

KARNATAKA LOKAYUKTA

No. Compt/Lok/^{GLB}~~BCD~~/5083/2012/ARE(2)

M.S.Building,
Bangalore,
Date: 19-09-2014

Sub:- Report u/Sec. 12(3) of Karnataka Lokayukta Act 1984.

Ref:- Complaint No. Compt/Lok/BCD/5083/2012/ ARE(2)

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With reference to the above subject, Complainant, one Sri K. Nagalingaswamy S/o Shivamurthaiah, State Committee member, Karnataka Rajya Raitha Sangha in his complaint dated 02.03.2012 filed against:

- R-1 Smt. Sujatha Shivaram Reddy, Chairman, Kapagal Gram Panchayath, Manvi Taluk, Raichur Distirct.**
- R-2 Sri Venkatesh, Vice Chairman, Kapagal Gram Panchayath.**
- R-3 Sri. Sharanappa, I/c Panchayath Development Officer, Kapgol Gram Panchayath,**
- R-4 Smt. Annapurna, PDO, Kapgol Gram Panchayath.**
- R-5 Sri D.B. Patil, Secretary, Kapgol Gram Panchayath.**
- R-6 Sri Virupakshappa, Watershed Officer, Manvi.**
- R-7 Sri Jayprakash, Agricultural Officer & Nodal Officer, Manvi**
- R-8 Sri D.B. Kulkarni, EO, Taluk Panchayath, Manvi.**
- R-9 Sri Basaiah, Executive officer, Taluk Panchayath, Manvi,**

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- R-10 Sri Pampanagowda Neeramanvi, President,
Taluk Panchayath, Manvi.**
- R-11 Smt. Narasamma, Member, Taluk Panchayath,
Manvi**
- R-12 Smt. Anitha Hanumantharayappa, Member, ZP,
Raichur.**
- R-13 Sri Manoj Kumar Jain, CEO, ZP. Raichur.**
- R-14 Sri Tanveer Basheeruddin, President, ZP. Raichur.**
- R-15 Sri Harsha Jagannatha Rao, Vice President, ZP,
Raichur.**
- R-16 Sri Jagadish Shettar, Hon'ble Minster to Govt. of
Karnataka, Panchayath Raj & Rural Development
Department.**

has alleged that he had requested Kapagal gram Panchayath for digging Krushi Honda in the lands of farmers of Kapagal, Bommanal, Moraharapura Tanda and Bettadur villages; that the said panchayath prepared an executive plan under Mahatma Gandhi National Rural employment guarantee scheme of the year 2010-11 for digging krushi Honda and for putting up bunds in the lands of beneficiaries of the scheme. He has further alleged that corruption has taken place in the Panchayath in the issue of job cards, mentioning of survey nos. of lands and that duplicate job cards are created and used for misusing the funds which are made available under the said MGNREG Scheme and the amount of misappropriation is around 59,67,675/- rupees and the respondents are involved in the above acts. He requested for an investigation being taken up and suitable direction being given to the concerned for taking appropriate action.

2. After preliminary scrutiny, When it was found that there is prima facie, comments were called from the respondents, Respondents no's 1 to 7, 10, 11,13,14,15 & 16 sent their comments on



different dates. The other respondents did not send their Comments.

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3. When copies of comments sent by the respondents 1 to 7, 10, 11,13,14,15 & 16 were sent to the complainant for his rejoinder, he did not send his rejoinder.

4. **The substance of the comments sent by the above respondents 1 to 7, 10, 11,13,14,15 & 16 are mentioned below.**

