

**GOVERNMENT OF INDIA
RURAL DEVELOPMENT
LOK SABHA**

STARRED QUESTION NO:43

ANSWERED ON:24.11.2011

IRREGULARITIES UNDER MGNREGS

Naik Dr. Sanjeev Ganesh; Siddeswara Shri Gowdar Mallikarjunappa

Will the Minister of RURAL DEVELOPMENT be pleased to state:

- (a) whether serious irregularities and embezzlement/diversion of funds under the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) have been reported from various States including Uttar Pradesh;
- (b) if so, the details thereof during the last one year and the current year, State and Union Territory-wise;
- (c) whether the Government has conducted or proposes to conduct any inquiry in the matter including handing over the cases to CBI;
- (d) if so, the details thereof; and
- (e) the other steps taken/being taken by the Government including statutory audit by CAG so as to check such irregularities/embezzlement of funds under the scheme?

Answer

MINISTER OF RURAL DEVELOPMENT (SHRI JAIRAM RAMESH)

(a) to (e): A statement is laid on the Table of the House.

Statement as referred to in reply to parts (a) to (e) of Lok Sabha Starred Question No. 43 for answer on 24.11.2011

(a) & (b): The Ministry receives a large number of complaints of all types about implementation of Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) in the country including Uttar Pradesh. The complaints mainly relate to cases of job cards not provided, misappropriation of funds, engagement of contractors, forgery of muster roll, manipulation in job cards, under payment of wages, non-payment of wages, corruption and other irregularities, use of machinery, delay in payments etc. The details of such complaints received during 2010-11 and in the current year (as on 10-11-2011) States/Union Territories wise are given in the Annexure.

(c) & (d): In complaints of serious nature, the Ministry deputed either National Level Monitors (NLMs) or officer from the Ministry to investigate the complaints. These enquiry reports are shared with the concerned State Governments for taking corrective action. As implementation of the Act is done by the State Governments in accordance with the Schemes formulated by them as per the provisions of the Act, all complaints received in the Ministry are forwarded to the concerned State Governments for taking appropriate action, including investigation, as per law. As per Section 18 of the Act, it is the responsibility of the concerned State Governments to make available to the District Programme Coordinator and the Programme Officers necessary staff and technical support as may be necessary for the effective implementation of the Scheme. Therefore, the concerned State Government is the appropriate authority to take action against officers/agencies responsible for the irregularities.

At the instance of the Supreme Court of India in the Writ Petition (PIL) No. 645 of 2007-Centre for Environment and Food Security, on receipt of consent of the State Government of Orissa in April 2011, the Union Government ordered an investigation by the Central Bureau of Investigation (CBI) into allegations of corruption and misappropriation of funds under MGNREGA in Orissa. CBI has not submitted its report in the matter. The Ministry of Rural Development has also requested for consent of the State Government of Uttar Pradesh for enquiry by the CBI into irregularities to uncover any systemic embezzlement/diversion of MGNREGA funds in Uttar Pradesh considering the large number of complaints pertaining to the State.

(e): The steps taken/being taken by the Government to check irregularities/misuse of MGNREGA funds include the following:

- (i) In consultation with the Comptroller & Auditor General (CAG) of India, MGNREGA Audit of Schemes Rules, 2011 have been notified. All States have been asked to put in place a robust Social Audit mechanism as outlined in the Rules. The Ministry has also requested for special financial and performance audits by CAG, to begin with, in the States of Andhra Pradesh, Assam, Bihar, Chhattisgarh, Jharkhand, Karnataka, Madhya Pradesh, Orissa, Rajasthan, Tamil Nadu, Uttar Pradesh and West Bengal.
- (ii) With a view to ensuring timely payment, infusing transparency and enhancing the integrity of wage payment, Schedule II of MGNREG Act has been amended to make wage disbursement to MGNREGA workers through institutional accounts in Banks or Post Offices a statutory requirement unless specifically exempted.

(iii) Permissible administrative expenditure limit was enhanced from 4% to 6% for deployment of dedicated staff for MGNREGA, strengthening management and administrative support structures for social audit, grievance redressal and Information and Communication Technology (ICT) infrastructure.

(iv) ICT based MIS has been made operational to make data available to public scrutiny including job cards, muster rolls, employment demanded and number of days worked, shelf of works, funds available/spent, social audit findings, registering grievances etc.

(v) Instructions have been issued directing all States to appoint Ombudsman at district level for grievance redressal.

(vi) The mechanism of State and district level Vigilance and Monitoring Committees is available for monitoring of the scheme.