Vigilance administration in an organisation relies to a large extent on availability of intelligence / information regarding ongoing corruption / practices with potential for corruption. A vital condition conducive to effective intelligence is the confidence of the informants disclosing the information that their identity will remain secret and that they will be protected from victimization by the persons against whom the disclosure is made.

So as to handle complaints from such ‘whistle blowers’ till a suitable legislation is enacted, the Government of India had resolved on 21.04.2004 the Public Interest Disclosure and Protection of Informant (PIDPI) resolution, authorizing the CVC as the designated agency to receive written complaints / allegations of corruption and deal with it appropriately ensuring secrecy and protection of the informant. The same was widely circulated through news papers, web site and circulars to disseminate the information among the public at large.

The circulars issued by CVC on the above matter are reproduced again in the current issue to draw attention of the readers to the provisions of PIDPI resolution as well as to encourage the effective use of this tool available to us to partake in and make positive contribution to the Nation’s fight against corruption. Hope the effort would be fruitful.

With best wishes

(B Siddhartha Kumar)

**Corruption Perception Index (CPI) for India - 2011**

There continues to be a decline in India’s Integrity Score to 3.1 in 2011 from 3.5 in 2007, 3.4 in 2008 & 2009, 3.3 in 2010. Accordingly, India’s rank on Transparency International’s Corruption Perception Index (CPI) has also declined further to 95 out of 183 countries surveyed in the year 2011, from 87 out of 178 countries in 2010, indicating a serious corruption problem. The full report is available at http://www.transparency.org

Similar conclusion has been drawn by an Asia Pacific region survey conducted by leading Hongkong based business consultancy firm Political & Economic Risk Consultancy Ltd (PERC), where India had been rated at 8.67 (on a scale of zero to 10 with the high end being the worst case of corruption) as the fourth most corrupt nation among 16 countries.

Perception about corruption in India seems to have increased primarily due to the ongoing movement for the enactment of an effective Lokpal and alleged corrupt practices in a series of scandals involving the sale of telecom licenses, preparations for the Commonwealth Games, a land scam involving high level military officers, and improper property loans made by state-owned financial institutions, and the WikiLeaks reports. This trend is confirmed by the various reports released recently by the Comptroller and Auditor General of India (CAG).

As regards CPI of India’s neighbouring countries, there has been an overall improvement in their ranking and score except Bhutan whose score (5.7) is constant and Nepal’s score has slightly declined by 0.1.
All compromise is based on give and take, but there can be no give and take on fundamentals. Any compromise on mere fundamentals is a surrender. For it is all give and no take.

- Mahatma Gandhi
cement register as per required frequencies are to be done by senior officers to avoid any manipulation by junior officers.

11.1.7 Record for mandatory tests not maintained properly

Mandatory tests on various materials are to be conducted as per the prescribed frequency in the contract document/BIS codes to ensure the quality of materials used in the work. Test results obtained from outside labs are to be properly recorded in the test registers by giving the reference to the test report. The test results should be compared with the acceptability criteria in the test registers to ensure that the results obtained passes the acceptability criteria. Record of quantity of material brought and tests conducted should also be maintained in the test registers to ensure that tests have been conducted as per prescribed frequency.

ILLN: It has been noticed in the past that the test registers were not maintained and mandatory tests are not conducted as per prescribed frequency. During vigilance inspection, samples of materials were taken and tested independently. It was found from the test results that many materials failed to fulfill the quality parameters. Non-carrying out the mandatory tests results in extending undue benefit to the contractor by accepting substandard materials and by saving in testing charges.

11.1.8 Record of test of water not maintained.

Water is a very important ingredient which affects the quality of concrete. Use of proper quality water must be ensured by site officials to ensure quality of concrete work. Water must be tested regularly at the specified frequency to ensure proper quality of concrete work and to avoid benefit to the contractor for allowing bad quality water in case the contractor has to arrange water.

11.1.9 Record of check of surface undulations in case of cement concrete pavement/bitumen pavement not maintained.

The above will help the contractor in allowing bad quality work which goes to the benefit of the contractor.

11.1.10 Bituminous works

i) Record of tests of DAC, SDAC, Bituminous Macadam for bitumen content, grading of aggregate and field density not maintained.

ii) Record of level of bottom/top of DAC, SDAC and bituminous macadam not maintained.

iii) Record of temperature of bitumen macadam, DAC, SDAC not maintained.

iv) Record of core test or proctor density test of BM, SDAC and DAC not maintained.

