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**महत्वपूर्ण**  
**भारत सरकार संदर्भ**

प्रेषक

आयुक्त  
ग्राम्य विकास  
उत्तर प्रदेश।

सेवा में

जिला कार्यक्रम समन्वयक/जिला अधिकारी  
चित्रकूट।

पत्रांक- 3119 /एनआरईजीएस सेल/एन.एल.एम./10 लखनऊ : दिनांक : 20-4-2011

महोदय,

अनु सचिव(म.गां. नरेगा), ग्रामीण विकास मंत्रालय, भारत सरकार के पत्र सं०-जे 16020/21/2010-MGNREGA/BKS, दिनांक 8.4.2011 के साथ संलग्न श्री अहमद हसन, नेता विरोधी दल विधान सभा द्वारा अग्रसारित श्री राज बहादुर सिंह यादव, इलाहाबाद रोड, चित्रकूट के शिकायती पत्र की नेशनल लेविल मानीटर श्री ए०एस० मलिक द्वारा की गयी जांच रिपोर्ट (प्रति संलग्न) का संदर्भ ग्रहण करने का कष्ट करें।

संदर्भित पत्र में नेशनल लेविल मानीटर द्वारा की गई टिप्पणी पर आवश्यक कार्यवाही सुनिश्चित कराते हुए कृत कार्यवाही की आख्या विलम्बतम 10 दिन के अन्दर उपलब्ध कराये का कष्ट करें।

भवदीय

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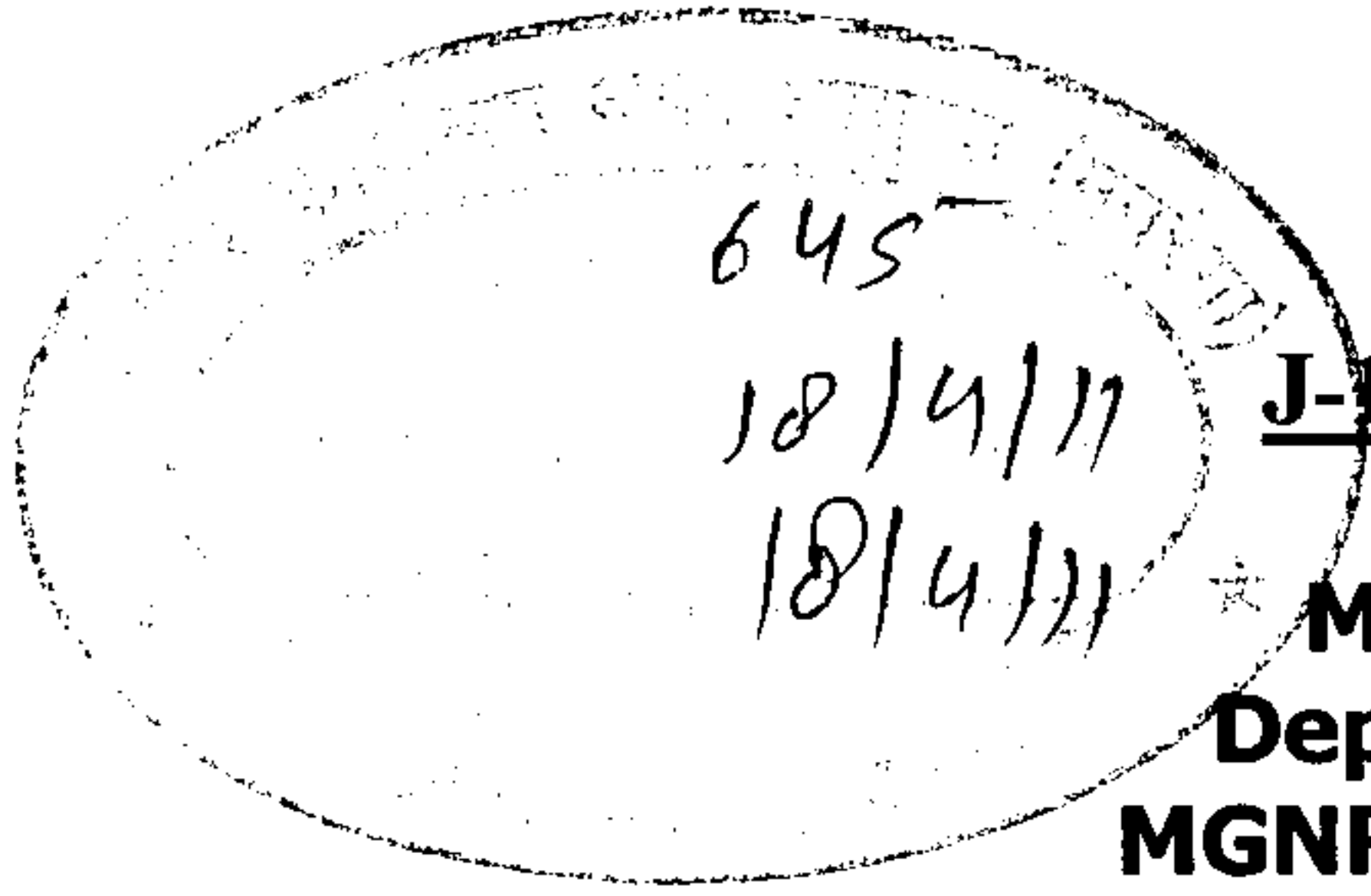
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अपर आयुक्त, ग्राम्य विकास

