

**GOVERNMENT OF INDIA
RURAL DEVELOPMENT
LOK SABHA**

STARRED QUESTION NO:273
ANSWERED ON:30.08.2012
DIVERSION OF FUNDS UNDER MGNREGS
Suvendu Shri Adhikari

Will the Minister of RURAL DEVELOPMENT be pleased to state:

- (a) whether CBI and other agencies are investigating the cases of alleged corruption and misappropriation of funds under Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) in various States;
- (b) if so, the details thereof including the findings and the present status thereof, State-wise;
- (c) whether audit, including social audit is to be conducted for the scheme, at all the levels and the relevant rules for the purpose notified; and
- (d) if so, the details thereof?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF RURAL DEVELOPMENT (SHRI JAIRAM RAMESH)

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

Statement as referred to in reply to parts (a) to (d) of Lok Sabha Starred Question No. 273 for answer on 30.08.2012

(a) & (b): The Ministry receives a large number of complaints about implementation of Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) in the country. 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. 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. 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 Odisha 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 Odisha. CBI has already submitted its report to the Supreme Court 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 in implementation of MGNREGA in Uttar Pradesh. A Writ Petition No. 12802(M/B) of 2011 is pending in the Lucknow Bench of Allahabad High Court seeking directions for a CBI enquiry into irregularities in implementation of MGNREGA in Uttar Pradesh. The matter is thus subjudice.

(c) & (d): As per Section 24 of MGNREG Act 2005, the Central Government may in consultation with the Comptroller and Auditor General (CAG) of India, prescribe appropriate arrangements for audits of the accounts of the Schemes at all levels. Accordingly, in consultation with the CAG, the MGNREGA Audit of Schemes Rules, 2011, has been notified on 30th June, 2011. These Rules also cover conduct of social audits at different levels. 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, Odisha, Rajasthan, Tamil Nadu, Uttar Pradesh and West Bengal. The CAG audit of MGNREGA in the Ministry of Rural Development and other States has already commenced.