During vigilance inspection, variations which were beneficial to the contractors were detected.

11.1.11 Record of testing of earth brought from outside for filling not maintained.

11.1.12 Record of testing of earth disposed off declaring unserviceable not maintained.

Testing of earth is to be carried out before declaring the earth unserviceable to avoid corrupt practices.

ILLN-1: Earth excavated in a building was disposed off on the pretext that the above was unsuitable for filling purpose and earth was brought from outside. When the disposed off soil was tested, the same was found suitable for filling. As such, action of the department resulted in avoidable expenditure of Rs.12.00 lakhs.

ILLN-2: In a work for extension of runway, the soil available from excavation was to be used for filling in embankment. The available soil was disposed off without ascertaining its suitability and a separate contract for embankment will soil to be brought from outside was accepted resulting in avoidable expenditure of Rs.4.83 crores.

11.1.13 Record of disposal of rejected material by specifying Truck No. and date of disposal not maintained.

11.1.14 Testing of piles not done Initial and routine pile tests are mandatory as per IS codes to check the capacity of piles. Such tests were found not done in many cases.

Records were not maintained in certain cases.

ILLN: In a work of construction of chemical storage terminal, no initial test was conducted to check the bearing capacity of pile considered in the design. Further, no routine pile load test was carried out during execution. Due to the above, public fund was wasted due to the execution of larger diameter piles, longer piles and excess number of piles than the design requirement. During the process, the contractor was also benefited by getting additional work and doing bad quality work since the contractor knew the larger safety margin.

11.1.15 Inspection notes not issued by senior officers

Inspection of site by senior officers improves the quality of work. However, it was noticed that senior officers are not issuing any inspection notes as a record of their inspection. This is mainly due to the fact that senior officers are not keen in taking any responsibility for quality of work. The inspection of senior officers are not to be confined only to issues concerning progress, coordination etc. Senior officers are required to inspect the site to check quality of work etc. Works manual of the organization should specify such matters. Inspection note is to be issued invariably for each inspection carried out by senior officers. An inspection register is to be maintained at site and inspection notes are to be entered in these registers. Senior officers must review the inspection notes on subsequent visit to ensure its compliance. In the absence of the above procedure, there is a tendency for the subordinate officials to allow bad quality work for giving undue benefit to the contractor.

12. Quality in Construction

It is noticed in a number of inspections that site officials in charge of the work do not pay much attention to the workmanship and quality of materials used in the work. Sub-standard work were allowed. When deficiencies were pointed out by inspecting officials of CTEO, the department resorted to effecting recovery for sub-standard works. It is hereby again emphasized that recovery is not a substitute for acceptance of bad work. Officials responsible for execution of sub-standard work are liable to disciplinary action apart from the recovery.
12.1 PROBLEMS

12.1.1 Earth work

i) Surplus excavated earth not leveled and neatly dressed at the disposal place.
ii) Less sand filling done under floors.
iii) Proper compaction of earth under floors not done.
iv) Compaction of earth work in filling not done as stipulated in the contract.
v) Lead chart for disposal of surplus earth not maintained.
vi) Excavation of foundation less than specified in drawing.

12.1.2 Concrete work.

i) Oversize/disintegrated/soft aggregate used.
ii) Sand with more silt content used.
iii) Honey combed concrete.
iv) Less thickness of PCC under floors.
v) Proper overlaps in reinforcement not provided.
vi) Reinforcement found exposed.
vii) Lesser diameter binding wire used.
viii) Expansion joint filled up

12.1.4 Stone work

i) Bond stones in required numbers not provided.
ii) Leveling course of C.C. in case of R.R. masonry not provided at required places
iii) Bushing/dressing of stones was not proper
iv) Joints thicker than specified
v) Joints not filled with cement mortar
vi) Poor quality cement mortar
vii) Cramps, pins and dowels not provided for stone veneering/lining work
viii) Thickness of stone less than specified

12.1.5 Wood work/Aluminium work

i) Species of wood other than specified provided.
ii) Cracked wood/Wood with knots used.
iii) Kiln seasoning not done where specified
iv) Less size of styles and rails
v) Coal tar/wood preservative not used for timber in contact with masonry
vi) Hold fast size found less
vii) Glass panes of less thickness provided
viii) Non ISI fitting provided
ix) Glue not used in joints of wood work.

