

**GOVERNMENT OF INDIA
HOME AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:4667

ANSWERED ON:23.04.2013

MONEY LAUNDERING THROUGH NGOS

Bapurao Shri Khatgaonkar Patil Bhaskarrao;Bhoi Shri Sanjay;Gaikwad Shri Eknath Mahadeo;Paranjpe Shri Anand Prakash

Will the Minister of HOME AFFAIRS be pleased to state:

- (a) whether cases of money laundering and terror financing through Non Governmental Organisations (NGOs) and foreign donors has been reported in the country;
- (b) if so, the details thereof along with the total number of such cases reported and the action taken against such entities during each of the last three years and the current year, State-wise;
- (c) whether the Government proposes to devise a mechanism to regulate such funding in this regard;
- (d) if so, the details thereof; and
- (e) the steps taken by the Government to check money laundering by NGOs and foreign donors in future?

Answer

MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS (SHRI MULLAPPALLY RAMACHANDRAN)

(a) & (b): There are reports of some organizations diverting funds for purposes other than the purposes for which the funds were meant. On the basis of the complaints of various violations of FCRA, 24 cases have so far been referred to CBI and 10 cases have been referred to State Police for investigation as given in Annexure I and II.

(c) to (d): The Government monitors the receipt and utilization of foreign contribution received by any 'person' including Non-Government Organizations (NGOs) in the country in terms of the Foreign Contribution (Regulation) Act, 2010 and the Rules framed thereunder.

The FCRA, 2010 provides for NGOs to receive foreign funds after registration or prior permission. Every application of NGOs for registration or granting Prior Permission is decided with inputs from the concerned security agencies. The NGOs who have been registered/given prior permission for receiving foreign funds are required to submit annual accounts. These are scrutinized and wherever required, physical inspection is conducted. Based on the findings of the inspection team, appropriate action is taken.

The organizations receiving and utilising foreign contribution are required to submit Annual Accounts for each financial year within a period of nine months from closure of the year i.e. by 31st December. Such Annual Accounts are to be submitted in the prescribed format duly audited by a Chartered Accountant. FCRA provides for a reporting mechanism by the recipients of foreign contribution as well as by the Banks.