

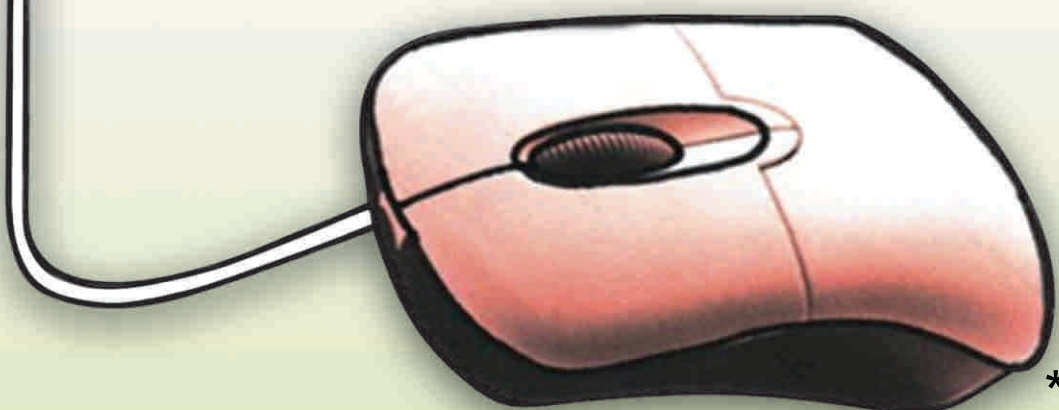


Corruption-free India



VIGEYE VANI

**Quarterly Newsletter
Central Vigilance Commission
DECEMBER 2014**



Combating Corruption - Technology as an Enabler !

शपथ

हम, भारत के लोक सेवक, सत्यनिष्ठा से प्रतिज्ञा करते हैं कि हम अपने कार्यकलापों के प्रत्येक क्षेत्र में ईमानदारी और पारदर्शिता बनाए रखने के लिए निरंतर प्रयत्नशील रहेंगे। हम यह प्रतिज्ञा भी करते हैं कि हम जीवन के प्रत्येक क्षेत्र से भ्रष्टाचार उन्मूलन करने के लिए निर्बाध रूप से कार्य करेंगे। हम अपने संगठन के विकास और प्रतिष्ठा के प्रति सचेत रहते हुए कार्य करेंगे। हम अपने सामूहिक प्रयासों द्वारा अपने संगठनों को गौरवशाली बनाएंगे तथा अपने देशवासियों को सिद्धांतों पर आधारित सेवा प्रदान करेंगे। हम अपने कर्तव्य का पालन पूर्ण ईमानदारी से करेंगे और भय अथवा पक्षपात के बिना कार्य करेंगे।

PLEDGE

We, the public servants of India, do hereby solemnly pledge that We shall continuously strive to bring about integrity and transparency in all spheres of our activities. We also pledge that We shall work unstintingly for eradication of corruption in all spheres of life. We shall remain vigilant and work towards the growth and reputation of our organisation. Through our collective efforts, We shall bring pride to our organisations and provide value based service to our countrymen. We shall do our duty conscientiously and act without fear or favour.



Message

It gives me immense pleasure to learn that Vigeyevani, the Newsletter of the Commission is making a fresh start. I had always felt the need for having an effective means of communication not only among the officials working in the vigilance set up of our country but every organization and individual citizen fighting against corruption. I am hopeful that Vigeyevani will fulfil this need and become an effective platform for sharing our ideas and thereby, benefitting from other's experience.

This is the Golden Jubilee year of the Central Vigilance Commission. Successful completion of 50 years by the Commission is a matter of great satisfaction and pride. The absence of VIGEYEVANI was felt acutely during the commemoration of Golden Jubilee. However, I am hopeful that revival of VIGEYEVANI would adequately make up for what had been missed out.

'VIGEYE' is a citizen-centric initiative of the Central Vigilance Commission wherein citizens join hands with the Central Vigilance Commission in fighting corruption. 'VIGEYEVANI' means voice of 'VIGEYE'. Therefore, the scope of 'VIGEYEVANI' should not remain confined to being a newsletter of the Commission. As the name suggests, it should be the voice of the citizens fighting against corruption. I implore all Non-Government Organizations and our vigilant citizens to make use of VIGEYEVANI for sharing their experience and continuing their crusade against corruption.

I also take this opportunity to share with you the joy of seeing our country jump 10 places from its ranking last year in the yearly survey of least-corrupt countries conducted by Transparency International. The engagement, innovation and participation of vibrant civil society, media and people at large against corruption contributed positively to the perceptions about India.

My best wishes are with the new editorial team of VIGEYEVANI.



(Rajiv)

Central Vigilance Commissioner



Message

I am very happy to note that Vigeye Vani will restart its journey once again. Year 2014 being a Golden Jubilee Year has been a very important milestone in the Commission's journey. The Commission successfully organized a National seminar on Combating Corruption: Role of Accountable institutions, Investigating Agencies, Civil Societies and Media during 11-12 Feb 2014 at Vigyan Bhawan, New Delhi.

The Commission has also seen various changes in 2014 in terms of its constitution. This year has seen Central Vigilance Commissioner, Shri Pradeep Kumar and Vigilance Commissioners, Shri R Srikumar and Shri J M Garg demitting their offices during 2014. Shri Rajiv, Vigilance Commissioner and presently acting CVC has taken over the mantle of the leadership and has been driving force at present in maintaining the momentum of the Commission's growth. In his endeavour he has always been concerned about taking efficiency and efficacy of the Commission to new heights. I am optimistic that under his leadership the Commission will further strengthen itself and make strides towards achieving zero pendency under all categories.

I am sure that Vigeye Vani will also move from strength to strength and will continue to keep various stakeholders updated with the Commission's activities. I hope that the Newsletter shall become a very important forum for exchange of ideas in the field of Vigilance and anti corruption.

I wish the editorial team a success. I wish the Commission's staff and all its readers a very happy and corruption free new year, 2015.

(Alok Kumar)

Secretary

Central Vigilance Commission

From the Editorial Desk

Dear Readers,

The editorial team of VIGEYEVANI had to be reconstituted following the retirement of its Chief Editor Sh. Alok Bhatnagar. The new editorial team wishes its readers a very happy and glorious new year. VIGEYEVANI is making a fresh start after a gap of nearly one year and we are confident of receiving your support and patronage.

