

# These voters were cheated

Because officials stuffed  
ballot boxes and bought votes.

Act against corruption. Advance  
**democracy.**



**UNODC**  
United Nations Office on Drugs and Crime



[www.actagainstcorruption.org](http://www.actagainstcorruption.org)



**UNDP**

Empowering lives.  
Resilient nations.



# This bank was robbed

Because a bank manager embezzled millions of dollars each year, leaving many people without pensions.

Act against Corruption. Promote  
**economic development.**

# This case was dismissed

Because the judge accepted a bribe and  
set a known criminal free.

Act against Corruption. Support  
**justice.**



**UNODC**  
United Nations Office on Drugs and Crime



[www.actagainstcorruption.org](http://www.actagainstcorruption.org)



**UN  
DP**

Empowering lives.  
Resilient nations.



# This bridge was never built

Because the construction company  
disappeared along with the money,  
leaving local people stranded.

Photo: Ismail Karaman/Anadolu

Act against Corruption. Encourage  
**development.**

# **CORRUPTION**



**The abuse of Entrusted Power for Private Gain.**

**It hurts everyone who depends on the Integrity of people in a Position of Authority.**

# Corruption



**“Corruption is not only a Social Cancer eating into the vitals of our institutions of Governance and our society, but is also a threat to our Well-being and National Security.**

**It is unfortunate that many of us have become Far Too Tolerant towards Corruption in Public Life”**

# This life was neglected

Because this baby's mother could not pay  
the bribe for care at the hospital.

Act against Corruption. Improve  
**health.**

# Corruption in Health Sector

- Corruption in the Health Sector can mean the difference between Life and Death.
- Poor people are worst affected.
- Medical staff can charge unofficial fees to attend to patients.
- They may demand bribes for medication which should be free. Or they may let patients who bribe them queue-jump.
- Corruption also costs lives when fake or adulterated medications are sold to health services.



# Corruption in Health Sector

- Public health funds can easily disappear.
- **World Bank** surveys show that in some countries, up to 80 per cent of non-salary health funds never reach local facilities.
- Ministers and Hospital administrators can siphon millions of dollars from health budgets. Or they can accept bribes. This distorts policy and denies people hospitals, medicines and qualified staff.
- Stolen funds also hamper efforts to beat major health challenges, such as malaria and HIV/AIDS.

# These children were never taught

Because a civil servant  
stole the funds needed  
to run this school.

Act against Corruption. Strengthen  
**education.**

# Corruption in Education Sector

- Education typically comprises 20-30 per cent of a country's budget, it is critically prone to corruption, from national education ministries to local schools and universities.
- The cost of corruption is high. Stolen resources from education budgets mean overcrowded classrooms and crumbling schools, or no schools at all.
- Books and supplies are sometimes sold instead of being given out freely.
- Schools and universities also 'sell' school places or charge unauthorised fees, forcing students (usually girls) to drop out.
- Teachers and lecturers are appointed through family connections, without qualifications.
- Grades can be bought, while teachers force students to pay for tuition outside of class.
- In higher education, undue government and private sector influence can skew research agendas.



# This forest was plundered

Because local officials accepted a bribe  
from illegal loggers.

Act against Corruption. Protect  
**the environment.**



# Corruption in Natural Resources Exploitation

- The World Bank estimates up to US\$23 billion worth of wood is illegally cut each year. This results in lost revenue of US\$10 billion.
- Many of these primal forests are in the developing world, it robs these societies of precious revenue, thwarting development goals and keeping people in poverty.
- illegal logging/mining can only survive with the connivance of many people. Thus, corruption plays a key role. Such corruption can be high-level: politicians can decide who gets land concessions, give contracts to friends and relatives, or allow logging without appropriate permits.
- But even low-level officers can turn a blind eye to trees being cut/ illegal mining activities or ignore illegal transport.

# Corruption in Sports

- Referees and players can take bribes to fix matches.
- Club owners can demand kickbacks for player transfers.
- Companies and Governments can rig bids for construction contracts.
- Organised Crime is behind many of the betting scandals that have dented sport's reputation. And money laundering is widespread. This can take place through sponsorship and advertising arrangements. Or it may be through the purchase of clubs, players and image rights. Complex techniques are used to launder money through football and other sports.
- These include cross-border transfers, tax havens and front companies.

# Corruption in Oil & Gas Sector

- Increasing global demand is driving new oil and gas discoveries.
- Over the next 20 years, it's expected that 90 per cent of production will come from developing countries.
- Yet many countries rich in oil and gas are home to some of the world's poorest people.
- Too often, wealth stays in the hands of politicians and industry insiders.
- Revenues don't get published.
- Payments made to governments to exploit resources remain secret.
- Bribery and embezzlement go unchecked.





# Corruption in Police

- Citizens perceive Police corruption and Police as some of the principal corruption problems in their societies.
- Bribe-taking, Random arrests and Corrupt avoidance of investigations are all commonplace in many countries.
- Such police corruption has been hard for civil society to tackle.
- Politicians posting corrupt police officials in key places further breeds corruption and leads to lack of confidence of the people in the Governance and finally leads to Anarchy.

Kickbacks in Italy chopper  
deal



# Corruption in Defence

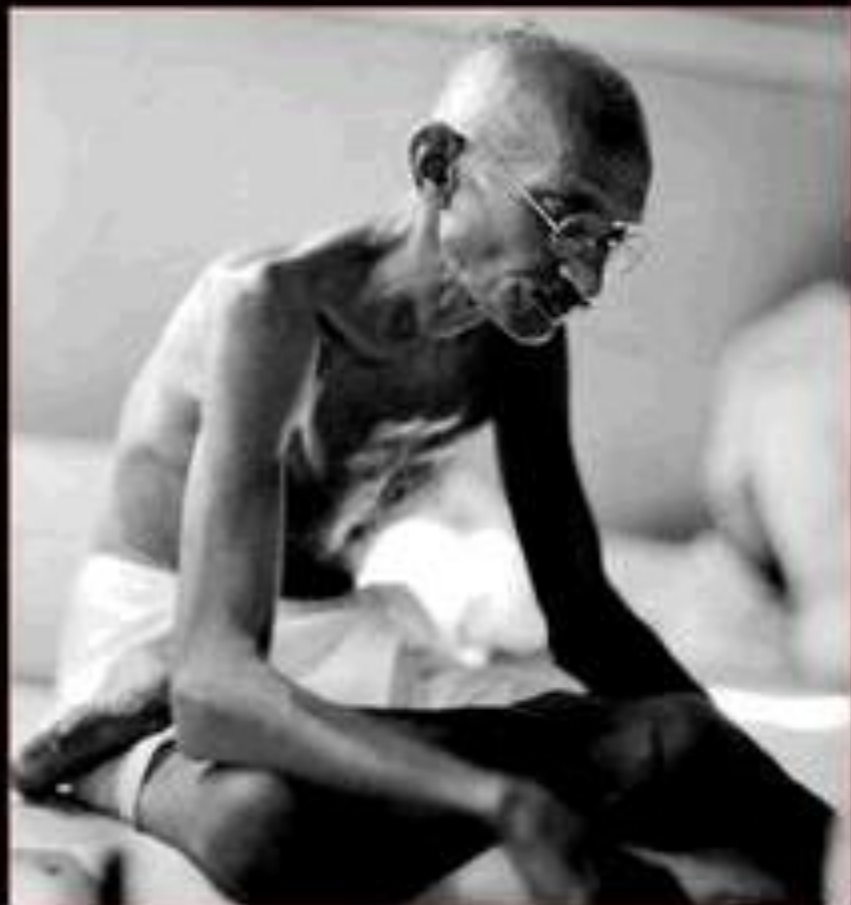
- With huge contracts and high secrecy, the defence sector poses unique corruption risks.
- It is estimated that at least US\$ 20 billion is lost to corruption in the defence sector every year.
- Single source contracts, unaccountable and overpaid agents, obscure defence budgets, unfair appointments and promotions, and many more forms of corruption in this secretive sector waste taxpayer funds and put citizens' and soldiers' lives at risk.
- Corruption destroys trust in military institutions and the armed forces, risking lives in the process. When leaders buy arms because they've been bribed or received favours, it is the soldiers in the field who are left with shoddy guns or inadequate protection.

# Corruption in Income Tax Dept.

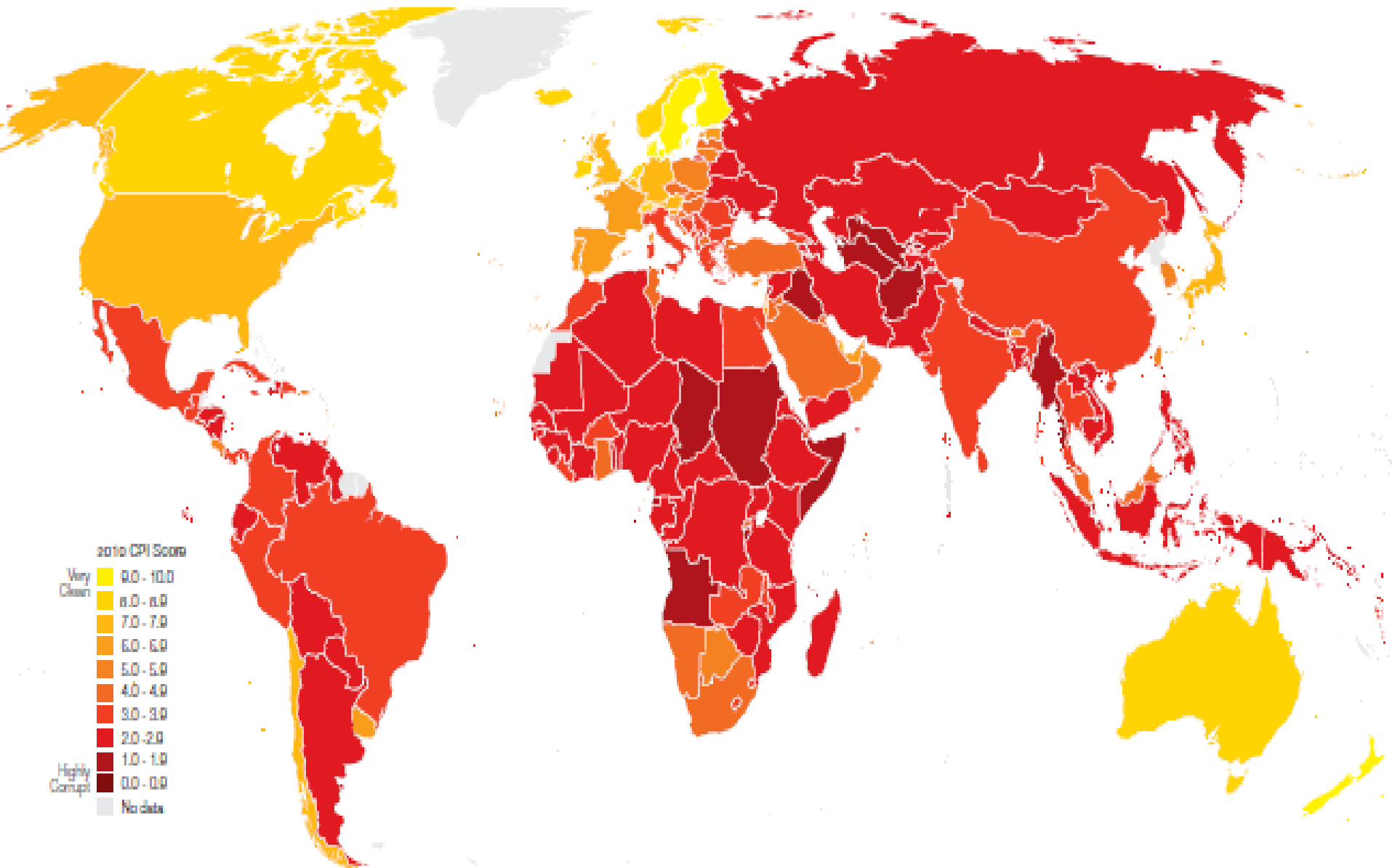
- **Assessment Orders**
- **Income Tax Raids**
- **Issuing of 80-G Certificates**
- **For postings**



