE VANI” is to bring awareness on issues relating to vigilance and the steps taken by the Commission to facilitate corruption-free working environment in the organisations.

In the fight against corruption it is vital that all stakeholders extend their cooperation. Suggestions from stakeholders in this regard are welcome.

K.D. Tripathi  
Secretary  
Central Vigilance Commission



**Release of the first edition of VIGEYE VANI in April 2011**

## From the Editor's Desk



- We are now into the second edition of the CVC monthly Newsletter, Vigeeye Vani. Response from various stakeholders to the 1<sup>st</sup> edition has been encouraging. CVOs have written in highlighting not only their concerns but also about the vigilance activity undertaken by them resulting in considerable saving to the public exchequer. Apart from this, we have highlighted in this issue the salient features of the proposed Whistleblower Bill and also the steps taken by the Commission to make it a paperless office. An initiative towards facilitating expeditious vigilance clearance is on. A module in this regard is being introduced in VIGEYE-GPMS application. Using these inputs, an elaborate system to provide instant vigilance clearance will be put in place in the near future.
- It is said that that war is too dangerous to be left in the hands of a few. The Central Vigilance Commission also cannot tackle corruption single-handedly. It depends largely on its extended arm – the Chief Vigilance Officer. CVOs are appointed after prior consultation with the CVC and are responsible for regular and surprise inspections of sensitive spots, review and streamlining of procedures and for initiating measures for the prevention and detection of malpractices in their Departments. The CVO cannot work in isolation. He assists the Head of Department in all matters pertaining to Vigilance and acts as a link between his Department and the Commission. The Commission has recently laid down a format for review of vigilance work by the Chief Executives/HoD with their CVOs. The Commission also conducts Annual Zonal/Sectoral Review Meetings with the CMDs/Chief Executives and CVOs of PSUs/Banks/Departments/Ministries.
- In recognition of the efforts of the CVOs, the Commission has proposed the instituting of a Satarkta Samman Award which will be an Award Certificate given to CVOs for (i) innovativeness in vigilance and anti-corruption measures (ii) initiatives in leveraging technology for reducing corruption and (iii) for initiatives in the detection of vigilance activity.

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# Towards a paperless office !

Keshav Rao,  
Director, CVC

- The Central Vigilance Commission initiated the IT Enabling of Core Processes in 2010. The Application aims at converting the core processes of the Commission into electronic form and at providing value-addition through better tracking, monitoring and storage of information.
- There has been a significant rise in the usage of the Application since Jan 2011. Now, up to 100 different users are using the Application every day. All complaints received in the Commission are being handled electronically through this software. It has helped in reducing the handling of paper files by around 12,000, thus reducing considerably the consumption of paper. It has also helped in minimising delays in correspondence, enhancing efficiency in record keeping etc. Electronic submission of reports through the Application will contribute to the environmental cause as well.
- Time lost in the physical movement of documents will be saved significantly after the gradual integration of the Application with the offices of CVOs. The Application also aims at converting HR management and information relating to administrative matters into electronic form. Teething troubles faced are being resolved through constant interaction with different stakeholders. Other activities aimed at IT Enabling of Processes include Vigeye complaints application and Vigeye GPMS (Global Project Management System). Besides this, the Commission is also in the process of providing access to its Anti-Bribery toll free Helpline (No. 1800-11-0180) through the four digit No. 1964 allotted by DoT. Further, complaints through Vigeye application will be made available on SMS, using a 5 digit short code 51964. This will be accessible from all operators. Different Applications will be integrated in future and a uniform single access for stakeholders will be made available. Apart from improving operational efficiency the IT applications aim at making the Commission's working citizen-friendly and also at resolving corruption related grievances at the grassroot level.

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*Simultaneous release of VIGEYE VANI online in April 2011*

# Corruption : Old & New

Prabhat Kumar,  
Director, CVC

As per UN estimates, organised global crime earns \$ 1.1 trillion(1995), with the drug trade being responsible for around \$400 billion and money laundering for around \$ 500 billion. These syndicates thrive on corruption and are not subject to any institutional control. Corruption has become the centre-stage of debate these days due to several factors, some of which are as follows –

•**Globalization**- Earlier corruption was the concern of domestic agencies like police and audit, but now it appears in the agenda of international organizations like the World Bank and the OECD. In this regard credit goes to Transparency International (TI) for leading a campaign through a very powerful survey “Corruption Perception Index” which ranks countries accordingly.