उत्तर प्रदेश।

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**MOST IMMEDIATE**  
**VIP REFERENCE**



**J-16020/21/2010-MGNREGA/BKS**  
**Government of India**  
**Ministry of Rural Development**  
**Department of Rural Development**  
**MGNREGA Division(BKS Marg)**

C-21, Baba Kharag Singh Marg  
State Emporium Building, New Delhi,  
Dated: 08<sup>th</sup> April, 2011

To

Shri Anurag Yadav  
Additional Commissioner  
Rural Development Department  
Government of Uttar Pradesh  
Lucknow

कार्यालय एन.जी.एन.आर.डी.जी.एन.सेल
प्राप्त दिनांक.....
संख्या..... 316
निर्गत तिथि..... 18/4/11

**Subject:** Letter dated 20.01.2010 of Shri Ahmad Hassan, Leader of opposition U. P. legislative assembly forwarding a letter of Shri Rajbahadur Singh Yadav of Allahabad Road, Chhitrakoot regarding unauthorized release of fund by former CDO to U.P. Sahakari Nirman and Vikas Sangha Ltd.

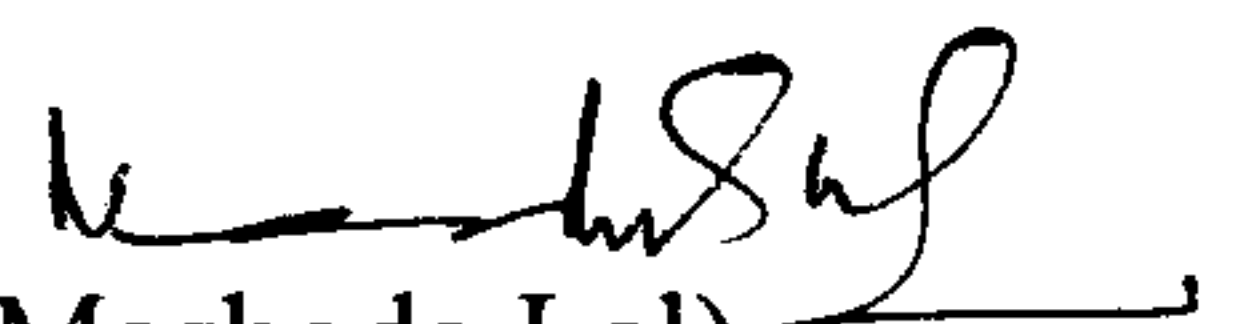
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18.4.11

Sir,

I am directed to refer to this Ministry's letter of even no. dated 23.12.2010 on the subject noted above. An NLM was deputed to conduct an inquiry into the above mentioned matter. Report of NLM has been received and as per its findings, the allegations have been found true. A copy of the findings is enclosed. State Government is requested to examine the matter in the light of the findings of NLM and a detailed action taken report may be furnished to this Ministry within 30 days of this communication.