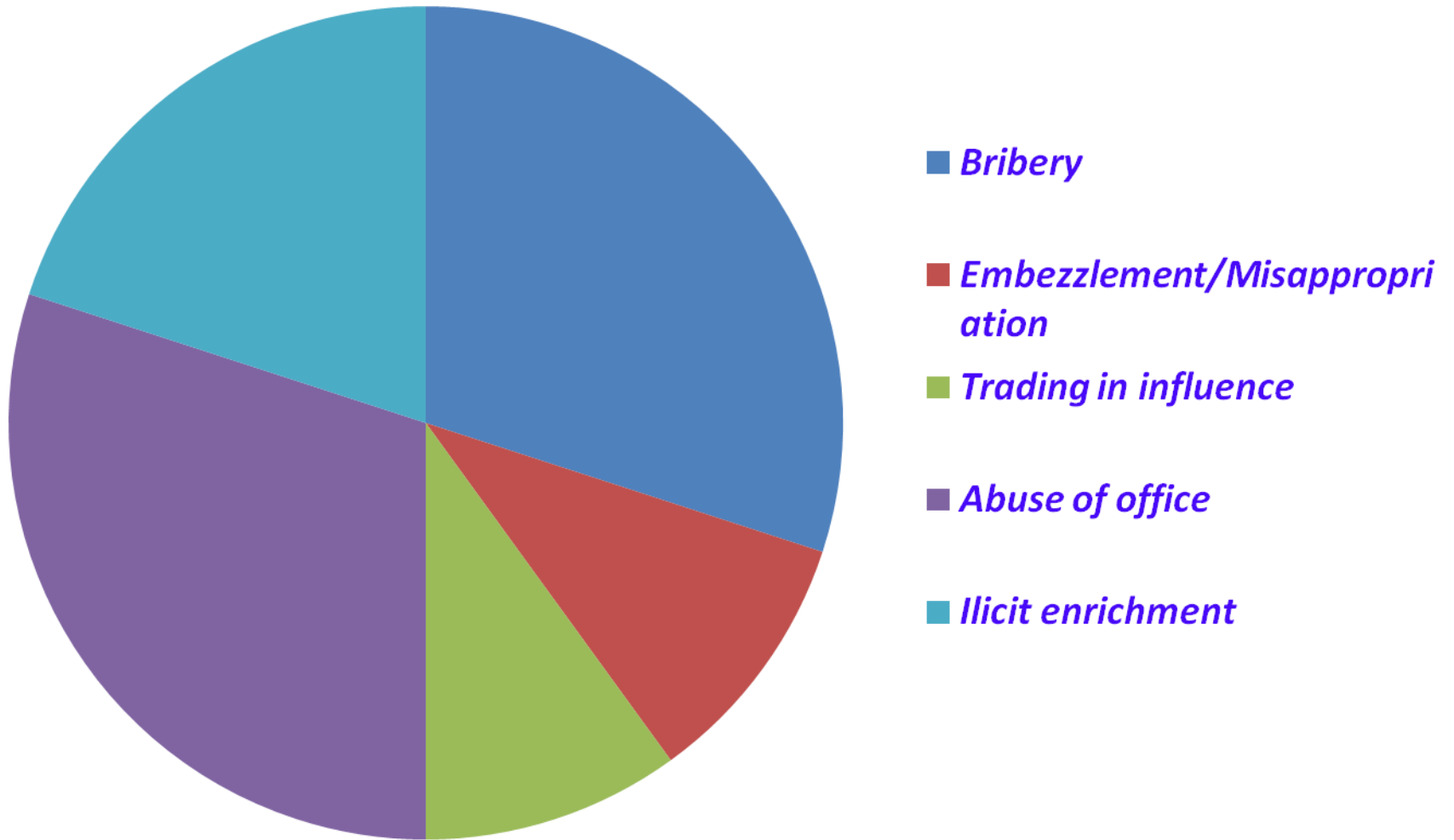
There is a  
sufficiency in  
the world for  
man's need  
but not for  
man's greed.



