

**Report of Shri Satyendra Kumar Singh,  
Director, Mahatma Gandhi NREGA  
Ministry of Rural Development  
Government of India**

**on**

**complaint from Captain Jai Pal Singh, Mahamantri and  
Incharge, Vigilance Monitoring Committee, Madhya  
Pradesh alleging that employment has been provided to  
the dead person under the Mahatma Gandhi NREGS  
under Gram Panchayat Punasa, Khandwa District,  
Madhya Pradesh**

**Report of Shri Satyendra Kumar Singh, Director, MGNREGA complaint from Captain Jai Pal Singh, Mahamantri and Incharge, Vigilance Monitoring Committee, Madhya Pradesh alleging that employment has been provided to the dead person under the Mahatma Gandhi NREGS under Gram Panchayat Punasa, Khandwa District, Madhya Pradesh**

**Period of Visit :** 03.05.10 to 06.05.10

**Gram Panchayat/Block/Districts Visited :** Punasa, Punasa, Khandwa

**No of Pages in the Report :** 27

**No. of Enclosures:** 1. Analysis of Muster Rolls for the year 09-10 (pages 23)  
2. Details of Muster Rolls – Village Punasa (pages 2)

**Preliminary**

**1** Hon'ble Minister of Rural Development ordered an investigation into the allegations that employment has been provided to the dead person under the Mahatma Gandhi NREGS under Gram Panchayat Punasa, Khandwa District, Madhya Pradesh on 02.03.10. The allegations were received from Shri Arun Yadav, Minister of State (Heavy Industries & Public Enterprises) enclosing a letter from Captain Jai Pal Singh, Mahamantri and Incharge, Vigilance Monitoring Committee, Madhya Pradesh.

**2** I was directed to visit Block Punasa, District Khandwa after closing of the financial year to investigate the complaint and report the factual position. In the meantime, a letter dated 19<sup>th</sup> February, 2010 was sent to the Principal Secretary, Department of Rural Development, Madhya Pradesh asking to send a detailed report within 30 days from the date of issue of the letter clearly stating whether the complaints are true/false/partially true, reasons thereof and the action taken by the State Government.

**3** A communication intimating the purpose and date of the visit was sent to the State Government and the CEO & In-charge of MGNREGA in Khandwa District was intimated telephonically in advance.

**4** The complaint of Captain Jai Pal Singh, Mahamantri and Incharge, Vigilance Monitoring Committee, Madhya Pradesh was found to be correct. The local police has also initiated investigation and arrested the Secretary of Gram Panchayat and warrant was issued in the name of Sarpanch. Both of them have obtained bail from the High Court of Madhya Pradesh. But the complaint indeed is a tip of iceberg as subsequent enquiry of the works carried out during the financial year 2009-10 and also the earlier works revealed. In fact, more facts were discovered indicative of blatant fraud and willful disregard to the provisions of the Act and Guidelines.

**5** The District Officials directed the CEO of Block Punasa to extend all possible cooperation to the undersigned while making inquiry into the allegations. The present Sarpanch, local activists and MGNREGA workers were of immense help while gathering information about implementation of MGNREGA.

**6** The report is divided into four parts. Part I contains findings about the complaint, Part-II contains the problems in implementation of MGNREGA, Part III diagnoses the problems and reveals the causes underlying them and Part IV elucidates options for remedial actions.

## Part-I : Findings about the Complaint

### 1 **The complaint had two parts:**

**First part:** alleged that one Shri Sukh Lal S/o Hira Lal (Job Card No. 488) resident of Gram Panchayat Punasa had died on 27<sup>th</sup> April, 2006 but he has been shown as working on 11-06-2006 to 16-06-2006, 28-10-2006 to 2-11-2006, 4-11-2006 to 9-11-2006, 11-11-2006 to 16-11-2006, 25-11-2006 to 30-11-2006, 8-9-2007 to 13-9-2007, 29-09-2007 to 04-10-2007 and 13-10-2007 to 18-10-2007. Thus, muster rolls have been fudged and Rs. 3,056/- has been illegally appropriated.

**Second part:** The persons who are employed with the State Government at different capacities have been shown as working under the MGNREGA. A few names have been cited:

1. Sh. Shabirudin S/o Sh. Naseerudin who is Assistant Veterinary Officer
2. Smt. Paru Bai W/o Sh. Nanak Ram who is an Aganwadi Worker
3. Sh. Sagar S/o Sh. Chain Singh who is Peon in Govt. Girls School, Narmada Nagar
4. Sh. Amar Singh S/o Sh. Kamal Singh who is Cook in Govt. Postal, Beed
5. Sh. Manohar Mandre who is Clerk in Narmada Development, Punasa
6. Sh. Dinesh Bonder, who is Sweeper in Govt. Hospital, Punasa.