VIGEYEVANI is a newsletter with a difference. Newsletters are published by companies and organizations for their employees, customers and other stakeholders. and therefore their readership is limited. In our case, every citizen of our country is a stakeholder and therefore our aim is to reach out to everyone directly or indirectly associated with the crusade against corruption.

Recently we have witnessed spurt in anti-corruption campaign which has resulted in a positive perception about our country. The momentum against corruption need to be sustained and for long lasting results, it is important to develop a system of governance which leaves no scope for corruption. Our experiences and thoughts must be shared to achieve this goal.

It will also be our endeavour to keep you informed of all the important activities in the Commission and the latest guidelines/circulars issued by the Commission which are relevant for the CVOs of various Government organizations and Public Sector Undertakings.

The Editorial Team is grateful to Sh. Rajiv, Central Vigilance Commissioner and Sh. Alok Kumar, Secretary, CVC for their support and encouragement due to which VIGEYEVANI has been able to see light of the day during this year.

The editorial board extend special thanks to Sh. Asit Gopal, Director, Sh. R. S. Sinha, Director, Sh. Prabhat Kumar, Chief Vigilance Officer, Pawan Hans Limited, Sh. P. Balasubramanian, Private Secretary to Additional Secretary, Ms. Narinder Kaur, Private Secretary and Ms. Deepmala Meena, Assistant Advisor (IT) for their immense contribution in bringing out this issue of VIGEYEVANI.

To give real service you must add something which cannot be bought or measured with money, and that is sincerity and integrity.

– Douglas Adams

Golden Jubilee of Central Vigilance Commission

11-12, Feb 2014 at Vigyan Bhawan, Delhi



Inaugural Ceremony:

A National Seminar on '**Combating Corruption : Role of Accountability Institutions, Investigating Agencies, Civil Society and Media**' was organised by the Central Vigilance Commission to mark its Golden Jubilee on 11-12th February 2014 at Vigyan Bhawan, New Delhi. The Golden Jubilee Celebration was inaugurated by Shri Pranab Mukherjee, the Hon'ble President of India and was presided over by Dr. Manmohan Singh, then Prime Minister of India. The then Union Minister for Communications and IT & Law, Shri Kapil Sibal, the then Leader of the Opposition in Parliament, Smt. Sushma Swaraj and the then Minister of State for Personnel, Public Grievances & Pensions, Shri V Narayanasamy also graced the occasion. Former CVCs and Vigilance Commissioners, Heads of Statutory bodies, senior officers of the Ministries/Departments, Chief Executives and Chief Vigilance Officers of Public Sector Undertakings, Banks, NGOs, Members of Civil Society and Media persons attended the function.

Welcome Speech:

- **Shri Pradeep Kumar, then Central Vigilance Commissioner** welcomed the dignitaries and participants and gave a brief account of the evolution, role and responsibilities of the Central Vigilance Commission over the years. He underlined the challenges before the Commission in fighting corruption and the growing demand from people for good governance and a corruption free society. The CVC stated that the Commission has always been endeavoring to create an environment in which the honest can work fearlessly and the corrupt



have no place to hide. He added that the Commission considering it important to work for systemic reforms like simplification of rules and regulations, reduction of discretion etc. and leveraging of IT & Technology to combat corruption and increase fairness, transparency and accountability in government functioning.

- **Shri V Narayanasamy, then Minister of State for Personnel, Public Grievances & Pensions**, in his remarks observed that the CVC has over the years played a very important role in vigilance administration and combating corruption. He noted that CVC has suggested various measures to make administrative procedures transparent and fair to minimise scope for misuse of powers. The steps taken by the Government like the historic Lokpal Act and other legislations on the anvil including ratification by India of the UNCAC were also underlined. He also informed of the efforts made to set up more than 90 special courts for trial of corruption cases, timelines prescribed for departmental proceedings to swiftly book the corrupt and to ensure that the innocent are not subjected to undue harassment. Shri Narayanasamy stated that the anti-corruption functionaries need new and effective ways to conduct multi jurisdictional investigations and prosecution to unearth cross-border cases and their perpetrators. He concluded with the hope that the deliberations of the seminar will throw up ideas and opportunities which will go a long way in shaping the role of CVC in the years to come.



In house celebration of Golden Jubilee of Central Vigilance Commission

- **Smt. Sushma Swaraj, then Leader of the Opposition in Lok Sabha**, extended her wishes to the Commission for celebrating 50 years of its existence. She recalled that the CVC was established in 1964 by a Resolution. It was conferred statutory status as a multi-member body in 2003. She stated that sometimes the proactive approach of oversight institutions is not appreciated by the Government. Our Constitution is based on principles of checks and balances. She called for a resolve to not weaken the institutions like CAG & CVC which are entrusted with responsibilities to keep oversight on us. She concluded that it is our responsibility as citizens to provide a corruption free country to our future generations.

- **Shri Kapil Sibal, then Union Minister for Communications and IT & Law,** in his remarks observed that issues of corruption of politicians and civil servants dominate public discourse on governance and the notion of unfairness of Governments is reinforced by the perception of the common man. He reminded that citizens want public service delivery systems to be efficient and corruption free. He underlined that laws alone are not enough and timely enforcement is the key to effective deterrence. He concluded noting the role played by the CVC over the years in bringing transparency and accountability and that it was a fitting tribute that a commemorative postage stamp was being released.



Celebration of Golden Jubilee in Central Vigilance Commission Premises

- **Dr. Manmohan Singh, then Prime Minister of India,** in his address said that CVC is an important part of institutional framework for fighting corruption and ensuring probity, transparency and accountability and that since 50 years it has served the country with distinction. He recalled the increase in scope and complexity of the work of the CVC since 1964 and the transformation the institution has undergone. He stated that the last few years had seen a vigorous debate on corruption with civil society and media being active, leading to increased awareness and expectations of people. He reiterated that accountability institutions like the CVC act as aid to the governance process and emphasized the need for due care to ensure that honest officers are not harassed for bonafide mistakes that they might make while taking well meaning decisions.

He observed the requirement for professional expertise in agencies like the CVC and CBI as well as the need to be careful and quick in addressing vigilance matters. He stressed on the need for autonomy of investigating agencies but also was of the view that it is necessary to ensure that the political executive exercises oversight expected in a democratic polity.

