

**GOVERNMENT OF INDIA  
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION  
LOK SABHA**

UNSTARRED QUESTION NO:3776

ANSWERED ON:19.12.2005

WHEAT SCAM

Khaira Shri Chandrakant Bhaurao;Mahato Shri Bir Sing;Mahato Shri Sunil Kumar

**Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:**

- (a) whether a scam involving misappropriation of wheat worth crores of rupees allocated for distribution under the Public Distribution System (PDS) has been reported recently;
- (b) if so, the details thereof;
- (c) whether any enquiry has been conducted in this regard;
- (d) if so, whether any responsibilities have been fixed;
- (e) if so, the action taken against the officers held responsible; and
- (f) the steps taken to check the recurrence of such scams?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION ( DR. AKHILESH PRASAD SINGH )

(a), (b), (c), (d) & (e): The Public Distribution System is operated under the joint responsibility of the Central and State Governments under which the Central Government is responsible for procurement, storage and reaching of the foodgrains upto the principal distribution centers of the Food Corporation of India and the State Governments are responsible for identification of the beneficiaries, issue of ration cards and distribution of commodities in an efficient and transparent manner to the beneficiaries through a vast network of 4.81 lakh Fair Price Shops.

No such scam involving misappropriation of wheat worth crores of rupees allocated for distribution under the Public Distribution System (PDS) has been reported to the Government recently. However the Government of Haryana has intimated in July, 2005 that the a complaint was received by the State Government on alleged diversion of wheat meant for APL families by Fair Price Shops (FPS) owners with the connivance of officials of Food & Supplies Department and Confed in Nissing Block of Karnal District. After enquiry of the complaint by the State Government it was observed that prima facie, there appears a large scale mis-appropriation of APL wheat in Nissing Block with the active involvement of officials of Food & Supplies Department. On the basis of the inquiry report, State Government placed under suspension six officers/officials of the Department of Food & Supplies. Simultaneously, the State Government had entrusted an inquiry to Commissioner, Rohtak Division. In the meanwhile the licenses of 11 erring Fair Price Shop dealers have been suspended and show cause notices have also been issued to them for cancellation of the licenses. Further the Managing Director, Confed was directed to take action against the officers/officials of that organization. The District Manager and Store-Keeper of Confed in Karnal have been placed under suspension. Show-cause notices have also been issued to the transport contractors for forfeiting of the security money.

(f): The following measures have been taken by the Government for effective implementation of the TPDS and to see that foodgrains reach to the beneficiaries:-

- i. The Public Distribution System (Control) Order, 2001 was issued in order to streamline the functioning of the PDS and to make the same more effective and accountable. Any offence committed in violation of the provisions of the Order invokes criminal liability under Section 7 of the Essential Commodities Act, 1955;
- ii. The State Governments and the Union Territory Administrations have been asked to actively involve the Panchayati Raj Institutions to monitor the functioning of the Fair Price Shops, as a measure of social audit;
- iii. The States and Union Territories have also been asked to constitute Vigilance Committees at the State, District, Block and FPS levels to oversee the functioning of PDS;
- iv. With a view to efficiently reaching PDS commodities to the consumers in a transparent manner, a model Citizen's Charter has been issued by the Central Government for adoption by the State Governments/UT Administration;
- v. Under the Area Officers Scheme, the Senior Officers of the Government visits their allocated States/UTs to conduct review of the TPDS. The observations made by the Area Officers in their reports are sent to the concerned State Government/UT for taking

necessary action.