Yours faithfully,

  
(Mashoda Lal)

Under Secretary (Mahatma Gandhi NREGA)

श्री अतिरिक्त  
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18/04/2011

(अतिरिक्त) (जी.एन.सेल)  
आर.डी.डी. (जी.एन.सेल)  
आर.डी.डी. (जी.एन.सेल)

Since all ponds were located in the far flung area of Chitrakoot district at a distance of 20 to 28 km from Karvi head quarter so I could visit only 4 ponds from 10 am to 5 pm on 15.03.2011. Due to paucity of time it was not possible to visit all the ponds. Besides a technical audit committee of four: senior technical auditor headed by Sh. S.N.H Rijvi Chief technical auditor-Rural development head quarter Lucknow was appointed by Commissioner Rural Development UP vide letter no 457/MPR-P.ATS/43/9 dated 14.03.2009 to check physically each and every project and to point out irregularities in execution of project. TAC team has reportedly visited each project and has measured physically all work done at each project. Report of the enquiry is awaited. So wasting of more time on visiting the ponds was of no use.

### **Chapter 6**

#### **Hearing of Parties and Witnesses**

On 5.03.11 Sh Raj Bahadur Singh Yadav, DM Dist Chitrakoot was informed about my tentative date of visit to Chitrakoot. On receipt of rail reservation again both were informed on 7.03.11 about my confirm tour program W.E.F 14.03.11 to 17.03.11. A letter was also sent by fax on 7.03.11 to DM and CDO Chitrakoot with a request to inform firm and all other officials to keep all other records in readiness for my checking from 14.03.11 to 17.03.11. Sh Raj Bahadur Singh Yadav was also informed by a letter sent by post to remain present for recording his statement and to keep all the materials for including in the enquiry report. DM and CDO Chitrakoot informed that the firm UPCD was neither present in Karvi nor responding to their correspondence since imposition of ban on that firm. After reaching Chitrakoot self contacted Sh Lakhan Singh project director, holding additional charge of CDO Chitrakoot also as no regular CDO is posted in the Chitrakoot district. CDO was busy in meeting on 14.03 so he instructed DA concerned to brief me about the case and to provide material for study the case. On 15.03.11 self went to visit the different ponds situated in different directions in the interior areas of the district. 16<sup>th</sup> & 17<sup>th</sup> related documents were checked and the CDO provided the photocopies of all the documents asked by me. See Annexure R.

### **Chapter 7**

#### **Findings**

Regarding the complaint made by Shri Raj Bahadur Singh Yadav and enquiry ordered there upon by Director (MON) Ministry Of Rural Development, Krishi Bhavan New Delhi vide letter no 11018/37/2010/NLM dated 22.02.11 the following facts has been noticed after study of various files and record of DRDA Chitrakoot since Shri Lakhan Singh Project Director/ CDO Chitrakoot refused to give any statement.

1. Under NAREGA scheme a project for excavation of earth/desilting in 21 ponds were approved in the district and a NGO- UPCD (named UP Sahakar Nirman And Vikas Sangh) was engaged by the than staff for execution of work in all 21 ponds located in the area of block Karvi and block Manikpur. Instead of accepting normal

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procedure contract was given to UPCD whose where about are not known in Chitrakoot. Copy of agreement or terms and conditions are not available in the records as such transparency was not maintained and required standards and norms were not followed in the implementation of the project. Works on all 21 ponds were done as per the details mentioned in Annexure A 2.

