



**Audit of Fraud
Fraud Detection Techniques
& Forensic Audit**

**Fraudulent Expenditure on Physical
Verification of Saw Mills
- A Case Study**

Indian Audit & Accounts Department

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From PD's Desk

Fraud is a significant and growing threat worldwide. Virtually no organization today is immune to it. The scenario calls for a systematic evaluation of controls through internal and external audits and remedial actions upon discovery of fraud and irregularities. A systematic compilation of patterns and methodologies followed by fraudsters would help both the Executive and Auditors in effectively preventing and detecting and combating frauds. As a part of our pursuit towards excellence in the area of '*Audit of Fraud, Fraud Detection techniques, and Forensic Audit*', we bring out a series of case studies based on the cases reported in the audit reports of various States/Union of the Comptroller and Auditor General of India.

This case study, 'Fraudulent expenditure on physical verification of saw mills', has been prepared based on the material reported under para 4.1.1 of the report of the Comptroller and Auditor General of India for the year ended 31 March 2005 (Civil) Government of Chhattisgarh.

I take this opportunity to extend my sincere thanks to the Accountant General, Chhattisgarh, Raipur who made us available all the relevant documents of the case whenever requested for. Our thanks are also due to him for validating the facts reported and conclusions drawn in the case study.

I commend the efforts of Smt.R.R.Shahare,AAO/CF in preparing this case study on the lines directed from time to time.

I hope that the readers would find the case study interesting and informative.

Principal Director

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FRAUDULENT EXPENDITURE ON PHYSICAL VERIFICATION OF SAW MILLS

1. Background

As per Sn.7 of the "Madhya Pradesh Kashtha Chiran (Viniyaman) Adhiniyam, 1984" inspection of saw mills is to be conducted regularly by DFO office (licensing authority). As per various rules and instructions of the department, inspection of saw mills involves verifying operating licenses issued by Divisional Forest Officers, ensuring the mills keep accounts of timber and checking whether they are submitting returns regularly to Divisional Forest Officers.

A Flying Squad from the Office of the Conservator of Forest, Raipur consisting of Ranger incharge and five forest guards incurred an expenditure of Rs. 2.29 crore between April 2003 and February 2004 for physical verification of a large number of saw mills.

This physical verification of the saw mills was done using labourers to spread log stacks, counting, measurement and re-stacking which required large expenditure on labour payment. The volumes of logs were to be reconciled with the saw mill stock records.

The two activities were thus distinct. Inspecting involved negligible additional expenditure, whereas physical verification involved large expenditure.

2. Fraud Environment

- 2.1 This work which was a new item, never done before and involved huge expenditure was done without the authorization and sanction of the Government and other higher authorities of the Forest Department.
- 2.2 The entire activity was conducted on the orders of Conservator of Forest, Raipur Circle.
- 2.3 The maximum financial powers delegated to Conservator of Forest for any item of works expenditure is Rs. 5 lakh, whereas the expenditure on this activity was more than Rs. 2 crore.
- 2.4 There was no separate budgetary allotment for this activity, as this kind of work had never been done before.
- 2.5 When this was pointed out by the Audit Party, Conservator of Forest, Raipur stated that the necessity of verification of saw mills was considered on the basis of complaints about illicit sawing in saw mills and therefore sanction was not required/not obtained.
- 2.6 The first bills for this activity were passed by DFO Raipur. The same officer was subsequently promoted and became CF Raipur and subsequently on his orders the activity was started in 5 divisions under the circle. However, no other bills were booked in the office of DFO Raipur, where a new officer had become DFO, although most of the saw mills were under its jurisdiction.

3. Opportunity to prevent frauds

Controls which could have prevented/limited the fraud but were by-passed.

- 3.1 Sanction of appropriate higher authority for expenditure on new item of work requiring separate budgetary estimate and allocation. This would have also included scrutiny by Finance Department.
- 3.2 Maximum limit of Rs. 1.5 lakh on amount of cheques to be issued per day by DFO to Range Officers for expenditure on works undertaken. Second cheque is to be issued after expenditure of at least Rs. 1.30 lakh.
- 3.3 All vouchers are to be submitted by the Range Officer to the Sub Divisional Officer for verification.

4. Act of Fraud

The physical verifications were not conducted at all. Forged vouchers were prepared by the by the flying squad and presented to five DFOs and these were passed for payment. Thus the fraudulent expenditure was split over 5 divisions. These divisions had very few saw mills under their direct jurisdiction.

5. Opportunity to detect and proving the fraud

Red flag indicator

- 5.1 Audit Party of the Office of the Accountant General, Chhattisgarh, Raipur conducted the audit of the records of the DFO, Udanti Forest Division and found that many cheques had been drawn by the division greatly in excess of daily limit of Rs. 1.5 lakh. Records for the adjustment of these cheques for Rs. 1.3 crore were not produced stating they had been impounded by the Conservator Office.

Follow Up on Red flag -

- 5.2 Acting on this red flag indicator, the adjustment vouchers for these cheques were located in the AG office in the relevant monthly accounts submitted by Udanti Division.
- 5.3 A preliminary scrutiny of the vouchers was done by the AG and Sr.DAG. It was immediately apparent that the vouchers were forgeries. Signatures of same person on vouchers and attached acquittance rolls were totally different in same cases i.e. spellings were different. In other cases it was obvious that two different persons had signed.
- 5.4 Having obtained clear evidence of fraud, the audit of CF Raipur was started as Udanti division had stated that records had been impounded by that office. Further evidence was gathered from that office.

Audit examination & evidence gathering

A large number of irregularities, discrepancies and clear fraud indicators were detected and taken together gave a clear picture of the fraud and clear proof was also obtained.

- 5.5 Physical verification was conducted on an order of CF Raipur.
- 5.6 CF, Raipur issued orders to DFO Udanti Division (June 2003) and DFO Mahasamund Forest Division instructing them to make payment for all bills submitted by Flying Squad of Raipur Forest Circle.
 - Did not specify the nature of activity for which bills would be submitted
 - Blanket instruction
- 5.7 Since the Flying Squad is under the direct control of CF, Raipur, the expenses of the Flying Squad are required to be spent from the funds available in Conservator's office. Only Rs. 17.49 lakh was spent on physical verification from funds drawn from CF office, five other divisions paid Rs. 2.12 crore. Thus the drawals and the expenditure were diverted to subordinate offices and split & distributed.
- 5.8 36 cheques were drawn in excess of prescribed maximum daily limit of Rs. 1.5 lakh. 15 cheques were more than 10 lakh. Highest cheque Rs. 13.98 lakh.
- 5.9 The expenditure was incurred without budget allotment as such an activity had never been conducted before. It was book under a sub-head "State Trading in Timber (S.T.T.) - Wages" which was meant for expenditure incurred on exploitation works in coupes i.e. felling and related activities.
- 5.10 The financial powers of CF for sanctioning any item of works expenditure is Rs. 5 lakh whereas this activity involved Rs. 2.29 crore.
- 5.11 Expenditure of Rs. 2.29 crore was booked through 727 vouchers for verification conducted on 200 days. They were taken out from the monthly accounts and closely scrutinised and various details from these vouchers were captured on a database for analysis.
- 5.12 While most saw mills were under Raipur Division, there was little expenditure booked in DFO Raipur. Some vouchers were booked in the period when the CF, Raipur was DFO in charge of the division before his promotion as CF, Raipur.
- 5.13 All the vouchers were passed for payment and admitted by DFOs without due verification and certification by the SDOs of the concerned divisions as prescribed in departmental instructions. Scrutiny of other vouchers of these divisions showed that prescribed verification by SDO was invariably carried out in all other vouchers and only the saw mill vouchers were not verified. The SDOs were purposely kept out of the loop.

