

VIGEYE VANI

Monthly Newsletter of
Central Vigilance Commission
JANUARY 2012



Project VIGEYE launched by CVC in December 2010 has been providing an interface with citizens to lodge complaints/disclosure regarding corruption. VIGEYE is a citizen-centric initiative and is an acronym for Vigilance Eye. It is a platform through which information on bribery and corruption flows freely to CVC from the public including whistleblowers and government agencies making it possible to achieve a quantum jump in improving the image of the nation in fighting corruption. Citizens are encouraged to stand up against corruption by becoming a VIGEYE who comes forward to help the CVC by reporting corruption and fighting it. For becoming a VIGEYE, the CVC website may be visited. The relevant link may be clicked and online registration form can be filled by providing details such as name, e-mail, phone number, etc. VIGEYE facilitates real time submission of complaints (supported by evidence) in confidence .

The very first Circular brought out by the Central Vigilance Commission in the new year relates to the rotation of officials working in sensitive posts. In earlier circulars, CVOs were asked to identify sensitive posts and also to ensure that officials posted in sensitive posts were rotated every two/three years to avoid vested interest. However, these instructions do not seem to be followed with the seriousness they deserve.

Periodic rotation of officials holding sensitive posts/jobs especially at senior levels needs to be ensured. Officials should not be retained in the same place/position for long periods in the guise of indispensability, etc. by the Management.



We are now not only into the tenth edition of Vigeye Vani but also into a brand new year. It is hoped that 2012 will see a decrease in all-around Corruption in the country and which would consequently entail a better position for India in the Corruption Perception Index worldwide. Such a hope need not be ill founded. Beginnings can be made to inculcate the right values of honesty and truth among students, campaigns for preventive vigilance in organisations can be strengthened and ethical practices/moral values should be increasingly realised to be essential ingredients of good Governance.

As aptly quoted by a CVO in this Issue, “nothing can be greater than an organisation, however small it may be, that is governed by Conscience and nothing can be meaner or pettier than an organisation, however large it may be that is without honesty and brotherhood.”

It is in the business interest of the organisation to see that decisions are made ethically, equitably and transparently. The Economic impact of Corruption has been dwelled upon in this Issue.

Further, in this Issue, is an article which highlights new possibilities in the fight against Corruption. While stricter laws/penalties are necessary to combat Corruption and to address the negative tendencies of human behaviour, it is also vital to recognise and act upon positive human values like, integrity, justice, courage, resilience, compassion, etc. New research has indicated that empowering positive human qualities can result in remarkable organisational performance.

Let 2012 be the year which saw Corruption in India reach its nadir.

Happy New Year!

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“The first sign of corruption in a society that is still alive is that the end justifies the means.”

- **Georges Bernanos**

“Corruption never has been compulsory.”

- **Anthony Eden.**

“In a state where corruption bounds, laws must be very numerous.”

- **Tacitus.**

“If a country is to be corruption free and become a nation of beautiful minds, I strongly feel there are three key societal members who can make a difference. They are the father, the mother and the teacher.”

- **Abdul Kalam**

Economic Impact of Corruption



Shri. R Sri Kumar , Vigilance Commissioner, Central Vigilance Commission addressed members at the CII Southern Regional Council meeting held on 16th December, 2011 in Puducherry. The gist of his speech on the above subject is as follows.:

2. The mood in the country today against corruption is more demanding than ever before. The call is for a strong body of legislation to tackle the menace of all-

pervading corruption. This is being repeatedly heard from air conditioned drawing rooms to street corners and slums. India has awakened to realising that corruption touches the life of each and every one of us and we realise that we have to act against corruption today, so that the future of the generations to follow is safe.

3. Corruption promotes inefficiency in the utilisation of resources by catering to private greed as against public good. Corruption skews investment priorities and compromises the quality of public service delivery systems in respect to food security, health care, public transport, housing and education. Corruption has negative consequences for International trade relations and foreign direct investment both of which are key drivers of long term economic growth in emerging economies.