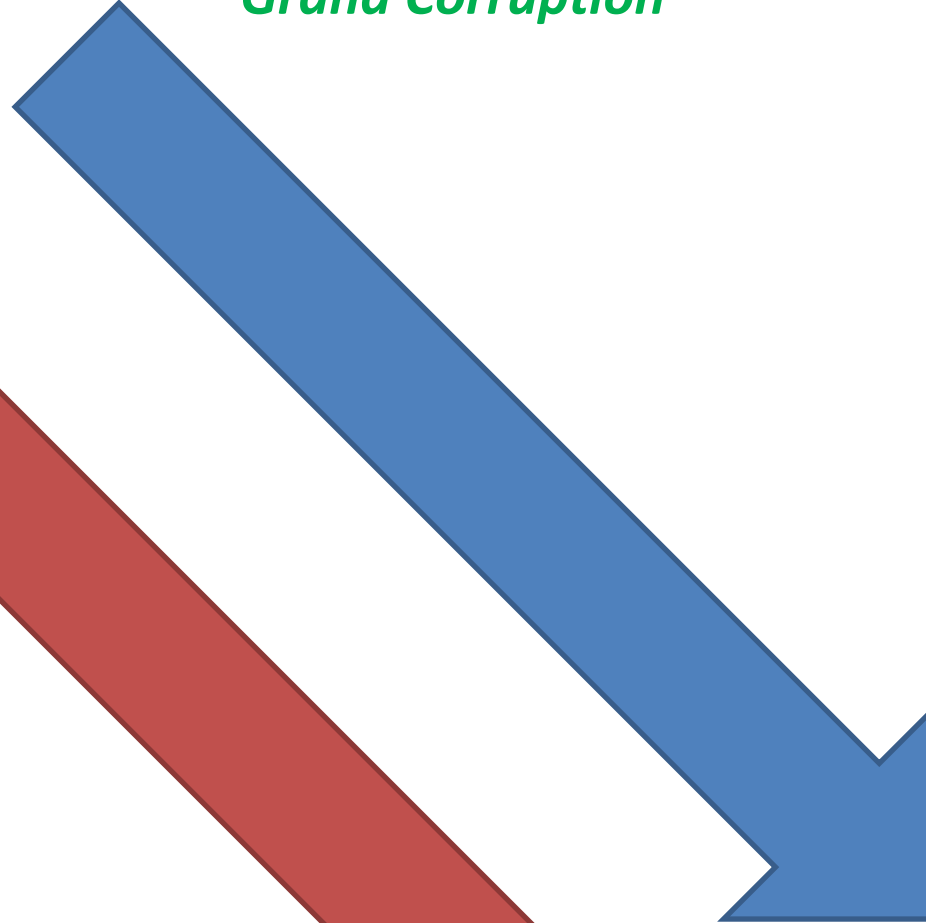
# Corruption Perceptions Index



# Corruption Cases

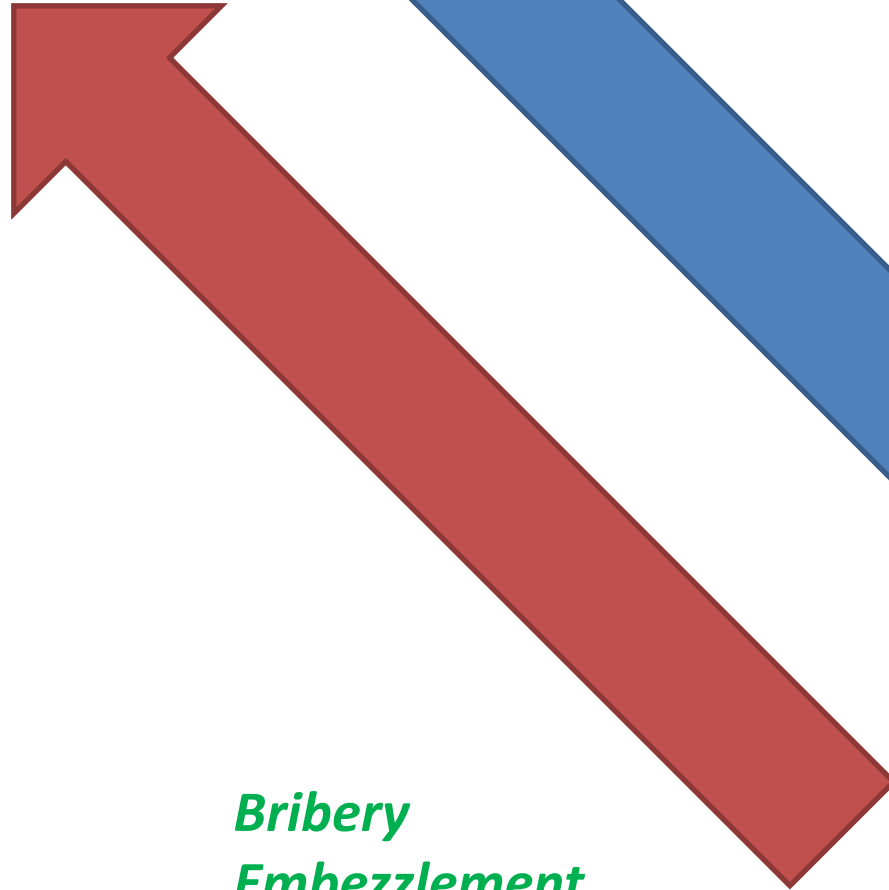


***Grand Corruption***



***Petty Corruption***

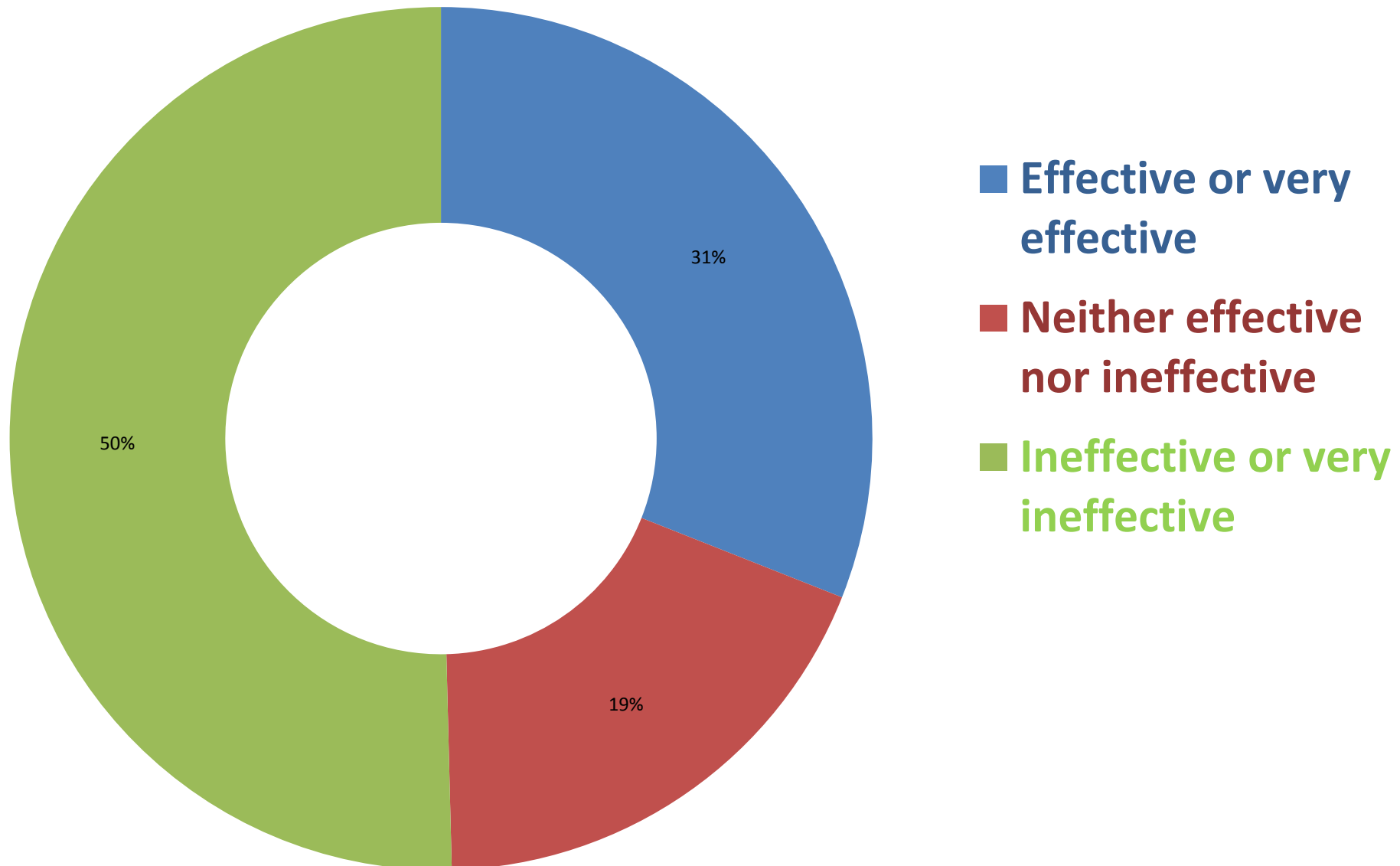
***Bribery  
Embezzlement  
Misappropriation***



***Illicit Enrichment  
Abuse of Office  
Trading of Influence***



# ***Views on Government Effectiveness in the fight against Corruption***



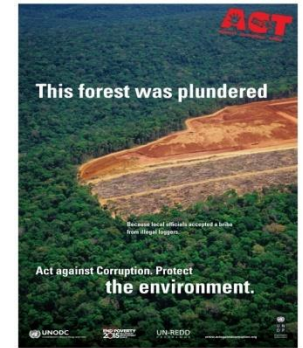
# Corruption



- Loves to hear EXCUSES.
- Only has One Business Plan.
- Only Protects Itself.
- Thinks anyone Can be Bought.



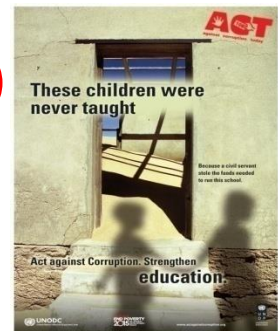
# Is Corruption



## INEVITABLE?



## UNSTOPPABLE?



Let's not curse  
Darkness



Let's light a candle  
of  
Effective Vigilance &  
Enforcement





# What is Effective Vigilance & Enforcement



Appropriate Policy  
Reforms, Laws &  
Proper Enforcement

Through citizens  
own action

Opportunities

Social Acceptance

**CORRUPTION**

Freedom from Risks

Improved functioning of police,  
inv. Agencies & Judiciary

# United Nations Convention Against Corruption (UNCAC) - 2003

## Statement of Purpose :

- To promote and strengthen measures to prevent and combat corruption more efficiently and effectively.
- To promote, facilitate and support international co-operation and technical assistance in the prevention of and fight against corruption, including in asset recovery.
- To promote integrity, accountability and proper management of Public Affairs and Public Property.

# United Nations Convention Against Corruption (UNCAC) - 2003

## Scope of Application :

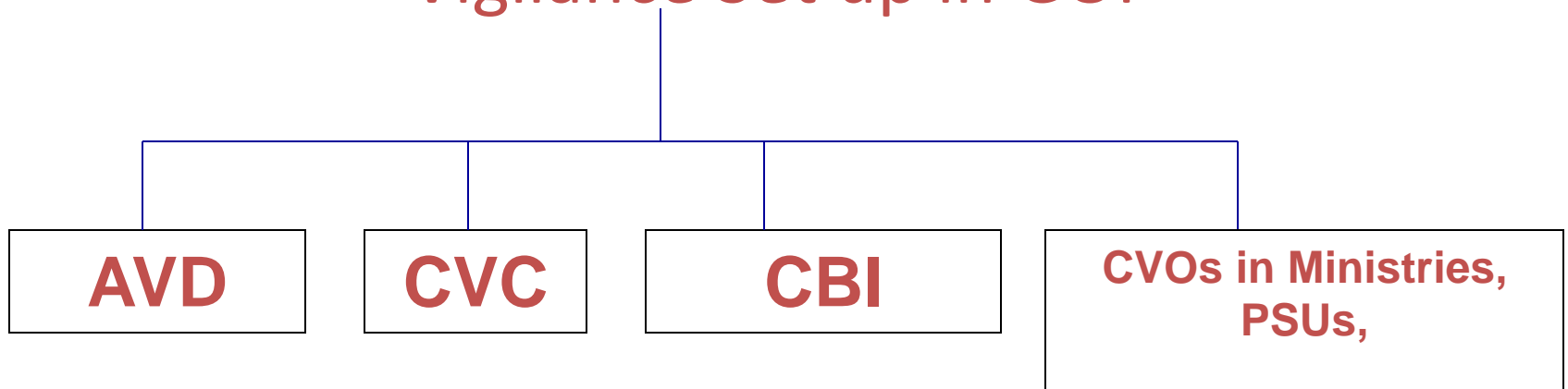
- Prevention, Investigation and Prosecution of corruption and
- Freezing, Seizure, Confiscation and Return of the proceeds of the offences established in accordance with the convention.





# Vigilance Set Up

## Vigilance Set up in GOI





# Administrative Vigilance Division

# AVD- DOPT

- The Department of Personnel and Training determines Government policy for the maintenance of the integrity of the public services and eradication of corruption and coordinates the activities of various Ministries/Departments in that area.
- All Ministries/Departments and offices of the Government of India have the direct responsibility for the maintenance of discipline and integrity of their staff by taking preventive measures and eradication of corruption in their operational area of work

**Central V Vigilance C Commission**



# Santhanam Committee Report



- Santhanam Committee was formed in 1962 by the Govt. of India under the Chairmanship of Sri K.Santhanam, MP for prevention of corruption.
- For checking corruption and for creating an environment which will sternly discourage any temptation to stray away from the path of integrity must come from within the Ministry/Department.
- “ Time has come to put the entire Vigilance Organisation on a proper and adequate basis.....”



## Setting up of CVC

- Set up by the Government in February, 1964
- Free of control from any executive authority.
- Monitoring all vigilance activity under the Central Government.
- Advising various authorities in Central Government organizations in planning, executing, reviewing and reforming their vigilance work.





# Apex Court Directives

## Vineet Narain Case

**AIR 1998 SC 889**

- The Central Vigilance Commission (CVC) shall be given statutory status.
- The CVC shall be responsible for the efficient functioning of the CBI.
- The Central Government shall take all measures necessary to ensure that the CBI functions effectively and efficiently and is viewed as a non-partisan agency.
- Time-limit of three months for grant of sanction for prosecution must be strictly adhered to.