- 5.14 In every voucher, one of the different gangmen (supervising labourer) purportedly engaged in the work of physical verification have signed on the face of vouchers and in acquittance roll. In many vouchers, the signatures at the two places are totally different. This includes cases where the spellings are different at the two places. This raised grave doubts on the authenticity of labour payments claimed and passed in the vouchers.
- 5.15 As per information furnished by the CF, Raipur, a total of 523 licensed saw mills existed in the Raipur Forest Circle. Out of these, 269 saw mills were stated to have been physically verified.
- (a) Vouchers were made for physical verification of 132 saw mills which do not figure in the furnished list of 269 saw mills stated to have been verified.
- (b) 36 vouchers were submitted for saw mills which do not appear even in the exhaustive list of 523 licensed saw mills in the circle.
- (c) 2 vouchers submitted for closed saw mills.
- 5.16 Analysis of voucher data gave some founding statistics :
- Spreading, measuring and stacking
 - 262842 cubic meters of wood and
 - 2832148 number of logs
 - involving 13842 labourers
 - 295116 man days
 - 4300 gang men (Supervising Labourers)
 - 100 verifications started on Sundays,
 - 8 verifications on 15th August, 2003
 - 4 verifications on 2nd October 2003.
 - Range Officer incharge Flying Squad conducted verification of 9 mills while on Casual Leave (24.11.2003).
 - Up to 28 mills have been verified on a single day.
- 5.17 Not a single offence was detected after this Herculean effort.**
- 5.18 All these facts and figures pointed towards a totally fraudulent activity. However to prove the fraud beyond all doubt, it was decided to compare the locations of physical verification with the TA bills submitted for those days. The TA bills were dispersed over many months and years but were searched out from the monthly accounts and they gave irrefutable proof.
- 5.19 While the flying squad was supposedly busy on this intensive verification the six members simultaneously toured 286608 Kms as per their TA bills. The locations on TA bills were totally different from location of saw mills they were verifying on those days.

- 5.20 The Department had ordered an investigation on this matter based on some complaints which was hibernating over a year. After receiving the Factual Statement from us in July 2005, the investigation was completed in September 2005 and Department accepted all the audit observations in its reply to the Factual Statement. Reply was approved by the Forest Minister.

6. Lessons learnt: Preventive controls/Detective controls

- 6.1 All the preventive controls in the Departmental system were rendered ineffective by collusion between 4 levels i.e. CF, DFOs, Ranger (incharge of flying squad) and Forest guards (in the flying squad). Only the SDOs were kept totally out of the loop. Review of expenditure statements, expenditure control register etc. at the next higher level could have been the detective controls through which next authority could have detected the fraud in early stages but since these are rarely done, the fraud remained undetected while it was being carried out.
- 6.2 Observations such as "Records not produced", "Adjustment not made", "orders in excess of delegated powers" can be red flag indicators for some very grave irregularities, including frauds. There is a tendency to dismiss them as "routine" observations. Consequently, even audit parties often do not examine these issues in any detail and are content to just make the "routine" observations which remain indefinitely in an IR and may actually hide grave irregularities including fraud. Therefore, "routine" items should also be examined thoroughly by parties to ascertain whether the underlying problem is benign in nature or a major problem.
- 6.3 The strength of the long forgotten discipline of voucher audit was underlined in this audit. The investigation centered on the labour payment vouchers for the verifications and the main evidence was also gathered from the labour payment vouchers and TA vouchers. Theoretically, this fraud could have been detected by CAP sections because the first scrutiny of the vouchers showed very clear indicators of fraud. Subsequent audit work was done to ascertain the background, full facts, find further evidence and frame suitable para for the Audit Report.

7. Enclosures for reference

- 7.1 Copy of the para from the Audit Report of Chhattisgarh 2004-05.
- 7.2 Copy of reply to the F.S. from Department (Scanned softcopy).
- 7.3 Scanned images of a few vouchers where the discrepant signatures can be seen.

CHAPTER IV

4.1 Fraudulent overpayments

drawal/misappropriation/embezzlement/losses/

FOREST DEPARTMENT

4.1.1 *Fraudulent expenditure on Physical Verification of Saw Mills*

Irregular orders issued by the Conservator of Forest, without approval of higher authorities and budget provisions for physical verifications of saw mills led to fraudulent payment of Rs.2.29 crore

Section 7 of "MP Kashtha Chiran (Viniyaman) Adhiniyam, 1984", (as adopted), provided for inspection of saw mills¹ by the Licensing authority or any person authorized by him. The Divisional Forest Officers (DFO) are the designated licensing authorities.

Scrutiny of records (April 2005) in the office of the Conservator of Forest, Raipur Circle (CF) revealed that expenditure of Rs.2.29 crore was booked through labour payment vouchers for physical verification of licensed saw mills from April 2003 to February 2004. The verification was conducted between December 2002 and February 2004. This verification involved spreading, measuring and restacking total physical stock of logs available in the verified saw mills by labourers and reconciliation of the number and volume of logs with the stock registers maintained by saw mills. The amounts utilized for this activity were drawn as Forest Advance by the Flying Squad and adjusted through labour payment vouchers. The flying squad functioned from the office of CF, Raipur and consisted of a Range Officer-in-charge and five forest guards.

It was observed that while inspection of saw mills was required to be carried out by DFOs as per departmental instructions, a similar activity involving huge expenditure was incurred on the authority of the CF, Raipur. The maximum financial powers delegated to CF for any item of works expenditure was Rs.5 lakh and it was beyond his powers to authorize this activity of more than Rs.2 crore. There was no budgetary allocation or accounting head available for the verification and the proposal for this expenditure should have gone for clearance to the Finance Department after approval of competent authority and framing of estimate. All these stages were bypassed and the unauthorized expenditure without any budgetary allotment was concealed by booking under the head "State Trading in Timber"(STT). The detailed instructions issued (1989) by the

¹ Saw Mill is that plant and machinery in which wood is sawn through mechanical and electrical power. Licenses for the activity of purchasing logs from the Forest Department and sawing and selling wood are issued by DFOs. The saw mills maintain monthly registers indicating receipt, sawing and disposal of wood and have to submit accounts to the DFOs (Licensing authority).