2 An initial investigation was carried out by the CEO, Punasa Block and its report dated 7<sup>th</sup> November, 2009 which was addressed to CEO, District Khandwa indicates that the complaint is prima facie correct. Shri Sukh Lal S/o Sh. Hira Lal and his wife Smt. Anai Bai who are dead and their names figured in the muster roll and payments to them were shown.

3 Smt. Paru Bai, Shri Sagar S/o Sh. Chain Singh , Ms. Suman Bai W/o Shri Sagar Singh, Sh. Amar Singh S/o Sh. Kamal Singh, Smt. Mamta Bai W/o Shri Amar Singh who are employed in some capacity or the other in State Government have been fraudulently shown to work under the MGNREGA and payments were made to them. It was recommended that action against Shri A.P. Pandey, Junior Engineer, RES, Punasa and Shri Amar Singh Morya, Secretary, Gram Panchayat Punasa be taken.

4. In the meantime an FIR was lodged in the Punasa Police Station u/s 409, 467, 468, 471, 420 and 120-B on 6<sup>th</sup> February, 2010 against Smt. Durga Ajmera, Sarpanch, Punasa and Shri Amar Singh, Secretary, Gram Panchayat, Punasa. On 6<sup>th</sup> February, 2010 Shri Amar Singh was arrested and Smt. Durga Ajmera was arrested on 22<sup>nd</sup> March, 2010. The Hon'ble High Court of Madhya Pradesh, Principal Seat, Jabalpur granted Interim Bail to Smt. Durga Ajmera on the condition that she will deposit a total amount of Rs. 33,132/- which has been misappropriated under protest within two weeks and a personal bond of Rs. 25,000/- with one solvent surety from the Order of High Court dated 18<sup>th</sup> March, 2010. The Order shall remain in force for a period of two months in the meantime the applicant may apply for regular bail u/s 439 CrPC.

5. The police are investigating the case and has recorded statement of the persons whose name figures in the muster roll but did not work. During the investigation, the veracity of the complaint has been established and it was found that Shri Sukhlal & Smt. Anai Bai is dead. Shri Sagar & Smt. Suman Bai, Shri Shabir & Smt. Ajra, Shri Manohar & Smt. Malti, Shri Amar Singh & Smt. Mamta Bai, Smt. Paru Bai, Shri Dinesh Bonder have denied working under MGNREGS though their names did figure in the muster roll. Thus the prima facie the complaint is true and charges are proved.

6. Muster Rolls involved in such fudging are 257311, 257320, 253035, 253039, 253016, 253057, 253017, 253018, 253058, 253062, 253066, 253068,

253074, 253078, 253087, 253011, 253012, 253013, 257330, 257317, 257337 & 257353. The original muster rolls are under custody of police.

7. With available records and copies of muster rolls, it is clear that the name of Shri Sukh Lal and Smt. Anai Bai do figure in the muster rolls, as for example, in muster roll no. 253058 belonging to date 11-11-2006 to 16-11-2006 for Bhoomi Samtalikaran their names figured at serial number 72 & 73. The name of Shri Amar Singh & Smt. Mamta Bai figured at serial number 42 & 43 in muster roll no. 253066. in muster roll 253044, the name of Shri Sukh Lal & Smt. Anai Bai figured at serial number 67 & 68. Shri Sagar & Smt. Suman Bai (Job Card No. 888) figured at 62 & 63 in the same muster roll. They have denied working under MGNREGS. Shri Nanak Ram & Smt. Paru Bai figured at 71 & 72 in the same muster roll. The name of Shri Amar Singh & Smt. Mamta Bai figured at serial number 42 & 43 in muster roll no. 253068 while they have denied working.

8. Prima facie the complaint is true and the police is investigating it and has made arrest in this regard. The State Government has to pursue the matter further.

9. The undersigned did not restrict himself to the investigation of the complaint only as it appeared to be just a small portion of the deep rooted and deliberate defiance to the provisions of the Act and laid down procedure. While interacting with the MGNREGA workers and the activists, it was felt that the records need further probing and examination.