## CVC Act, 2003



- Santhanam Committee- Setting up of CVC by a Govt. Resolution of 1964.
- 1997- Independent Review Committee constituted- suggested statutory status to CVC & CVC to ensure efficient functioning of CBI.
- 18<sup>th</sup> Dec 1997- Vineeth Narain Judgement – SC- Statutory status to be given to CVC.
- Central Vigilance Commission Ordinance – 1998, Central Vigilance Commission Bill – 1998, 1999
- **Central Vigilance Commission Act 2003 came into effect from September 11, 2003**



# Central Bureau of Investigation





# Historical Background of Special Police Establishment



- Unscrupulous & Anti-Social persons both Officials & Non-officials found to be enriching themselves due to enormously expanded expenditure during early stages of world war-II.
- State Police found inadequate to cope with situation.



**1941: Special Police Establishment (SPE)  
Created by an Executive order.**

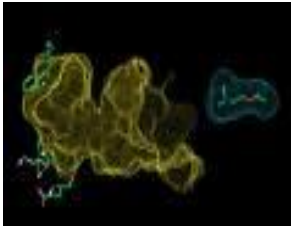


## Functions of SPE



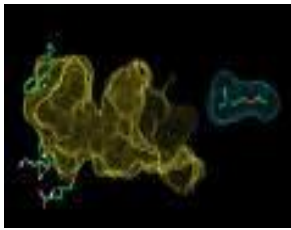
- To Investigate cases of bribery & Corruption in transactions with war & Supply Dept. of GOI.
- End of 1942: To include cases of corruption in the Railways. (It was under War Dept.)
- 1943:SPE Ordinance.
- 1946: Delhi SPE Ordinance.
- 19<sup>th</sup> Nov. 1946: DSPE Act, 1946 enacted.





## SPE → DSPE

- Superintendence transferred to Home Department.
- Enlarged to cover all Depts. Of GOI.
- Under the Director, Intelligence Bureau.
- 1948: Post of I.G. SPE created.
- 1953: Enforcement wing added to deal with offences relating to breach of import & Export Regulations.



# DSPE → CBI



- **CBI established on 1<sup>st</sup> April, 1963.**
- Investigation of crimes being handled by DSPE.
- Collection of criminal intelligence.
- Participation in the role of National Central Bureau connected with ICPO.
- Maintenance of crime statistics and dissemination of info. Regarding crime & Criminals.
- Study of specialized crime having all-India ramification.
- Conduct of police research.
- Coordination of law relating to Crime.



## **Legal Powers of CBI**

- **Derived from DSPE Act, 1946.**
- **Concurrent & co-extensive powers, duties, privileges and liabilities as of Police Officers of U.T.s.**
- **Investigation of offences notified under sec.3 of DSPE Act, 1946.**
- **Arrest of persons concerned in such offences.**
- **Sub-inspector & above deemed to be Officers-in-charge of Police-Stations.**



# Offences to be investigated by CBI

- Section 3 DSPE Act, 1946:



“ The Central Government may, by notification in the Official Gazette, specify the offences or classes of offences which are to be investigated by the DSPE”



# Extension of Powers & Jurisdiction of CBI

- Section 5 of DSPE Act, 1946:

“The Central Government may by order extend to any area (Including Railway areas) in a State not being a Union Territory the powers and jurisdiction of the members of the DSPE for the investigation of any offences or classes of offences specified in a notification under section 3.”





# Consent of State Government

- Section 6 of DSPE Act, 1946:  
“ Nothing contained in Sec. 5 shall be deemed to enable any member of the DSPE to exercise powers and jurisdiction in any area in a State not being a U.T. or railway area, without the consent of the Government of that State.”



# Divisions of CBI



- **Anti-Corruption Division**



- **Special Crimes Division.**



- **Economic Offences Division.**





## CBI vs. State Police

- Cases substantially & essentially against Central Govt. employees or Concerning Affairs of the Central Govt. though certain employees of the State Govt. may be involved.
  - CBI to investigate, State Police to Assist
- Cases substantially & essentially against State Govt. employees or Concerning Affairs of the State Govt. though certain employees of the Central Govt. may be involved.
  - State Police to investigate and CBI to Assist.



## State Govts. handing over of Cases to CBI

- The services of the CBI are available to the States in taking up investigation of certain specified categories of serious offences having ramifications in more than one State.
- While making a request to the CBI, it has to be ensured that at least one of the offences alleged, particularly the main offence, is included in the notified offences u/s 3 of DSPE Act. It is not necessary that all the offences alleged should be notified.



## **Courts Entrusting Cases to CBI**

- **Supreme Court and High Court i.e constitutional courts only can entrust any matter/ FIR for investigation or enquiry to CBI.**
- **Supreme Court has power under Articles 32 and 142 (1) of the Constitution & High Court has power under Article 226 and for giving such direction to the CBI.**



# CVOs in Ministries, Banks, Depts and PSUs



# **Role, Duties and Responsibilities of the CVO**

- a) Examine the existing organization procedures and eliminate or minimize factors that provide opportunities for corruption or malpractices;**
- b) Plan conduct of regular inspections, surprise visits for detecting failure in quality or speed of work indicative of existence of corruption or malpractices;**
- c) identify sensitive spots; proper scrutiny of personnel posted in sensitive posts which involve public dealings on large scale**
- d) maintain proper surveillance on officers of doubtful integrity and officers who are on the “Agreed List”.**

## **Sec. 7. Public servant taking Gratification other than Legal Remuneration in respect of an official act**

*Whoever, being, or expecting to be a **Public Servant**, accepts or obtains or agrees to accept or attempts to obtain from any person, for himself or for any other person, **any gratification whatever, other than legal remuneration**, as **a motive or reward for doing or forbearing to do any official act** or for showing or forbearing to show, in the exercise of his official functions, favour or disfavour to any person or for rendering or attempting to render any service or disservice to any person, with the Central Government or any State Government or Parliament or the Legislature of any State or with any local authority, corporation or Government company referred to in clause (c) of section 2, or with any public servant, whether named or otherwise, shall be punishable with **imprisonment which shall be not less than six months but which may extend to five years and shall also be liable to fine.***

## 8. Taking gratification, in order, by corrupt or illegal means, to influence public servant

- *Whoever accepts or obtains, or agrees to accept, or attempts to obtain, from any person, for himself or for any other person, any gratification whatever as a motive or reward for inducing, by corrupt or illegal means, any public servant, whether named or otherwise, to do or to forbear to do any official act, or in the exercise of the official functions of such public servant to show favour or disfavour to any person, or to render or attempt to render any service or disservice to any person with the Central Government or any State Government or Parliament or the Legislature of any State or with any local authority, corporation or Government company referred to in clause (c) of section 2, or with any public servant, whether named or otherwise, shall be punishable with imprisonment for a term which shall be not less than six months but which may extend to five years and shall also be liable to fine.*



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## 10. Punishment for abetment by public servant of offences defined in section 8 or 9

- *Whoever, being a public servant, in respect of whom either of the offences defined in section 8 or section 9 is committed, abets the offence, whether or not that offence is committed in consequence of that abetment, shall be punishable with imprisonment for a term which shall be not less than six months but which may extend to five years and shall also be liable to fine.*

## **11. Public servant obtaining valuable thing, without consideration from person concerned in proceeding or business transacted by such public servant**

- Whoever, being a public servant, accepts or obtains or agrees to accept or attempts to obtain for himself, or for any other person, any valuable thing without consideration, or for a consideration which he knows to be inadequate, from any person whom he knows to have been, or to be, or to be likely to be concerned in any proceeding or business transacted or about to be transacted by such public servant, or having any connection with the official functions of himself or of any public servant to whom he is subordinate, or from any person whom he knows to be interested in or related to the person so concerned, shall be punishable with imprisonment for a term which shall be not less than six months but which may extend to five years and shall also be liable to fine.*

## **12. Punishment for abetment of offences defined in section 7 or 11:**

- *Whoever abets any offence punishable under section 7 or section 11 whether or not that offence is committed in consequence of that abetment, shall be punishable with imprisonment for a term which shall be not less than six months but which may extend to five years and shall also be liable to fine,*

## **Sec. 13 :Criminal Misconduct by a Public Servant**

- **Sec. 13(1) (d)- If a public servant :**
  - (i) By *Corrupt or Illegal means*, obtains for himself or for any other person any valuable thing or pecuniary advantage;**
  - (ii) By *abusing his position as a public servant*, obtains for himself or for any other person any valuable thing or pecuniary advantage**
  - (iii) While holding office as a public servant, obtains for any person any valuable thing or pecuniary advantage without any public interest**



# TRAP Case

- **7.Public Servant taking gratification other than legal remuneration in respect of an official act.-** Whoever, being , or expecting to be a public servant accepts or obtains or agrees, to accept or attempts to obtain from any person , for himself or for any other person, any gratification whatever, other than legal remuneration as a motive or reward for doing or forbearing to do any official act or for showing or forbearing to show, in the exercise of his official functions, favour or disfavour to any person or for rendering or attempting to render any service or dis-service to any person , with the Central Government or any State Government or Parliament or the Legislature of any State or with any local authority, corporation or Government Company referred to in clause (c) of Section-2 , or with any public servant, whether named or otherwise, shall be punishable with imprisonment which shall be not less than 6 months but which may extend to 5 years and shall also be liable to fine.



# Criminal Misconduct by a Public Servant

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  - (iii) While holding office as a public servant, obtains for any person any valuable thing or pecuniary advantage without any public interest

# Bribery as a form of Corruption

## Issues involved in investigation and successful prosecution

### Active v/s Passive bribery



**What can We do?**

**(Corruption Loves to hear  
Excuses )**



## Preventive Measures

- Agreed lists of Points & Places of Corruption.
- Preparation of Agreed Lists of Suspected Officers.
- Officers of Doubtful Integrity.
- Undesirable Contact men.
- Plan Surprise Checks.





# Surprise Checks



- Rules, Regulations, procedure and practice and modus operandi to be thoroughly understood before a check.



- Ensure secrecy and adequate precautions to prevent leakage of information.