- **Shri Pranab Mukherjee, the Hon'ble President of India,** in his address congratulated the Central Vigilance Commissioners past and present as well as staff of the CVC over the years for



their commendable service to the nation. Recalling the constitution of CVC in 1964, concerns of the Santhanam Committee and the institutional and legal framework over the years, he was of the view that corruption remains a stumbling block in national progress as it increases transaction costs for business and reduces the efficiency of public services. He said that the public outcry against corruption in recent times reinforces the urgent

need to restore the faith of public in governance systems and credibility of institutions. He quoted the words of Shri Lal Bahadur Shastri while establishing the CVC in 1964 and reminded that it is our duty that we must confront the challenge of corruption head on and the CVC has an important role to play. He exhorted that CVC must re-energize itself and pro-actively lead the charge, expeditiously investigate all allegations of corruption without fear or favour and at the same time ensure that reputation and careers are not tarnished in the process. He also stated that CVC should be an ally to good governance and bold decision making in the interest of the country. Complementing the CVC on the theme of the seminar, he observed that various innovative steps have been taken in the past such as e-procurement, reverse auction, integrity pact etc. Concluding the address, he called upon the CVC to lead the way in cleansing government and to contribute to reverse the cynicism towards government functionaries and



expressed confidence that the CVC will continue to function as a strong and effective body making useful contributions in checking corruption as well as mal-administration.

- **Shri J M Garg, then Vigilance Commissioner**, proposing the vote of thanks assured the dignitaries that the CVC would remain steadfast and contribute in realizing every Indian's dream of a corruption free India. He thanked all the dignitaries present on the occasion for their unconditional help and support.



The Hon'ble President unveiled the commemorative postage stamp on CVC. Thereafter, Hon'ble Prime Minister released a Coffee Table Book on the evolution of the CVC, titled 'The Untiring Eye' on the occasion.



" If a country is to be corruption free and become a nation of beautiful minds, I strongly feel there are three key societal members who can make a difference. They are the father, the mother and the teacher."

– A.P.J. Abdul Kalam

Valedictory Function - 12th Feb, 2014

The Valedictory function held on 12th February, 2014 was presided over by Justice P. Sathasivam, then Hon'ble Chief Justice of India. Shri Pradeep Kumar, then CVC welcoming the Chief Guest and the then Minister of State for Personnel, Public Grievances & Pensions gave a brief account of the address of the Hon'ble President and Prime Minister in the inaugural session and the deliberations of the two day National Seminar. He thanked the Chairpersons, panelists and participants for the lively debates. He observed that to provide a credible deterrence against corruption it is necessary that the corrupt are promptly punished, however high and mighty they may be and that this is possible only if we have effective and independent institutions to uphold integrity. He stated that independence and autonomy are important ingredients of anti-corruption agencies which empowers them to act without fear or favour and reminded that autonomy and accountability are not mutually exclusive but go hand in hand. He emphasized on quick and speedy resolution of trials in corruption cases. He mentioned that several legislations aimed at curbing corruption and amendments to the Prevention of Corruption Act to match the realities of the day are on the anvil. Shri Pradeep Kumar assured that the Commission shall always remain true to its vision of ensuring good governance by promoting the values of ethics and integrity in public affairs. Watchful 50', a documentary film depicting the Central Vigilance Commission and its journey over the years produced by Doordarshan was released by the Chief Justice of India to mark the 50 years of the Central Vigilance Commission. Former Central Vigilance Commissioners and Vigilance Commissioners were felicitated by Justice P. Sathasivam, Chief Justice of India and Shri V. Narayanasamy, Minister of State for Personnel, Public Grievances & Pensions. Shri V. Narayanasamy in his remarks observed that lack of governance would undermine economic development and was of the view that India has the best drafted laws and institutions as frameworks to address corruption. He stated that the Lokpal and Lokayuktas Act, 2013 will be a potent weapon to address corruption and stressed on the need for a well defined code of ethics and its enforcement.



He mentioned that several steps have been taken to simplify rules and procedures to reduce discretion, create transparency and for the empowerment of citizens. He was optimistic that the CVC will continue to play a pivotal role in effective governance. Shri P. Sathasivam, Hon'ble Chief Justice of India in his valedictory address stated that the CVC as the integrity institution of the country has been instrumental in combating corruption for decades and congratulated the past and present members and officers of the Central Vigilance Commission for their dynamic support in combating corruption. He also commended the various initiatives and measures undertaken by the CVC in promoting transparency, accountability and fairness in public administration. He underlined corruption as the biggest threat to democracy and emphasized on the need for values in public life. Shri Sathasivam observed that the Central Vigilance Commission being the apex integrity institution entrusted with the task of overseeing vigilance administration and implementing government policies against corruption has greater responsibility in addressing the issue. He reminded that it is obligatory on every officer of the Commission to function in a fair, impartial and unbiased manner and to uphold and preserve the trust of the people in the institution of democracy. He reminded that while anti-corruption agencies are striving to address the problem of corruption, the task cannot be accomplished without the participation of all stakeholders including civil society. He requested through the august gathering that the courts dealing with corruption matters should make all endeavours for early completion of the trial. He also explained the steps taken for monitoring corruption cases in courts to address delays and also the provisions of the mechanism in place for addressing complaints against judges.

Vote of Thanks

Sh J M Garg, then Vigilance Commissioner, extended the vote of thanks to the Chief Justice of India and assured that the valuable suggestions and the ideas generated in the seminar would be considered by the Commission. He expressed gratitude to the judiciary for expediting corruption cases and for its commitment. He underlined the unstinted support and commitment of the Minister of State for Personnel, Public Grievances & Pensions to the Commission. He also thanked the former Central Vigilance Commissioners and Vigilance Commissioners for their unyielding commitment and hard work over the years. Finally, he conveyed thanks to all officers of the CVC, CVOs, and media for making the event a success and also Doordarshan for the documentary film produced to commemorate the Golden Jubilee of the CVC.



In matters of conscience; the law of majority has no place.

– Mahatma Gandhi



Why Corruption is Bad?

Is it worth having an elaborate vigilance set up in our country to fight corruption? The answer is resounding yes if public sentiment against corruption is the criterion. Besides public sentiment, there are sound social and economic reasons for fighting corruption.

