



NREGS performance in Itwan Dudaila gram panchayat of Chitrakoot district was discussed in-depth in public on June 12, 2007

Social audit reveals blatant fraud in UP NREGS

A first-of-its-kind social audit of the National Rural Employment Guarantee Scheme (NREGS), carried out in Chitrakoot, Uttar Pradesh, on June 12, 2007, has revealed blatant fraud and misappropriation of funds through the scheme.

The audit was organized by a reputed CSO working in the region, the Akhil Bhartiya Samaj Sewa Sansthan (ABSSS), in association with community-based organizations called Chingari Sangathans initiated by it by ABSSS at Bundelkhand level.

The Social Audit was meant to cover five gram Panchayats in Manikpur block, Chitrakoot district. Eventually, it covered only one Panchayat, Itwan Dudaila, as officials and Panchayat members from the other Panchayats would not provide copies of the required documents. The reason was simple: the people responsible had simply not maintained records according to the rules.

The Social Audit process started on May 1, 2007, when the district development officer was informed about the CSO's plans. Subsequently, the CSO formed an investigative team to collect field-level information that was collected through discussions with village sarpanchs, meetings with NREGS job card holders and inspection of records.

Based on information gathered, the CSO also met with the MLA and state minister of the region, in Lucknow, on June 4, 2007.

Finally, the gram sabha of one village, Itwan Dudaila, was convened on June 12, to conduct an in-depth social audit of the NREGS's performance in the village, in the presence of the people.

The audit revealed *large-scale irregularities in every stage* of implementation of the NREGS:

- Maintenance of documents.
- Registration of households.
- Issuing of job cards.
- Response to demand for work.
- Payments to workers.
- Allotment of work for people with disability.
- Allotment of work up to a maximum of 100 days per household in a year.
- Involvement of gram sabhas in preparation of work plans.
- Technical estimation and issue of work order by due process.
- Constitution of vigilance committees.
- Announcement of work allotments.
- Appointment of a mate at work site.
- Provision of facilities at work site.

- Planning and supervision of work.

Status of documents

Although the social audit is a major requirement under the NREGA, several documents necessary to carry it out were not maintained, nor were they available in Itwan Dudaila.

Despite a letter issued by the district development officer, when the verification team visited the office of the Block Development Officer (BDO) for the documents, no documents were available. The BDO went on record to state that the gram panchayat secretary was responsible for this.

The DDO issued four letters, the last dated May 18, 2007, but the documents were still not forthcoming. The BDO and gram Panchayat secretary eventually admitted, in a written statement, that the documents had not been prepared.

Even the crucial muster roll had not been prepared; work and payments had been done without maintaining a muster roll.

Eventually, between May 25 and 30, the muster roll, work estimate, brief summary of income and expenditure of work, bills/vouchers, monitoring committee list and amended brief summary of action plan were produced.

However, many necessary documents were still not available, such as a photocopy of the approved budget and statements of expenditure, a photocopy of the process register, details of construction materials, list of workers who got jobs for 100 days, with their names and addresses.

Although the NREGA requires every document to be available at the gram Panchayat office, no documents were found there, not even the muster rolls and list of job card holders. There was no sign of the necessary related documents: applicant registration register, job card register, employment register, muster roll, muster roll receiving register, asset register, complaint register, cash book.

In fact, the Panchayat office had not been opened for a long time because it was dirty and piled high with rubbish.

The husband of the gram pradhan, Gaya Prasad, requested the CSO team to stop the process of verification. He also claimed that he and other Panchayat officials *had* prepared documents related to the NREGA and that his *munim* (assistant) kept a record of workers' jobs in a diary; payments were made on the basis of this record.

In the social audit, however, workers stated publicly that they had never read the registration, list of job cards or muster rolls. Gram

Panchayat members themselves stated that the muster rolls were not opened for anyone.

Registration process

No list of those registered under the NREGS was available for verification. According to the gram pradhan and Panchayat secretary, 428 families were registered under the scheme. But the investigation team saw evidence of only 184 job cards.

The audit revealed that friends and relatives of the gram pradhan were registered in large numbers; also, people who did not qualify for the NREGS.

The friends and relatives registered did no labour work. They were land holders and rich people who owned their own farm land, tractors, etc. On the other hand, a large number of BPL (below the poverty line) families were not registered.

Of the 184 job card holders the team observed, 14 were land holders belonging to the general caste. Village NREGS vigilance committee members and workers stated on record that only two of the 14 had done any work.

The muster rolls contained the names, work and payments of 13 registered labourers who had their own land and belonged to higher castes, and who, according to the other labourers, ward members, members of the vigilance committee and villagers never did any work. They owned farm land and employed labourers from the village to work for them.

The list of registered persons was not open for public scrutiny, and the registration register was not available at the Panchayat office.

