

**GOVERNMENT OF INDIA
HEALTH AND FAMILY WELFARE
LOK SABHA**

UNSTARRED QUESTION NO:2760

ANSWERED ON:09.12.2011

CORRUPTION IN WORLD BANK ASSISTED HEALTH PROJECTS

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Will the Minister of HEALTH AND FAMILY WELFARE be pleased to state:

- (a) whether the World Bank has detected serious fraud and corruption in certain health projects funded by it for the eradication of HIV/AIDS, Malaria and Tuberculosis in a Detailed Implementation Review (DIR) launched in 2006;
- (b) if so, the details of these health projects alongwith the nature of irregularities found therein, State/UT-wise;
- (c) whether the Government has conducted/proposed any detailed investigations in this regard; and
- (d) if so, the details thereof alongwith the action taken against those found guilty?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF HEALTH & FAMILY WELFARE (SHRI GHULAM NABI AZAD)

(a) to (d): Yes. Details are as under:

(1) Case No. (RC) 2(E)/2010 EOU VII dated 01.04.2010 M/s Global Spin Weave Ltd., Ghaziabad, entered into a criminal conspiracy with unknown officials of M/s Rail India Technical & Economic Service Ltd. (RITES) during the year 2003 and 2004 and obtained supply orders for procurement of Mosquito Bednet under Malaria Control Programme, on the strength of forged performance certificates. Investigation is being conducted by Central Bureau of Investigation (CBI).

(2) Case No. (RC) 3(E)/2010-EOU-VII dated 01.04.2010 M/s Global Spin Weave Ltd., Ghaziabad entered into a criminal conspiracy with unknown officials of M/s Hospital Services Consultancy Corporation (HSCC) during the year 1999 and obtained supply orders of pharmaceutical kits under Reproductive & Child Health-I project on the strength of forged performance certificates. After investigation, CBI has filed closure report in the Court. The case is under examination in the Court.

(3) Case No. (RC) 3(E)/2010/EOU-IX dated 01.04.2010 regarding M/s Systronics Enterprises Pvt. Ltd. (Ambalal Sarabhai Enterprises Ltd.) entered into criminal conspiracy with unknown officials of HSCC in the matter of tender under Food & Drugs Capacity Building Project during year 2004 to 2006 and submitted forged/false performance certificates in the tender for six flame photometers. After investigation, CBI has filed closure report in the Court. The case is under examination in the Court.

(4) Case No. (RC) 4(E)/2010/EOU-IX dated 01.04.2010 regarding M/s Chemito Technologies Pvt. Ltd. entered into criminal conspiracy with the unknown officials of HSCC in the matter of tender under Food & Drug Capacity Building Projects during 2004 to 2006 and submitted forged/false performance certificates in the tender for six flame photometers. Investigation is being conducted by CBI.

(5) Case No. (RC) 5(E)/2010/EOU-IX dated 01.04.2010 regarding M/s SM Scientific Instrument Pvt. Ltd. entered into criminal conspiracy with the unknown officials of HSCC in the matter of tender under Food & Drugs Capacity Projects during 2004 to 2006 and submitted forged /false Performance Certificate in the tender for six flame photometers. Investigation is being conducted by CBI.

(6) CBI Preliminary Enquiry No. 071/2008(E)0001. The DIR by World Bank contained allegations of bribery and fraud relating to giving of grants to NGOs by Karnataka State AIDS Control Society(SACS). As circumstantial evidence suggested fraudulent practices, the matter was referred to CBI who registered Preliminary Enquiry against the then Project Director. After investigation, CBI has concluded that the facts and circumstances speak of commission of irregularities in the matter of selection and award of work/project to the NGOs on part of the then Project Director and has recommended action as deemed fit, may be taken against the incumbent. The report of CBI has been sent to Karnataka Government, who have not yet responded.

(7) CBI Preliminary Enquiry No. 072/2008(E)0001. The DIR by World Bank contained allegations of bribery and fraud relating to giving of grants to NGOs by Chhattisgarh State AIDS Control Society(SACS). As circumstantial evidence suggested fraudulent practices, the matter was referred to CBI who registered preliminary Enquiry against the then Project Director. After Investigation, CBI has concluded that the facts and circumstances though indicate irregularity in the matter of selection and award of work/project to firms for procurement and implementation on part of the then Project Director and other officials, yet the material is not sufficient for registering a Regular Case. The report of CBI has been sent to Chhattisgarh Government, who have not yet responded.