Department showing items of expenditure to be adjusted under the head STT did not include expenditure on physical verification of saw mills.

CF, Raipur issued orders to DFO, Udanti division (June 2003) and DFO, Mahasamund division (August 2003) instructing them to make payments for all bills submitted by the flying squad of Raipur forest circle. The orders did not specify the nature of activities for which bill would be submitted by flying squad. Since the flying squad was under the administrative control of CF, Raipur circle, the expenditure incurred by it was normally debitable to the circle office. However it booked the expenditure for physical verification of saw mills in all the five divisions and Conservator office, Raipur.

The five² forest divisions and the CF office issued 48 cheques amounting to Rs.2.91 crore to Range Officer, Flying Squad, during the period from April 2003 to March 2004. This included 36 cheques amounting to Rs.2.77 crore drawn in violation of Forest Department instructions (October 2003) which provided for a maximum limit of Rs.1.5 lakh on cheques to be issued per day to Range Officers for expenditure on works and second cheque was to be issued only when unutilised amount from earlier cheque was less than Rs.20,000. The 36 cheques drawn in excess of prescribed limits included 15³ cheques issued for amounts more than Rs 10 lakh and the highest cheque was for Rs. 13.98 lakh, issued by DFO, Udanti.

In view of the large number of irregularities noticed, the monthly accounts of CF, Raipur and the five divisions were reviewed and 727 vouchers were identified pertaining to physical verification of saw mills amounting to Rs.2.29 crore and paid during the period April 2003 to February 2004.

Scrutiny of the vouchers revealed that the labour payments were made to gang men through an acquittance roll. Each gang man had accepted payment on behalf of a group of labourers provided by him. It was observed that for most vouchers the signatures of gang men at two different places in the same voucher were different. There were also a few cases where there was a difference in spelling in signatures affixed at two different places in the same voucher. Moreover, all the vouchers had been admitted and passed for payment by the five DFOs and Conservator of Forest, Raipur without the due verification and certification by the Sub Divisional Officer (SDOs) of the divisions concerned. This was in violation of Departmental instructions (June 1990) which prescribed that all vouchers were to be submitted by Range Officer to SDO for verification; the SDO would inspect the work done as shown in the vouchers and certify that work had been verified and found to be satisfactory and the vouchers were fit for payment. DFO would then pass the voucher on the basis of certification of SDO. Thus, one level of scrutiny was deliberately by passed only in respect of saw mill vouchers in all the offices. All other vouchers of these offices were certified by SDOs.

An electronic compilation and analysis of the vouchers showed that while majority of the saw mills were located within the jurisdiction of Raipur division, most of the vouchers

² Udanti, Mahasamund, Dhamtari, Raipur General and Raipur East.

³ 10 Cheques issued by DFO Udanti, four by DFO, Dhamtari and one by DFO, Raipur East.

for the verification of saw mills were booked in Udanti and Mahasamund divisions. Udanti incurred an expenditure of Rs.1.08 crore (47 *per cent* of the total expenditure) for verification of saw mills under the jurisdiction of Raipur, Mahasamund and Dhamtari divisions and not a single voucher was for verification of saw mills under its own jurisdiction.

The statistical information compiled from the vouchers showed an astounding scale of activities purportedly supervised by only six members of the flying squad. A total of 727 physical verifications had been conducted in 200 days. This involved spreading, measuring and restacking 2.63 lakh cubic meters of wood consisting of 28.32 lakh logs which was done by 13,844 labourers using 2.95 lakh mandays under 4300 gang men. An average of 70 labourers were engaged daily in each saw mill. On 33 days, more than 15 saw mills had been simultaneously verified in a day at different locations. Maximum of 28 mills were verified in a single day. Hundred verifications were started on Sunday. Eight verifications were conducted on 15 August 2003, four on 2 October 2003 and three on 1 November 2003 (Chhattisgarh State day-State wide holiday). This was a physically impossible task and gave further indications of fraud. The TA bills of the flying squad personnel were also scrutinized for comparison and cross verification. It was observed that for the period from July, 2003 to February, 2004, all the six squad members had submitted absolutely identical TA bills showing same journeys and same destinations. The locations visited by all the squad members as per TA bills were generally different from the locations of saw mills which were purportedly being verified on those days which was another indication of fraud. During this period when they were engaged in the aforementioned level of supervision, they had also traveled a total of 2.87 lakh Kms on 244 days on various modes of conveyance such as Government jeep, taxi, motorcycle etc.

CF, Raipur, furnished a list of 523 licensed saw mills in the jurisdiction of Raipur Forest Circle. Out of these, 269 saw mills were stated to have been physically verified by the Flying Squad. Comparison of these lists with the vouchers showed glaring discrepancies. Payment was made for 132 saw mills which did not figure in the list of 269 saw mills and 36 vouchers were for saw mills which did not appear even in the exhaustive list of 523 licensed saw mills in the circle. Payments were also made for two saw mills which were stated to have been closed in a separate list furnished by the DFO, Mahasamund. It was thus established that the vouchers did not tally with any of the other records such as TA bills, list of verified mills etc.

From the above mentioned facts it was evident that key controls were deliberately violated to defraud the Government of Rs.2.29 crore. Irregular orders were issued for physical verification by the CF without budget provision and approval of higher authorities and enormity of expenditure was deliberately concealed by splitting over six offices and booking expenditure irregularly under the head STT. Cheques were issued far in excess of prescribed limit, vouchers were passed without certification by SDOs, there were large number of vouchers with indication of forgery. Locations mentioned in the labour payment vouchers did not tally with those mentioned in the TA Bills for the same dates. It was also ascertained that at the end of this activity costing Rs. 2.29 crore, not a single case of discrepancy in the physical stock of the saw mills purported to have been

inspected by the six member flying squad from December 2002 to February 2004 was reported.

The Government accepted (October 2005) all the audit observations and stated that the orders of the CF to start this activity on such a large scale was not as per rules and no prior approval of either headquarters or Government was sought for conducting the physical verification without any budget provision. It was further stated that the CF violated rules in issuing instructions to his subordinate DFOs to issue cheques to the flying squad and that the issue of cheques by five DFOs in excess of the prescribed limit was in open violation of rules. It was also accepted that there were major discrepancies in labour payment vouchers and TA bills of flying squad and the scale of work purported to have been done by the flying squad did not stand scrutiny. The State Government, however, did not mention about the action that they propose to take for fixing the responsibility.