4. 9th of December is observed every year as the International Anti Corruption Day all over the world. A panel discussion organised in the office of UNDP, New Delhi this year had an eye catching slogan “Act against Corruption Today” as the backdrop (picture on right). A large group of young boys and girls staged a short street play (picture below) on the lawns. The Hindi street play evoked strong feelings in the minds of the onlookers. It portrayed the agony of the common man impacted by Corruption, in day to day dealings and also depicted the organised racketeering that had surfaced in recent times, showing the mind-boggling impact of Corruption on the economy of the country.



5. The need of the hour is to first strengthen the existing Institutions by removing obvious bottlenecks in their functioning. Adequate resources must be allocated to fight against Corruption. Professionals must be ensured independence of action and functional autonomy with due regard to constitutional checks and balances. Lobbyists and vested interests must be shown the door when it concerns public interest.

6. Let us act against corruption today.



Ethics - the Soul of an Organization

Vismita Tej,
CVO, Central Coalfields Ltd.

1. It is an undisputed fact that Corruption is one of the key issues in Governance. As a nation we have probably ceased to be shocked at the instances of ethical deterioration all around. People believe that they have to cheat to win. During my interaction with some young officers I was amazed at their responses while discussing the issue of Corruption. The general feeling was that if there was a choice between being ethical and being practical then they would rather be 'practical' than 'ethical'! Many of them are caught in a dilemma- how does an honest man survive in an increasingly corrupt society?

2. Given the above scenario, the role of Ethics assumes significance in Governance. Ethics and Governance extend much beyond sets of rules and legalities. It is based on the fundamental principles of transparency, predictability and accountability to all stakeholders and not just the shareholders. The basic belief underlines serving the larger societal good. It presupposes the concept that ALL GOOD BUSINESS IS PRIMARILY ETHICAL BUSINESS. One fully agrees with the statement that *"nothing can be greater than an organisation, however small it may be, that is governed by Conscience and nothing can be meaner or pettier than an organisation, however large it may be, that is without honesty and brotherhood."*

3. Values are the rules by which we make decisions about right and wrong. The work place Ethics of a person cannot be separated from his personal Ethics. Hence to achieve the highest standards of Ethical Governance, a strong internal intent is required. Cultivating ethical principles and moral values ought to be an essential ingredient in the implementation of Organizational Ethics.

4. For good Governance, the difficult choice is with regard to what *is right* and what may seem *relatively right*. Profit is the rightful objective of any functioning Organisation based on business principles. But it is always a predicate of the propriety of means to achieve that profitability. Right means and processes are what is right under all circumstances. Profitability irrespective of means can easily fall into the category of wrong while some may yet struggle to explain it away with such phrases as "right under the circumstances" or "relatively right"!

5. The UK Institute of Business Ethics has prescribed a simple 'test' for ethical decision-making in business and aims it to be applicable to all decisions in organisations and in life as such. This test asks of organisational leaders to ask themselves questions on three issues, as below:

Transparency – will I be confident and happy to make my decision public - especially to the people affected by it?

Effect - have I fully considered the harmful effects of my decision and how to avoid them?

Fairness - would my decision be considered fair by everyone affected by it (consider all stakeholders - the effects of decisions can be far-reaching)

If one can honestly answer **YES** to each of the above questions then one is likely to be making an ethical decision.

6. In the final analysis, we really cannot aspire to create value without cherishing within ourselves a deep sense of value. As Alvin Toffler states- *"Every organisation needs to stand on the foundation of ethics and transparency and this Ethical System is certainly as important as its Accountancy System or Authority System"*.

Campaign for Preventive Vigilance

K. Rajeswara Rao, CVO,

Container Corporation of India Ltd.

1. Container Corporation of India (CONCOR) was incorporated in March 1988 with the objective of developing multimodal logistics support for India's international and domestic containerized cargo and trade. CONCOR's network across India consists of 61 terminals under control of 08 regional offices. The total turnover of CONCOR for 2010-11 was Rs. 4030.18 crores.

2. Even though punishment in respect of malpractices is important, what is more important is taking preventive measures instead of only hunting out the guilty in the post Corruption stage. Hence, Preventive Vigilance has been given priority. Empowering field functionaries about best contract management has been the strategy.