•**Economic**- Earlier corruption occupied the attention of lawyers and criminologists. Now the lead is being taken by economists where the cost of corruption and its effect on economic development are being debated. Economic analysis and methods for using incentives and disincentives are being considered. In this regard the economic model of Robert Klitgaard(1988) is worth mentioning-

## **Monopoly+ Discretion- Accountability = Corruption**

•**Cultural**- Earlier giving gifts was a part of social custom and tradition in many countries and was generally acceptable to people. However, citizens now have become less tolerant in this regard and social acceptance of these customs has reduced considerably.

•**Criminality of political corruption**- Earlier corruption was prevalent in the lower levels of bureaucracy but of late it has acquired great dimension at every level. The problem is much more in the case of countries where dictatorships have been prevailing and ill-gotten money is stashed away in Swiss Banks.

•**Control of corruption**- Earlier corruption was considered to be controlled only through investigation and prosecution but now the focus is on education and prevention. Corruption often takes place in secrecy. Hence, investigation and prosecution become difficult. Investigation also needs to be followed up in many countries in respect of trans-national crime. Hence if education and prevention are taken up it will be tackling the problem upstream requiring lesser investment.

Corruption is a disease & prevention is the cure.

*Disclaimer:- The views expressed by the author are his own.*

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"Corruption and hypocrisy ought not to be inevitable products of democracy, as they undoubtedly are today“.

--Mahatma Gandhi



## Public Interest Disclosure and Protection of Informers Resolution (Whistleblower complaints)

Surendra Mohan  
Director, CVC

The Central Government, through the Public Interest Disclosure and Protection of Informers' Resolution dated 21<sup>st</sup> April, 2004, designated the Central Vigilance Commission as the Agency to act on complaints from "whistleblowers". The Commission was entrusted with the responsibility of keeping the identity of the complainant confidential. A Screening Committee in the Commission meets periodically to decide on action to be taken on such complaints. The prescribed time limit for investigation and report in respect of PIDPI complaints is one month. Periodic review at the highest level takes place so as to ensure timely submission of report. As per the existing system, the Commission issues instructions to the concerned CVO to ensure protection of the whistleblower in the event of reported threat to life/physical injury.

A Bill has been initiated in Parliament to convert the PIDPI Resolution into an Act.

The salient features of the proposed Bill (Public Interest Disclosure and Protection of Persons making the Disclosure) are as follows:-

The Commission has been designated as the Competent Agency(CA) to receive complaints under the provisions of the Bill. Any person may make a complaint or disclosure with regard to corruption, misuse of office, offence under the PC Act etc against employees of the Central Government, Corporations established under any Central Act, Govt Companies, Societies of Local Authorities owned or controlled by the Central Government. The CA will ensure protection to the complainant/whistle blower. In case of victimization of the complainant, CA may issue suitable instructions to the authorities concerned to restore the public servant to status quo ante.

CA will verify the complaint by discreet inquiry, keeping the identity of the complainant secret. If found genuine, the CA will seek explanation from the HOD of the concerned organization, which shall not reveal the identity of the complainant. If allegations are substantiated, CA will recommend initiation of appropriate proceedings or corrective steps.

CA will be deemed to be a Civil Court and its proceedings will be deemed to be judicial proceedings. Penalty for revealing the identity of the complainant is imprisonment up to 3 years and a fine up to Rs. 50,000. For making false/frivolous disclosure, the CA may impose a punishment of imprisonment up to 2 years and a fine up to Rs. 30,000.

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"The only exercise some people get is jumping to conclusions, running down their friends, side-stepping responsibility and pushing their luck"

- Author Unknown

"Every job is a self-portrait of the person who does it. Autograph your work with excellence"

- Author Unknown

# Enhancing the effectiveness of a CVO

N.R.Banerjee,  
CVO, Coal India Ltd.

- An essential trait of the Chief Vigilance Officer is that although he is in an organization, he is also out of the organization, what I term as in-it-yet-out-of-it syndrome. This is the sine qua non of the CVOs existence and identity. This feature is essential as he has to bear the burden of performing the task of recommending disciplinary action against delinquent employees and is also the reason why he is imported from outside.
- If need be, the CVO is also required to critically appraise the action/inaction of the Chief Executive and may at times be required to take up an investigation affecting the Chief Executive pejoratively. To enable the CVO to do this job impartially it is of utmost importance to make the CVO independent of the Chief Executive.
- The CVOs of the coal sector and many Kolkata based CVOs are of the view that the CEO being the Reporting Authority of the CVO (in the APAR) was an impediment to the independence and impartiality expected of the CVO and that this system of APAR reporting should be dispensed with. It was suggested that the Reporting Officer in the APAR of the CVO should be an authority in the Ministry or in the CVC. The modification would pave the way for greater impartiality of the CVO as he would no longer need to be beholden to the Chief Executive.
- Another step which would greatly enhance the effectiveness of the Vigilance Division/Department in the CPSE would be to man at least 50% of the posts in the Vigilance Division by persons on deputation from other CPSEs or Govt. departments. However, extant rules allow only the CVOs and Security Officers on deputation to the CPSEs. In some rare cases it also allows Chief Executives to be brought in on deputation. A modification of the rules may pave the way for greater independence and impartiality of the Vigilance Division of the CPSE.