11-19
for Eng.

वृद्ध नं - 10-246

Accountant/Head Clerk

Forest Department

विभाग नं - 203 विभाग नं - 535 विभाग नं - 535

Division

Date 9/12/03

Voucher No. 22

Head of Service

PARTICULARS

Amount

Rs.

P.

शशि कुमारा मेहन व लखन सागर राय
अन्य 5 मजदूरों का मेहन लीडरों का
कुछी भूमि रायपुर के ठेका मिला का
मौलिक स्थापन कार्य दिनांक 8/9/03 के
10/9/03 तक मजदूरों का लीडरों को फंडाउट
माफ़ छुट्टी लेविया कार्य बुलाया गया।

319672

अर्थ विभाग - धन की उचितता - काफ़ी न - शशि

छुट्टी फंडाउट - 4/11 - 0.12 - 49 667.67 = 3325.63

माफ़ - 4/20 - 1.37 - 56 - 11 - = 3800.72

लेविया - 4/11 - 0.89 - 366 - 11 - = 24840.42

471 - 4 - = 31966.77

or = 319672

काफ़ी मेहन शशि कुमारा मेहन

अनुमान 20 नम संरक्षण रायपुर
की बाब दी अनुमान 2

प्रभारी,
क्षेत्रीय उद्योग दस्ता
रायपुर (अ. ग.)

319672

Certified that the measurements on which the entries in the based were made -

by (Name) on

Date and recorded on page of Meas

Received the above amount of

Rs. 319672 (23,96,720) has been disbursed by me.

This amount of Rs. 319672

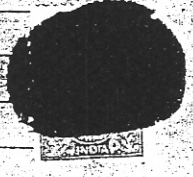
Dated the

Passed for Rs. 319672

If it is Impracticable to make measurement a remark to this effect specifying the reasons should be recorded

Divisional Forest Officer,
Udumal Division. (Gariaband)

दिनांक 8/9/08 से 10/9/08

क्र	नाम मजदूर / विलियम	मानव दिया	उर	जारी	छर नाशिर / संग्रह
1	अहेड वा. ल. चर कच 26 काठ	79	6.6	5361.73	
2	अण 90 (सकयड) कच 26 काठ	79	-11-	5361.73	
3	अण 90 (सकयड) कच 26 काठ	79	-11-	5361.73	
4	अण 90 (सकयड) कच 26 काठ	78	-11-	5293.86	
5	अण 90 (सकयड) कच 26 काठ	78	-11-	5293.86	
6	अण 90 (सकयड) कच 26 काठ	78	-11-	5293.86	
		401	-11-	31966.77	
				31967	

मेरे नाम पर भुगतान
किया गया

मजदूर का नाम : अहेड वा. ल. चर
दिनांक : 8/9/08 से 10/9/08
मजदूर का नाम : अण 90 (सकयड)
दिनांक : 8/9/08 से 10/9/08
मजदूर का नाम : अण 90 (सकयड)
दिनांक : 8/9/08 से 10/9/08

12

कार्य दिनांक 16/9/07 से 19/9/07 तक

क्र०	नाम मजदूर/वर्गिक	मानव विकास	रु०	शशि	वस्ती/अंगुल
①	छात्र क सीताधर अ-प 24 मजदूर	75	6-8	5090-25	
②	पतेन 9. होल्लार अ-प 24 मजदूर	75	11	5090-25	
③	दुधराम 9. बालीधर अ-प 24 मजदूर	74	11	5022-38	
④	मोहन 9. भीम अ-प 24 मजदूर	74	11	5022-38	
⑤	गोविंद 9. बालीधर अ-प 24 मजदूर	74	11	5022-38	
⑥	बालीधर 9. भीम अ-प 24 मजदूर	74	11	5022-38	
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			अ-प	30270.00	

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विद्यमान है

प्रमाणित किया जाता है कि जो द्वारा
हस्ताक्षर किया गया है 30270.02
हस्ताक्षर किया गया है
राजपुराण (क. ब.)

IX-49
For Eng.

Forest Department

सजाट नम - 101-2466

..... Division

Voucher No.

B/36

5.15 ई.पू.

Date _____

10/10/03

Head of Service

२ उप दि - १३ नवम्बर -
मोहित ब्रह्मचारी - श्रीमान

PARTICULARS	Amount	
	Rs.	P.
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सा 0 साधु का 6 भाग गेग में लीपे द्वारा मल्लिकार्जुन महाराज के कार्यालय का इतिहास सत्यापन रूप दिनांक 13/9/03 से 15/9/03 तक लीपे को फैलाया माफ करके स्टेडिओ कार्य कराया गया।		
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476 - 11 - 232306.12		
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कार्य में लीपे फैलाया गया		
प्रभारी.		
32306 =		00

Certified that the measurements on which the entries are based were made by (Name) (Rank)

on Date and recorded on page

of Measurement Book No. Received the above

Rs 32306 = બાંધકામના ખર્ચ માટે

This amount of Rs 3230/- has been disbursed by me. (Signature)

Dated the

Passed for Rs.

32306/- (As Thirty two thousand Five hundred
Six only)

If it is Impracticable to make measurement a remark to this effect specifying the reasons should be recorded.

Divisional Forest Officer,
Udumtali Division. (Garolaband)

श्री श्री विनायक 8/9/08 से 10/9/08 तक

क्र	नाम मजदूर / वारिधत	मानव दिवस	रु	मास	छरनाडिर / मजदूर
1	महेडवा. लखन रु. 26 रु.	79	6-6	5361.73	
2	रु. 90 रु. रु. 26 रु.	79	-11-	5361.73	
3	रु. 90 रु. रु. 26 रु.	79	-11-	5361.73	
4	रु. 90 रु. रु. 26 रु.	78	-11-	5293.86	
5	रु. 90 रु. रु. 26 रु.	78	-11-	5293.86	
6	रु. 90 रु. रु. 26 रु.	78	-11-	5293.86	
		471	-11-	31966.77	
			72-2	31967.20	

महेश्वर भुजतान
क्रिया गया।

महेश्वर भुजतान
क्रिया गया। 31967.20
इकोनोमिकी (ग) सा. 31967.20
महेश्वर भुजतान
महेश्वर भुजतान (ग, 2)

IX-49
for Eng.

बचत खाता - 10-01-06

बचत खाता क्रमांक-203 ईमारती लकड़ी

CHECK ISSUE

Forest Department

का राखीव खाता

Division

Voucher No.

87/45

535 ईमारती लकड़ी

Date 22/10/03

Head of Service

उप बर - 02 मजदूरी -

PARTICULARS

Amount

Rs.

P.