- Follow up action by Registration of Cases.



## Undesirable Contact Men

- CBI prepares these lists- suspected of resorting to corrupt or irregular practices in their dealings with official agencies.
- Consolidated lists circulated by CBI- HO to Departments for taking preventive measures.
- Unobtrusive watch/check- on their activities- to identify further contacts, modus operandi , specific instances of corruption.

# What can we do?

- Enforcement of the Prevention of Corruption Act, 1988
- Cleansing the Department.
- Intelligence Development .(On Corruption)
- Confiscation of Properties acquired illegally: Crl. Law ( Amendment ) Ordinance, 1944; PMLA, 2002;
- Freezing of Accounts, Sec. 102 Cr.P.C.





# Bribery

- The act of taking or receiving something with the intention of influencing the recipient in some way favourable to the party providing the bribe.





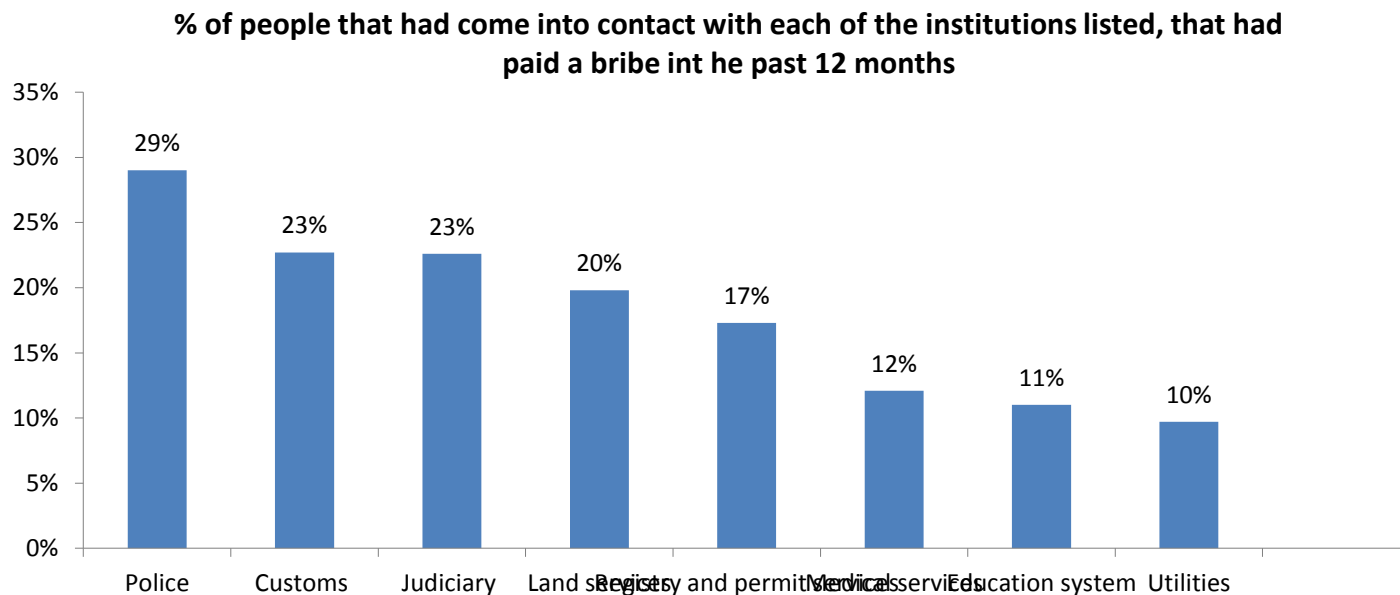
# Types of Bribery

- Bribery of high-ranking politicians or political parties
- Bribery of low-level public officials to 'speed things up'
- Use of personal or familiar relationships to win public contracts.

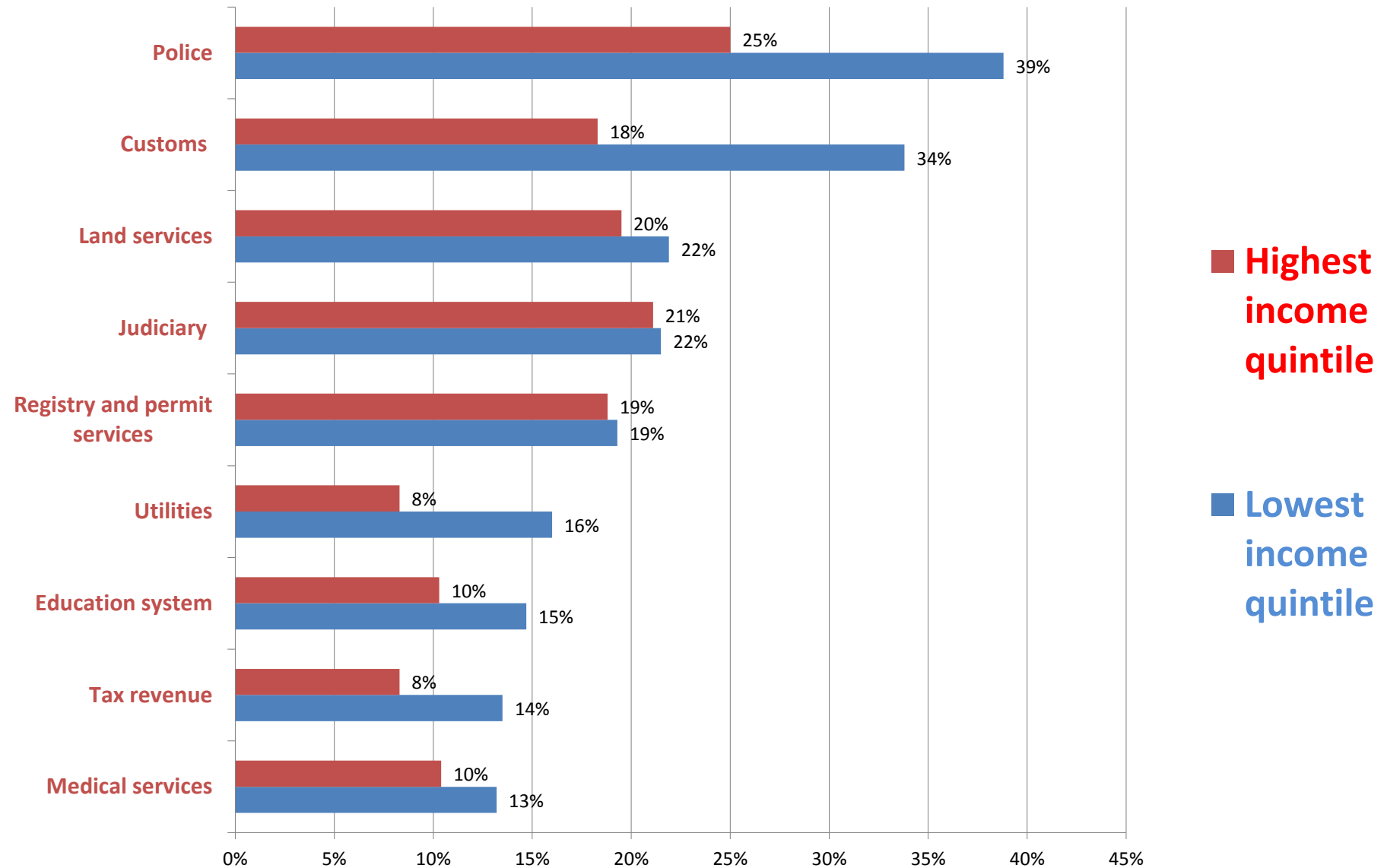


# Findings of the Global Corruption Barometer 2010-11

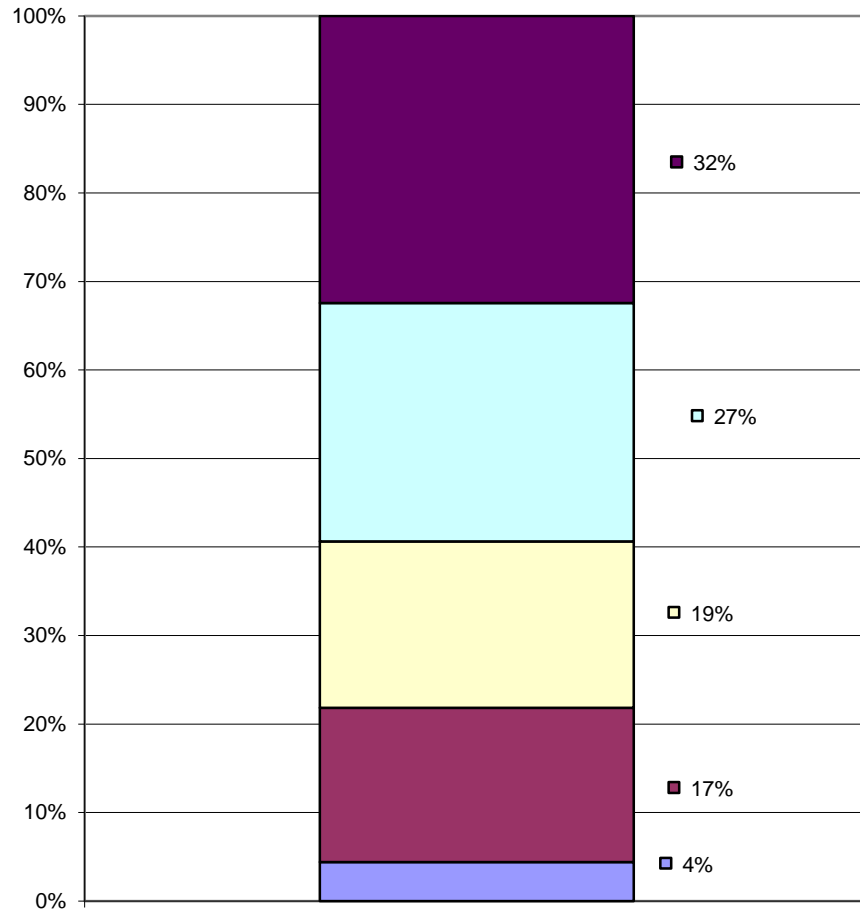
- 24% of people around the world reported having paid a bribe in the past 12 months