12.1.6 Brick work

i) Hollow vertical and stretcher course joints.
ii) Joints in brickwork thicker than specified
iii) Raking of joints not done properly
iv) Poor quality of mortar and inadequate curing
v) Sub-standard quality bricks used
vi) Bricks on edge not provided at desired locations.
vii) Cross walls not properly bonded with long walls
viii) Brick layers not laid in proper level
ix) Expansion joints filled up

12.1.7 Wood work/Aluminium work

i) Species of wood other than specified provided.
ii) Cracked wood/Wood with knots used.

CIRCULARS

Office Order No.4/2/09 (No.004VGL/26 Dated the 2nd February, 2009)
Sub: Govt. of India Resolution on Public Interest Disclosures & Protection of Informer.

The Government of India has authorized the Central Vigilance Commission (CVC) as the Designated Agency to receive written complaints for disclosure on any allegation of corruption or misuse of office and recommend appropriate action under the Public Interest Disclosure & Protection of Informers (PIDPI) Resolution, 2004. Accordingly, Commission had also vide circular No. 33/5/2004 dated 17/05/2004 issued guidelines and public notice on the procedure to be followed for filing whistle blower complaints under PIDPI Resolution for protecting identity of complaints/informers.

2. The Commission has noticed over the years that many complaints claiming to be ‘Whistle Blowers’ do not conform to the procedures prescribed by the Commission while filing the complaints to the Commission under PIDPI Resolution. The Commission would therefore emphasize the need for creating greater awareness among the public including employees of every Organisation/Deptt. For lodging whistle blower complaints. The Commission would again suggest to all CVOs of Ministries/Departments/PSUs/Banks/Insurance Companies/Local Authorities/Societies etc., to give wide publicity to PIDPI Resolution and the guidelines issued by the Commission through their website, especially intranet of the Organisation, Internal Journals, publications and also organize seminars/sensitizations etc., to inculcate greater awareness so as to encourage the public especially insiders to come forward and lodge/report information of corrupt practices of misuse of office in the respective Organizations/Departments to the Central Vigilance Commission.

"Always do right. This will gratify some people and astonish the rest" — Mark Twain
Office Order No. 33/5/2004 (No.004/VGL/26 Dated the 17th May, 2004)
Sub:- Govt. of India Resolution on Public Interest Disclosures & Protection of Informer.

The Government of India has authorised the Central Vigilance Commission (CVC) as the 'Designated Agency' to receive written complaints for disclosure on any allegation of corruption or misuse of office and recommend appropriate action.

2. A copy of the Public Notice issued by the Central Vigilance Commission with respect to the above mentioned Resolution is enclosed. All CVOs are further required to take the following actions with respect to the complaints forwarded by the Commission under this Resolution:

(i) All the relevant papers/documents with respect to the matter raised in the complaint should be obtained by the CVO and investigation into the complaint should be commenced immediately. The investigation report should be submitted to the Commission within two weeks.

(ii) The CVO is to ensure that no punitive action is taken by any concerned Administrative authority against any person on perceived reasons/ suspicion of being "whistle blower."

(iii) Subsequent to the receipt of Commission's directions to undertake any disciplinary action based on such complaints, the CVO has to follow up and confirm compliance of further action by the DA and keep the Commission informed of delay, if any.

(iv) Contents of this order may be brought to the notice of Secy./CEO/ CMD. All CVOs may note the above directions for compliance.

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Press Release:

1. The Government of India has authorized the Central Vigilance Commission (CVC) as the 'Designated Agency' to receive written complaints for disclosure on any allegation of corruption or misuse of office and recommend appropriate action.

2. The jurisdiction of the Commission in this regard would be restricted to any employee of the Central Government or of any corporation established by or under any Central Act, government companies, societies or local authorities owned or controlled by the Central Government. Personnel employed by the State Governments and activities of the State Governments or its Corporations etc. will not come under the purview of the Commission.