It was found that a total of 75 muster rolls were issued during the financial year 2009-10 for the works to be undertaken like Talab Gahrikaran, Medh Bandhan, CC Road, Kapildhara Kup Bandhai, Pipe Pulia Nirman etc. The muster rolls issued belongs to the series 256351 to 256360 (10) 255926 to 255950 (25), 250521 to 250545 (25), 251323 to 251332 (10), 251028 to 251029 (2), 251349 to 251350 (2) and 251691. Out of these Muster Rolls only 5 were

available in MIS and 24 were available in the bunch of 81 Muster Rolls which were provided by the Secretary, Gram Panchayat, Punasa.

The Secretary, Gram Panchayat, Punasa was asked to provide muster rolls and vouchers used during the year 2009-10. He provided 82 muster rolls out of which 40 were used in 13 works during 2009-10 in the village Punasa. These 40 Muster Rolls include the Muster Rolls which were issued in the year 2008-09.

On examination of the muster rolls, two types of discrepancies were observed.

#### **I. Fraudulent Entries**

- (a) There are 40 muster rolls available in original out of which 32 muster rolls have fraudulent entries of additional names. These additional names did not figure in the muster roll entered in MIS. **It implies that 80% of the muster rolls had fraudulent entries.**
- (b) The percentage of such fraudulent entries varies from **77% to 8%** of the total entries in a particular muster roll.
- (c) In real terms, the total wages paid were Rs. 4,07,123/- while the actual disbursement should have been Rs. 2,76,507/- as per the original Muster Rolls and MIS. **It implies that 33% of the wages was fraudulently paid.**
- (d) **The entries were not accidental or due to lack of awareness but appears to be well thought as the names in the muster roll have some job card numbers which belong to some other households.** At first glance it will appear that the name of persons belonging to a household and corresponding job card is available on the muster roll. But the case is not so simple as the entry for employment given is entered in the job card belonging to the rightful owner while the payment is made to

the person figuring in the original muster roll. There are many instances of such entries.

(e) A few job card holders were asked whether they have actually got employment under the Mahatma Gandhi NREGA, they replied negative:

(1) Shri Tantu Govind (Job Card No. 217) said that he never got employment under the MGNREGS. He also said that his job card was kept with the Sarpanch. His job card has been torn but it appears that the Muster Rolls wherein he has supposedly given employment do figure in the Job Card.

(2) Smt. Sadhna Bai Suresh (Job Card No 1104) has said that he has not worked under Mahatma Gandhi NREGS, but their job card shows that they have been given employment.

(3) Shri Wahed Wakid Ali (Job Card No. 275) also did not have employment under Mahatma Gandhi NREGA but his name figures in Muster Rolls of year 2006-07 and 2007-08.

(4) Shri Kailash Anter (Job Card No. 53) also said he has not worked under Mahatma Gandhi NREGA but their name figures in the Muster Rolls and MIS.

**All above persons gave statements in Camera.**

(d) There are entries in the muster roll while those persons were working at another site in the same village on the same day.

(e) **There is a muster roll number 253009 for the dates 10-06-2006 to 15-06-2006 wherein the workers belonging to some other district like Dasoda and Sirali were found to be working in CC Road which is not permissible**

**under work as per Schedule-I.** The payment of approximately Rs. 52,000/- has apparently been made to these workers while there is no mention of their job card numbers on the muster roll.

- (f) In the same muster roll the transportation cost is also booked. The muster roll itself appeared to be fudged. So no question of paying transportation of any material.
- (g) There are muster rolls (253720, 257353) which do not have name of the workers but payment has been made.
- (h) The details of payment through banks were examined and in a few test cases the number of days for which payment was made to a particular job card holder was cross checked with the entries in their job cards which are available in the MIS.

For example in Punasa Village **as per payment advise dated 06-06-2009:**

1. Shri Radhey Shyam S/o Shri Bhajan Singh having account number 205/1 in Punasa Grameen Bank has been paid for 45 days while there is entries for 21 days in the job card (No. 354) in MIS.
2. Shri Dinesh S/o Shri Tejram Singh having account number 459/1 in Punasa Grameen Bank has been paid for 48 days while there is entries for 54 days in the job card (No. 948) in MIS.
3. Shri Abdul Hanif Aziz Singh having account number 461/1 in Punasa Grameen Bank has been paid for 90 days while there is entries for 54 days in the job card (No. 825) in MIS.

4. Shri Shiv Prasad Sukku Singh having account number 333/1 in Punasa Grameen Bank has been paid for 90 days while there is entries for 54 days in the job card (No. 623) in MIS.

**As per payment advise dated 09-06-2009:**

1. Shri Abdul Hanif Aziz Singh having account number 461/1 in Punasa Grameen Bank has been paid for 58 days while there is entries for 54 days in the job card (No. 825) in MIS.