# % of people that had paid a bribe to each institutions, in the highest and lowest income quintiles



# Why was Bribe paid?



■ Speed things up

□ Don't know

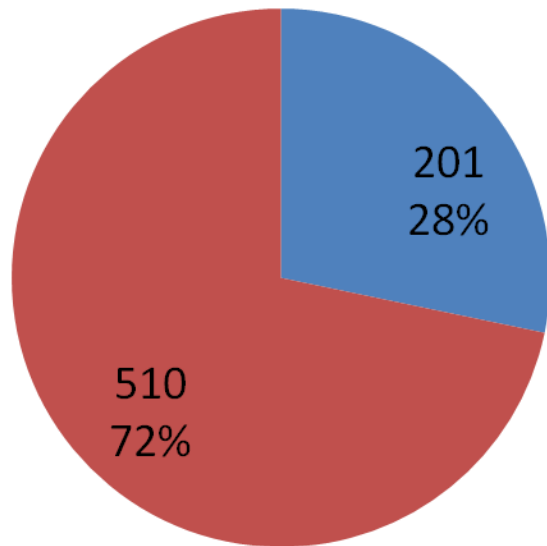
□ Avoid a problem with the authorities

■ Receive a service entitled to

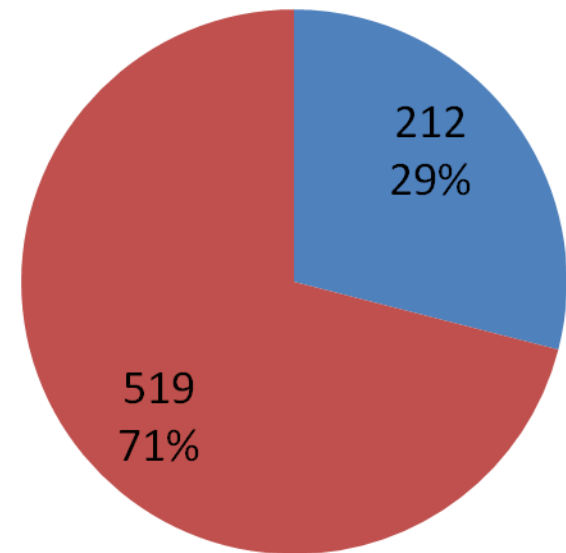
■ Don't remember

# Proportion of Bribery Cases in the total registration of corruption cases by the CBI

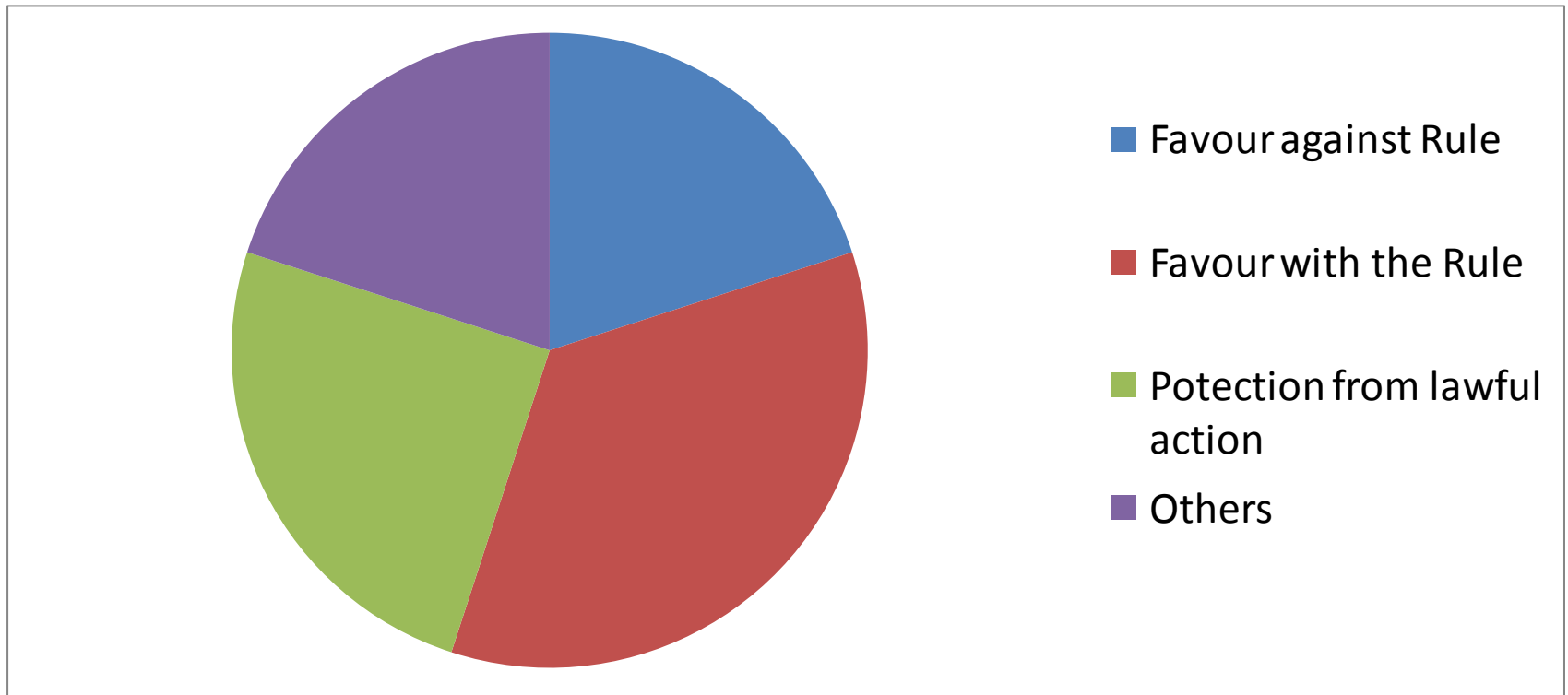
2011



2010



# Types of Bribery Cases



**Corruption = Monopoly + Discretion - Accountability**

## **Some of the Important Bribery Cases investigated by CBI in the recent past**

- **Against President of Medical Council of India and others for demanding and accepting bribe of Rs.2 crore from a private Medical College for registration**
- **Against an Additional Commissioner of Income-Tax and an Assistant Commissioner of Income-Tax for demanding and accepting bribe of Rs.1.5 crore from a complainant to settle the survey conducted on his firm**
- **Against a Chief Postmaster- General and two private persons for demanding bribe of accepting Rs.1.25 crore from a complainant for giving NOC from the Postal Department relating to a deal of land in Thane.**
- **Against a Customs Superintendent for receiving a bribe of Rs.1.09 crore from a Steel businessman for evading excise duty**
- **Against an Advocate for accepting a bribe of Rs.30 lac from a complainant for exercising his personal influence with public servants for getting a favourable order from National Consumer Dispute Redressal Commission.**
- **Against an Assistant General Manager, Stock Exchange Board of India, Kolkata for demanding and accepting a bribe of Rs. 25 lac from a complainant for not initiating any proceedings against the company.**





# Investigation of Cases of Bribery



**Active (offering or paying )V/s Passive  
(Demanding /Accepting) Bribery**

**(or)**

**Supply Side V/s Demand Side of  
Bribery**

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- *Whoever accepts or obtains, or agrees to accept, or attempts to obtain, from any person, for himself or for any other person, any gratification whatever as a motive or reward for inducing, by corrupt or illegal means, any public servant, whether named or otherwise, to do or to forbear to do any official act, or in the exercise of the official functions of such public servant to show favour or disfavour to any person, or to render or attempt to render any service or disservice to any person with the Central Government or any State Government or Parliament or the Legislature of any State or with any local authority, corporation or Government company referred to in clause (c) of section 2, or with any public servant, whether named or otherwise, shall be punishable with imprisonment for a term which shall be not less than six months but which may extend to five years and shall also be liable to fine.*

## 9. Taking gratification, for exercise of personal influence with public servant

*Whoever accepts or obtains or agrees to accept or attempts to obtain, from any person, for himself or for any other person, any gratification whatever, as a motive or reward for inducing, by the exercise of personal influence, any public servant whether named or otherwise to do or to forbear to do any official act, or in the exercise of the official functions of such public servant to show favour or disfavour to any person, or to render or attempt to render any service or disservice to any person with the Central Government or any State Government or Parliament or the Legislature of any State or with any local authority, corporation or Government company referred to in clause (c) of section 2, or with any public servant, whether named or otherwise, shall be punishable with imprisonment for a term which shall be not less than six months but which may extend. to five years and shall also be liable to fine.*

## 10. Punishment for abetment by public servant of offences defined in section 8 or 9

- *Whoever, being a public servant, in respect of whom either of the offences defined in section 8 or section 9 is committed, abets the offence, whether or not that offence is committed in consequence of that abetment, shall be punishable with imprisonment for a term which shall be not less than six months but which may extend to five years and shall also be liable to fine.*

## **11. Public servant obtaining valuable thing, without consideration from person concerned in proceeding or business transacted by such public servant**

- Whoever, being a public servant, accepts or obtains or agrees to accept or attempts to obtain for himself, or for any other person, any valuable thing without consideration, or for a consideration which he knows to be inadequate, from any person whom he knows to have been, or to be, or to be likely to be concerned in any proceeding or business transacted or about to be transacted by such public servant, or having any connection with the official functions of himself or of any public servant to whom he is subordinate, or from any person whom he knows to be interested in or related to the person so concerned, shall be punishable with imprisonment for a term which shall be not less than six months but which may extend to five years and shall also be liable to fine.*

## **12. Punishment for abetment of offences defined in section 7 or 11:**

- *Whoever abets any offence punishable under section 7 or section 11 whether or not that offence is committed in consequence of that abetment, shall be punishable with imprisonment for a term which shall be not less than six months but which may extend to five years and shall also be liable to fine,*





**“Trap the Corrupt”**

# TRAPS

- One of the principal modes of detecting an offence of bribery is to lay a trap against the public servant and catch him in the very act of commission of the crime
- Steps
  - Complaint Verification
  - Setting up a Decoy
  - Electronic Surveillance/Wire Tap
  - Indenting for Government Witnesses
  - Complaint Registration
  - Laying of Trap
    - Use of Phenolphthalin /Sodium Carbonate
  - Arrest
  - Search /Seizures
  - Handing over to a new investigator
  - Collection of Oral and Documentary Evidence
  - Appreciation of Evidence
  - Case finalization /Documentation
  - Prosecution Sanction
  - Charge Sheet

# Difficulties in Obtaining Complaints

- Collusive /Consensual Bribery
- Lack of Awareness
- Difficulty in reaching the Agencies
- Absence of Incentive
- Fear of retribution
- Skepticism against the Agencies
- Prolonged Processes
- Inconsistency in Sentencing

# Ways to Overcome

- Wide Publicity (SMS Campaigns in India)
- Rewards (Korea KICAC)
- Awareness Campaigns (UNODC/UNDP ACT)
- Witness /Informant Protection Schemes
- Media Publicity to High Profile Cases
- Decentralization of complaint registration (Nepal)
- Drafting of Sentencing Guidelines

# **Barriers for taking up Bribery Investigations**

- Diversion of resources for investigating Grand Corruption Cases
- Difficulty in reaching the beneficiary of bribes
- Use of Intermediaries for Accepting Bribes
- Reluctance to accept Bribes by the Public Servant in front of Witnesses.
- Legal Immunities.
- Remittance of Bribe Amounts in Foreign Locations.