3. The campaign of Preventive Vigilance was launched in early 2011 and continued for 08 months. Major features of the initiative are:-

- Regional level interactive sessions.
- Participation of terminal and regional level officers.
- Adhoc contract and extensions – measures to award regular contracts.
- Inter-departmental issues affecting quality of contract management discussed:- (Engineering, commercial & operations, accounts & finance).
- Participative vigilance - Check list for vigilance scrutiny are finalized.
- Shortcomings/deficiencies of previous inspections of contracts (H&T, security, Survey etc.) and case studies on penalties imposed, D&AR actions taken etc. are discussed.
- Best practice of one terminal in each region is discussed for improvement in other places.
- Publications for dissemination of vigilance findings for learning of others.
- Creating awareness about transparent and employee friendly initiative of Online Vigilance Clearance, launched by Vigilance Commissioners.

4. As a part of Preventive Vigilance, the following measures were also undertaken:-

- a) Extensive interaction with field officials at the regional and terminal level were conducted, wherein officials were educated about different aspects of *Quality Management of Contracts including lapses*, deficiencies in engineering work, discouraging adhoc contracts etc.
- b) Attention was drawn to the circulars, vigilance manual, handbook and online clearance system. Initiatives of the region and best practices being followed were also presented along with vigilance case studies, check list for vigilance inspection etc. Dos & Don'ts which were to be kept in mind while executing contracts were highlighted and also the need for minimizing and discontinuation of adhoc contracts were discussed.

5. In the "Handbook on Vigilance Case Studies", various vigilance aspects were published to educate officers and staff and for ensuring transparency in the Organization. Shortcomings/mistakes detected during preventive checks in various terminals are mentioned in case studies, so that other officers can avoid the same mistakes.

The Handbook will also help officers in better knowledge management, for effective management of the contracts.

6. "Vigilance Corner" has been incorporated in the official website of CONCOR which includes all circulars, activities of vigilance, handbooks of vigilance etc.

Vigilance Corner on the website of the Medical Council of India

A Vigilance Corner was inaugurated recently by the CVO and Joint Secretary in the Ministry of Health & Family Welfare on the website of the Medical Council of India. On the occasion, Dr. R.S. Shukla, CVO, also distributed prizes to the winners of the competitions held during the Vigilance Awareness Week in November 2011.

New possibilities in the fight against Corruption

Sanjay Pande, Assistant, CVC



The debate on the causes and solutions to the menace of Corruption has taken new dimensions in recent years.

2. A study conducted by Ashforth and Anand¹ indicates that Corruption gets embedded in an organisation as a result of the following three mechanisms: (1) Institutionalisation (2) Rationalisation; and (3) Socialisation. Institutionalisation may start as a decision of an individual to be corrupt due to a particular “Ethical Climate” e.g excessive insistence on financial results irrespective of the means being resorted to. Institutionalisation is complete when Corruption becomes routine and its perpetrators do not give it significant thought while resorting to it. Rationalisation is a mechanism by which the Corrupt tend to view themselves as non-corrupt. For this they try to “Rationalise” their corrupt behaviour. This happens in a number of ways e.g denial of responsibility etc.. Finally Corruption is propagated to the next generation when newcomers are socialised by veterans in a “psychological Cocoon”. Inside this “Coocon” the new-comers are taken into the fold by way of co-option (reward for Corrupt behaviour), compromise (Corruption due to intractable problems) etc.

3. A number of systemic improvements are lately being effected to tackle Corruption. This includes stricter penalties, stiff laws, strict monitoring mechanism etc. One cannot deny that these are all essential elements in the fight against Corruption but all of them tend to provide prevention/cure for some sort of “illness” of human behaviour. **This neglects the possibility of utilising positive human values like integrity, justice, courage, resilience, compassion etc.**

4. This tilt towards “illness” in human behaviour is a result of a general tendency in the fields of Governance, Management and even Psychology. Martin Seligman, the father of modern “Positive Psychology” reported (2002)² that more than 90% of psychological research in the past 50 years focused on the negative phenomenon or transition from “illness” to normalcy. Of late this tradition has been challenged and a new academic discipline of POS (Positive Organisational Scholarship) has emerged. This discipline, while not neglecting “illness”, focuses on the positive qualities of human beings. Research has indicated conclusively that empowering positive human qualities has resulted in exceptional organisational performance. The fight against Corruption can draw very powerful lessons from this advance, especially from the concept of “Organisational Virtuousness” which is one of the variables under extensive study within POS.