2. For execution of above project an estimate of Rs 127.83 Lac were received from the UPCD basing on engaging 92686 men days at the rate of Rs 80 per person on wages prevailing on those days. 75 % amount of Rs 127.83 Lac i.e Rs 95.60 Lac were paid to the firm UPCD from MGNREGA funds as per the details enumerated below.

Sl. No	No Of Ponds	Block	Estimated Amount In Lac	Amount Paid To The Firm in Lac	Date Of Sanction
1.	5	Karvi	30.30	22.72	17.5.07
2.	6	Karvi	42.33	31.74	20.5.07
3.	6	Manikpur	34.11	25.58	7.6.07
4.	4	Manikpur	21.09	15.66	6.8.07
Total	21		127.83	95.70	

Following staff personnel of DRDA Chitrakoot district were responsible for transfer of the above amount to UPCD.

1. Shri Shashi Dhar Drivedi than Chief Development officer
2. Shri Gaya Prasad Singh, District Development.
3. Shri Munnu Lal, Assistant Accountant.

The fact also came to notice that in the year 2005 a ban was imposed on the bank account of the UPCD by Shri Surya Prasad Shukla the then CDO Chitrakoot district vide his office order 819/dated 6.08/2005. As the firm UPCD was working under the old scheme of "Food For Work" in the Chitrakoot district. Shri Shashidhar Dwivedi the then Chief Development officer removed that ban vide his office order no 9/NFFWP/dated 4.04.07 (Annexure C). A sum of Rs 95.70 Lac were transferred to the account of the UPCD. So despite the knowledge of previous ban on the bank account of the UPCD Shri Shashidhar Dwivedi CDO not only engaged the firm for execution of work of NREGA on 21 ponds of Chitrakoot district but also transferred a sum of Rs 95.70 Lac to the account of UPCD from 17.05.07 to 06.08.07 see Annexure A page 1 to 7.

Later on the total amount of the estimated expenditure enhanced by UPCD from 127.83 Lac to Rs 185.08 Lac due to increment of wages of worker from Rs 80 to Rs 100 per ghan of India and increment in digging rates from Rs 30 per ghan mtr to Rs 35 per ghan mtr against the agreed rate of Rs 30 per ghan mtr by department. Due to

revision of wages from Rs 80 to 100 per day total increment in estimated expenditure should have been 18.53 Lac (92686 men days × Rs 20= 1853 Lac) but demand for extra Rs 57.45 Lac was wrong and should have not been accepted. Afterwards ground work were inspected and due to increase/decrease of measurement and revision of wages technical sanction was given for Rs 160.47 Lac which should have been accounted for while making subsequent payments to UPCD (annexure A page 8 & 9)

On 27.06.09 the UPCD

demanded the release of balanced amount which was forwarded by DM with the instructions to take action for payment the amount within two days. Incompliance to the order of DM Chitrakoot note sheet was initiated by the assistant accountant Shri Munna Lal Gupta and Head Accountant Shri Atul Kant Khare. In the note sheet it was mentioned that Rs 57.40 Lac on account of first installment and Rs 31.95 Lac of second installment Total 89.40 Lac were to be paid to the firm UPCD. As per the procedure note sheet was forwarded by Shri Ram Kishan Project Director and Shri Pramod Chand Srivastava Chief Development officer Chitrakoot. On 30.7.09 Shri Hudesh Kumar DM Chitrakoot approved for the payment of 60 Lac to the firm with the remark that remaining amount be paid as per the progress of the work see Annexure A page 19 to 22. Accordingly a cheque no 418741 dated 1.8.2009 was issued to the firm UPCD which was credited in the account of firm on 11.08.2010 following staff personnel of NREGA Chitrakoot district were responsible for payment of amount to UPCD.