3. In this regard, the Commission, which will accept such complaints, has the responsibility of keeping the identity of the complainant secret. Hence, it is informed to the general public that any complaint, which is to be made under this resolution should comply with the following aspects.

i) The complaint should be in a closed / secured envelope.

ii) The envelope should be addressed to Secretary, Central Vigilance Commission and should be superscribed "Complaint under The Public Interest Disclosure". If the envelope is not superscribed and closed, it will not be possible for the Commission to protect the complainant under the above resolution...
and the complaint will be dealt with as per the normal complaint policy of the Commission. The complainant should give his/her name and address in the beginning or end of complaint or in an attached letter.

iii) Commission will not entertain anonymous/pseudonymous complaints.

iv) The text of the complaint should be carefully drafted so as not to give any details or clue as to his/her identity.

However, the details of the complaint should be specific and verifiable.

v) In order to protect identity of the person, the Commission will not issue any acknowledgement and the whistle blowers are advised not to enter into any further correspondence with the Commission in their own interest. The Commission assures that, subject to the facts of the case being verifiable, it will take the necessary action, as provided under the Government of India Resolution mentioned above. If any further clarification is required, the Commission will get in touch with the complainant.

4. The Commission can also take action against complainants making motivated/vexatious complaints under this Resolution.

5. A copy of detailed notification is available on the website of the Commission (www.cvc.nic.in)

(Circular No.010/VGL/035 dated.12.01.2012)

Guidelines for compliance to Quality Requirements of e-procurement systems (Also refer Commission’s Circular No.23/06/010 dated.23.06.2010)

Commission has been advocating leveraging of technology for activities prone to corruption since 2006 and one of the prominent initiatives was adoption of e-procurement for goods, works and services by all Ministries/ Departments/ Organizations. Commission advised all Organizations to ensure security of the e-procurement systems and to get their system certified by Department of Information Technology (DIT).

DIT in turn requested its attached office STQC (Standardization, Testing and Quality Certificate) Directorate to establish necessary processes and systems to enable certification of e-procurement systems. Accordingly, the guidelines prepared by STQC in this regard approved and notified by the DIT is available on e-gov standards (www.egovstandards.gov.in) website. The guidelines are also available on Commission’s website www.cvc.nic.in (link-circulars / instructions). All the Ministries/ Departments / Organizations are advised to use these guidelines for compliance to Quality Requirements for certifying the e-procurement systems.

1. Obstruction to new contractors from submitting tenders by existing contractors

Based on a complaint, Vigilance Department carried out an investigation into the allegations that the existing contractors are physically obstructing new contractors from dropping the bids in the tender box and thereby preventing them to participate in the tender.

Surprise check by Vigilance at site revealed that allegations are having merit and when the tender opening room was checked, it was found that many of the tenderers who had not quoted and many persons not having proper entry gate passes were sitting in the tender opening room.

Based on the above observations, Vigilance suggested following actions for implementation:

(i) Department to take necessary action for adopting e-tendering method.

(ii) Contractor or Contractors’ duly authorised representative for attending tender/price bid opening may only be permitted in tender opening room. However, if any unauthorised person is found in the tender opening room, CISF may be intimated by HOD of concerned department in writing to cancel the gate pass including taking action for trespassing by such person in the restricted area. Validity of such cancellation shall be for minimum period of three years.

The procedure in this regard has been approved and placed in the Intranet by MS Department for implementation. (link:http://comatsvssp.vspsite.org/MSProcedures/PO0327-L.pdf)
2. Improvement in inspection of Ferro Alloys

As per the Purchase Orders being placed by RINL for supply of Ferro Alloys, penalty is to be levied if the percentage of undersize material falls beyond a certain limit. Since the material was getting sieved on the ground/gunny bags for arriving at the quantum of undersized material below 10mm size, which constitutes finer particles, was not getting fully collected after sieving. It was suggested by Vigilance to derive the weight of below 10mm fractions and arrive at the size fractions. Said suggestion was accepted and implemented. Streamlining the procedure of inspection of Ferro Alloys as above, by taking the derived weight of undersized material below 10mm size, resulted in recovering a penalty of Rs.2.92 Crores from the suppliers during the year 2011-12, as against nil recovery earlier to the implementation of the suggestion. Benefit is recurring in this regard.

3. Undue/unjustified delays in disposal of cases

During examination of certain files by Vigilance Department, it is noted that the department concerned had delayed its action for more than 3 years in the case. The delay has resulted in legal bar for taking further action. As per CVC’s Office Order no.74/12/05 dated 21/12/2005, "Any undue / unjustified delay in the disposal of a case, perceived after considering all relevant facts, would reinforce a conclusion as to the presence of vigilance angle in a case". Based on the same, the department was advised to fix responsibility on the concerned for the undue/unjustified delay.