Issuing of job cards

No list of job card holders was available. During the verification process, however, the team observed 184 job cards. None of the 184 had the signature of the card holder.

Around 44 entries were bogus. Kalia, a villager, said: "My wife and I have never gone for NREGS work. However, 40 days of work are falsely entered in my job card. A total wage of Rs 2,320 is also shown in the muster rolls, but I have not received even one rupee."

There were many irregularities in the issuance of job cards. Most of the work had been done without job cards. Around 59 job cards did not have the signature of the pradhan/secretary, and 68 did not have attested photographs of the labourers.

Two job cards with different numbers had been issued to one person; neither card had the signature of the pradhan or secretary,

and the photograph was not attested.

There were other anomalies too. For example, Ramdas's job card sports the photograph of Pinki, wife of Kemla. Ramdas is a Brahmin and Kemla belongs to a Scheduled Caste. A job card issued in the name of Shanti has the photograph of Devraj, son of Gorelal. No one named Shanti lives in the village. Sadhuram has two job cards, with two different numbers -- 426 and 187. The name of his father is given as Ramkumar in one and Rajkumar in another.

Job cards were issued to four minors, while nine families that had applied for cards had not received them.

Under the NREGA, no money is to be charged for photographs pasted on identity cards. But the investigating team found that an amount of Rs 51,400 was collected from the villagers for this purpose. The available document lists the expenditure for photography as Rs 6,800, which, according to the people, is a false figure.

While job cards have to be issued within 15 days of registration, they were issued in Itwan after two to 11 months.

These irregularities appear to indicate that many job cards were hurriedly issued at the time of the verification process.

Response to demand for work

In Jagannathpuram, a village that falls under Itwan panchayat and is named after a former home secretary from Uttar Pradesh (who was present during the social audit), 69 job card holders had applied for work in writing but the village pradhan tore up the applications. The card holders then sent their applications by registered post and, with help from ABSSS, obtained acknowledgement receipts of their applications from the BDO. The 69 people were still not given work.

Complaints were then sent to the Union ministry of rural development, and a top official visited the area and issued orders that work should be granted immediately. But the orders were not carried out. Twelve of the 69 people live by begging for food, as there is no work available in this part of Uttar Pradesh that has been experiencing drought for three consecutive years.

The social audit team found that around 35 of the job card applicants had migrated. Many of the migrants were registered under the NREGS; some had spent their own money for the required photograph, but did not get job cards. One of the basic objectives of the NREGS is to end migration.

Muster rolls and payments

Muster rolls could not be produced immediately for verification; the pradhan told the verification team it would take five days. Payment for work was done without entering the details in the muster rolls; indeed the workers had never even seen the muster rolls. The pradhan's husband said that records were being kept in his assistant's diary!

The muster rolls, on which work days and payments are recorded, were tampered with in several ways to make false payments. The records show that Rs 131,598 was paid among 74 workers: a huge sum for just 74 people!

Often, the amount and duration of work done did not match the payments made. Some people were paid for two days' work when they had done only one day's work.

Of the 74 workers paid, according to the muster rolls, 27 put their signature onto the muster rolls. During the social audit it was revealed that of these 27, 21 workers did not attend work for even a single day, but payment amounting to Rs 45,182 was entered in the muster. In case of the remaining six, the number of days of work shown was more than they had actually done, resulting in another Rs 10,784 being falsely entered.

There were many instances of thumb impressions appearing against the names of literate people who were able to sign their names, suggesting that the money had been siphoned off. In case of 11 people, all from Bagraha village, the number of work days shown is more than 100; under the NREGA, a registered *household* cannot get more than 100 days of work in a year.

Details of work done were not entered on the job cards in front of the card holder; instead, the card was taken away on the pretext that there was a mistake that had to be corrected. When the card was returned, it had the work details filled in arbitrarily.

The muster rolls contained the names, work done and payments made to those who were ill, students, labourers who earned a regular wage doing other work, land holders and tractor owners. During the verification process, registered workers, members of the monitoring committee, ward members and other villagers said that all the work and payments shown were false.

For example, Ramkrishna has passed Class 10 and his father works with the railways. He contested a district panchayat election, and owns 10 bighas of irrigated land. He is the nephew of the pradhan's husband. Ramkrishna has been registered under the NREGS and has never done any work. But he has been paid Rs 1,160, as shown in the muster rolls.

Jagdish, the pradhan's uncle, has not worked at an NREGS site a

single day, people said. He owns a two-wheeler and 80 bighas of land in Mahuli Kher, Majhgawan, in Madhya Pradesh. He was paid Rs 1,624, according to the muster rolls. There were several other such instances of obvious fraud.

On the other hand, the work details of 10 workers who had legitimately worked under the NREGS were not mentioned in any muster roll or job card.