1. Shri Atul kant Khare, Head Accountant.
2. Shri Munnilal Gupta, Assistant Accountant.
3. Shri Ram Kishan, Project Director.
4. Shri Pramod Chand Srivastava, Chief Development officer.
5. Shri Hudesh Kumar, DM Chitrakoot district.

Here one point is also remarkable that at page no 20 of the note sheet 25.06.09 (Annexure A page 20) it was mentioned by Shri Pramod Chand Shrivastava CDO Chitrakoot that no office of the firm of UPCD is available in the city Karvi and firm is not having any technical person and any other parson in Chitrakoot. The firm does not reply to his correspondence despite six reminders. He further remarked that the firm having a malafied intention to misappropriate the money after getting the amount on pretext of second installment. Despite that remark amount was sanction by the DM and cheque for Rs 60 Lac was paid to the firm. Actually the balance of amount due to the firm was Rs 64.79 Lac instead of Rs 89.40 Lac as shown in the note sheet Annexure A page 8 to 9.

Later on a public meeting was convened on sep 2009 hearing the grievances of public which was chaired by Chief Secretary UP Commissioner and other senior officers of Chitrakoot Mandal. In the meeting various complaints were received from Shri Raj Bahadur Singh Yadav and other representative of public regarding serious irregularities in the implementation of the project/works of 21 ponds being executed by UPCD in Chitrakoot district. So after preliminary investigation a very high power committee was appointed by commissioner rural development UP vide his letter no 457/M-Pra-PATS-43/09 dated 14.07.2009 for

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physical check of all the work/project of 21 ponds undergoing in Chitrakoot district and to evaluate the work by TAC. The following members were detailed in the committee.

1. Shri S.N.H Rijvi Technical Auditor of Head quarter Lucknow .
2. Shri V.K Joshi Technical Auditor, Lucknow Mandal Lucknow.
3. Shri Ram Lagan Technical Auditor, Fezabad Mandal Faizabad.
4. Shri A.K Shrivastava asst technical Auditor head quarter TAC Gram Vikas Lucknow

See Annexure Q.

The committee started visiting each and every pond to check and measure the work done by UPCD and work pending so far. Report of the committee has not been received by the administration.

Due to the notice of serious financial irregularities the following dealing officers/staff personnel have been placed under suspension by the competent authority on the dates mentioned against each

SL. NO	NAME	DESIGNATION	W.E.F DATE
1.	Sh Pramod Chand Shrivastava	Ex CDO Chitrakoot	29 march 2010
2.	Sh Shashidhar Dwivedi	Ex CDO Chitrakoot	09 apr 2010
3.	Sh Ram Kishan	Project Director	24 apr 2010
4.	Sh Atul Kant Khare	Head Accountant	31 mar 2010
5.	Sh Munnalal Gupta	Ex Assistant accountant	31 mar 2010
6.	Sh Mnnne Lal	Ex Assistant Accountant	31 mar 2010

Vide office order no 1775 (1) dated 30.09.09 and office order no 1772 dated 7.10.09 a ban was imposed for no payment of any dues/amount to the UPCD and to allot not any work to the firm UPCD. Besides vide CDO office order no 1238/1218 dated 5.11.09 and no 123737 dated 7.11.09 firm accounts in PNB in Chitrakoot were ceased.

So all the undergoing work on all 21 ponds were stopped by UPCD immediately and firm left Chitrakoot without handing over any record to the office of DRDA Chtrakoo. Hence no record of the UPCD is available in the office which can be checked by the NLM. Where about of the firm are also not known to any one and firm is not responding to any letter issued by the district administration. As such accounts and other relevant record of the UPCD could not be checked to verify whether norms/standards were followed in the implementation of the project/work executed by UPCD in Chitrakoot district. In the note sheet Annexure A at page no 21 dated 25.06.09 the then Chief Development officer Shri Pramod Chand Shrivastava had mentioned that no office of the UPCD is available in the city Karvi and none of its technical employee and any other person is present in the Chitrakoot. It has been learnt during interaction with the staff personnel that one person known as Managing Director used to come from Allahabad/ Lucknow. No office was established in the city Karvi