2. Shri Shiv Prasad Sukku Singh having account number 333/1 in Punasa Grameen Bank has been paid for 58 days while there is entries for 54 days in the job card (No. 623) in MIS.

**As per payment advise dated 24-06-2009**

1. Shri Laxmi Narain Devram who belongs to village Udaipur in Gram Panchayat Damkhed Kala having account number 494/1 in Punasa Grameen Bank has been paid for 58 days while there is Nil entry in the job card (No. MP-25-004-018-003/50) in MIS.

These details reflect that the Muster Rolls and advise for payment have no relevance of employment given to a particular household. It reflects that Muster Rolls are prepared at places other than worksites. These mistakes in the Muster Rolls will always restrict the uploading of Muster Rolls to MIS.

**The payment advises are sometimes signed either by the Sarpanch or the Secretary, Gram Panchayat alone. These advises sometimes have name of the work, sometimes do not. Sometimes these have mention of Muster Roll number, sometimes it they don't. it creates**

**doubt about functioning of the Grameen Bank as there is no uniformity in accepting the details on a payment advise.**

(g) **Material Component:** The record keeping of expenditure incurred on material component is very poor and give rise to many doubts regarding whether those were actually incurred or not like there are receipts signed by the recipient of the bill without any detail on the bill.

(i) There are bills which are blank, there are bill for purchase of cement without any receipt of the same either by the Secretary or Sarpanch or Sub-Engineer. For example, from 13-4-2009 to 15-04-2009, 960 bags of cement were shown to be purchased from Goyal Traders and Narmada Cement & Steel Sales. Not a single bill have signature of either Secretary or Sarpanch. The purchase amounts to Rs.2,40,000/-. On 25-05-2009 and 02-06-2009 and 03-06-2009, 1208 bags of Cement were purchased from M/s. Arihant Steel, Narmada Cement and Arihant Steel amounting to Rs. 2,84,000/-.

(ii) Another bill for movement of sand for 40 trips by a vehicle with registration No. MP -12 M0914 for an expenditure of Rs. 64,000/- is on record without any detail on the bill and it is not signed by the Secretary or Sarpanch.

(iii) There are blank bills of Super Drilling singed by one Mr. Salim Is also available on the record. There is one more bill for Vehicle No. MP-12 D1098 singed by the recipient but without any details.

## **II. Procedural Lapses**

(a) 95% of the muster rolls which were given by the Secretary, Gram Panchayat, Punasa do not bear signatures of Sarpanch, Secretary,

- (b) No details of measurement by sub-Engineer are entered.
- (c) There is no signature or thumb impression of job card holder is found on these muster rolls while the payments have been made to the workers figuring in these muster rolls.
- (d) The State has made sub scheme for providing employment guarantee to the Mahatma Gandhi NREGA workers. These sub schemes are named as Kapildhara, Nandan Phalodyan etc. wherein work of construction of dug wells and horticulture plantation is carried out. These sub schemes are funded under the Mahatma Gandhi NREGS. The impression with villagers is as if these programmes are funded by the State Government. By & large these sub schemes are very popular and have also very positive impact in the villages.
- (e) Most of the worksites do not have information board. The explanation that the boards have been taken away by miscreants does not appear to be correct as even on the only ongoing worksite the same was not available.

### **III. Non Compliance to the Provisions of the Mahatma Gandhi NREG Act.**

- (a) The corresponding payment advises are issued well beyond the 14 days statutory limit for payment of wages to MGNREGA workers under Section 3 (3) of the Act attracting the provisions of Para 30 of Schedule II of the Act. No such compensation has been paid to any MGNREGA worker.
- (b) Section 13 (2) (b) which provides that the Panchayat at the district level will supervise and monitor the projects taken up at the Gram Panchayat and Block level.

Section 14 (3) (e) & (f) provides that DPC to review, monitor and supervise the performance of programme officer and to conduct periodic inspections of the works in progress.

Section 15 (5) (d) & (e) provides that programme officer will ensure that regular social audits of all works within the jurisdiction of the Gram Panchayat are carried out by the Gram Sabha and prompt action is taken on the objections raised in the social audit.

The findings which are summarized above and placed in tabular form indicate that these provisions of the Act have not been adhered to in letter and spirit.

- (c) Section 17 (3) entrusts Gram Panchayat to make available all relevant bills, vouchers, connected book of accounts etc. for purpose of conducting social audits. It implies that the Sarpanch and Secretary Gram Panchayat is custodian as well as responsible for upkeep of proper bills, vouchers, and book of accounts.