Respondent No. 1 – Smt. Sujatha Shivaram Reddy, Chairman, Kapagal Gram Panchayath in her comment dated 28.12.2013 has claimed that she is an uneducated woman and she was not aware as to who are the residents of Kapagal village Panchayath, who is the original owner of respective Survey Numbers, and who is original owner of the respective Survey Numbers. She believed and approved names suggested by the elected members of the Panchayath at the Grama Sabha and recorded the Survey Numbers against the suggested names and received photographs. She had no intention to misappropriate any amount. After preparing the plan of execution for the year 2010-11, the same was sent to the Executive Officer of Taluk Panchayath for approval. The approval was secured. Sy. Nos. 25 & 30 are Grama Panchayath property. They were included for the work of Krushi Honda in order to secure the fertility and increase the underground water level. There was no intention to misappropriate the funds allocated for the work. During her tenure, there was no application received for digging of krushi Honda. The persons whose names were recorded in the plan of execution and the persons whose names are shown in the revenue records are members of the same family. The amount under MGNREG scheme was to be used only for providing rural employment but not purchasing any implement. There was no need to get plan of execution approved. If the person whose name is registered in the list, made application seeking employment, he was to be allotted work. As per Gov. Order

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No.RDP/98/EGS/2008 Dtd. 22.11.2010 within 15 days from the date of execution of work, the amount had to be credited to the respective bank accounts of the concerned workmen. The Panchayath of Kapagal only followed the instructions given by higher officers. Only after certification by executive officers and Panchayath raj, water shed officers inspected the spot and gave report and thereafter, payments were made. All the works taken under MGNREGS during the year 2010-11 were inspected by Sri Sajjanashri Truthiya Tanda and the team submitted its report. The officers of Zilla Panchayath Engineering Sub division have been excluded in the complaint. The Panchayath Development officer used to verify the measurement book, after spot inspection and based on it, the payment cheques used to be signed by the 1st respondent. There is no misappropriation committed by the 1st respondent.

Respondent No.2 – Sri Venkatesh, Vice Chairman, Kapgal Gram Panchayath in his comment dated 28.11.2013 has stated that he is not aware of the names of the residents of Kapagal Gram Panchayath. He also does not know the names of the original owners of the lands situated within the limits of the said Gram Panchayath. The villagers and respectable persons of the Panchayath and the respective ward members suggested the names of the beneficiaries of the above scheme and those names were taken and listed. The photographs of the farmers were secured from the above representatives and leaders at the Grama Sabha. There is no misappropriation committed by the 2nd respondent. The executive plan relating to MGNREGS of the year 2010-11 was prepared and submitted to the Executive Officer, TP, Manvi for approval. The approval was accorded. Since 2nd respondent had been elected as vice president about 20 days earlier to the holding of Grama Sabha, he was personally not aware of the sy.nos of the lands of the persons whose names were included in the list. The Panchayath had only to provide work to such of the labourers who submitted application. During the

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tenure of 2nd respondent as vice president of Kapagal Gram Panchayath, no application was received with regard to digging of krushi Honda. In case any labourers submitted application in time, they were to be issued work orders and as per Govt. order RDP: 98: EGS: 2008 dtd. 22-11-2010, the payments had to be made within 15 days from the date of completion of the work after verification of the measurement book and the amount had to be credited to the bank account. There is no misappropriation of grants and there is no violation of any law. The directions given by higher authorities with regard to implementation of MGNREGS have been followed with regard to the formation of krushi Honda. Allegations in complaint are false and baseless. The Panchayath Raj Engineering sub division officers and water shed officers held spot inspection and gave report and thereafter the work completion certificate, were signed by the Executive Officers and on the basis of the same, the payments have been made.

Respondent No.3 Sri Sharanappa I/c PDO, Kapgal Gram Panchayath has stated in his comments dated 28-12-2013 that before being given the present posting as Panchayath Development Officer, Hirebudunoor, the 3rd respondent was working as PDO, Neeramamvi village, Manvi Tq. Raichur Distirct. Due to shortage of staff, the 3rd respondent was ordered to hold additional charge of PDO, Kapagal. The 3rd respondent has held Grama sabha and Ward Sabha in Kapagal Panchayathi as per the directions given by the Executive Officers. Within 15 days from assuming additional charge of PDO, Kapagal, the 3rd respondent could not know as to who the residents of the Panchayath are and what was the survey nos. of the lands of those residents. Hence, the names suggested by the villagers and leaders of respective villages coming under Kapgal Grama Panchayath during the Grama Sabha and Ward Sabha were received and the works were registered and the photographs of the persons whose names were suggested by the above villagers and leaders were

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received by the 3rd respondent. The Executive Plan was prepared for the year 2010-11 and submitted to Executive Officer, Taluk Panchayath – Manvi for approval. There is no bar for constructing Krushi Hondas in Grama Panchayath properties namely Sy.NO.25 & 30 referred in the complaint. The said Krushi Hondas were formed with a view to protect the soil fertility and to increase the underground water level. During the tenure of 3rd respondent as i/c PDO, Kapagal village Panchayath, no applications seeking rural employment were received and no krushi Hondas were formed and there is no misuse of grants. The allegations and complaints are false and baseless. The 3rd respondent has discharged his duties honestly.