From the record it has been ascertained that UPCD was having two accounts in Punjab National Bank, Chitrakoot for the transactions of money transferred by

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DRDA Chitrakoot and both the accounts have been ceased now. Balance of amount in the above accounts of PNB Chitrakoot is as under:-

1. Account no of PNB Chitrakoot 4592000100013335 – Rs 49,900.
  2. Account no of PNB Chitrakoot 4592000100013326 – Rs 23,19,850.
- Total – Rs 23,69,750.

See Annexure L

1. As per the approved technical estimate for all the works on 21 ponds, total amount was to be paid to the firm Rs 160.47 lacs.
2. Amount already paid to the firm from 17/05/07 to 6/08/07, Rs 95.70 Lac.
3. Amount paid to the firm on 1/08/09 is Rs 60 lacs.
4. Total amount paid Rs 155.70 lacs.
5. Amount to be recovered from the firm as proposed by the committee Rs 1,61,588.
6. So it can be seen that only Rs 3,83,000 is to be paid to the firm out of Rs 160.47 lacs ~~is to be paid to the firm~~ whereas 50% works are pending in all the 21 ponds. So the firm is not going to complete the pending work on all the 21 ponds to claim Rs 3,83 Lac. So there was laxity and large lacuna in release of the funds to the UPCD disproportionate to completion of the work by former Chief Development Officer and other staff of DRDA, Chitrakoot district. Departmental enquiry against the dealing officers are in progress.

The allegations leveled by Shri Raj Bahadur Singh Yadav , ~~that despite imposition~~ of the ban for transfer of the money to UPCD is correct. However at later stage, the ~~Rs 60 Lac were transferred to the firm~~ after taking approval of the DM on note sheet processed from 21<sup>st</sup> July, 09 to 1<sup>st</sup> August,09 and Cheque no 418741 of PNB was issued on 1/08/09 which was credited into the account of UPCD on 11/08/07. So this amount was not done by back dating as alleged by the complainant.

On checking records the following facts have been clearly noticed

- A. No accounts and other relevant record relating to works executed by UP Sahkari Nirman Evam Vikas Sangh Ltd is available in the office of DRDA Chitrakoot except copy of approved technical estimate, MB and muster role as confirmed by CDO Chitrakoot vide his letter no 1697 – NREGA Cell/UPCD/Enquiry/2010-11 Dtd 17/3/11. See annexure R.
- B. No required standard and norms were followed in the implementation of the project/work executed by UP Sahkari Nirman Evam Vikas Sangh Ltd. Gram Sabha Block Officer did not propose any work plan labor budget etc. But planning were done at district level and rates/estimates were prepared at DRDA office after making agreement with the UPCD. No social audit were done by anyone and no one watched the progress of the work at the site. CDO Chitrakoot told on 17/3/04 that NREGA works can be assigned to NGO or

any other firm as per provision contained in Para 5.2.1 to 5.2.3 of NREGA Act 2005. See annexure M.

C. There were procedural lacuna in the release of the funds to UPCD. Despite mentioning clearly that firm has not completed work and having melafide intention of extracting more money from NREGA funds for misappropriation, even then staff was compelled to make payment in two days from the date of receipt of letter from UPCD. See annexure A Page 1-21.

D. Works on all the 21 ponds not carried out in accordance with NREGA act and guidance. A enquiry committee consisting of three members under the chairman ship of Shri B S Lal Ex-En to check the work done by the UPCD vide office order no 1132 date 7/9/07 and order no 1267 NREGA 2007/08/Dated 3/10/07. Report given by the committee on 1/11/08 is attached as annexure D from Page 142-120. Mainly following irregularities were pointed out by the above committee .

