

**GOVERNMENT OF INDIA
PERSONNEL,PUBLIC GRIEVANCES AND PENSIONS
LOK SABHA**

UNSTARRED QUESTION NO:3955

ANSWERED ON:18.08.2010

ILLEGAL PAYMENT BY US COMPANIES

Argal Shri Ashok;Naik Shri Shripad Yesso;Patil Shri A.T. Nana

Will the Minister of PERSONNEL,PUBLIC GRIEVANCES AND PENSIONS be pleased to state:

- (a) whether the Government has received any reference regarding illegal payment to Indian companies/ officials allegedly by the US companies for making trade agreement as reported in the media;
- (b) if so, the details thereof indicating the US as well as Indian companies/officials involved therein;
- (c) the details of inquiry conducted in this regard and the outcome thereof; and
- (d) the action taken against the officials involved?

Answer

MINISTER OF THE STATE (Independent Charge) IN THE MINISTRY OF SCIENCE and TECHNOLOGY; MINISTER OF THE STATE (Independent Charge) IN THE MINISTRY OF EARTH SCIENCE; MINISTER OF THE STATE IN THE PRIME'S MINISTER OFFICE; MINISTER OF THE STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS;AND MINISTER OF THE STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRI PRITHVIRAJ CHAVAN)

(a): The Indian Ambassador in USA has informed the Government that several references regarding illegal payments to the officials in India have been made in the US report on the Foreign Corrupt Practices Act (FCPA) and Anti-corruption Enforcement for the second half of 2008 and early part of 2009.

(b) to (d): The following companies are alleged to have made improper payments to some Indian officials:

- (i) M/s Richard Morlok and Mario Covino (Control companies Inc.)
- (ii) M/s Pioneer Friction Ltd;
- (iii) M/s York International Corporation;
- (iv) M/s DE – Nocil Crop protection Ltd;
- (v) M/s Pride International Inc.

The details of officers including their name have not been mentioned in the report.

From the said US report, it infers that the officials belong to the Ministry of Railways, Ministry of Defence, Department of Agriculture & Cooperation, Department of Revenue and Government of Maharashtra. In view of the report of improper payment to a key official in Directorate of Plant Protection, Quarantine & Storage, Faridabad by DE – Nocil, a subsidiary of Dow Chemicals, an inquiry was ordered by the Department of Agriculture & Cooperation into the matter and a case was registered by CBI in 2007 against Dr.Ratan Lal Rajak and others for obtaining illegal gratification to the tune of US\$ 32,000 approximately for expediting registration of 3 of its products. On completion of investigation, charge sheet has been filed against Dr. R.L. Rajak and Satyabroto Banerji on 10.11.2009 in the court of Special Judge, Ambala, Haryana.

The Ministry of Defence have constituted a Board of Officers for investigating the allegations pertaining to Indian Navy. The Ministry of Railways have suspended business dealings with M/s Pioneer Friction Ltd., Kolkata and M/s Webtec, USA.