राशि मुगतान किया की लकड़ी का जयचंड
साठ रायपुर अन्य 6 महुआ गेरा मेक
लीडरो द्वारा श्याम लिखर कंपनी बायल
के द्वारा मिल का मौलिक सत्यापन कार्य
दिनांक 20/9/03 से 22/9/03 तक से लकड़ी
का महुआ गेरा फलक बायल कडे
बरेकिंग कार्य कराया गया।

23076 = 00

कार्य विवरण - 110मी. डी. लि. - गा. वि. - रा. 2 राशि
लकड़ी फलक - 295 - 0.12 - 35 67.87 = 2375.45

110मी. - 3100 - 1.37 - 42 - 4 = 2850.54

बरेकिंग - 295 - 0.89 - 262 - 4 = 17849.81

340 4 = 23075.80

00 = 23076 = 00

कार्य मेरे द्वारा कराया गया।

मुगतान करे वन संरक्षक रायपुर
की बा. व. री. क. महुआ है

कार्य का विवरण एवं सत्यापन कार्य
सत्यापन किया गया कार्य सत्यापन
काया गया सत्यापन का कार्य सत्यापन है

प्रमाणित, वन संरक्षक
बचत खाता, रायपुर (उ. प्र.)

23076 = 00

Certified that the measurements on which the entries in this

by (Name)

Date and recorded on page of Measurer

Received the above amount of

Rs. 23076/- निवीक काट दयालु लकड़ी मजदूर

This amount of Rs. 23076/-

has been disbursed by me.

Dated the

Passed for Rs. 23076/- (Rs. Twenty three thousand Seven hundred & 76 only)

If it is Impracticable to make measurement a remark to this effect specifying the reasons should be recorded

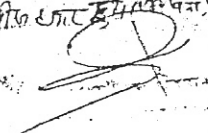
Divisional Forest Officer,
Udum Division. (Gariaband)

कार्य दिनांक 20/9/03 से 28/9/03 तक

क्र.सं	नाम मजदूर / व्यक्ति	पिता का नाम	वर्ग	राशि	हस्ताक्षर / उपाधी
①	खेमू का उपचाउ काम 16 मजदूर	49	6-8	3325.63	
②	देवाका का गीला काम 16 मजदूर	49	-11-	3325.63	
③	मनका का शानका काम 16 मजदूर	49	-11-	3325.63	
④	प्रकाशका का गोवर्धन काम 16 मजदूर	49	-11-	3325.63	
⑤	पराका का पुलाजी काम 16 मजदूर	48	-11-	3257.76	
⑥	सिद्धका का काका काम 16 मजदूर	48	-11-	3257.76	
⑦	पका का उपका काम 16 मजदूर	48	-11-	3257.76	
340 - 11 -				23075.80	

23076.40

मैर बमहा सुनताम
किया गया

मजदूरों की सूची 23076.40
जहाँ से वेकीफ एन एम एफ एन


If it is impracticable to make measurement a remark to this effect specifying the reasons should be recorded.

FACTUAL STATEMENT (Forest Department)

1. Decision to conduct physical verification of saw mills not put up to appropriate higher authorities:-

The Conservator of forest Raipur Circle ordered the officer in charge of Flying Squad to conduct surprise physical verification of saw mills (August-2003). The work was to be done for the saw mills operating under five division in the circle as per the following roster:

Day of Physical verification	Name of forest Division
From date 1 to 6 of each month	Raipur Forest Division
From date 7 to 12 of each month	East Raipur Forest Division
From date 13 to 18 of each month	Udanti Forest Division
From date 19 to 24 of each month	Mahasamund Forest Division
From date 25 to 30 of each month	Dhamtari Forest Division

Scrutiny of records of Flying Squad of Forest Circle, Raipur revealed (April, 2005) that an expenditure of Rs. 2.29 Crore was incurred by the Flying Squad on physical verification of saw mills in compliance to these orders. The Conservator office stated that physical verification of stock was done in 269 (51%) out of the 523 licenced saw mills operating under the Circle. The sanction of the Government and higher authorities of the forest department for conduction physical verification of saw mills on such large scale involving such huge expenditure was not obtained.

On this being pointed out the Conservation of Forest, Raipur started that the necessity of verification of saw mills was considered on the basis of complaints about illicit sawing in saw mills and sanction of the higher authorities for this purpose was not obtained as Flying squad was already created for this task. An order from the O/o P.C.C.F. Raipur dated 2-1-2003 was also produced to audit as supporting authority for this activity.

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मशीन में
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काष्ठागार
में ईमारती
किया जात
पहले ईमार
के दौरान उ

The reply and justification furnished by the O/o Conservator of Forest, Raipur Circle is not tenable. Section 7 of the "M.P. Kashtha Chiran (Animiyam) Adhiniyam 1984" provides for inspection of any sawmill by the licensing authority or any person authorized by him. The order from the O/o P.C.C.F. Raipur, is also an instruction to divisions to conduct inspection of licenced saw mills on a regular basis as per roster. It does not carry any instructions for the Flying Squad. Neither of the two authorities provide for physical verification of the sawmills involving such large expenditure. The physical verification of the sawmills involves spreading counting, measurement and stacking of logs, which requires large expenditure on labour payment. On the other hand as per various rules and instructions of the department, inspection of saw mills involves verifying operating licences issued by D.F.Os, ensuring the mills keep accounts of timber and checking whether they are submitting returns regularly to D.F.Os. The two activities are thus distinct and different. Inspection involves negligible expenditure, whereas physical verification. Moreover, the maximum financial powers delegated to C.F. for any item of works expenditure is Rs.5 lakhs, whereas the expenditure in this activity was more than Rs.2 Crore. There was also no separate budgetary allotment for this activity, as this was not projected to higher authorities.

Scrutiny of records also revealed that the expenditure incurred by the Flying squad on physical verification of saw mills of Rs. 2.29 crores was charged under State Trading in Timber (S.T.T.)-"Wages". The detailed instructions under (1989) by the department showing items of expenditure to be abjused under the head S.T.T. does not include expenditure incurred on physical verification of saw mills. Only expenditure incurred on exploitation worked in coupes is chargeable under detailed head "Wages" under S.T.T. Conservator office also stated that no separate head has been prescribed by the department for this work, therefore it was charged under S.T.T. The reply further substantiates that this was an unusual nature of work as no accounting head is prescribed for such items of expenditure.

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Therefore, it is clearly established that the physical verification was an unusual item of work and the Conservator of Forest, Raipur Circle, passed orders for an activity much beyond his authority without obtaining approval of competent authority.

Further, audit scrutiny also revealed that 168 number of physical verification were carried out during the months from December, 2002 to July 2003, i.e. even before the issue of the unadmitted orders by C.F. in August, 2003. The authority on which these physical verification were conducted may be intimated to audit.