1. The soil has not been disposed off properly and likely to flow back to, the pond with the rain water. So it was proposed to recover Rs1,41,588 from the firm for wrong disposal of excavated soil from the ponds.
2. Excavation work of earth was found incomplete in all the ponds.
3. Pakka works like construction of Ramps, Ghaat, Inlet and Outlet were incomplete.
4. No one attested the muster role and no officer has ever checked the attendance register of the worker.
5. Level of bottom of ponds were not measured before and after digging and no bench mark were established.
6. Entry in the job cards were not found complete.

**Chapter 8**  
**Summary table of investigation.**

SL NO	BRIEF STATEMENT OF ALLEGATIONS.	EVIDENCE PRODUCED.	FINDINGS (TRUE/FALSE)
1	UPCD withdrew Rs 95 Lac from NREGA funds but completed only 20% work of the project.	Three	Partially true.
2	Enquiry report given by three members committee was hushed up by NREGA staff and no action was taken against the firm.	Two	Partially true.(Action on report taken after a long delay)
3	Despite ban imposed on account of UPCD Rs 60lacs were transferred to UPCD by manipulating backdating.	Five	Not true. Ban imposed on firm on 5 <sup>th</sup> Aug. 08 was removed on 4.4.09 before receipt of

			complaint of Shri Raj Bahadur Singh Yadav. Rs 60 Lac were paid on 1/8/09 and no backdating was done.
4	Many irregularities done by UPCD in the execution of the work in 21 ponds.	Seven	True.
5	UPCD misappropriated NREGA funds which should have been checked by ATC.	Two	True. ATC detailed at later stage.
6	Work on all 21 ponds not completed and full amount of Rs155.70 Lac paid to the firm.	Nine.	True. Technical approval for the project was Rs 160.47 Lac whereas 155.70 Lac already paid to the firm and work is incomplete.
7	The firm UPCD was engaged in the execution of the project but where about of the firm was not known.	Four.	True.

### Chapter 9 Conclusion

In the year 2007/08 on receipt of budget from NREGA fund, a project was to be executed on all existing ponds in the block Karvi and block Manikpur of Chitrakoot district. A NGO known as UPCD (UP Sehkari Nirman Evam Vikas Sangh Ltd) was given contract for execution of that project by DRDA Chitrakoot without following any norms/standards and by violating the instructions contained in NREGA Act 2005. Copy of the agreements are not available in the record. Though a ban was also imposed on the account of UPCD in year 2005, which was existing in 2007 also. An estimate for Rs 127.631 Lac was approved for all 21 ponds and works were also started in May 2007. After the start of work 75% of total estimate of Rs 127.631 Lac i.e That is Rs 95.70 Lac were paid to the firm on different dates from 17/05/07 to 6<sup>th</sup> Aug, 07 by lifting of ban on 4<sup>th</sup> April, 07 by Shri Shashidhar Dwivedi, CDO Chitrakoot. Later on the firm enhanced the estimated expenditures of the project from Rs 127.631 lacs to Rs 185.08 Lac i.e. Rs 57.45 Lac extra due to increment of daily wages from Rs 80 to 100. The technical team completed the project and technical approval for the whole project was accorded for Rs 160.47 Lac against the demand of Rs 185.08 Lac projected by the UPCD. So further