PASS THIS BRIBE  
FROM HAND TO HAND  
SO THAT IT GETS  
TO THE LAST ONE ...



# **Preconditions for Good Investigation /Prosecution of Bribe Cases**

- Independence and Accountability
- Financial Autonomy and Adequate Budgetary Support
- Strong Codes of Conduct for the staff
- Emphasis on Regular Training and Skill Up gradation
- Use of Modern Gadgets /Special Investigation techniques
- Appropriate case selection strategies
- Meticulous Case Management
- Managing the Security

# Legal / Procedural Provisions for facilitating Bribery Trials in India

- *Private persons (Conduits/Touts) punishable*  
PC Act 1988 - *Sections 8 & 9*
- *Receiving Gratification without consideration*  
PC Act 1988 - *Section 11*
- *Presumption Clause* PC Act 1988 - *Section 20*
- *Immunity to the Bribe Giver in the PC Act 1988*  
- *Section 24*
- *Special Courts - Day to day Trial* PC Act 1988 -  
*Sections 3 & 4*



# Enabling Conditions for Effective Tackling Active Bribery

- Strong Laws ( Ex. FCPA)
- Difficulties in establishing corporate liability
- Need for establishing Liabilities on Legal Persons
- Whistle Blower Protection
- Strong Compliance mechanisms /Internal Regulation / Investigative Wings in the Private Sector
- Collective Action by the Industry

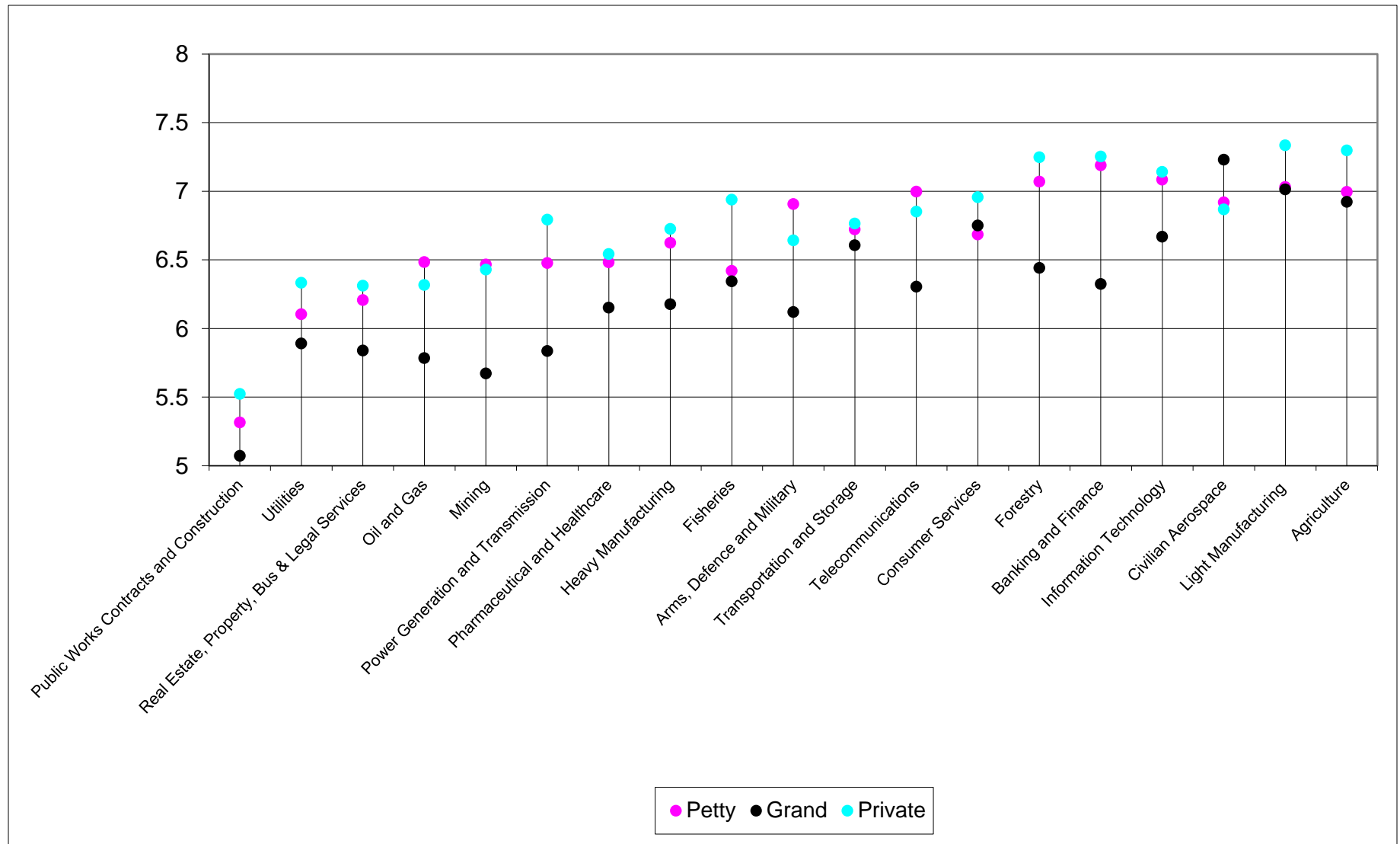


# Important Indian Case Law on Traps

- **Ram Krishan And Another vs The State Of Delhi 1956** *That it cannot be laid down as an absolute rule that the laying of traps should be deprecated as constituting an invitation to commit an offence and an offence thus detected does not lose its gravity thereby . Where, however, proper limits are exceeded and the money to be given as bribe is supplied by the Police, it must be severely condemned.*
- **The State Of Bihar vs Basawan Singh 1958** *Testimony of the raiding Party- Reliability*
- **Mahesh Prasad Vs State of Uttar Pradesh 1955** *When a public servant is charged under section 161 of the Indian Penal Code, and it is alleged that the illegal gratification was taken by him for doing or procuring an official act, it is not necessary for the Court to consider whether or not the accused as public servant was capable of doing or intended to do such an act*

- **Virendranath vs. State of Maharashtra 1996** *When the complainant paid the money to middleman on the directions of accused public servant, then it is as good as if the accused public servant had taken the money and passed on to middleman.*

# Bribe Payers Index 2011



# Integrity Testing

- **Objectives**

- Determine whether or not a particular public civil servant or branch of government is likely to engage in corrupt practices
- Increase the actual and perceived risk to corrupt officials that they may be detected, thereby deterring corrupt behaviour
- Identify officials who are working in areas exposed to corruption as being honest and trustworthy, and therefore likely to be suitable for promotion

# Challenges in Fighting Bribery



# International treaty Obligations

- **UNCAC Article 15:** Bribery of national public officials ( Mandatory)
- **UNCAC Article 16:** Bribery of foreign public officials and officials of public international organizations ( Mandatory)
- **UNCAC Article 21:** Bribery in the Private Sector ( Non Mandatory)
- **OECD Anti Bribery Convention 1997 Art. 1**  
Foreign Bribery



# PUTTING CORRUPTION OUT OF BUSINESS: LOST BUSINESS DUE TO BRIBERY



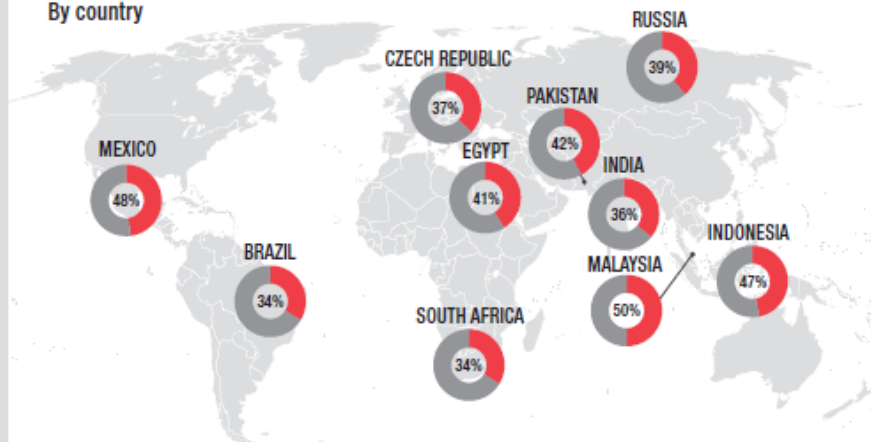
We interviewed more than: **3,000** business executives from **13** sectors and in **30** countries about their views on business and bribery.

More than **1 in 4** business people worldwide believe that they have **lost business** because a competitor paid a bribe.



Percentage of business people who believe they lost business due to bribery:

By country



By sector



View the results for all countries and sectors here:  
[www.transparency.org/research/bps2011](http://www.transparency.org/research/bps2011)  
#CleanBusiness



# PUTTING CORRUPTION OUT OF BUSINESS: PERSISTENCE OF CORRUPTION



We interviewed more than: **3,000** business executives from **13** sectors and in **30** countries about their views on business and bribery.