2. Irregularities in drawal of funds :

- (a) The Conservator of Forest, Raipur Circle issued orders to D.F.OP. Udanti Division (June 2003) and D.F.O. Mahasamund Forest Division (August 2003) instructing them to make payment for all bills submitted by Flying Squad of Raipur Forest Circle. The orders to Udanti division was given BEFORE the instruction to Flying Squad for conducting physical verification. The orders did not specify the nature of activity for which bills would be submitted by Flying Squad and was a blanket instruction. Since the Flying Squad is under the direct control of C.F. Raipur, the expenses of the Flying Squad should normally be debited from the funds available in Conservator's office. Only Rs.17.49 lakh was spent on physical verification from funds drawn from C.F. office. On the other hand, based on these two orders, these two divisions paid more than Rs. 1.5 crore on the physical verification conducted by the Flying Squad. Other 3 divisions of Raipur circle also made similar payments. The department may intimate the authority on which such payments were made. The reasons why the C.F. ordered for splitting of the drawals and expenditure may be furnished to audit

The Flying Squad drew large amounts as Forest advances from the five divisions and C.F. office (Rs.2.90 crore). Most of the amount was used for physical verification. Further irregularities were observed in drawal of funds from the 5 divisions and Conservator's Office.

तत्कालीन वन संरक्षक / रा. / 10391 दि
फरवरी 2003 तक
गये थे, इसके पश्चात्
सत्यापन / जांच में
प्रावधान नहीं रखा गया

(अ) तत्कालीन
क्रमांक 243 दिनांक
रायपुर वन मंडल व
भुगतान हेतु संवितर
आकस्मिक व्यय जैसे
संरक्षक रायपुर द्वारा
अधिकारी नियुक्त
उड़नदस्ता वनक्षेत्र में
आरा मशीनों के तथा
करने हेतु नियम वि
सहमति व्यक्त की जा

Departmental instructions (October 2003). provide for a maximum limit of Rs. 1.5 lakh on amount of cheques to be issued per day to Range Officers for expenditure on works undertaken by Forest Department.

Scrutiny of records of the Flying Squad Forest Circle, Raipur revealed (April 2005) that 48 cheques amounting to Rs. 2.91 crores were issued in favour of Range Officer, incharge Flying Squad, during the period from July, 2003 to March, 2004 by five Forest Divisions under Raipur Circle and also the Circle office. Of this, 36 cheques amounting to Rs. 2.77 crores were drawn in excess of prescribed maximum daily limit of Rs. 1.5 lakh. Out of these 36 cheques, 10 cheques amounting to Rs. 37.36 lakh were drawn in excess of the prescribed limit of Rs.1.5 lakh by the Conservator of Forest, Raipur. The amount of cheques drawn irregularly ranged in amount between Rs. 5 lakh and more than Rs. 13 lakh.

On this being pointed out, the Conservator of Forest, Raipur stated that the work of Flying Squad was carried out by engaging labour on the spot according to requirements and the work would have been adversely effected if the cheques would have been issued by the Forest Divisions on various dates within the prescribed limit. It was also stated in reply that no inquiry was considered necessary to inquire into such instances of excess drawals beyond the prescribed limit.

The reply is unacceptable. Any sanction for drawal of cheques in excess of prescribed limit should be obtained from the competent authority. Such restrictions are placed on various levels of functioning as control measures to ensure that unusual items of work are not done and large expenditure is not incurred without the knowledge and concurrence of appropriate higher authority. The departmental instructions of October, 2003 further provided that a second cheque is to be issued to Range Officers only when the balance available with the Range Officer from the previous advance is less than Rs.20000/-. In view of such stringent controls, drawal of single cheques upto amount of Rs. 13 lakh is a gross violation by the Flying Squad which preferred the claim, the division which issued the cheques and C.F. who has supported and justified the excess drawals in his statement. The C.F. office itself was also guilty of issuing such irregular cheques as already state. Thus, huge amounts were drawn in contravention of rules and without the knowledge of appropriate authority who could have permitted such drawals.

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done against the advances drawn for physical verification was not verified by him, he still admitted the unverified vouchers. Despite the glaring irregularity of lack of verification by S.D.O., concerned D.F.Os admitted payments of over Rs.2 crores.

On this being pointed out, the Conservator of Forest, Raipur stated that since no post of A.C.F./S.D.O. was sanctioned above the Range Officer incharge Flying Squad and the Range Officer himself was a Gazetted officer, there is no violation of the departmental instructions.

The reply is unacceptable. Since the advances were drawn from five different divisions and adjustments submitted to them, the vouchers should have been verified by the S.D.O.s who were in position in the respective divisions. This important control which authenticates genuineness of transactions through double check was totally bypassed. This shows that concerned D.F.Os accepted these payments of over Rs.2 crore without verifying their authenticity and genuineness. Scrutiny of other vouchers of these divisions showed that prescribed verification by S.D.O. is invariably carried out in other vouchers. The reasons why this check was not exercised only for the vouchers of physical verification of saw mills may be ascertained by the department and intimated to audit.

- (ii) As per information furnished by the C.F. Raipur, a total of 523 licensed saw mills exist in the Raipur Forest Circle. Out of these, 269 saw mills were stated to have been physically verified by the Flying Squad, C.F. Raipur, during the year 2003-04. It is thus reasonable to presume that the names of saw mills appearing in all related records such as vouchers submitted for physical verification and inspection reports submitted by flying squad, would be from this list of 269 saw mills.

मशीन स्थित नहीं है। वन स
मशीनों के भौतिक सत्यापन स
जो, नियम विरुद्ध है। वन सर
देयकों के सत्यापन के लिए अ
की व्यवस्था करना चाहिए था।

3 (अ) का (ii)

रायपुर वृत्त में स्थित
2003 - 04) 172 लाइसेंस
जिनमें से जांच के दौरान
गया है, लेकिन उन आर.
बताई गई मात्रा में न
निरीक्षण दिनांक के वृत्त
गये हैं, अधिकतर स्टॉक
जाना बताया गया है। 10
है। 11 आर. नशीन कई

3. Irregularities in incurring of expenditure for the purported physical verification :

The scrutiny of vouchers of labour payment for physical verification of saw mills; T.A. bills submitted by the members of the Flying Squad, including Range Officer in charge and the 5 forest guards; Inspection Reports submitted by the Range Officer, daily diaries of incharge Flying Squad; list of inspected saw mills furnished by the C.F. and list of total licensed saw mills in Raipur Circle revealed irreconcilable discrepancies. As in the case of decision to conduct verification and drawal of funds, the expenditure was admitted by totally disregarding the key control instructions and the number and nature of discrepancies showed that the entire expenditure on physical verification was extremely doubtful and there were clear indications of fraud. The detailed findings are described below :

(a) Discrepancy noticed in vouchers:

- (i) Departmental instructions prescribed that all vouchers should be submitted by Range Officer to Sub Divisional Officer (S.D.O.) for verification. The S.D.O. should inspect the work done as shown in the vouchers and certify that the work has been verified by him, it is satisfactory and the vouchers are fit for payment. The S.D.O. should countersign such vouchers and return them to the Range Officer within a week for payment. On the basis of countersigned vouchers, cheques for actual amount can be obtained by the Range Officer from the Divisional Forest Officer.