Corruption impacts upon the poorest hardest. It is the moral duty of every government to fulfill the basic minimum need of its every citizen. The basic minimum needs are food and shelter, free or affordable healthcare and elementary education. The Government runs numerous social security and welfare programs for the poor and vulnerable. Unfortunately, people are not able to receive the intended benefits due to corruption. The meager benefits meant for the most vulnerable are also siphoned off by the corrupt officials. Due to rampant corruption, the quality of healthcare in most of the government hospitals is bad and the poor are unable to afford the private healthcare. The poor lose their hard-earned money due to extortion by corrupt officials of the police and other enforcement agencies.

It is also the moral duty of the government to ensure equality of opportunity so that meritocracy prevails. Despite privatization and liberalization, the government and the public sector remains the largest employer. The poor remain deprived of government and public sector jobs due to corruption in recruitment and are unable to break the vicious cycle of poverty. Corruption at the stage of recruitment itself breeds corruption and inefficiency in every sphere of working of the organization.

Corruption is not only bad for the poor and vulnerable, it also adversely affects the overall economic growth of a nation. According to the diminishing return theory, the return on investment in a developing country should be higher as compared to a developed country and therefore, the developing nations should eventually catch up with developed nations. Furthermore, poorer countries can replicate the production methods, technologies, and institutions of developed countries. Then why poor nations are not catching up with the rich nations? On the contrary, the gap between the poor and rich nations is widening. According to the theory of "conditional beta-convergence", the poor economies should grow faster than rich ones but conditional on other variables being held constant. If poor nations are lagging behind in development then it implies that there are other variables which are holding them back. The economists almost unanimously believe that corruption is the "other variable" which is holding back the poor nation.

The amount of money lost in corruption activities is absolutely enormous. Corruption increases the cost of infrastructure and adversely impacts its quality. Corruption suppresses the potential of people and discourages genuine entrepreneurs. If the government cannot or does not guarantee the rule of law, then the very basics of trade and economy are under threat. The cost of business goes up not only due to the amount of bribe paid but also due to the delays caused by corrupt bureaucracy in

order to extract bribe. If a merchant cannot trust that a business partner who does not fulfill his obligations will be put to justice, then he has to take potential losses into account when making business. If a company cannot trust on laws and their implementation, then it cannot make long-term investments. The corrupt ruling elite use its power mainly to reinforce its own position resulting in distorted government policies and programmes. Developing nations need foreign investment for development because capital is scarce in developing nations. However, corruption discourages foreign investment. Tim Harford in his book 'The Undercover Economist' has stated that kleptocracy at the top stunts the growth of poor countries.

One may be tempted to think that 'lack of natural resources' is responsible for poor nations remaining poor. However, there is no correlation between natural resources and development. The poor nations do not lack natural resources. To prove the point that corruption is responsible for the lack of development, one simply needs to compare the level of corruption and the indices of development such as GDP per capita and Human Development Index (HDI). The following two tables would reveal a strong correlation between corruption and development.

The two tables (Table-1 and Table-2) reveal that the corrupt nations are in general poor and lagging behind in HDI and the least corrupt countries are developed with high HDI. Although correlation between two variables does not imply cause and effect relation, the two tables below reinforce the idea that corruption is a factor responsible for lack of development. Oil rich nations such as Iraq and Libya are low in HDI and GDP per Capita rank due to high level of corruption. Thus, it is the corruption and not the lack of resources which is responsible for their poor plight.

Table-1

S.No.	Country	Ranking of Most Corrupt Countries	GDP Per Capita	HDI Rank
1.	Somalia	1	193	193
2.	North Korea	2	167	NA
3.	Afghanistan	3	162	175
4.	Sudan	4	136	166
5.	South Sudan	5	157	NA
6.	Libya	6	56	55
7.	Iraq	7	78	120
8.	Uzbekistan	8	128	116
9.	Turkmenistan	9	82	103
10.	Syria	10	131	188

Table-2

S.No.	Country	Ranking of Least Corrupt Countries	GDP Per Capita	HDI Rank
1.	Denmark	1	21	10
2.	New Zealand	2	32	7
3.	Finland	3	25	24
4.	Sweden	4	18	12
5.	Norway	5	6	1
6.	Singapore	6	3	9
7.	Switzerland	7	9	3
8.	Netherland	8	13	4
9.	Australia	9	14	2
10.	Canada	10	20	8

Source – Transparency International, World Bank and IMF, Year -2013

In our country, we have been recently witnessing a disturbing trend of associating vigilance with negativity and lack of decision- making. Some people go to the extent of associating strong vigilance system with lack of development initiatives and inefficiency. On the contrary, the fact is that a strong vigilance system which is able to eradicate corruption is the key for development. The points made above should motivate us to make our nation free from corruption so that we are able to prosper and the fruits of prosperity are shared by each and every citizen of our country.

Asit Gopal, IFS
Director, CVC

To believe in something and not to live it, is dishonest.

– Mahatma Gandhi



क्या ज़माना बदल रहा है

सतर्कता जागरूकता सप्ताह देश में चल रहा है,
फिर भी यहाँ हर कोई अपनों को छल रहा है।

नारों और वादों पर चलने का आदी है समाज,
नहीं सुनता ये एक ईमानदार की आवाज।

आकाश में देखता है फरिश्ते, ज़मीन पर भूला है रिश्ते
गिफ्ट में काजू और पिस्ते, ईमानदार चक्की में पिसते।

हमें तो चारा और कोयला खल रहा है
फिर भी बेईमान के हाथ में ईमानदारी का दिया जल रहा है
क्या ज़माना बदल रहा है।

आज वही आदमी ऊँचाई पर है, जिसकी तिजोरी भरी है,
करे जो चोरी और सीना जोरी, उसकी कही बात ही खरी है।

बस इतना समझ लो कि, यहाँ पर सब चलता है यार,
चाहे जितना चले आंदोलन, नहीं कम होता भ्रष्टाचार
स्विस बैंक में अकाउंट देखकर, मेरा भी मन फिसल रहा है।
2जी और 3जी की चिंता नहीं, अब तो वाईफाई पर जीजा जी चल रहा है।
क्या ज़माना बदल रहा है।

एक ईमानदार ने बेईमान से कहा
तुम थकते नहीं हो, करते हो हमेशा भ्रष्टाचार,
सारे देश में शोर मचा है, पर जारी है तुम्हारा काला व्यापार।