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VIGILANCE :- MYTH VIS-A-VIS REAL

(By Dr. Sudha Sharma, CVO, CBDT published in the August 2011 issue of “VIGEYE VANI” News Letter of CVC)

<table>
<thead>
<tr>
<th>Myth</th>
<th>Reality</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Vigilance Department is treated as an outside agency working in an organization.</td>
<td>It is very much part of the Management function.</td>
</tr>
<tr>
<td>2. Vigilance hinders the progress of work.</td>
<td>It works only within the framework of the Companyís rules, CVCís guidelines and Government notifications.</td>
</tr>
<tr>
<td>3. It decides the penalties to be imposed.</td>
<td>The Disciplinary Authority (DA) decides penalties to be imposed.</td>
</tr>
<tr>
<td>4. Vigilance Department frames charges.</td>
<td>It conducts only preliminary verification /investigation to bring it to the notice of the Disciplinary Authority.</td>
</tr>
<tr>
<td>5. Vigilance Department conducts investigation into all types of cases.</td>
<td>It investigates only those cases where prima facie there is a vigilance angle.</td>
</tr>
<tr>
<td>6. In the case of charged employees, no promotion is given till the charge-sheet is cleared.</td>
<td>A charge-sheeted employee is considered for promotion but, his case is kept in a 'Sealed Cover' till the case is decided by the Disciplinary Authority.</td>
</tr>
<tr>
<td>7. Vigilance Department questions unnecessarily and asks for excessive documents</td>
<td>Vigilance helps employees in maintaining their records properly</td>
</tr>
<tr>
<td>8. There is no control over the Vigilance Department</td>
<td>It is accountable to CVC/CEO</td>
</tr>
<tr>
<td>9. Vigilance delays matters</td>
<td>There should be no delay as it has to work within the time limit framed</td>
</tr>
</tbody>
</table>
NEWS AND EVENTS

‘5S’ Audit by external auditor from QCFI in the Vigilance Department was carried out successfully on 22.03.2012.

REVIEW OF SYSTEMS AND PROCEDURES FOLLOWED IN PSUs BY JOINT SECRETARY (STEEL), GOI

Shri Upendra Prasad Singh, Joint Secretary to GoI and CVO, Ministry of Steel, reviewed with the CVOs, matters relating to uniformity of systems and procedures pertaining to procurement followed by PSUs under Administrative control of the Ministry of Steel, on 02.03.2012, in a meeting held at RINL-VSP, Visakhapatnam. The review was attended by the CVOs of RINL & SAIL, HSCL & MECON and KIOCL.

Later, on 03/03/2012, a corporate presentation on RINL was given to the Joint Secretary by CSM Department, in the presence of CMD, Directors, CVO and senior officers.

CHECKS CARRIED OUT BY VIGILANCE DEPARTMENT

<table>
<thead>
<tr>
<th>CHECKS</th>
<th>During the quarter January-March 2012</th>
<th>During the year April 2011 - March 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surveillance/Surprise/Regular</td>
<td>23</td>
<td>141</td>
</tr>
<tr>
<td>Road/Rail Re-Weighments</td>
<td>21</td>
<td>66</td>
</tr>
<tr>
<td>Quality checks</td>
<td>01</td>
<td>24</td>
</tr>
<tr>
<td>Total</td>
<td>45</td>
<td>231</td>
</tr>
</tbody>
</table>

SAVINGS ACCRUED DURING THE YEAR 2011-12

Vigilance activities during the year 2011-12 have resulted in a savings of Rs.17.88 Crores to the Company, comprising of recoveries effected from parties and benefits accrued from system improvements suggested, in addition to benefits like improvement in transparency, competition in tenders and prevention of corruption. Further, the improvements suggested are expected to give substantial recurring benefits to the company in future also.

Editorial Board: Raju Isaac, DGM (Vig.), and GY Ramamohana Rao, Mgr (Vig.)

Please visit VIGILANCE PORTAL on INTRANET or www.vizagsteel.com to read Spandana online.

Feedback for improvement is welcome and may be sent to spandana@vizagsteel.com

Views and Opinions published in this Newsletter do not necessarily reflect the Management’s thinking and Policy.