Scrutiny of vouchers submitted by the Range Officer, incharge Flying Squad for incurring expenditure on labour payment for physical verification of saw mills during 2003-04 revealed that all the vouchers were passed for payment and admitted by D.F.Os without due verification and certification by the S.D.Os of the concerned divisions as prescribed in the above instructions. While D.F.O. Mahasamund stated in the communication that the work

3 (अ) का (i)

विभागीय कार्यों के भुगतान स्तर के अधिकारियों के माध्यम से यह आक्षेप सही है कि, वृत्त स्तर सत्यापन से संबंधित दायकों के साथ कथन कि, उड़नदस्ता में सहायक आर. के. सूद, सहायक वन संरक्षक पोंचिंग स्वायत्त पदस्थ थे। श्री सूद दायकों पर सत्यापन करना बताया। 2003 तक वन मंडल कार्यालय रायपुर में स्थापित किए गए सत्यापन श्री आर. के. सूद से न के दिनांक 25/06/2003 के द्वारा सब को धनादेश जारी करने हेतु निर्देश

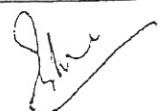
- (a) Scrutiny of vouchers revealed that vouchers were made for physical verification of many saw mills which do not figure in the list of 269 saw mills stated to have been physically verified.
- (b) Some of the vouchers were submitted for physical verification of saw mills, which do not figure even in the exhaustive list of 523 licensed saw mills in the circle.
- (c) A voucher was submitted for a saw mill which was stated to have been closed down in a list furnished by the D.F.O. Mahasamund.
- (d) D.F.O. Mahasamund had submitted (November 04) to C.F. Raipur a separate list of 149 physically verified Saw Mills in response to call attention motion no. 69 of Vidhan Sabha. It was observed that 50% of the names of saw mills in the list of D.F.O. Mahasamund did not figure in the list of 269 verified mills furnished by C.F. to audit.
- (iii) There was no correlation between the amounts drawn as advance from the five divisions and the location of saw mills purported to have been physically verified for which vouchers were submitted in adjustment. For example, a huge number of verification were done for saw mills situated in Raipur town, but the vouchers were submitted to Udanti and Mahasamund divisions.
- (iv) In every voucher, one of the different gangmen purportedly engaged in the work of physical verification have signed on the face of vouchers and in acquittance roll. In many vouchers, the signatures at the two places are totally different. This includes cases where the spellings are different at the two places. This raises grave doubts on the authenticity of labour payments claimed and passed in these vouchers.
- (v) Comparison of vouchers for the month of November, 2003 (Udanti Division) with the T.A. Bills of the members of the Flying Squad showed discrepancies described below :

आरा मशीनों का नाम लिखे
प्रकार कुल 437 आरा मशीनें
किये गये हैं।

(iii) जिन वन मंडलों में
भुगतान भी संबंधित उप
जाने का प्रावधान है। राय
देयकों का भुगतान उदंती
चिप्लन के विपरित है तथा
किया होगा।

(iv) प्रत्येक वाक्यचर ने
सहायता से कार्य करना
दर्शाकर संलग्न सूची में
की गई राशि उल्लेख कि
संलग्न सूची में केवल गैर
है। ऑडिट ऑफिस से इन्हें

(v) जांच में जुला
उड़नदस्ता वन क्षेत्रपाल
प्रमाणकों में तुलनात्मक



- (a) Scrutiny of vouchers revealed that vouchers were made for physical verification of many saw mills which do not figure in the list of 269 saw mills stated to have been physically verified.
- (b) Some of the vouchers were submitted for physical verification of saw mills, which do not figure even in the exhaustive list of 523 licensed saw mills in the circle.
- (c) A voucher was submitted for a saw mill which was stated to have been closed down in a list furnished by the D.F.O. Mahasamund.
- (d) D.F.O. Mahasamund had submitted (November 04) to C.F. Raipur a separate list of 149 physically verified Saw Mills in response to call attention motion no. 69 of Vidhan Sabha. It was observed that 50% of the names of saw mills in the list of D.F.O. Mahasamund did not figure in the list of 269 verified mills furnished by C.F. to audit.
- (iii) There was no correlation between the amounts drawn as advance from the five divisions and the location of saw mills purported to have been physically verified for which vouchers were submitted in adjustment. For example, a huge number of verification were done for saw mills situated in Raipur town, but the vouchers were submitted to Udanti and Mahasamund divisions.
- (iv) In every voucher, one of the different gangmen purportedly engaged in the work of physical verification have signed on the face of vouchers and in aquittance roll. In many vouchers, the signatures at the two places are totally different. This includes cases where the spellings are different at the two places. This raises grave doubts on the authenticity of labour payments claimed and passed in these vouchers.
- (v) Comparison of vouchers for the month of November, 2003 (Udanti Division) with the T.A. Bills of the members of the Flying Squad showed discrepancies described below :

आरा मशीनों का नाम लगे
प्रकार कुल 437 आरा मशी
किये गये है।

(iii) जिन वन मंडलों में
मुगतान भी संबंधित उप
जाने का प्रावधान है। राय
देयकों का मुगतान उदन्ती
चियन के विपरित है तथा
प्रमाण होगा।

(iv) प्रत्येक वाऊचर में
सहायता से कार्य करना
दर्शाकर संलग्न सूची में
की गई राशि उल्लेख कि
संलग्न सूची में केवल गैर
है। ऑडिट प्रसेस से इन

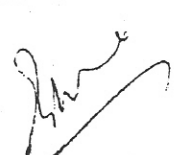
(v) जांच में जुला
उड़नदस्ता वन क्षेत्रपाल
प्रमाणकों में तुलनात्मक

[Signature]

Some physical verification reports contained dates of physical verification, which defy the calendar. Saw mills are shown to have been inspected on 30th February, 2004 and 31st September 2003. Many physical verifications were stated on Sundays while physical verification of others ended on Sundays. Saw mills are also verified on 15th August, 2nd October and 26th January. Same saw mills were inspected repeatedly on different dates and vouchers made. there were no irregularities/discrepancies reported for any verification. The rationale for re-physical verification of the same saw mill repeatedly when no irregularities were found may be intimated to audit.

5. All the Physical verification Reports mention Shri R.K. Pandit, Ranger, as the Inspecting Officer and Shri B.P. Tiwari, Forest Guard as the official accompanying for the physical verification. The entire work of physical verification involved more than 14000 labourers and 300000 man-days. Inspection of as many as 16 saw mills was being conducted on one single day at different locations. Thus, the probability of the presence of the above two officials at so many different locations on the same day is highly suspect. Besides, as already stated, the T.A. bills of the officials on these days show different locations.