Respondent No.4 Smt. Annapurna, PDO, Kapgal Gram Panchayath in her comments dated 16-12-2013 has stated that after undergoing training as Panchayath Development officer, she reported for duty at Kapagal village Panchayath on 01.06.2010. Thereafter from 04.10.2010 to 19.02.2011, she was on maternity leave. After availing other kinds of leave, she reported for work on 01.04.2011 and took charge as PDO Kapagal on 12.05.2011. She has not misappropriated any money and there are no any lapses on her part. She was not involved in preparation of executive plan pertaining to MGREGS for the year 2010-11 in relation to Kapagal village Panchayath. The works under the said plan had to be completed before 31.03.2011 and during that period, she was on maternity leave. She had only effected payment of bill on 12.05.2011 as per the orders of higher ups viz., nodal officer.

Respondent No.5 Sri D.B. Patil, Secretary, Kapgal Gram Panchayath has stated in his comment dated 12.02.2014 that he had handed over the charge of Secretary, Kapagal Gram Panchayath to R-4 Smt. Annapurnamma on 10.06.2010. He did not have the authority to sign and issue cheque since he is a 2nd grade secretary. The work relating to issue of cheques in respect of Kapgal Grama Panchayath during the years 2010-11 & 2011-12 have been looked after by Smt. Annapurnamma and R-3 Sri



Sharanappa. He has not put signature or initials to any of the records pertaining to the above works. His name has been falsely included in the complaint. 4

Respondent no.6 Sri Virupakshappa, Watershed Officer, Manvi has stated in his comment dtd.28.12.2013 that earlier to his retirement, R-6 was working as Taluk Watershed Development officer. He used to attend to ward meetings and Grama Sabha in Raichur District with regard to the implementation of MGNREG Scheme. He used to supervise the works relating to construction of Krushi Honda and soil conservation bunds. The Executive Plan of MGNREGS for the year 2010-11 has been submitted to Taluk Panchayath Executive Officer, Manvi and his approval had been taken. There is no bar for constructing krushi Honda in Grama Panchayath lands (Sy.No.25 & 30 of Kapgal) Such krushi Honda are constructed for maintaining soil fertility and the underground water table. During the tenure of his office, there was no application received, seeking rural employment. There is no misuse of funds. The localities (villagers) who were present in Grama Sabha and Ward Sabha had suggested the names of the persons in whose lands, the krushi Hondas were to be constructed. There is no rule that rural employment is to be restricted to only one person in the family. If more persons are available in a family, they can be engaged for rural employment. If persons are not available, then the works could be executed through machines. In case, any persons gave application seeking rural employment, work order had to be issued and as per G.O. No. RDP:98:EGS:2008 dated 22.11.2010, the payment had to be effected within 15 days of the completion of the work on verification of the measurement book and the said amount had to be remitted to the respective bank account of the persons who were engaged for the above work. This respondent has discharged his functions honestly and he has not misappropriated any amount. This respondent was suspended on 06.08.2012. Subsequently, he was reinstated. After retirement from service on

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superannuation, this respondent is suffering from B.P. & Diabetes.