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***Annual review meeting of the Petroleum sector in Goa in April 2011***

# Honesty needs nurturing and support

Barun Kumar Sahu  
CVO, Garden Reach  
Shipbuilders and Engineers Ltd.

Mahatma Gandhi was deeply influenced by King Harishchandra in his childhood. However, the legend that was Harishchandra reminds us that adherence to truthfulness can also result in hardship. Even near and dear ones turn their back on those who stick to their ideals and values.

In my career of nearly two decades in the civil services, I found “dry honest” civil servants becoming the victims of the machinations of the corrupt. Street-smart officers were liked by the powerful and they prospered.

In our fight against corruption, we often lose sight of the need to protect honest persons. It is axiomatically assumed that the systems and processes will not harm honest officers, but we fail to appreciate the trauma such officers and their families go through because of their honesty and commitment.

Our national motto of “Satyameva jayate” may lull us into believing that honesty will prevail and that honest officers do not need nurturing and support. However, an honest officer often has to struggle in the suffocating organisational culture prevailing in a corrupt system. He is often regarded as a hurdle by the powerful coterie. Corrupt officers may be well-connected and in a powerful position. They may be capable of garnering support from the powers-that-be. Either the honest officer gets transferred to an insignificant post in the system where he does not matter, or he becomes a target of victimization.

In our fight against corruption, we must realize the importance of strengthening the position of honest persons. Honesty may ultimately prevail. But it must be more than a pyrrhic victory.

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**Annual review meeting of the Port & Shipping sector held in Goa in April 2011**

# An exercise in Preventive Vigilance

Pradeep Gupta,

CVO, Manganese Ore India Limited

- The system of “Railing Transport & Handling of Ore”, involves transportation of cleaned ore produced in OCF (Ore Cleaning Floor) and other mines to the sidings and dumping it there either in heaps or stacks. The work is awarded mine-wise to private contractors by selecting them through open tender. The Vigilance Department of MOIL, as a part of its preventive vigilance effort, undertook a study of the work/contract awarded in 2008.
- **Problems identified after analysis:**
  1. Though the nature of work was the same across all mines, each contractor quoted different rates for different mines. A comparison of the contractors’ quotes for all the mines revealed that the contractors had formed a cartel. The effective number of participating bidders was less than the total mines (i.e. total works). Participation of a few bidders was evident, with no new entrants/ participation.
  2. The rates quoted by L1 in most of the contracts was only marginally different from the estimates.
  3. Careful examination of the tender documents, revealed that some of the contractors had submitted documents on letterheads bearing the same contact numbers, address etc. which signified dummy participation. This aspect remained unnoticed by the Tender Processing Committee(TPC).
- **Cause identified:** It was observed that the pre qualification clause of having experience of carrying “Similar Works” i.e. of Railing & Transport for at least 50 % of the present tender value, was restrictive. As transportation and handling was a non-technical activity, restricting the previous similar work experience to that of transportation / handling of ore was unduly curbing participation.
- **Advisory issued:** Based on the identification of the problem and analysis carried out, an advisory was issued to broaden the eligibility criteria regarding experience of carrying “Similar Works” to attract greater participation and reduce chances of cartelization. It was also emphasized that proactive efforts should be made to popularize NIT amongst transport associations/ community and other prospective bidders through effective below -the- line {BTL } promotional efforts.
- **Implementation:** As a consequence of the Advisory the eligibility criterion in the tender was modified to “Handling/ Loading & Transportation (any one or more) of “Ore, Minerals & Other similar natural resources & Forest/ Agricultural Produce”, so as to increase participation of new entrants and to get competitive rates.
- **Beneficial results:** As a consequence of this Advisory of the Vigilance Department, there was a perceptible improvement in the participation and competitive atmosphere of the bidding, resulting in reduction in the bid amount. Saving of more than Rs.100 Lakhs, has been observed on a comparison of the bids received for 2010-11 with the previous year.

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