The bills, vouchers and book of accounts were either not available or if available, these did not correlate with any particular work. When and how the material was received, who received it, when was it used, there is no corroborating records were available. Rather signed, unsigned, half filled vouchers were available in the record. It reflects very sad state of affairs raising various doubts.

#### **IV. Miscellaneous**

A complaint was brought to the notice of the undersigned that in Kothi Gram Panchayat, the persons who are dead long back and also persons employed in State Government services have been given employment and their names figure in the Muster Rolls and also payments were made to them. The names of such persons are given below:

1. Shri Shobha Ram Naran died on 6-6-2003
2. Smt. Maru Bai / Madan Bai died on 12-12-2004

3. Shri Sodan Singh S/o Shri Sukram Singh died on 20-12-2004
4. Shri Sardar Singh S/o Shri Dhayan Singh died on 10-10-2003

Government Employees:

1. Shri Gajendra Singh S/o Shri Himmat Singh
2. Shri Dalip Singh S/o Shri Dhayan Singh
3. Shri Hira Lal S/o Shri Maya Ram

It needs to be investigated thoroughly as the details which are available in MIS are not leading to a concrete picture of what has actually happened.

## Part – II : Problems

The findings of visit to village Punasa, in Gram Panchayat Punasa which spans from fraud, procedural laps and non adherence to the provisions of the Act needs lot of introspection and indicative of systemic and supervisory failure. The problems which have resulted in such state of affairs has been tried to earmark below:

### **1 Low Public Awareness**

By & large people are not aware of their rights bestowed by the Mahatma Gandhi National Rural Employment Guarantee Act. It is understood as the *Rozgar Guarantee Yojana*. It is yet to be seen as a law to empower job seekers to claim unskilled manual work and receive fair and timely wages as a right from the Panchayats. The efforts made by the administration fall short of desired level as poor people think that as and when work will be opened they will be called to work and earn wages.

Though the people look for more and more work to be opened so that they can get employment, but the interaction with the present Sarpanch and his aid and the ex-Sarpanch and her husband revealed that the articulate groups and local faction has a substantial say in implementation and selection of work.

The local government functionaries are seen to be unresponsive on account of various constraints and has not been able to create a positive image for itself, may secretly abusing the government resources under MGNREGA.

### **2 Gram Sabha**

Atmosphere in the village is generally surcharged with factional rivalry and divisive politics with local musclemen and manipulators dominating the village scene. The election in the Gram Panchayat had multi polar with many candidates contesting the election. The rivalry was so intense that while interacting with the

villagers they almost came to blows. Present incumbent was alleging all foul plays in implementation of Mahatma Gandhi NREGA by previous regime. The unprecedented flow of government grants has intensified the heat of rivalries for the control of the Gram Panchayats. Here was a case of dummy Sarpanch led by her husband in past and present also didn't appear bright as while interacting with him his aid was more vocal and demanding.

The state of the village atmosphere has a direct effect on the Gram Sabhas and people's participation in decision making. Under these circumstances the gram sabhas held, are not in a proper manner. A weak Sarpanch is led to implement the will of the dominant village faction.

It may be said that Gram Sabhas have not yet begun to function.

### **3 Selection of Works**

Selection of works is also marred by factional whims and fancies generating tension in the villages. It was found that some works started but could not be completed due to resistance in the garb of encroachment. The works which are not permissible in Schedule-I have also been taken up like construction of CC roads, concrete flooring in temple premises in the name of CC road. Except the dug wells, the quality of works especially for rural connectivity was not up to mark.

### **4 Distribution of Job Cards**

To ensure full coverage of the needy population, the State has distributed job cards to all rural households irrespective of their preference of manual work. This is a remarkable feat which many States have yet not achieved.

However, there is a flip side to this approach. Critical investigation in muster rolls reveals that some of them are being misused to draw wages for no work done. Local officials suggested that a drive could be conducted to cancel the job cards of families who have not revealed their preference for unskilled

manual work. State Government needs to resolve this issue as the validity period of job cards i.e 5 years is approaching.

## **5 Demand and allocation of Works**

With little awareness of their entitlements and weak machinery for their enforcement, workers do not demand work. In fact, villagers often referred that work is not opened or said only one work has been opened in last three months and officials kept on referring that labour 'nahin milta hai' ,how to start a work. It is not understood that MGNREGS it is not a Yojana but a law to guarantee unskilled manual employment and to empower workers to place demand for work in Panchayat and claim unemployment allowances, if work is not provided. However, it is surprising that job cards in MIS have details of work demanded and provided but ground reality is altogether different.