बेईमान ने कहा,
अगर ऊपरी कमाई न करें तो कहीं के न रह पायें।
बाहर लोग उल्लू समझें, घर में नाकारा कहलाएँ।

पर लगता है,
सरकारी तंत्र एमएमएस से वोकल पर चल रहा है
क्योंकि पीएम लोगों से मन की बात कर रहा है
कमिशन तो करता है हर वर्ष कोशिश,
इस साल देश भी पटेल को याद कर रहा है।
भारत जल्द बनेगा विश्व गुरु, लगता है ज़माना बदल रहा है।

Important activities of the Commission during 2014

- A National Seminar on 'Combating Corruption : Role of Accountability Institutions, Investigating Agencies, Civil Society and Media' was organised by the Central Vigilance Commission to mark its Golden Jubilee on 11-12th February 2014 at Vigyan Bhawan, New Delhi.
- Shri Pradeep Kumar, Central Vigilance Commissioner addressed the participants at the 10th Young Indians National Summit: India – The Future is Now, organized by Confederation of Indian Industry (CII) at New Delhi on 15.3.2014.
- Shri Pradeep Kumar, Central Vigilance Commissioner on 27th March, 2014 addressed the CII's National Conference and Annual General Meeting 2014 held by Confederation of Indian Industry (CII) at New Delhi on 26th and 27th March, 2014, during the session "Delivering Better Governance: Perspectives".
- As a member of Executive Committee, Shri Pradeep Kumar, Central Vigilance Commissioner attended the Executive Committee Meeting-2014 of the International Association of Anti-Corruption Authorities (IAACA) at Barcelona, Spain on 31st March to 3rd April, 2014. He presented a report on the Knowledge Management System called Information Sharing & Analysis Against Corruption (ISAAC), which has been developed for the IAACA by the Central Vigilance Commission (CVC), India.
- United Nations Office on Drugs and Crime (UNODC) organised a focus group meeting as a part of a series of business sector corruption on 8th April, 2014 at New Delhi. Shri J.M. Garg, Vigilance Commissioner attended the meeting which covered the issues of integrity and probity in public procurement.
- At the launch of a **"National anti-corruption referral on vigilance and Anti-corruption desks in India"**- a product developed by UNODC with the support of the Siemens Integrity Initiative on 29th May, 2014, Shri J. M. Garg, Vigilance Commissioner delivered a talk on the "Initiatives against Corruption in India: Central Vigilance Commission's Perspective".
- Shri J.M. Garg, Vigilance Commissioner addressed a Conference on Financial Frauds organised by Centre For Advanced Financial Research And Learning (CAFRAL) at Mumbai on 24th June, 2014. The objective of the conference was to deliberate on the framework of strengthening the mechanism to deal with financial frauds in the financial sector and understanding best practices in banks. Executive Directors in charge of fraud monitoring, Chief Vigilance Officers, Heads of the Operational Risk Management Department and Compliance Officers of banks attended the conference.

- The Commission convened five Annual Zonal/Sectoral Review Meetings with the Chief Executives/CMDs and Chief Vigilance Officers during the month of July 2014. The meetings were held with Railway Sector on 01.07.2014, Defence Sector on 02.07.2014, Aviation, Transport and Tourism Sector on 23.07.2014, Banking and Insurance Sector on 24.07.2014 and Industries Sector on 25.07.2014.
- Shri Pradeep Kumar, Central Vigilance Commissioner attended an anti-corruption seminar of the International Association of Anti-Corruption Authorities (IAACA) held at Beijing, China on 15th -17th July, 2014. The theme of the Seminar was "Rule of Law and Anti-Corruption: Challenge and Opportunity". CVC addressed the gathering during the first session of the seminar on the topic "Anti-Corruption Agencies in a Changing World: Independence, Accountability and Transparency".
- The Commission convened Annual Zonal/Sectoral Review Meeting with the Chief Executives/CMDs and Chief Vigilance Officers of Power Sector on 27.08.2014.



- The Commission convened Annual Zonal/Sectoral Review Meeting with the Chief Executives/CMDs and Chief Vigilance Officers of Petroleum Sector on 02.09.2014.



- SCOPE organized an Interactive Meeting with Shri Pradeep Kumar, Central Vigilance Commissioner (CVC) on 19th September 2014 at SCOPE Convention Center, New Delhi. CEOs and senior officers of various Central Public Sector Enterprises (CPSEs) including CMD's of Maharatna & Navratna companies participated in the interactive meeting.

- Central Vigilance Commission observed "Vigilance Awareness Week, 2014" from 27th October -1st November, 2014 with active participation by all Ministries/Departments/Organizations/PSUs/Banks etc. The theme this year was "Combating Corruption-Technology as an Enabler". During the awareness week, various activities/programmes were organized by all organizations including the Commission. In addition, Central Vigilance Commissioner and other officers of the Commission participated and addressed employees of various organizations during the week.



Pledge taking ceremony during VAW 2014

- Shri Rajiv, Central Vigilance Commissioner visited NTPC, PMI on 30th October, 2014 and addressed officials of NTPC through video conferencing. He highlighted the theme of this year's Vigilance Awareness Week "Combating Corruption: Technology as an enabler" and advocated the use of innovative technologies and social media to encourage participation of citizens for reporting instances of corruption.



Prize distribution during VAW, 2014



" If you tell the truth, you don't have to remember anything."

– Mark Twain



Modus Operandi of Financial Embezzlement St Lakshadweep base of Pawan Hans

A case of financial embezzlement has been noticed and enquired by the Vigilance Department in Pawan Hans Ltd. in which a total loss to the company was to the tune of Rs.1.30crores approx. For a small PSU like Pawan Hans Ltd (PHL), having an annual turnover of Rs.500 crores approx., the loss to the tune of Rs.1.30 crores becomes very significant. Since the financial irregularities were committed using a unique modus-operandi, it was found desirable to share the same so that such irregularities taking place in other organization can be detected.