An amount of Rs 40,588 was siphoned off by showing an increased number of work days, wrong work details, and the payment of less wages to 24 workers, from among a total of 74 workers.

Wages must be paid weekly or fortnightly under the law. But in Itwan wages were mostly paid monthly. There was no reading out from the muster rolls when wages were being paid to workers, which is stipulated under the law and is aimed at helping illiterate workers.

Around 69 workers applied for unemployment allowances as they were not given work within the stipulated period. They did not receive anything.

Allotment of work for the disabled

The NREGA allocates 3% of total funds for the benefit of the disabled. Under the Act, disabled people are to be given work that they can handle, such as looking after children in the mandatory crèche, handing out drinking water, etc. None of these jobs were seen to have been provided.

In Bagraha village, under Itwan panchayat, two people with disability were not given work. Instead, false entries were made to show that they had worked for around 60 days, and wages amounting to nearly Rs 4,000 had been pocketed.

Gram sabha and status of work plan

No meetings were held by the Itwan gram sabha to discuss project work. People claimed that the work plan was drawn up by the husband of the pradhan, under instructions from the panchayat secretary. Workers and gram sabha members were totally unaware about the work plan and budget. The pradhan's husband clarified that he did not know much about the NREGA.

After the work was completed there was no open meeting of the gram sabha. Nor were gram sabha members told about the income and expenditure; eight gram panchayat ward members gave recorded statements to this effect.

Technical estimation and issuing of work orders

Under the NREGA, a technical estimation of each job has to be prepared and put up for public viewing. This was not done in Itwan. In the case of construction of a contact road between Jagannathpuram and Ghatiya, information such as the name of the job, name of the panchayat, year, and sanctioned amount was displayed but not the more important facts related to technical estimations.

Measurement of work was not done technically, and workers were not informed about how the work would be measured.

Vigilance committees

The five-member NREGS vigilance committee constituted in Itwan gram panchayat had no role to play. The president of the committee stated in writing that it was only during the social audit that he had come to learn that he was president! Another member said she had never been told she was a member of the vigilance committee and had never done any work associated with the committee. The committee was unable to provide a report of its work.

Allotment of work

The gram panchayat did not maintain a work allotment register at the panchayat office. When a new job is started, information pertaining to it must be put up on the notice board along with the list of workers, date of application, nature of work and venue. This rule was not being followed. Information about work is disseminated informally among the villagers.

Status of the mate

Although it is mandatory to appoint one mate for every 20 workers, there was one mate for 60-65 workers. Moreover, the mate had a job card numbered 134 although his thumb impression or signature appeared in the muster against five other numbers; he signed the muster for others while the daily attendance was being taken. He confessed he had been given no training, and there were several complaints against him regarding his ignorance about how work should be measured.

Provision of facilities at the work site

According to the mate, two plastic drums were used in place of pitchers for drinking water. There was no primary healthcare facility or a crèche for labourers' children at the work site.

Planning and supervision of work

The investigative teams found wide variations in work estimations

and the actual work done. According to documents, work worth Rs 99,940 was done during constructing of a road from Jagannathpuram to Ghatiya. But during verification, the work done was found to be worth no more than Rs 42,600.

Tree plantation, involving the installation of 23 tree guards, was supposed to have been done at a cost of Rs 15,000. A site visit showed that only 10 tree guards had been installed, four of them not fully. The actual expenditure incurred was therefore estimated to be less than Rs 10,000.

Work on a culvert involved an expenditure of Rs 185,586, according to documents. During verification, the work done was estimated to have cost only Rs 115,300.

Likewise, while Rs 1.78 lakh was spent on a pond, the investigative team estimated that the actual cost incurred could not have exceeded Rs 1 lakh. All the work surveyed was of poor quality. Although material was shown to have been procured from outside, locally available materials were used.

Analysis of bills and vouchers

Cash payments of over Rs 20,000 were made when payments of such large amounts should be by cheque. There was no revenue stamp for amounts exceeding Rs 5,000. In several bills, the serial number of the bill and sales tax registration details were missing.

Evaluation of work

No evaluation of the quality of work was carried out during project meetings. The gram panchayat was unable to furnish the work accomplishment certificate. No meeting of the general body was called, as is required.

Over 25 people were involved in the verification process of this social audit, including nine ABSSS staff, three local journalists, three lawyers, two photographers, and two people for documentation.

Those present at the June 12 social audit included Vivek Kumar Singh, MLA; Jagannath Singh, retired home secretary, Uttar Pradesh; K K Rai, senior lawyer with the Allahabad High Court; Dr Amardeep Singh, professor with the Chitrakut rural university; and Gopalbhai, founder, ABSSS. The event was extensively covered in the local media.

Following the Itwan audit, ABSSS and chingari sanghatans organised a similar event in a village in Naraini block, Banda district. The CSO plans to hold a state-level NREGS social audit in Lucknow.