5. Virtuousness traces its roots to the works of Aristotle (Metaphysics XII). Studies by Cameron, Bright and Caza (2004)³ found that Virtuousness acts as a buffer /immunity against trauma, distress and dysfunctional behaviour in an organisation. When people observe exemplary or moral behaviour, their inclination is to follow.

6. With the indication that Organisational virtuousness works as an inoculation agent against dysfunction and illness, there is a strong possibility that virtuousness may be utilised as a barrier against Corruption. The fullest utilisation of the concept would require its integration at Strategic levels. To start with, organisations can ensure a recruitment procedure upholding Virtues, awarding/Motivating Exemplary behaviour (Integrity) etc. Programmes to instil/enable Virtuous values in the students at School level itself might be particularly helpful in this endeavour.

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Fighting Fraud under Cheque Truncation System (CTS)

S.K. Gupta, CVO, Punjab National Bank

The Cheque Truncation system was started by RBI on 01.07.2009 as a pilot project in Delhi. There has been a sudden spurt in fraud under the CTS, whereby the fraudster tenders fake/fabricated / stolen and altered cheques. The presenting Banks transmit the electronic / truncated image of such cheques. The paying Banks then pass the cheques on the basis of such image.

The Chief Vigilance Officer of Punjab National Bank taking cognizance of the increasing menace of fraud taking place under 'Cheque Truncation System' (CTS) organized a meeting of Senior Officers of leading Banks in Delhi on 14.12.2011.



The conference, first of its kind was attended by 44 senior officers from 17 banks including SBI, OBC, BOI, UBI, UCO, Andhra, Canara, Syndicate, BOB, IOB, CBI, ICICI, HDFC, Axis bank. The Bankers discussed the ground rules for the Collecting Bank's Responsibility for 'due diligence and also the Paying Bank's duties. A resolution was passed on the role of Banks to contain the menace. They also decided to take up with RBI to providing specific/separate guidelines on reporting of fraud under CTS and other related issues.

DIFFERENCE BETWEEN JUDICIAL AND DISCIPLINARY PROCEEDINGS

Dr. Sudha Sharma, CVO, CBDT

JUDICIAL PROCEEDINGS	← Points →	DISCIPLINARY PROCEEDINGS
It follows Civil Court/Criminal Court Procedures	← Procedure →	It follows rules of the organisation e.g. CDA/ Standing order, Natural Justice.
Judicial	← Nature →	Quasi-Judicial
Lawyer or self	← Represented by →	Self or Defence Assistant
Beyond reasonable doubt	← Standard of Proof →	Preponderance of probability
Courts have wide range of powers as laid down by Law.	← Power →	I. O. Has limited powers
Cost generally high	← Economy →	Cost considerably less.

Conference on Disaster Management

The Confederation of Indian Industry(CII) organised a Conference on Disaster Management in Chennai on December 17, 2011. Speaking on the occasion Shri R. Sri Kumar, Vigilance Commissioner, CVC, stated that disasters are man-made even if it was natural because of lessons not learnt and lack of communication of thoughts and ideas to the people on the ground. He said that there were different sectors for Disaster Management but it was important to build up a team for proactive and immediate action.

He said that communication using the modern tools of cloud computing and mobile computing, team building, learning lessons and real time information on all services were the most important factors in effectively managing disasters which were uncertain but real.

Dignitaries from Tamil Nadu like DG of Police , Major General Officer Commanding AP, TN, Karnataka and Kerala Area HQ and Chairman, CII, Southern Region, also spoke on the occasion. It was felt that natural disasters could be prevented and their impact minimised by better planning, preparedness and response. There was also a need for safety audit. Disasters reversed and held back the development process of a country and it was important to move from relief centric operations to disaster preparedness and mitigation.





❖ “Always aim at complete harmony of thought and word and deed. Always aim at purifying your thoughts and everything will be well.”
 ❖ “An error does not become truth by reason of multiplied propagation, nor does truth become error because nobody sees it.”

--Mahatma Gandhi



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