Work is allocated to workers as and when work is opened. Opening of works depends on the availability of funds and approved projects with the Gram Panchayats. A "top up" principle is being followed for ready availability of funds with the Gram Panchayat all the time. The principle allowed replenishing the cash balances of the Gram Panchayats without awaiting its exhaustion and whenever it fell below a prescribed minimum level. Though it ensured that the Gram Panchayat was having sufficient funds all the time to ensure that work can be initiated as and when there was demand for employment. However, this also helped the crafty Gram Panchayats to make unauthorized withdrawals merely to attract further flow of funds by artificially reducing its cash balances in the bank. This in fact lies at the bottom of the story of misuse of funds in the Gram Panchayat, Punasa. With limited technical manpower, supervision of large number of projects and scrutiny of muster rolls was impossible. As a result, muster rolls were manipulated, works were duplicated by the Gram Panchayats and the defects remained unnoticed.

## **6 Unemployment Allowance**

This is the least known provision of law. Situation is no different from other parts of the country. It is widely believed that this provision is too draconian for the functionaries and it is better to keep it under wraps. No wall writing on unemployment allowance could be seen.

## **7 Worksite Management and Muster rolls**

In the absence of trained mates, management of worksite and maintenance of muster rolls is poor. Some dugwells and roads had signboards. Many other worksites did not have them. Cases of fudged muster rolls have already been detected. Shortage of engineers and absence of trained mates seriously affected the management of worksites and maintenance of muster rolls. There were mates who had been certified as trained by Construction and Industrial Development Council, New Delhi. However, the mates did not function as technical hands in coordination with the engineers to expedite execution of work. They functioned more as assistants to the Sarpanches in dealing with the people and the programme.

## **8 Measurement of work and Payment of Wages**

This is awfully delayed because of shortage of hands. A block level engineer typically handles 200 to 300 works. He can hardly visit worksites or check the accuracy of records. The measurement book kept with the junior engineer who fills it as per his convenience and availability of time. At a given point of time the correlation between muster roll and measurement becomes an arduous job and sometimes it is used for fudging of the records.

Despite the advertisement for recruitment, there are not many applicants. With the boom in construction in the private sector, remuneration of engineers in urban areas and private sector has risen rapidly while the pay scales of engineers in government remain relatively low. It is not surprising that not many willing candidates are found. This is a serious impediment to the legal guarantee of employment.

Accounts were not squared up as measurement was not done even for more than a year. Payments were not complete. In the meantime, some of the dugwells had collapsed.

The problem of shortage of technical hands is the most serious one giving rise to the greatest damage to the programme and tarnishing the image of the implementers. Unfortunately, this also appears to be insurmountable in the short run. Action on this score in concert with other technical departments may help.

Payment of wages follows the measurement of work. Since measurements are delayed because of shortage of engineers, delay exists in payments also attracting the provisions of Para 30 of Schedule-II.

## **9 Banks and Post Offices**

Payment of wages through banks and post offices has been the most important remedy for mala fide payments. The cases of misuse of funds through fudged muster rolls have come down but not fully eliminated.

While payments through banks and post offices have reduced corruption. Still workers voiced their preference for payment in cash.

Large number of accounts has been opened. Cooperative Banks have also been roped in.

## **10 Inspections and Social Audit**

Many worksites were visited. Specially the dugwells under the name of Kapildhara sub scheme was found to be useful and really beneficial to the villagers but the record keeping and maintenance of muster roll, vouchers for purchase of material narrated sad story of no inspection and cosmetic social audit in the Block. The situation in the Block is so alarming that it is feared that if

similar situation prevails in other Blocks, the Mahatma Gandhi National Rural Employment Guarantee Scheme will earn a very bad reputation.

With serious staffing constraint, the actions of the Gram Panchayats could not be monitored well leading to cases of irregularities and corruption everywhere.

#### **11 Disposal of complaints**

No separate machinery for disposal of complaints exists. In the absence of an exclusive machinery for disposal of complaints, the burden falls squarely on the DPC, CEO (ZP), and POs who are already overburdened. Consequently, numbers of unattended grievances accumulate, and more importantly, corruption and irregularity remain unabated as the wrongdoers feel assured by the ineffectiveness of the system.

#### **12 Record Maintenance**

The maintenance of records is abysmally poor and shocking on account of willful inaction, negligence as well as incapacity of the Panchayats. A Gram Panchayat has only one Secretary who cannot handle the records of hundreds of works and workers contained in a dozen registers. He also discharges functions under other schemes of the Government. State Government has not yet deployed the Gram Rozgar Sahayaks in the Gram Panchayats. This has also encouraged corrupt individuals to disregard the law.

