

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

UNSTARRED QUESTION NO:5473
ANSWERED ON:06.09.2011
CORRUPTION IN FCI
Choudhary Shri Harish;Jaiswal Shri Gorakh Prasad

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

- (a) whether the Central Bureau of Investigation (CBI) has raided the residence and offices of the senior officers of the Food Corporation of India (FCI) in some States and found assets disproportionate to their known source of income;
- (b) if so, the details thereof;
- (c) whether any investigation has been carried out to ascertain the source of this money;
- (d) if so, the details and the outcome thereof; and
- (e) the corrective steps taken to check corruption in FCI?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) FOR CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (PROF. K.V. THOMAS)

(a) & (b): During last three years, there have been two cases of raids conducted by the CBI at the residences and offices of senior officers of FCI. Shri R. Dorai Raj, DGM (Region), Tamil Nadu and Shri S. M. Rahman, Manager (Quality Control), FCI, Vizianagaram were found in possession of assets disproportionate to their known sources of income.

(c) & (d): The investigations have been carried out by CBI and cases have been registered under RC MA 61(A)/2009 dated 30.11.2009 and RC 16(A)/2008 dated 20.11.2008 respectively. The case against Shri R. Dorai Raj is pending trial/Regular Departmental Action. The sanction for prosecution has been received by CBI in the case of Shri S.M. Rahman.

(e): The FCI undertakes both punitive as well as preventive vigilance activities to check corruption.

PUNITIVE VIGILANCE MEASURES

The disciplinary inquiries are instituted based on complaints of malpractices and irregularities etc. received from various sources. Complaints so received from the public, through the Press, or from various Ministries of Govt., or from CBI/CVC, are investigated, and disciplinary proceedings initiated against the delinquent officers/officials.

PREVENTIVE VIGILANCE MEASURES

A number of measures of preventive nature which are aimed at modifying and improving the existing system so as to reduce the scope for any illegal activity have also been taken up. These cover the following:-

1. Acceptance of poor quality stocks is a major source of corruption; consequently, changes have been made in the Quality Super check system to improve effectiveness.
2. Regular and surprise checks of field activities are undertaken by staff from Regional, Zonal and Headquarters offices.
3. Cases of damages to foodgrains above a certain minimum quantity are scrutinised by Headquarters Vigilance Division to ensure that good stock is not passed off as damaged stock, and to fix responsibility for the damage.
4. Officials in Doubtful Integrity List are not posted in sensitive seats.
5. Rotation of officials in sensitive seats is made and maximum tenures in sensitive districts has been prescribed.
6. Negotiations are prohibited in all tenders except in very special cases.
7. Modifications have been made in Model Tender Forms so as to simplify pre-qualification conditions, increase competition, and to provide security for performance in the form of Bank Guarantees.
8. All tenders are published in website with provision for down loading tender forms.
9. Tender results are published in web-site of FCI.
10. Stringent penalty of recovery from contractor to deter manipulation/losses has been introduced .
11. E-procurement has been successfully implemented in one Region and is now being extended across FCI in a phased manner.
12. System of e-payment has been introduced.
13. An Audit committee of the Board of Directors has been set up with the responsibility, inter alia, of monitoring Internal Audit.
14. The System of Internal Audit has been reviewed and modified in order to increase its effectiveness.

15. Chartered Accountant firms are being engaged to conduct detailed internal audit in one Region in each Zone, as a measure of overcoming the shortage of staff within the FCI.
16. The annual statement on immovable property returns are being scrutinized periodically.
17. Agreed list is being prepared in consultation with CBI to keep surveillance on activities of officers/officials.