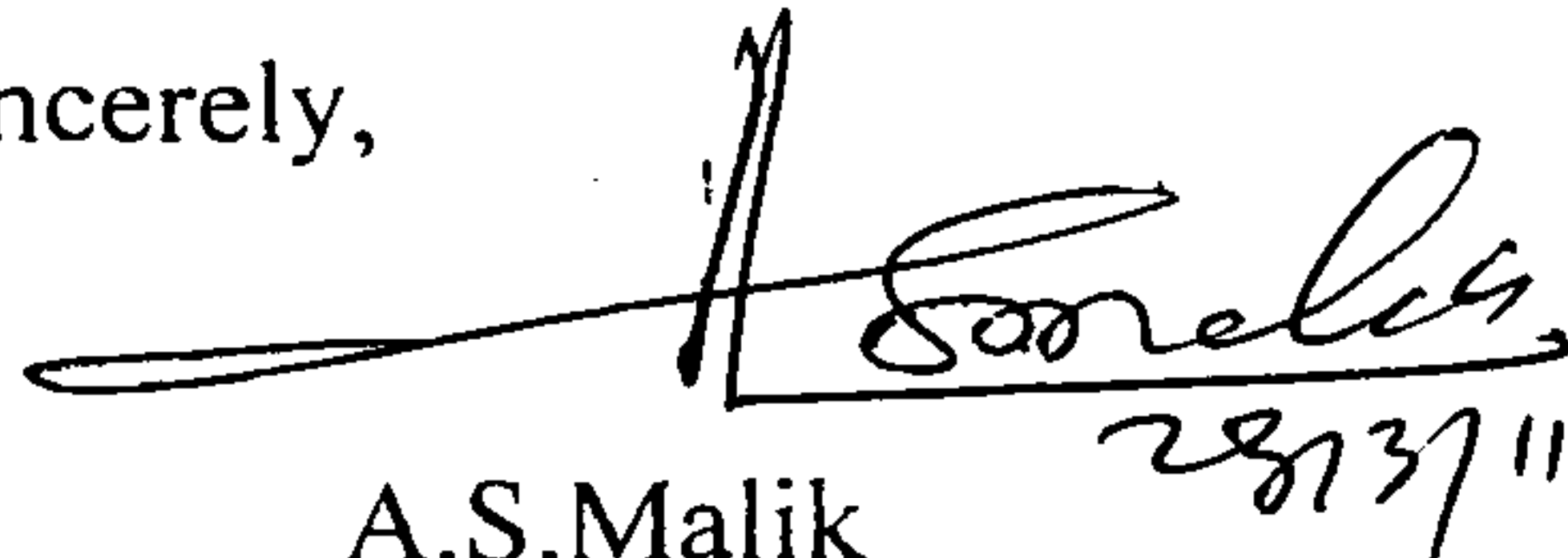
payment to the firm should have been made as per the approval given by technical team and not as per the revised estimate of Rs 185.08 Lac proposed by the firm.

In due course of time due to various complaints against the firm, a three member committee was formed to investigate into the complaints which besides pointing out various irregularities also proposed recovery of Rs 1,41,588 from the firm on account of wrong disposal of excavated earth. So due to these complaints the balance amount of first installment remained held up till July, 2009. In July, 2009 the manager of the UPCD demanded for payment of Rs 89.40 Lac (Rs 57.45 Lac due of 1<sup>st</sup> installment and Rs 31.95 of 2<sup>nd</sup> installment. Actually the balance amount should have been paid only after completion of the whole work, but due to some pressure from higher officials the letter of UPCD for payment of Rs 89.40 lacs was processed and Rs 60 lacs were paid to the firm on 1/08/09. Before payment, the CDO has given remark on the note sheet that the firm is demanding 2<sup>nd</sup> installment with the malefic intention of mis-appropriation of the funds, but that remark was over ruled and Rs 60 lacs were paid to the firm by cheque on 1/08/09. So the firm got Rs 95.70 lacs plus Rs 60 Lac (total Rs 155.70 Lac out of Rs 160.47 Lac) whereas more than 50% of works are pending on each pond. So the complaints made by Shri Raj Bahadur Singh Yadav are genuine and based on factual status.

### Chapter 10 Recommendations

A high level TAC already investigating the case and its report is expected shortly. The state administration has already placed seven senior officials for taking further disciplinary action for exhibiting irregularities in the payment of the dues to the firm UPCD. To avoid over payment of amount to the firm and any other department, it is recommended that the Government should issue proper instructions to avoid recurrence of such incident.

Yours sincerely,



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