#### **13 Abuse of PRIs**

With high infusion of funds in the Gram Panchayats, these institutions have become centers of intense activity. The village society has got splintered into several factions to gain control of the Panchayats. Specially the top up concept has made funds availability with the Gram Panchayat a big attraction to become a Sarpanch and it has created social unrest. It could be gauged by the mere fact that the villagers' associated different factions supporting Sarpanch, ex-Sarpanch, Sarpanch contested the election came to blows in presence of the representative of the Ministry of Rural Development. The Mahatma Gandhi

NREGA has empowered the rural poor who were earlier dependent on the elite of the village for employment. He is no more dependent on the elite. So there is a tendency to revert to earlier status quo by hijacking the Mahatma Gandhi NREGS by the elite of the village. The social change caused by the Mahatma Gandhi NREGA is in its first stage leading confrontation and unrest in the village.

## Part – III Factors Responsible for Deficiencies

The gravity of situation needs to diagnose and resolve the problems of implementation Mahatma Gandhi NREGA.

### **1. Administrative Factors**

**1.1 Staffing :** The implementation machinery is not adequately staffed. There are no grievance redressal officers, social audit coordinators or Gram Rozgar Sahayaks. Number of engineers is too small. This is the only state not to deploy Gram Rozgar Sahayak in all the villages. The secretary of the Gram Panchayat is no way independent of Sarpanch (in punasa gram Panchayat a diminutive fellow was secretary who was always under awe of all the officials and non officials).there is emergency that gram Rozgar Sahayak and sufficient number of junior engineers are put in place .

**1.2 Wide Span of Management:** An engineer cannot manage more than 10 to 15 projects if he has to prepare estimates, give layout at project site, take weekly measurements, verify the authenticity of the muster rolls and job cards, personally oversee the quality of concrete and mortar being used and compaction being done at project sites, prepare bills for payment, verify the stock and quality of goods procured and used, and maintain records. His tasks on a single project are quite complicated. 10 to 15 projects complicate the task further. Yet he may manage that number. In Punasa no muster roll had measurement entries the Sub Engineer/Junior Engineer had maintained a separate measurement book which didn't have any details like date ,number of muster roll name of the work and its location

**1.3 Planning Premises:** Several premises were made by the State to plan the Scheme implementation. First, universal approach to distribution of job cards would ensure cards to all who need them. Third, Gram Panchayats could manage without Gram Rozgar Sahayaks and utilize the Panchayat Secretary for

the same purpose. . “Top up” principle without verification of work to release of funds to Gram Panchayats would ensure employment guarantee. All these premises appeared to be reasonable when they were made The results of the premises have already been discussed in the foregoing paragraphs.

## **2 Monitoring and Inspection**

There are too many weaknesses in monitoring and inspection as the magnitude of the task is beyond the capacity of the structure that exists. The difficult span of management makes it difficult to monitor and inspect the works and Panchayats. It may not be an exaggeration to say that there is hardly any monitoring and inspection. by deployment of adequate staff, particularly in the Gram Panchayats, the scenario of rural India may transform dramatically.

## **3 Corruption and Nepotism**

Weak monitoring and inspections has resulted into corrupt practices. The misdeeds of some Sarpanches and petty officials could have been exposed in social audit processes or grievance redressal system. However, there is hardly any real system of social audit or grievance redressal in place which has protected and encouraged the wrongdoers. Bank and post office operations have checked wrong wage payments substantially. But much more could be achieved if social audit, helplines and grievance management system are put in place.

## **4 Ineffectual punitive action**

The provisions of Section 25 of the Mahatma Gandhi National Rural Employment Guarantee Act have never been invoked to punish the person who has contravened the provisions of the Act. In the absence of any deterrent punishment, the Sarpanch and their aids feel emboldened not to adhere to the provisions of the Act.

## Part – IV: Remedial Measures

The situation is chaotic and alarming with very articulate fudging in the muster rolls and vouchers for purchase of material in Gram Panchayat, Punasa. There have been reports of scam in the electronic media in other districts of Madhya Pradesh and the NLMs have found similar shortcomings in the past. It calls for immediate attention and remedial measures along with strict compliance to the instructions issued by the Central Government for improvement of implementation of the Act.

### **1 Voluntary Action by the Identified Groups**

As low awareness about the rights bestowed by the Act among the Mahatma Gandhi NREGA workers is one of the most important genesis of all the frauds and manipulations. It is most prudent that the capable ones among the workers are identified and sensitized about their rights.