PHL had deployed two helicopters to Lakshadweep Administration to be operated on a lease basis. PHL was required to maintain these helicopters and pay all the landing and parking charges to AAI. Normally in small base like Lakshadweep (Kavarati), there is always a shortage of staff, therefore Pilots and Engineers are made Base Managers and authorized signatories to operate bank accounts for meeting expenses of operations of the Base. These Pilots & Engineers go on temporary duty to such remote locations and due to their short tenure at Base, they are not in a position to take keen interest in regular financial transactions at the Base. In such a situation Base Assistants who are normally a contractual employee play a very significant and pivotal role in maintaining the financial sanity on these small Bases. Secondly, it is prudent to meet all the recurring and major expenses from zonal level using facilities of e-banking like RTGS and NEFT etc and only out of pocket expenses should be left to be met from such Bases. But in the case of Lakshadweep Base of PHL these prudent norms were thrown to the winds.

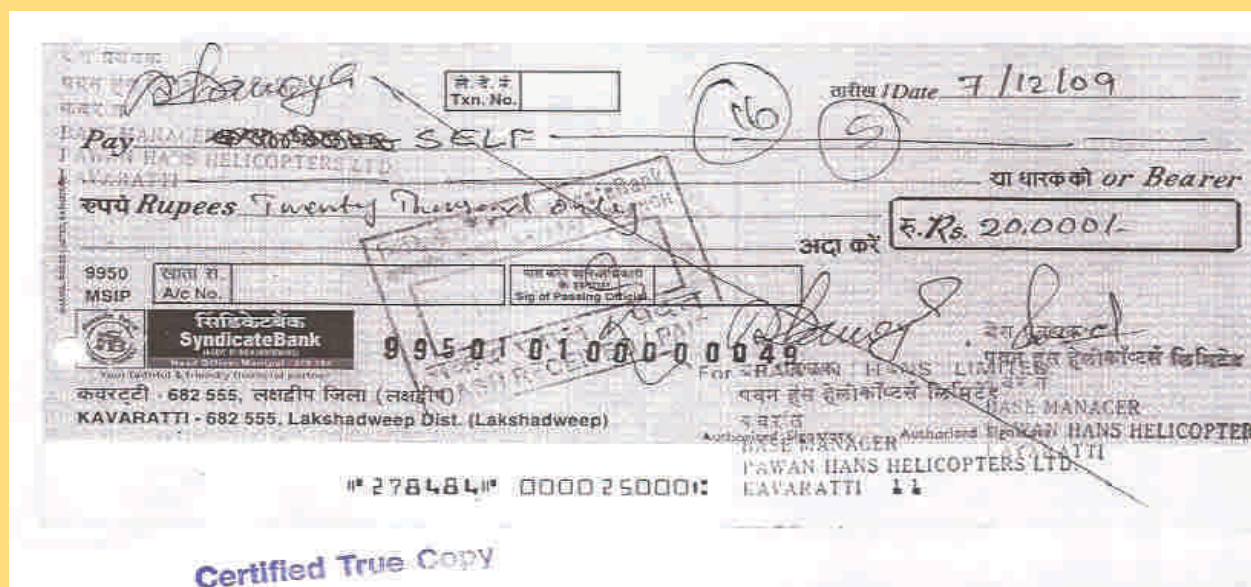
A lady, with inappropriate educational and financial background was selected as Base Assistant on contractual basis without following proper procedure of the recruitment. The Base Assistant was used to make payments for landing and parking charges of AAI from the money being sent from the Western Region at Mumbai. The Base Assistant used to prepare cheques for making such payments but used to purposely leave some anomaly like cutting and overwriting in payee names so that the same would have required signatures from authorized signatories. Secondly she never used to get the cheques crossed as 'Account Payee only'. She used to go to Base Managers i.e. Pilots & Engineers for getting their signatures on such times, when the aircraft was either ready to take off or just after landing so that she could get their signatures in a hurry. She used to mention that since the payee name has got some correction or overwriting that also requires to be countersigned by the authorized signatories and the pilots and engineers used to oblige as they were mostly on temporary duty.

Later on she used to cut the original payee name and write as "SELF" as payee name and used to withdraw the cash from the Bank like a self cheque. Incidentally the financial limit for any instrument

with the Bank was limited to Rs.20,000/- per instrument, but the local Branch of Syndicate Bank entertained higher amounts than Rs.20,000/- repeatedly. This indicates the involvement of the lower functionaries of Syndicate Bank branch also. This way the amount withdrawn in the name of Airports Authority of India (AAI) against Landing & Parking charges were being withdrawn as Cash and were being embezzled and the same amount was never deposited with AAI. It is also surprising to note that AAI never raised any outstanding bills to PHL during the period of five years, during which swindling of money had taken place. This also indicates the culpability of the officers of AAI posted at Lakshadweep (Kavaratti) Base.

The scam was perpetuated during the period 2008-13 with the active connivance of some senior officials of Western Region of PHL. Several complaints of financial irregularities were received against the Base Assistant in the beginning of her joining as Base Assistant in Lakshadweep Base, PHL at the Western Region but the same were ignored and no corrective action was taken. Secondly, the accounts from the Base used to be badly delayed and despite being pointed out by the finance department at the Region, no proper action was taken to streamline the process of receiving the accounts in time. Further, the Base Assistant was given the powers of authorized signatory for the Bank operation despite she being a contractual employee, which was against the rules of the company. The vouchers used to be unsigned and without supporting documents and bank statements were never tallying with what was written in the vouchers. All these indicate involvement

For the purpose of demonstration that how the cheques used to be misused, photograph of one sample of cheque as example can be seen as below.

