

GENERAL ADMINISTRATION DEPARTMENT

3.2 Fraudulent and irregular payment under Member of Parliament Local Area Development Scheme (MPLADS)

Injudicious awarding of works under MPLADS to an NGO without inviting tenders resulted in irregular payment of ₹ 5.93 crore including fraudulent payment of ₹ 84.53 lakh to the NGO.

Government of India (GoI) introduced (December 1993) "Member of Parliament Local Area Development Scheme (MPLADS)" with an objective to enable the Hon'ble Members of Parliament (MPs) to recommend works of developmental nature with emphasis on the creation of durable community assets based on the locally felt needs. These members are eligible for recommending works up to the annual entitlement of ₹ 5.00 crore during the financial year to the District Authority. The District Authority shall make the selection of an appropriate Implementing Agency (IA) through which a particular work would be executed. The selection of the IA is undertaken in accordance with the State Government Rules/Guidelines applicable for the purpose. The State Government instructions (November 2012) provide that the IA under the scheme shall be Government Institution as far as possible and for rural areas it shall be the Panchayati Raj Institution (PRI). In case of non-availability of their services, other IAs may be selected after following the prescribed tendering process.

During the course of test-check of records of District Planning Officer (DPO), Anand for the period 2014-17, Audit observed (June 2017) that the Hon'ble MP had recommended works to be carried out in the rural areas of the district from the funds allotted under MPLADS. On scrutiny of these works, Audit observed that -

- The Hon'ble MP had recommended 276 works with an estimated cost of ₹ 8.93 crore³⁹ for the years 2015-17. Of these, DPO awarded 232 works with an estimated cost of ₹ 5.93 crore to Shri Sharda Majoor Kamdar Co-operative Society, Kheda, a Non-Government Organisation (NGO). Audit observed that the selection of the NGO as IA was in contravention of the scheme guidelines and Government instructions, as no tender procedure was followed for its selection.
- The scheme guidelines prohibit construction of office and residential buildings belonging to Central and State Governments, their departments, Government Agencies/Organizations and Public Sector Undertakings. However, in contravention of the same, the construction of Mangrol Panchayat Ghar at a cost of ₹ 69.60 lakh had been awarded (April 2015) to the same NGO by the DPO.
- The work orders stipulated submission of completion certificate. In case of private agencies as IA, completion certificates for Government works were required to be issued by a Government officer appointed by the

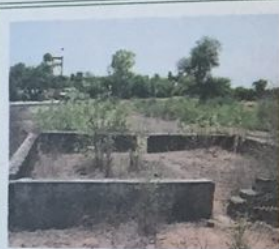
39 ₹ 4.92 crore for 114 works (2014-15), ₹ 1.96 crore for 14 works (2015-16) and ₹ 2.05 crore for 148 works (2016-17)

Competent Authority. However, DPO made payment of ₹ 3.35 crore for 68 works (between October 2015 and May 2016) to the NGO based on the completion certificates signed by the Chairman of the Society and not by a responsible Government officer for the works executed for the period 2014-16.

- Completion certificates for 139 works executed during 2016-17 were signed jointly by the Chairman of the society and the Deputy Executive Engineer (DEE) of Jambughoda Irrigation division, Panchmahal district. There was nothing on record regarding appointment of DEE of Panchmahal district for issuance of completion certificates. Despite that, the DPO made the payment of ₹ 1.54 crore to the NGO for these works.
- The work orders stipulated that the IA shall submit the photographs of the works done. However, the NGO did not submit the photographs in respect of 88 works⁴⁰ (₹ 4.30 crore of 2014-17) and photographs were found repeated in 65 works (₹ 0.63 crore of 2016-17).

Audit conducted joint verification⁴¹ of 10 works and found the following-

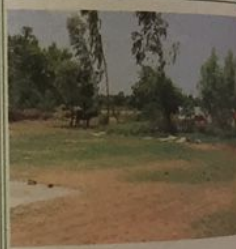
- The NGO had submitted completion certificates (signed by the Chairman of the NGO and EE of Jambughoda Irrigation division, Panchmahal district) in respect of six⁴² works with a cost of ₹ 13.00 lakh and full payment had been made by the DPO. During joint field visit, it was observed that the NGO had not carried out any of these works (Pictures 1 to 6).



Picture 1: Incomplete crematorium at Kabir Mandir, Ankav (14.06.2017)



Picture 2: No protection wall at crematorium, Vishnoli (13.06.2017)



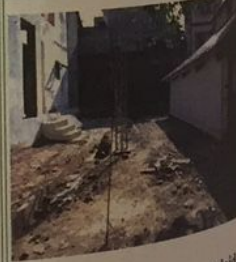
Picture 3: No protection wall at Saraswati School at Palaj (13.06.2017)



Picture 4: Unevelled playground for kids at Ganj Bazar, Ankav (14.06.2017)



Picture 5: Block paver not laid near Artificial Insemination Centre at Udhel (13.06.2017)



Picture 6: Block paver not laid in Sardar Vallabhbhai Patel Court, Borsad (14.06.2017)

40 2014-15 - 81 works (₹ 2.66 crore), 2015-16 - 06 works (₹ 1.58 crore) and 2016-17 - 01 work (₹ 0.06 crore)
 41 Audit team and members of the office of the DPO, Anand
 42 (i) Crematorium (₹ 1.00 lakh-2016-17) at Kabir Mandir in Ankav town, (ii) Protection wall (₹ 2.00 lakh-2016-17) at Crematorium of village Vishnoli, (iii) Protection wall (₹ 2.50 lakh-2016-17) at Saraswati High School in Palaj town, (iv) Playground for kids (₹ 1.00 lakh-2016-17) at Ganj Bazar in Ankav town, (v) Block Paver work (₹ 5.00 lakh-2016-17) near Artificial Insemination Centre at Udhel Vadola Road, and (vi) Block Paver work maintenance (₹ 1.50 lakh-2016-17) of Sardar Vallabhbhai Patel Court at Borsad town.

