

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

UNSTARRED QUESTION NO:3792

ANSWERED ON:16.12.2014

CORRUPTION IN FCI

Adsul Shri Anandrao ;Devi Smt. Veena;Galla Shri Jayadev;Nath Shri Chand;Patil Shri Shivaji Adhalrao;Raut Shri Vinayak
Bhaurao;Scindia Shri Jyotiraditya Madhavrao;Shewale Shri Rahul Ramesh;Singh Shri Lallu;Yadav Shri Dharmendra

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

- (a) whether rampant corruption has been reported in the Food Corporation of India (FCI) in the name of proxy labour and if so, the details thereof;
- (b) whether there is an acute shortage of regular labour for loading, unloading and transportation of foodgrains in some FCI depots and surplus in others and if so, the details thereof and the reasons therefor;
- (c) whether there are reports that huge amounts have been paid to the labourers in connivance with FCI officials and if so, the details thereof and the corrective steps taken in this regard including action against those held responsible;
- (d) whether machines have also been used for the purpose and if so, the details thereof and the percentage of such work done by the said machines;
- (e) whether the Committee formed under the Chairmanship of Shri Shanta Kumar for suggesting reforms in FCI has since submitted its report, if so, the details of the suggestions made and the steps taken for its implementation; and
- (f) whether the Government proposes to revamp the FCI to check corruption and if so, the details and the current status thereof along with the benefits likely to accrue therefrom?

Answer

MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (SHRI RAOSAHEB PATIL DANVE)

(a): No rampant corruption by way of engaging proxy labour has been reported except in Haryana where upon investigation, it has been noticed that few proxy labourers were hired by the departmental labourers in 5 depots, namely Rohtak, Safidon, Gohana, Sonipat and Sirsa.

Manager (Depot) of FSD, Rohtak has been placed under suspension and disciplinary action under FCI Regulations, 1958 has been initiated against him. Besides, disciplinary action under Regulation 60 have also been initiated against 10 officials/ officers. Action has also been initiated against the labourers as per provisions of Standing Orders. Excess payment to the extent of Rs.2,34,079/- made to the labourers on account of engagement of proxy labour has been recovered.

(b): There is shortage of 7509 labourers as against sanctioned strength of 59344 as on 30.09.2014. Out of 470 depots, FCI has surplus labour in 162 depots, shortage in 274 depots and 34 depots have neither surplus nor deficit labour.

The reasons for shortage/surplus labourers in depots across India are as follows:

- i. Retirement/Death of labourers led to shortfall in some depots.
- ii. Reluctance/resistance of labour unions in transferring labour from surplus to shortfall regions.
- iii. Consequent upon reassessment of labour for handling of 50 kg bags, absorption of ex-contract labour on as is where basis or due to legal compulsions led to surplus labour in certain depots.

(c): During the month of August 2014, 370 departmental labourers were paid more than Rs. 4 Lakh in Maharashtra Region. FCI has informed that during the month of August arrears on account of wage revision w.e.f. 01.01.2012. was paid. However, the monthly average salary per worker was only to the tune of Rs.1.41 Lakh.

In Haryana Region, more than Rs. 4 lakh were paid in the month of May 2014 in 5 depots of Rohtak and Hissar Districts. FCI investigated and observed that Proxy labour was engaged at these depots. The details of action taken are already given in reply of part (a) above.

Following Corrective steps have been taken by FCI, Hqurs.:

- (a) Vigilance Division of FCI has been entrusted to investigate all such case wherever high wages to workers have been reported.
- (b) GMs (Region), FCI have been asked to arrange special audit wherever the monthly earning of workers exceeded Rs. 1 lakh.
- (c) There is a proposal to install biometric machines in all the depots to curb proxy labour.
- (d) Proposal for de-notification of 226 depots/railheads have been submitted to Ministry of Labour & Employment which will substantially help to reduce the cost of handling by deploying contract workers in these depots, if allowed.
- (d): A pilot project of mechanization in FCI Depots has been taken up for stacking of bags. Out of a total of 2019 number of depots of FCI, it has been taken up only in 27 depots as it is only a pilot project. However percentage of handling by machines is Nil as labourers are required for stacking bags even with the help of bag stackers.
- (e): No Madam. A High Level Committee headed by Shri Shanta Kumar, Honble MP has been constituted by Govt. of India on 20.08.2014 with a mandate to submit its report within 3 months. The committee has further been given an extension for 2 months.
- (f): Yes Madam. The following steps have been taken to improve functioning of FCI and to check corruption:
- (i) To meet out the shortfall of storage space, 121.17 lakh MT godown under PEG scheme have been created in last 2-3 years. Capacity of 31.39 lakh MT is likely to be constructed in near future. Further, FCI has plans to construct 20 lakh MT capacity in the form of modern silos.
- (ii) CCTV Cameras have been installed in 58 depots and the installation of CCTV Cameras at the weighbridges of 218 depots are under progress for better surveillance/monitoring of the depot activities.
- (iii) Proposal to denotify 226 depots/railheads has been submitted to the Ministry of Labour so that labourers may be pooled in few depots and contract labour may be engaged in the released depots to reduce the cost of handling and improve efficiency.
- (iv) Zero Physical Verification (PV) on quarterly basis randomly selected by the Zonal Office is being arranged to avoid mis-appropriation of the stock which is being monitored by the FCI, Hqrs.
- (v) Storage of wheat stock at Kachha ground has been eliminated since RMS 2014-15 so as to avoid deterioration/down gradation of stock.
- (vi) Instructions have been issued to the Zones/regions for deployment of CISF/ State Armed Police (SAP) in 18 vulnerable/sensitive depots so as to avoid any theft, pilferage/damage to the FCI property due to anti-social elements.
- (vii) Accounting through Financial and Accounting Package (FAP) for better monitoring and control has been implemented.