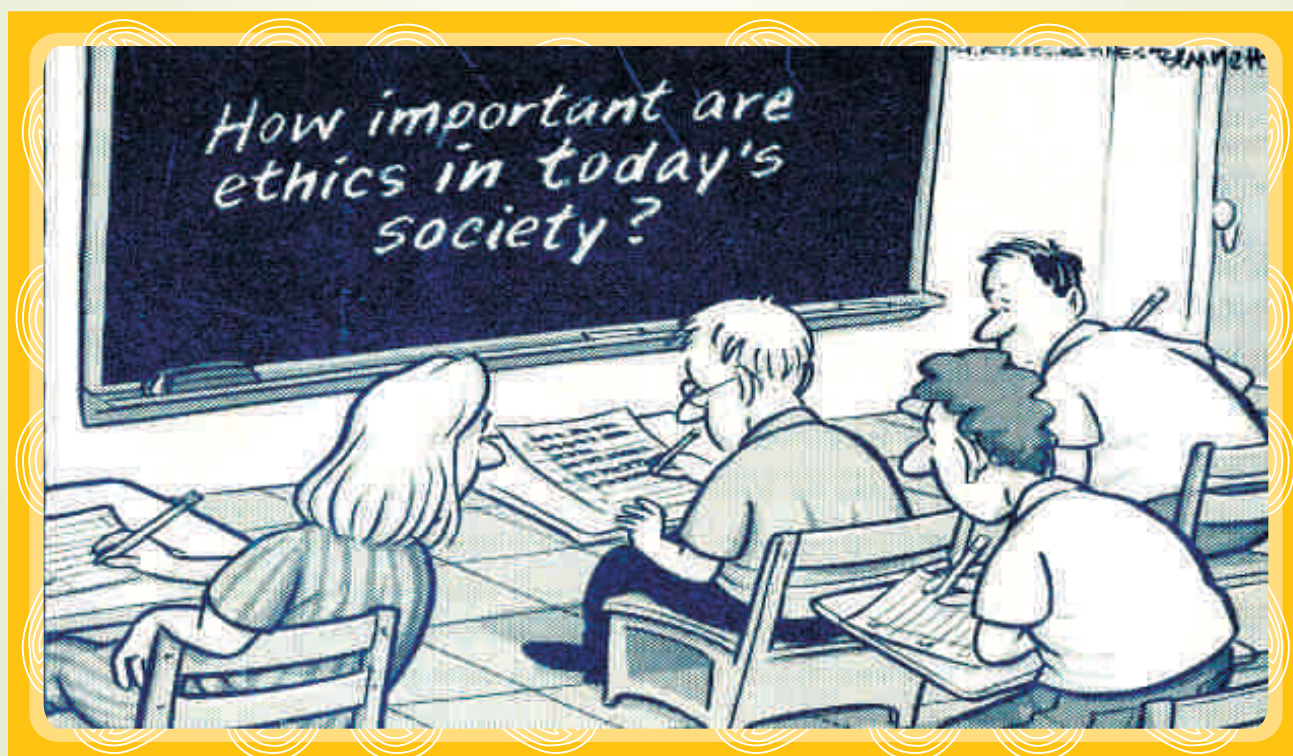


1. Please notice that cheque is not crossed as A/c Payee
2. Please notice that the payee name has been manipulated to 'Self' which appears to be countersigned by the authorized signatories

of senior persons at the Regional level permitting and propagating the scam without taking any corrective measure despite the issue being highlighted several times.

The scam was unearthed when a complaint was received by Vigilance department regarding financial irregularities being taken place at Lakshadweep. The Vigilance enquired into the scam and prepared a report which was accepted by the Competent Authority. The services of the Base Assistant was terminated, the senior officers involved in the scam were either suspended or transferred. The Commission's 1st stage advice for taking disciplinary action was sought and received and the departmental proceedings against all the persons involved are under way. For criminal misconducts adequate measures have been taken.

Prabhat Kumar, IRS
Chief Vigilance Officer, Pawan Hans Ltd.



An illustration of 'implementation gap'



With Great Aspiration

Our aspirations are stronger than the corruption of today
Yet, there are miles to go before its completely rooted away.

Whether its coal, land, defence or games, corruption seems endless
The Governance is also its prey, the common man no less.



Sh. R. S. Sinha, receiving 1st prize on Vigilance Awareness Week, 2014

While the Banks compete in granting the
'Big' unqualified loans
The family of the poor farmer, who dies in
debt, silently mourns.

Should I be a part to change the system or
should I remain at odds
Today I stand wondering, at the cross-
roads.

Our aspirations are more stronger with the advent of the new year,
Come, let's join together, to vanquish this evil without favour and fear.

R.S. Sinha
Director



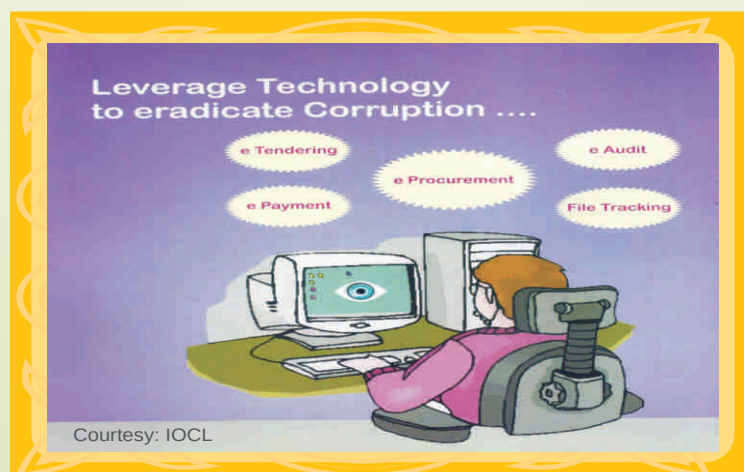
Photo Gallery



Activities during the Vigilance Awareness Week and Hindi Pakhwara 2014



Farewell functions of Shri Pradeep Kumar, CVC
and Shri J.M. Garg, VC





Measuring corruption: A brief review of existing methodologies

The increasing menace of corruption has precipitated a need for measuring corruption to enable the authorities to develop effective strategies against this menace.

Since corruption by its very nature is supposed to be secretive and the parties engaged in it normally would like to keep it under covers, most of the measures being used today are based on “perception” rather than “actual experience”. One obvious limitation of “perception based” indicators is that they reflect “perceptions” and may not necessarily be indicating the ground reality. Further perceptions take time to change. In fact it is only after sustained improvement/deterioration in governance that the perception changes. Thus these indicators are less sensitive to changes if used with short term perspective. Finally these indicators reflect the outcome of governance i.e whether there is an improvement or deterioration. They hardly reflect upon the causes. Donchev and Ujhelyi: 2007 mentions, “.....using corruption perception indices as a measure of corruption experience may be more problematic than suggested by the existing literature”¹

In view of the above, it becomes essential to clearly understand what a given indicator measures and the methods adopted by the creators of the tools. An error in such understanding may result in ineffective strategies, which might in turn result in huge loss of time and energy. These methods are a strong indicator of the purpose for which a given tool may be used and the purpose for which if it is used, it may yield erroneous results.

The two basic methods employed for developing a tool are (1) Usage of original data and (2) Using Composite data. Original data is the data generated by the agency which has developed the instrument, for the purpose of the instrument. This may be done by a number of ways e.g surveying “experts”, surveying “households” etc. and generating data as a result of these surveys. On the other hand the instruments using composite data do not generate their own data. They utilise the data generated by other agencies (primary sources) and then utilise statistical methods etc. to arrive at conclusions, by way of aggregation of data from Primary sources.