Respondent No. 7 Sri Jayaparakash, Agricultural Officer & Nodal Officer in his comment dated 24.02.2014 has stated that with regard to the implementation of MGNREGS in Kapagal village Panchayath, Gram Sabha and ward Sabha was convened. The villages and officials, who attended the meeting, prepared the executive plan. The names as recommended by villagers and elected representatives, in the said meetings were adopted and the same were subsequently approved by Taluk Executive Officer, Manvi. The respective Panchayath Development Officer had to supervise the work under the Said scheme by inspecting the spot from time to time. About one year after the completion of the works, the Chief Executive Officer, Raichur ordered for spot inspection and report. The villagers and elected representatives who were present during the spot inspection confirmed that the works relating to the said scheme had been satisfactorily executed. The 7th respondent has not supervised any of those works during their execution. The said works were got inspected through Sri Shadjalashree Samste. There are no lapses in execution of the works relating to MGNREG scheme.

Respondent No.10 Sri Pampanagowda Neeramanvi, President, Taluk Panchayath has stated in his comment dtd. 30.12.2013 that he was former President of Manvi Taluk Panchayath. The 2nd respondent was in-charge of PDO for Kapagal Gram Panchayath. The 2nd respondent is holding regular charge of PDO Neeramanvi Grama Panchayath, and as misappropriated BOC money to the tune of 4 lakhs. During the year 2009-10, the work relating to filling of low lying area in front of Sri Mathe Yallamma Devi temple was taken up under NRG Scheme and the said work was completed .However, during the year 2011-12, showing the same work, a sum of two lakhs rupees have been misappropriated. The 10th respondent had orally instructed the 2nd respondent not to



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sanction the above work. Still the 2nd respondent sanctioned the amount for the same work. The 6th respondent - Watershed Officer of Manvi has been suspended thrice. He is a corrupt officer. In Halli hosur village, Manvi Taluk, two lakhs rupees had been sanctioned for the construction of check dam, by the watershed department. But the villagers by their own efforts constructed the check dam. The 6th respondent who had promised those villagers to give two lakhs rupees for executing check dam work themselves, subsequently paid only one lakh rupees and the remaining amount has not been paid. The 5th respondent - Secretary of Kapagal of Gram Panchayath is a corrupt officer. The 8th respondent while functioning as Executive Officer, Taluk Panchayath, Manvi, had leased the shops belonging to Taluk Panchayath to persons of his choice for low rents. He also misappropriated the money paid out of the B.R.G.F. Funds for the installation of solar water heater and solar lamps for backward community's hostel. In Manvi Taluk, Kapagal, Janekal, Hurli, Sadapura, Toranadinni and Halapura Grama Panchayath are known for corrupt practices and they have misappropriated NREG Scheme amount. The work relating to construction of Santhekatte and supply of sports materials under the 13th finance plan was taken up and poor quality sports materials were procured and poor quality works were executed. As regards B.R.G.F. Scheme, no training programme relating to awareness was arranged. The amount under this scheme was misused. Similarly, the amounts under SJSY scheme meant for providing subsidy to Stree Shakti group have been misappropriated.

Respondent No. 11 Smt. Narasamma, Member, Taluk Panchayath in her comments dated 07.05.2014 has stated that she is member of Manvi Taluk Panchayath in Raichur District. She represents Kapgal village Panchayath. She is an uneducated woman. Ganadinni and Kapgal Village Panchayath come under her area. She does not know as to who are the residents of

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Kapgal and Ganadinni village Panchayath, their lands survey no's, and the names of the original owners of the said land. In the Grama Sabha and Ward Sabha, the villagers and village leaders and respective elected representatives suggested the names of the persons as beneficiaries under MGNREG scheme. The said names and sy.nos given by the above persons in Grama Sabha and ward sabha were taken for preparing the list of beneficiaries. The photos of those persons were given by the above elected representatives, villagers, village leaders in the said Grama Sabha. The 11th respondent has no role to play in this regard. After getting the executive plan prepared, the Panchayath development officer is to submit the said plan to executive officer, Taluk Panchayath; Manvi for approval. After the said approval, the work has been executed. The Krushi Honda in Sy.No. 25 & 30 belonging to Kapgal Grama Panachayath were constructed with a view to protect soil fertility and also the underground water table. There is no intention to misutilised the funds. Only when the rural labourers whose names were registered under the said scheme, submitted application, they were to be provided work under the scheme and the wages payable for the said work had to be disbursed within 15 days from the completion of the work and those amounts had to be credited to the respective bank account of those rural labourers. But, as alleged in the complaint, no krushi Honda is constructed in Grama Panchayath property and there is no misuse of funds. The 11th respondent is in no way involved in the disbursement of the amount. The allegations in the complaint are baseless.