This indicates incorrect work by the DPO.

- Two work Samaj and ₹ 54.86 lakh wall, paver works at observed the work⁴³ (Pic Samaj crem MPLADS lakh to the



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Picture 8: Inc

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43 (i) Patel S done for Samaj - P and the sq. mtr., b

This indicated that the completion certificates issued by the NGO were incorrect which resulted in fraudulent payment of ₹ 13.00 lakh to the NGO by the DPO.

- Two work orders (2014-15) for construction of crematoria for Patel Samaj and Kshatriya Samaj at Mangrol at a cost of ₹ 16.67 lakh and ₹ 54.86 lakh respectively stipulated two sheds for cremation, compound wall, paver block, lawn with compound wall, bathroom and plantation works at each crematorium. However, during joint field visit, it was observed that the works had not been carried out as per their scope of work⁴³ (Pictures 7 and 8). Further, the cost of shed and platform at Patel Samaj crematorium had been donated by some donors and not met from MPLADS funds. However, the DPO had made full payment of ₹ 71.53 lakh to the NGO on fake completion certificates submitted by the NGO.



Picture 7: Construction of crematorium for Patel Samaj done by the donors (14.06.2017)



Picture 8: Incomplete construction of crematorium for Kshatriya Samaj (14.06.2017)

Serious lapses were observed in the eight jointly verified works where the NGO had either not carried out the works allotted or the works were left incomplete. However, the payment of ₹ 5.93 crore was made to the NGO for 232 works awarded during 2014-17.

The DPO Anand accepted the negligence on the part of officials of the DPO and stated (June 2017) that the NGO had submitted fake documents which was a serious financial irregularity. It was further stated that based on the Audit observations, the Collector, Anand had constituted (June 2017) a committee

43 (i) Patel Samaj – Flooring not done in bathrooms, bathrooms had no doors and windows, block paving work done for only 90.00 sq. mtr. against 284.00 sq. mtr, benches have not been installed, etc. and (ii) Kshatriya Samaj – Flooring not done in Bathrooms and Store room constructed, only one shed constructed instead of two and the same not done with concrete column, block paving work done for only 490.50 sq. mtr. against 960.62 sq. mtr., benches not installed, etc.

headed by Prant Officer – Petlad to conduct an enquiry in this regard. The report of the inquiry committee is still awaited (November 2017).

Supervisory lapses of the DPO in inspecting the works as envisaged in the MPLADS guidelines led to poor quality of works, non-completion of works and fraudulent payment. Since the tendering process, scope of work awarded and payment processes were violated, therefore audit is of the view that these works are susceptible to fraudulent and irregular payments. Audit recommends that the State Government should investigate all the works carried out by the NGO and fix responsibility on the Government officials responsible for the negligence.

The matter was reported to the Government (September 2017). Reply is awaited (February 2018).

HEALTH AND FAMILY WELFARE DEPARTMENT

3.3 Mukhyamantri Amrutum Yojana and Mukhyamantri Amrutum Vatsalya Yojana

3.3.1 Introduction

The State Government launched (April 2012) “Mukhyamantri Amrutum (MA) Yojana” with an objective to provide cashless quality tertiary medical treatment to people living below the poverty line (BPL). The scheme envisaged cashless treatment for 544 predefined procedures in 11 clusters⁴⁴ of catastrophic diseases throughout the State both in Government and Private empanelled hospitals. It also envisaged treatment of pre-existing diseases from the day of enrolment under the scheme. The State Government subsequently launched (August 2014) “Mukhyamantri Amrutum Vatsalya (MAV) Yojana” with the objective to extend the benefits of the scheme to all poor families with an annual income up to ₹ 1.20 lakh⁴⁵. The schemes provided coverage for meeting expenses of hospitalization and surgical procedures up to ₹ 2.00 lakh per year per family of five members⁴⁶ on a floater basis⁴⁷. The reimbursement of the claim is made directly to the empanelled hospitals by the State Nodal Cell established in June 2012 through e-payment without involvement of any insurance company. The department has used the data of BPL and non-BPL poor families of 2002-03 and has not updated the data as per Census 2011.

3.3.2 Implementing Stakeholders

State Nodal Cell (SNC) is headed by the Principal Secretary (Health and Family Welfare Department) and is responsible for the overall implementation of the scheme. At district level, the SNC is assisted by the Chief District Health Officers (CDHOs) who are responsible for the overall monitoring of the enrolment at district and taluka levels and for redressal of grievances of the beneficiaries. To facilitate the implementation of the scheme in the State, the SNC also engaged (July and October 2012) two agencies viz. M/s. (n)Code

44 (1) Burns, (2) Cardiology, (3) Cardiothoracic Surgery, (4) Cardiovascular Surgery, (5) Genitourinary Surgery
(6) Neuro Surgery, (7) Paediatric Surgeries, (8) Radiation Oncology, (9) Radiation Oncology
45 and (11) Surgical Oncology
46 Revised to ₹ 2.00 lakh per year per family of five members