These Educated, young and energetic workers who exhibit strong social commitment for rural development may form a voluntary group who can suitably trained to detect the irregularity and exploitation and undermining the rights of the workers. They should be permitted to communicate with the highest functionaries of the District and speedy action should be taken on their information.

They may be given the responsibility of protection of rights of a group of forty to fifty rural households. The lead workers may be trained and motivated to voluntarily take up the function of messaging to and from the workers important matters such as their entitlements, expression of demand for work, choice of work, responsibility of the workers to produce the standard outturn to get full wages, payment of wages, social audit, grievance redressal, etc.

## **2 Deployment of Mates**

Mates may be identified for every worksite and trained to install signboards, maintain muster rolls, job cards and take up basic measurement in a prescribed format. The engineers may base their measurement on that of the mate after sample verification. This can continue in the short term till the paucity of engineers is eased.

## **3 Reorganizing Gram Panchayats and augmenting Technical Assistant Strength**

The Ministry has already taken a step towards it. It has been approved that for 6,000 households there shall be one technical assistant in the plains while for hilly terrains, it shall be 3000 households. Instructions have been issued in this regard. It will take care of timely and proper measurement, delayed payment to MGNREGA workers and somewhat fudging of the muster rolls.

In case, engineers in such large number may not be easily available, the measurement and preparation of technical estimates maybe split and the workers or mates may be trained to do the measurement. Based on it, part payments can be made to the MGNREGA workers. The final payment will be done on the basis of test measurement i.e. 25% by the Junior Engineer. The technical estimates shall be prepared by the Junior Engineer as it is done now.

A cadre of Graduate Trainee Overseers may be set up from meritorious graduates in every block. A two month training of such Graduates to impart basic engineering knowledge to enable them to estimate and measure works of simple nature and prepare Measurement Books and bills should be taken up. They should also be acquainted with the provisions of NREG Act. The facility of training for self employment under SGSY may be used for this purpose, if feasible. If required NREGA Training funds may be used

#### **4 Use of Common Resource Centers**

Common Resource Centers conceived as Bharat Nirman Rajiv Gandhi Sewa Kendra may be planned in Gram Panchayats without Panchayat Bhawan in near future. In the meantime, the common service centre under the Department of Information and Technology, Government of India, may be used for awareness generation and entry of records like muster rolls, job cards, photos and details of works.

#### **5 Exemplary Punitive Action**

State should take exemplary punitive action against the erring Sarpanches under section 409 of IPC and Prevention of Corruption Act. Similar action should be taken against erring officials under Section 25 of the Mahatma Gandhi NREGA.

#### **6 Strengthening social audit through voluntary action**

Social audit is neither a well known provision of the Act nor is properly understood. Cases of successful social audits are rare. There is need to put in place a permanent voluntary group in all the villages/blocks to assist in social audit. These groups may be identified from teachers, students and retired persons belonging to that area. They may be sensitized with the provisions of the Act so that they could assist the poor villagers to conduct meaningful social audit.

#### **7 Updating of MIS**

The uploading of details of Muster Rolls on MIS is a must to minimize abuses in implementation of the Mahatma Gandhi NREGA. It will ensure that fraudulent entries are minimized in the original Muster Rolls. If required, additional hands may be hired to update the data in MIS in a time bound manner.

#### **8. Action to be Taken**

Section 27 (2) of the Mahatma Gandhi NREGA provides that the Central Government may on receipt of any complaint regarding the issue or improper

utilization of funds granted under this Act in respect of any Scheme, may cause an investigation by any agency designated by it and institute appropriate remedial measures for its proper implementation within a reasonable period of time.

The situation calls for emergent action. The State should be advised to:

- (a) Put a system in place so that the Gram Panchayat is suitably strengthened and the monitoring mechanism should be made really functional.
- (b) Adhere to the inspection schedule as prescribed in the Guidelines with proper follow up.
- (c) Not to conduct the Social Audit in cosmetic manner.
- (d) Have supervisory officials to act timely.
- (e) To put MIS in place immediately.

The electronic media and NLMs have similar findings in different districts at different point of time. The findings during this visit supports that there is a systemic failure in implementation of the Mahatma Gandhi NREGA. The first priority should be to put the system in place with a sufficient number of personnel specially at Gram Panchayat level.

As only part of the records pertaining to 2009-10 were scrutinized. A further investigation may be considered to pin point the extent of fraud and other lapses.

Endowed with vast natural resources and committed officers, the State has tremendous potential under the Mahatma Gandhi NREGA. It can use the programme resources with proper monitoring to transform its economy and its people and set a trend for other States.