Respondent No. 13 Sri Manoj Kumar Jain in his comment dated 28.12.2013 has stated that he has functioned as Chief Executive Officer, ZP Raichur from 08.09.2011 to 07.09.2012. During the said period, a complaint was received with regard to the misuse of funds provided under MGNREGS for the year 2010-11 in Kapgal Gram Panchayath. In that connection, a inspection team was constituted at Taluk Level. The said team after spot

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inspection and enquiry, made a report that prima facie, 6
illegalities had taken place in the implementation of the scheme.
On the basis of the report submitted by the said committee, the
persons who were involved in the above misuse
/misappropriation of funds namely Panchayath Development
Officer, Asst. Agrl. Officer, and Junior Engineers were all
suspended pending departmental enquiry and Show Cause
Notice was issued to the then Grama Panchayath President. Also
show cause notices were issued to the then Executive Officer,
Taluk Panchayath, Manvi with regard to the violation and
illegalities committed in the preparation of executive plans and
implementation of works at different stages, and failure to
prevent misuse of funds. Similar show cause notice was also
issued to the Asst.Executive Engineer, Panchayath Raj, Manvi
Sub division, with regard to his failure to properly supervise and
inspect the works. In this regard, a detailed report has been
submitted to the Government on 06.08.2012. On account of his
transfer on 07.09.2012, the 13th respondent could not pursue the
matter. He has however taken all possible steps against the
persons who were responsible for above lapses.

Respondent No. 14 Sri Tanveer Basheeruddin, President, ZP,
Raichur has stated that he was the President of
Raichur Zilla Panchayath for a period of 20 months and his
tenure expired on 05.11.2012. This respondent had no role in the
implementation of MGNREGS in Grama Panchayath. The
responsibilities of preparing the executive plan and its
implementation are on Panchayath Development Officer. The
Taluk Panchayath Executive Officer is a programme
implementing officer. The Chief Executive Officer of ZP is a
supervision officer. The president of ZP has no role to play in the
implementation of the scheme.

Respondent No. 15 Sri Harsha Jagannatha Rao, Vice President,
ZP, Raichur in his comments dated 16.12.2013 has stated that
he was Vice President of Raichur Zilla Panchayath for a period of

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20 months and her tenure expired on 05.11.2012. This respondent had no role in the implementation of MGNREGS in Grama Panchayath. The responsibilities of preparing the executive plan and its implementation are on Panchayath Development Officer. The Taluk Panchayath Executive Officer is a programme implementing officer. The Chief Executive Officer of ZP is a supervision officer. The Vice president of ZP has no role to play in the implementation of the scheme.

Respondent No. 16 Sri Jagadish Shettar, Hon'ble Minister to Govt. of Karnataka, Panchayath Raj and Rural Development Department in his comments dated 10.10.2013 has stated that there are no allegations made personally against this respondent who is leader of opposition. The 16th respondent was functioning as Minister for Rural Development and Panchayath Raj. During his tenure as Minister, whenever any complaint was received with regard to corruption etc., this respondent had given suitable instruction for conducting enquiry and taking steps in accordance with law against the culprit. For the first time, he appointed a Ombudsman for enquiring complaints of the nature of the present complaint. The name of this respondent is included in the complaint with a view to spoil his image in the State and to injure his political fame. There is no truth in the complaint against this respondent.

