

**GOVERNMENT OF INDIA  
ROAD TRANSPORT AND HIGHWAYS  
LOK SABHA**

STARRED QUESTION NO:262

ANSWERED ON:03.08.2017

Bribe to bag Contracts

Raajhaa Shri Anwhar;Yadav Shri Dharmendra

**Will the Minister of ROAD TRANSPORT AND HIGHWAYS be pleased to state:**

- (a) whether officials of the National Highways Authority of India (NHA) have allegedly been bribed by the US based firms to bag contracts during 2011-15;
- (b) if so, the details thereof along with the reaction of the Government thereto;
- (c) whether the Government has conducted any inquiry in this regard;
- (d) if so, the outcome thereof along with the action taken/proposed to be taken by the Government in this regard; and
- (e) the names of the National Highways allocated to the said firms along with the present status thereof, State-wise?

**Answer**

THE MINISTER OF ROAD TRANSPORT AND HIGHWAYS  
(SHRI NITIN JAIRAM GADKARI)

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

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF LOK SABHA STARRED QUESTION NO. 262 ANSWERED ON 3RD AUGUST, 2017 ASKED BY SHRI DHARMENDRA YADAV AND SHRI A. ANWHAR RAAJHAA REGARDING 'BRIBES TO BAG CONTRACTS'

(a) & (b) It was reported in media that M/s CDM Smith, through its employees and agents, and those of its wholly owned subsidiary in India (CDM India), paid approximately \$1.18 million in bribes to government officials in India in exchange for highway construction supervision and design contracts. This media report emanates from the U.S. Department of Justice, Criminal Division letter dated June 21, 2017 available on their official website. The relevant part of the aforesaid letter is extracted below:

"From approximately 2011 until approximately 2015, employees of CDM Smith's division responsible for India operations and CDM India illegally paid bribes to officials in the National Highways Authority of India ("NHA"), India's state-owned highway management agency and an "instrumentality" under the FCPA, in order to receive contracts from NHA. The bribes generally were 2-4% of the contract price and paid through fraudulent subcontractors, who provided no actual services and understood that payments were meant to solely benefit the officials."

The National Highways Authority of India has compiled the list of all the consultancy assignments awarded to the said firm and its associates. The Ministry of Road Transport & Highways (MoRTH) and the National Highways Authority of India have initiated steps to obtain the supporting documents so as to take the matter to logical conclusion. MoRTH has taken up the matter with the Ministry of External Affairs as well as the Indian Embassy in USA to liaise with U.S. Department of Justice to obtain the information and records gathered by them during their inquiry.

Incidentally, it may be mentioned that the NHA had debarred the said firm for a period of 3 (three) months in 2015 from participating/engagement in future bidding of NHA projects because of deficiency in services in one of the projects, i.e. Dholpur- Morena Section of NH-3. Similarly, in a lone assignment awarded to the said firm, the NHIDCL has debarred the said firm this year for a period of two years.

(c)& (d) The Central Vigilance Commission of India has constituted a Special Investigation Team of three officers to investigate the matter and report to Commission.

(e) Details of projects wherein CDM Smith was engaged by NHA for Engineering Consultancy Services so for along with the status of their completion is attached at Annexure-1.