Composite source, while utilising data from varied source tend to average out the possible errors and reduce biases of individual primary sources (Kaufmann & Kraay:2007)² but they run the risk of utilising sources which differ year-to-year or differ in the “unit of analysis” being utilised. On the other hand, some Instruments based on original data have been found to suffer from absence of clarity and preciseness in scoring criteria. For example a question asking the respondent to rate corruption in an organisation as low, medium, high not only suffer from the problem that what might be low for a person might not be so for other person but also that same amount of bribe paid in respect of one service might be low (as a percentage of legal price of that service) but the same amount of bribe may be high (as a percentage of legal price of that service). Therefore, the

respondent's response has hardly any real value for the user of the instrument if he is not aware of the criteria being used.

The examples of Original data Indices are Global Integrity Index, POLITY etc. Two prominent examples of Composite indicators are TIs Corruption Perception Index (CPI) & World Banks Worldwide Governance Indicators (WGI).

In recent times, some "more objective" instruments are being used to measure corruption. The example of these instruments are PETS (Public expenditure Tracking Surveys) which tracks the flow of resources through several layers of bureaucracy, on a sample survey basis. This helps identify the leakage points. The method was probably utilised for the first time in 1996 in Uganda. Similarly QSDS (Quantitative Service Delivery Survey) collects data on inputs, outputs, quality, oversights etc.). One such survey in Bangladesh discovered what fraction of medical professionals were present at assigned posts. One such study in Honduras (PETS+QSDS) revealed that while funds etc. reach frontline centres, staff behaviour etc. have had telling impact on service delivery etc.

It is therefore suggested that while measuring the Corruption at any level, it first needs to be finalised what is the objective of the measurement and the instrument needs to be finalised as per this requirement. It would also be advisable to utilise a set of instruments to develop a holistic picture of the precise issue under study before strategies are developed.

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Sanjay Pande

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**It is the man's own mind, not his enemy or foe,
that lures him to evil ways. We are the creations
of our thoughts.**

– Gautam Buddha

Farewell Corner



Shri Pradeep Kumar, Central Vigilance Commissioner demitted office on 28/09/2014 after completion of tenure

Shri R. Srikumar, Vigilance Commissioner demitted office on 27-01-2014 after completing his tenure



Shri J.M. Garg, Vigilance Commissioner demitted office on 07/09/2014 after completion of tenure.

Shri K.D. Tripathi, Secretary, Central Vigilance Commission demitted office on 30.10.2014 after being appointed as Secretary, Department of Public Enterprises, Government of India.



Shri Alok Bhatnagar, Additional Secretary, Central Vigilance Commission retired on 31.7.2014.

Shri Amar Mudi, Director, Central Vigilance Commission retired on 30.4.2014.

In a gentle way, you can shake the world.

– Mahatma Gandhi

Welcome Corner



Shri Rajiv, former IPS officer of 1975 batch from Uttar Pradesh cadre joined as Vigilance Commissioner on 27.2.2014.

Shri Alok Kumar, IAS (AM:84) joined as Secretary, Central Vigilance Commission on 31/10/2014.



Ms. Sonali Singh joined as Additional Secretary, Central Vigilance Commission on 26.9.2014.

Shri S.C. Sinha joined as Director, Central Vigilance Commission on 13.2.2014



Shri Asit Gopal joined as Director, Central Vigilance Commission on 7.4.2014.

Smt. Rashmi Sinha joined as Director, Central Vigilance Commission on 3.2.2014



Shri Nripendra Kumar, Shri Sahil Kumar, Shri Sandeep Kumar, Shri Raj Kumar, Shri Aditya Bajwan, Shri Harikant Kumar, Shri Jitendra Kumar have joined Commission as LDC

Shri Sandeep, Shri Rahul Kumar, Shri Sanjeev Kumar, Shri Vikas Gill, Shri Niraj Kumar Gupta have joined Commission as MTS

Important Circulars issued by the Commission

- **Action on anonymous/pseudonymous complaints (Circular No. 07/11/2014, dated- 25-11-2014)** – The Commission vide its circular Nos. 3(v)/99/2 dated 29th June, 1999 and of even number dated 31st January, 2002 had prescribed that no action should be taken on any anonymous or pseudonymous complaints. However, an enabling provision was made subsequently vide circular of even number dated 11th October, 2002, that verifiable facts contained in such complaints could be looked into with the prior concurrence of the Commission. The Commission has now withdrawn this circular of 11th October, 2002 and it has been prescribed that no action should be taken on anonymous/pseudonymous complaints by Ministries/Departments/ Organizations and such complaints should be filed.
- **Complaint Handling Policy (Circular No. 04/11/2014, dated- 21-11-2014)** – The Commission has reiterated its earlier guideline dated- 27-07-2009 that complaint disposal would constitute only three categories – Investigation & Report (IR), Necessary Action (NA) and Filed (FD). It has been specifically mentioned in this circular that Factual Report (FR) would not be sought while disposing of complaint.
- **Complaint Handling Policy (Circular No. 06/12/14, dated- 12-12-2014)** – Complaints sent on e-mail should contain postal address (mobile / telephone number, if any) of the sender in terms of Complaint Handling Policy of the Commission. E-mails complying with this requirement will continue to be processed as per existing procedure. Complaints received through email without postal address will be treated as anonymous/pseudonymous and filed as per complaint handling policy of the Commission.
- **Second Stage consultation with CVC in disciplinary cases (Circular No- 08/12/14)** – To provide for speedy finalisation of disciplinary proceedings, it has been decided to dispense with the consultation for second stage advice of the Commission in cases where the Disciplinary Authority (DA) on conclusion of disciplinary proceedings, proposes to impose a penalty which is in line with the Commission's first stage advice in respect of officers falling within the jurisdiction of the Commission also. However, the CVO should forward an action taken report alongwith a copy of IO's findings and the final order issued by DA in all such cases of officers for Commission's record.



Our lives improve only when we take chances- and the first and most difficult risk we can take is to be honest with ourselves.



Award winning cartoon by R.S. Sinha during VAW 2014

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CVO, Pawan Hans Helicopters Limited

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