5. In the background of complaint received with regard to the illegalities committed in the implementation of M.G.N.R.E.G.S, a team comprising audit officer Mr. B.S. Murali, Asst. Director, Mr. K.G.Nagaraj and another Asst. Director Mr. K. Suresh inspected spot and also examined the records pertaining to Kapagal Gram Panchayath pursuant to the order No. gra.a.p/29/uKAYO/2011 dtd. 31.10.2011 issued by the Directorate of MGNREGS. The inspection team found that the executive plan of said scheme for the year 2010-11 had not been approved by Chief Executive Officer of Zilla Panchayath; that the cheques relating to purchase of materials had all been issued in favour of Asst. Executive



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Engineer, Panchayath Raj Engineering sub division, Manvi; that although it was noticed that certain individual beneficiaries had executed some of the works relating to the formation of krushi Honda, the RTC of the lands in which those works had been executed were not attached in the concerned file and there were procedural lapses and that in respect of three works namely W/C/99403988,. O.P. 3683083160 and O.P. 3683085164 machines had been used and it is necessary to take suitable action against the concerned. Deputy Commissioner, Bagalkot in his counter has mentioned that with regard to the lapses in the implementation of MGNREGS, an inspection team was constituted and the said team has reported that there are certain illegalities in the implementation of the scheme. He has further reported that on the basis of the inspection report, the Panchayath extension officer, Asst. Agricultural officer and Junior Engineers were all suspended, pending initiation of disciplinary proceedings and that show cause notice were issued to the then Gram Panchayath President and others and that the matter has been reported to the Government. The inspection report is also kept in the records and a perusal of the report would indicate that the complaint allegations are prima facie true, against some of the respondents.

6. According to the operational guidelines issued in respect of MGNREGS, the gram Panchayath is a pivotal body for planning and implementation scheme. The Grama Panchayath is responsible for the following activities:

- t. Receiving application for registration.
- u. Verifying registration application.
- v. Registering households.
- w. Issuing job cards.
- x. Receiving application for works
- y. Issuing dated receipt for these applications for work.
- z. Allotting work within 15 days of submitting the application or from the date when work is sought in the

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case of an advance application, whichever is later, irrespective of the implementing agency.

- a. Conducting periodical surveys to assess demand for work.
 - b. Identification and planning of works, developing shelf of projects including determination of the order of the priority. This list is forwarded to programme officer for scrutiny and preliminary approval.
 - c. Executing works that shall meet the required technical standards and measurements.
 - d. Maintaining records as specified in Chapter 10 of the operational guidelines.
 - e. Maintaining accounts and providing utilization certificates in formats prescribed central/state government.
 - f. Prepare annually report containing the facts and figures and achievements relating to the implementation of the scheme within its jurisdiction. And copy of the same to be made available to the public on demand and on payment of such fees, as may be specified in the scheme.
 - g. Awareness generation and social mobilization.
 - h. Convening the Grama Sabha for planning and social audit.
 - i. Make available all relevant documents including the muster roll, bills, vouchers, measurement books, copies of sanction order and other connected books of account and papers to the Grama Sabha for the purpose of conducting the social audit.
 - j. Monitoring implementation at the village level.
 - k. Pro-actively disclosing following information:
 - iii) Details of works both completed and ongoing.(including wages paid and material component) at work sites.
 - iv) Names of persons (with J.C. Nos) who have worked, days worked and wages paid to them and also quantity and price of materials purchased for each projects along with name of agency which supplied the materials, at G.P. offices and other prominent public places.
 - l. Providing all information specified in Audit of schemes (19) rules to the social audit unit.
9. Respondents 6 & 8 to 16 having no role to play in the

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implementation of MGNREGS; no action can be proposed against them. 8

10. Respondent no.1 and 2 being President and Vice President of Kapgal Gram Panchayath and respondent 3 & 4 being Panchayath development officers of Kapagal Gram Panchayath, respondent 5 being Grama Panchayath secretary, Respondent NO.7 being Nodal Officer, having responsibility in the planning and implementation of plans under the above scheme, action is proposed against them for their lapses.

12. **Hence, a report u/Sec. 12 (3) of Karnataka Lokayukta Act 1984 is recommended to the Government** to take necessary action against **respondents 01 to 05 & respondent No.7** for their lapses in the planning and implementation of the scheme under MGNREGS.

13. It is further recommended to the Government to examine this report and **within three months** of date of receipt of this report, intimate or cause to be intimated to me the action taken or proposed to be taken on the basis of this report.

Y. Bhaskar Rao
19/9/2014
(Justice Dr. Y. Bhaskar Rao),
Hon'ble Lokayukta.