

**GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA**

UNSTARRED QUESTION NO:39

ANSWERED ON:26.02.2007

CORRUPTION IN FCI

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Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

- (a) whether financial irregularities and mismanagement are going on unabated in Food Corporation of India due to leniency of the departmental vigilance;
- (b) if so, whether any enquiry/study has been conducted to devise ways to make vigilance more effective and contain corruption therein;
- (c) if so, the outcome thereof; and
- (d) the follow up steps taken thereon?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (DR. AKHILESH PRASAD SINGH)

(a): No Sir.

(b)&(c): In-depth examination of Instructions/circulars was conducted by Food Corporation of India. Steps taken to improve and to make Vigilance more effective are annexed.

(d): Vigilance Division of Food Corporation of India is constantly having a watchful eye on the areas of corruption and is taking all measures to check any attempt at financial irregularity and mismanagement by Food Corporation of India's employee(s).

ANNEXURE

ANNEXURE REFERRED TO IN REPLY TO PARTS (b) AND (c) OF UNSTARRED QUESTION NO. 39 DUE FOR ANSWER ON 26.02.2007 IN THE LOK SABHA

Steps taken by Food Corporation of India to make vigilance more effective

- i) First in First Out (FIFO) (Crop year) replaced with FIFO with reference to date of procurement in the procuring region.
- ii) Two bid tender system to have a level playing field.
- iii) Wider publicity on electronic media to generate a fair competition.
- iv) Placing on website the results of tenders awarded with names of the successful tenderers and rates etc.
- v) Setting up of Depot Inspection Monitoring Cell (DIMC)
- vi) In-depth Examination and timely action on
 - (a) Internal Audit Report
 - (b) CAG Audit Report
 - (c) Observation of CTE Inspections

vii) Rotation Transfers on completion of tenure-

No. of staff rotated

2004 - 1268

2005 - 3670

2006 - 1750

- viii) In-Depth study of (a) Handling & Transport Contracts (b) Purchase procedure in FCI.
- ix) Monitoring of Progress of disposal of complaints and vigilance cases.
- x) Surveillance of officers on
 - (a) Agreed List - 82 (Cat. 1, 2 officers)
 - (b) Doubtful Integrity List - 442 (Cat. 1, 14 officers)
- xi) Identification of

- (a) High Loss Storage Depots
- (b) High loss railheads for transit losses.
- (c) Depots/centres repeatedly procurement substandard/bad quality of rice (e.g. Muksar Center of Faridkot, Punjab)

xii) Habitual Offenders (Rice Millers) passing on substandard / bad quality of rice to FCI were identified and cases registered by CBI against 330 Rice Millers of Punjab.

xiii) Intensive checking of above operational points.

xiv) Extensive use of computers, payment through ECS, restrictions on payment in cash.

xv) Up-gradation of mechanical weighbridges to Electronic Weighbridges (out of 617, 315 have been upgraded)

xvi) Maintenance of records, transparency, efficiency and optimum utilization of resources as per ISO 9001-2000.

xvii) Developing a culture of honesty - punishing the guilty and rewarding the honest / meritorious officers/officials.

xviii) Specific instructions for screening the occurrence/disposal of cattle feed stock.

The following results has been achieved due to above efforts:

1. Storage & transit losses have reduced from 0.53% during 2004-2005 to 0.36% during 2005-06 which in terms of money value is saving of about Rs. 50 crores.

2. A steep decrease in quality complaints as indicated below:

Crop Year No. of quality
complaints

2004-05	450
2005-06	20
2006-07	Nil