नशीन निरीक्षण। दूरी 260 कि. मी. में है। दिनांक 19.11.2003 को दोपहर कोनारी क्षेत्र का भ्रमण एवं आरा मशीन कि. नो. शास. जीप से तय करना बर स्थित 15 - 15 आरा मशीनों की जा इतना ही नहीं श्री आर. के. पंडित, उर पर रहते हुए ही उनके द्वारा 9 आरा मशीन 6) प्रमाणकों के अनुसार दिसंबर का भौतिक सत्यापन करना बताया भ्रमण एवं आरा मशीनों का निरीक्षण 7) प्रमाणकों के अनुसार मशीन एवं दो काष्ठगारों का भौ भाटापरा, एक हथबंद, एक आरंग जबकि दैनंदिनी के अनुसार प्राप्त प्राप्त करना, रायपुर से नगरी, घ दूरी 245 कि. मी. शास. जीप एवं सड़नवस्ता वन अंत्रपाल के दु काष्ठगारों का भौतिक सत्यापन आर. के. पंडित के द्वारा 1 जुलाई काष्ठगार एवं निस्तार / उपनोद एवं शासकीय अवकाश के दिन भौतिक सत्यापन एवं भ्रमण का की कसौटी पर खरा नहीं उत शारीरिक एवं मानसिक दृष्टि



20.11.03	Local Raipur (As per daily diary)		14	Raipur
21.11.03	Tauranga, Bodurgaon, Chhura	320	15	Raipur
22.11.03	Kulhari ghat, Panduka, Panj	340	8	Raipur
23.11.03	Taurang, Base Rajhar	360	9	Raipur
24.11.03	CL. (as per tour diary)		9	Raipur
25.11.03	Kulharighat, Dhawalpur, Salebhat, Basera jhar	365	9	Raipur
26.11.03	Dehargura, Giroli, Kondalihat	365	8	Raipur
27.11.03	Dhruvagudi, Kendupati, Kalibhata, Khokhma	385	8	Raipur
28.11.03	Mainpurkhurd, Mainpurakla, Nahan Biri	335	7	Raipur
29.11.03	Mandhar, Nivnimar, Simga, Nandghat	220	--	Raipur
30.11.03	Mainpurkala, Mainpur Kasabar, Mainpur Khurd, Nahan Biri	345	--	Raipur

On all the days journeys commenced and ended at Raipur.

- The table shows that the Range Officer Incharge conducted verification of 9 mills while on CL (24.11).
- Up to 16 mills have been verified on a single day involving spreading measurements, stacking and supervision thereof.
- Total discrepancy between places visited and locations of Saw Mills verified needs no elaboration. Thus 2 sets of vouchers relating to the same activity do not match at all.
- Verification and touring were done on all Sundays of the month.
- The C.F. also stated that the in charge of Flying Squad did verification as required and there was no approved tour programme.
- Discrepancy noticed in Inspection Reports of saw mills physically inspected:
 - In many reports, relevant and important details have not been filled in. such as name of sawmill inspected, the quantity of wood, no. of logs, etc.

4) प्रमाणकों के अ
तक की अवधि में 14 अ
दैनन्दिनी में इसके विपरि
दिनांक 12/10/
नगरी, बिरगुडी, बोरई, घन
सत्यापन करना बताया, गर
घमंतरी लट में आती है।
10 रायपुर में स्थित हैं।
रायपुर एवं रायपुर से सर
करना बताया गया है। दि
से सांकरा एवं घमंतरी र
साईकल से।

प्रमाणकों
तक की अवधि में 14 अ
इसके विपरित निम्नातुर
दिनांक 18/11

परिक्षेत्र का भ्रमण एवं व
19/10/2003 को प्रात
परिक्षेत्र का भ्रमण एवं
जी. नोटर साईकल से
तक रायपुर से पिथौर
मशीन चेकिंग दूरी 36

उड़नदस्ता
मशीनों की जांच का
अवकाश पर थे अच
गया है।

5) प्रमाणक
अधिकतम 15 - 15
प्रातः 10:35 बजे से

61

4. Summary :

The disconcerting picture which emerges is that the Range Officer in charge Flying Squad went with the authority of C.F. from division to division, collecting cheques issued greatly in excess of limits, conducted physical verification according to his own selection and choice as there was no tour programmes, prepared and submitted vouchers to any division as per his choice, all the vouchers remained unverified, the unverified vouchers were however passed by five D.F.Os, T.A. bills for travel on the days of physical verification did not tally with locations of saw mills for which labour payment vouchers (unverified) were prepared and passed, the physical verification included many saw mills which were not licenced saw mills appearing in the circle list and there were noticeable differences in signatures affixed on many vouchers at two places purportedly by the same person. This manner of verification went on from April 2003 to February 2004.

All this activity resulted in expenditure of Rs.2.29 crore. The Range Officers in charge flying Squad was given a total free hand by the Conservator to carry out all these activities. There was no supervision/verification/check of any kind by any higher authority over the expenditure of Rs.2.9 crore incurred by an official of the level of Range Officer. Not only was supervision not existent but also even record keeping was so poor that till date the circle has not even been able to produce an authentic list of saw mills inspected which can withstand scrutiny. Ultimately, this Herculean verification did not reveal any irregularities/discrepancies in the sawmills checked.

In view of the started discrepancies and violation of controls the entire expenditure on physical verification of sawmills cannot be admitted in Audit. There are clear indicators of fraud and it is extremely doubtful whether the verification was actually done. Department may investigate the matter and furnish reasons why the entire expenditure should not be treated as fraudulent. Information asked for in various places may be submitted expeditiously to audit for further scrutiny.

रायपुर वन वृत्त में आरा मशीनों का तथ्यांक
वन क्षेत्रपाल से कराकर, जो राशि व्यय की गई है
परिष्कार से यह स्पष्ट है कि, वर्ष 2002 से 2004 तक
में आरा मशीनों की जांच हेतु, नियमों के विपरीत न
किया गया है। वन संरक्षण कार्यालय से नियम वि
स्तारपत्र नं. रूपरेखा 2355294/1- (रूपरेखा दो :
की 852 प्रजापति बवाकर श्यामकीश राशि का ग्राह
उक्त अवधि में दिसम्बर 2002 से मार्च 20
शाखा में वन मंडलों से माहवार प्राप्त लेखा / 1
यदि सजगता एवं सतर्कता से कार्यवाही की
अधीन वन मंडलों द्वारा आरा मशीन की जांच प
ईनारती लकड़ी के राजकीय व्यापार (विविध) :
को रोका जा सकता था।