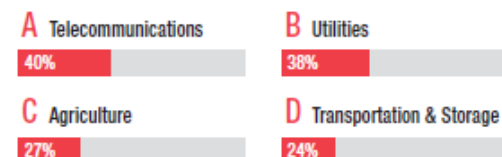
The main barrier to stopping corruption in the private sector is:



By country/territory:

- A** Argentina, Austria, Czech Republic, Egypt, Germany, Ghana, India, Pakistan, Russia
- B** Brazil, Chile, China, Hungary, Indonesia, Mexico, Nigeria, Philippines, Senegal, South Africa, Turkey, USA
- C** Malaysia, Morocco, South Korea
- D** France, Hong Kong, Japan, Poland, Singapore, UK

By sector:

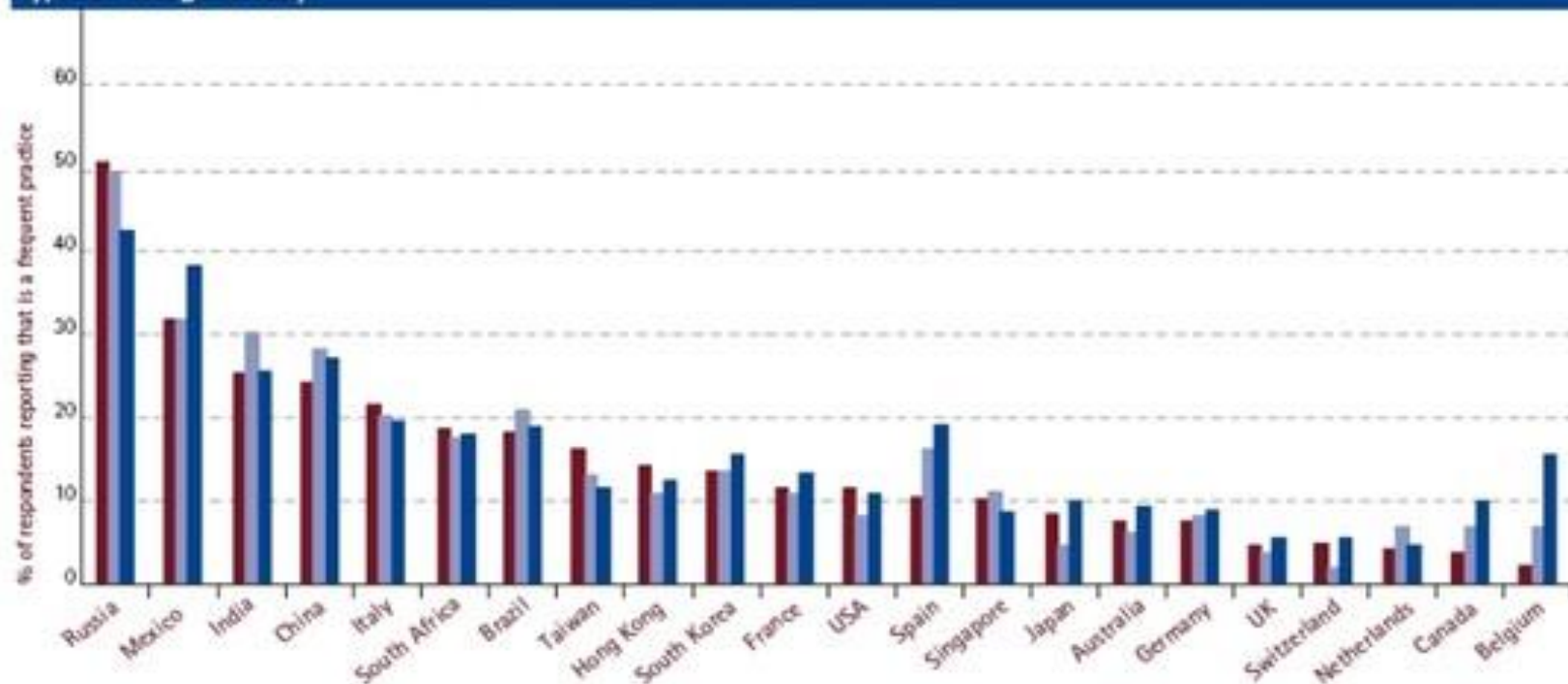


View the results for all countries and sectors here:  
[www.transparency.org/research/bps2011](http://www.transparency.org/research/bps2011)  
#CleanBusiness



Figure 1.

## Type of Foreign Bribery



Source: Transparency International Bribe Payers Survey 2008.

Figures were calculated as percentage of respondents answering 4 or 5 to the question:

"how often companies from these countries engage in..."

(1=never, 5=almost always)

"Don't know" responses were excluded.

- Bribery to high-ranking politicians or political parties
- Bribery to low-level public officials to "speed things up"
- Use of personal and familiar relationships on public contracting

# **Special Challenges in Foreign Bribery Cases**

- Jurisdictional Barriers
- Absence of Bilateral Treaties
- Differences in Legal Systems
- Competence of the Investigators to deal with MLAT/ LR/ Extradition Matters
- Need for acceptance of INTERPOL instruments
- No compulsion of the witness to depose in a foreign location / Logistical issues

# Implications of corruption

*‘Corruption is bleeding Africa to death and the cost is borne by the poor. Some estimates put money corruptly leaving the continent at greater than that arriving as aid. Much of the money is banked in Britain or our overseas territories and dependencies and sometimes British citizens or companies are involved in corrupt deals.’*

*- Hugh Bayley MP, Chair, House of Commons Africa All Party Parliamentary Group, 29 March 2006*

# Implications of Corruption

- *As a result of corruption, private mansions are being built instead of bridges; swimming pools are dug instead of irrigation systems; funds destined to run hospitals and buy medicines find their way into the pockets of corrupt officials; economic growth is held back; and public trust in government is undermined.*

(OECD/ADB 'curbing corruption in Public Procurement in Asia and the Pacific')

# Corruption



“Corruption is not only a Social Cancer eating into the vitals of our institutions of Governance and our society, but is also a threat to our Well-being and National Security.

It is unfortunate that many of us have become **Far Too Tolerant** towards Corruption in Public Life”

# These voters were cheated

Because officials stuffed  
ballot boxes and bought votes.

Act against corruption. Advance  
**democracy.**



**UNODC**  
United Nations Office on Drugs and Crime



[www.actagainstcorruption.org](http://www.actagainstcorruption.org)



**UNDP**

Empowering lives.  
Resilient nations.



# These children were never taught

Because a civil servant  
stole the funds needed  
to run this school.

Act against Corruption. Strengthen  
**education.**



# This bridge was never built

Because the construction company  
disappeared along with the money,  
leaving local people stranded.

Photo: Ismail Karamanov

Act against Corruption. Encourage  
**development.**

# Corruption



- Use of Public Office for Private gain
- Most serious threat to Good Governance.
- Corruption flourishes if the environment or system encourages the growth of corruption.
- Greater the scope of the offices affecting the life of common man, greater the scope of corruption.
- Permit Raj- Enormous growth of corruption



# This bank was robbed

Because a bank manager embezzled millions of dollars each year, leaving many people without pensions.

Act against Corruption. Promote  
**economic development.**



# This forest was plundered

Because local officials accepted a bribe  
from illegal loggers.

Act against Corruption. Protect  
**the environment.**

# This life was neglected

Because this baby's mother could not pay  
the bribe for care at the hospital.

Act against Corruption. Improve  
**health.**



# This case was dismissed

Because the judge accepted a bribe and  
set a known criminal free.

Act against Corruption. Support  
**justice.**



**UNODC**  
United Nations Office on Drugs and Crime



[www.actagainstcorruption.org](http://www.actagainstcorruption.org)



**UN  
DP**

Empowering lives.  
Resilient nations.

# **Important Anti-Corruption Cases**

## **CBI, Hyderabad Zone**

- Railway Recruitment Board Exam Scam.
- Obulapuram Mining Scam.
- Mining Scams in Karnataka State.
- Quid-pro-quo case against C.M. of Karnataka
- Cash for Bail Case.
- Emaar Land Project Scam.
- Jagan Mohan Reddy Quid-Pro-Quo Case.

# Corruption



- Loves to hear EXCUSES.
- Only has One Business Plan.
- Only Protects Itself.
- Thinks anyone Can be Bought.



**Is Corruption**

**INEVITABLE?**

**UNSTOPPABLE?**

Let's not curse  
Darkness



Let's light a candle  
of  
Effective Vigilance &  
Enforcement



# What is Effective Vigilance & Enforcement



Appropriate policy  
reforms, laws &  
proper enforcement

Opportunities

Through citizens  
own action

Social Acceptance

CORRUPTION

Freedom from Risks

Improved functioning of police,  
inv. Agencies & Judiciary

- Reform must come from the top, but efforts to clean up whilst top officials remain corrupt are doomed to failure.
- It is unrealistic to expect that any anti-corruption policies will stop all corruption, but a successful strategy can restrict its breadth and cost.
- Hong Kong developed the first successful anti-corruption agency, and it has three goals prevention, investigation and education.

- Corruption is a secretive crime with few, if any, witnesses, and it therefore requires special measures to be taken in order to fight it.
- Hong Kong and Singapore, which were horribly corrupt nations are now some of the cleanest in the world.
- These countries created powerful, independent anti-corruption agencies and laws that place the burden of proof on the accused to explain the source of their assets.
- The most successful agencies are generously funded, staffed and have extensive oversight bodies.

- Blacklisting corporations that have been found to use bribes. This was first done in the 1990's in Singapore, and this caused a considerable uproar in the business community.
- The public has to realize there is a problem, and demand that efforts are taken to combat corruption. Apathy must be removed.
- There needs to be adequate education of the public, civil servants and business people as to the costs of corruption, and their rights.

# National Anti- Corruption Strategy

- **Strategy about Petty Corruption :**
  - Computerize all activities involving delivery of Public Services.
  - Simplification of Rules & Procedures.
  - Anti-Bribery Hotlines & Whistle Blower Protections.
  - Citizens to be persuaded to desist from paying bribes.
  - Involvement of Citizens for Social Audit.

# National Anti- Corruption Strategy

- **Strategy about Grand Corruption :**
  - Political Parties will to fight corruption.
  - Mandatory disclosure of source funding & Annual financial statements by Political Parties.
  - Concealment of ill gotten wealth should be made difficult.
  - Promotion of transparency, objectivity & merit in selection & appointment to important offices.



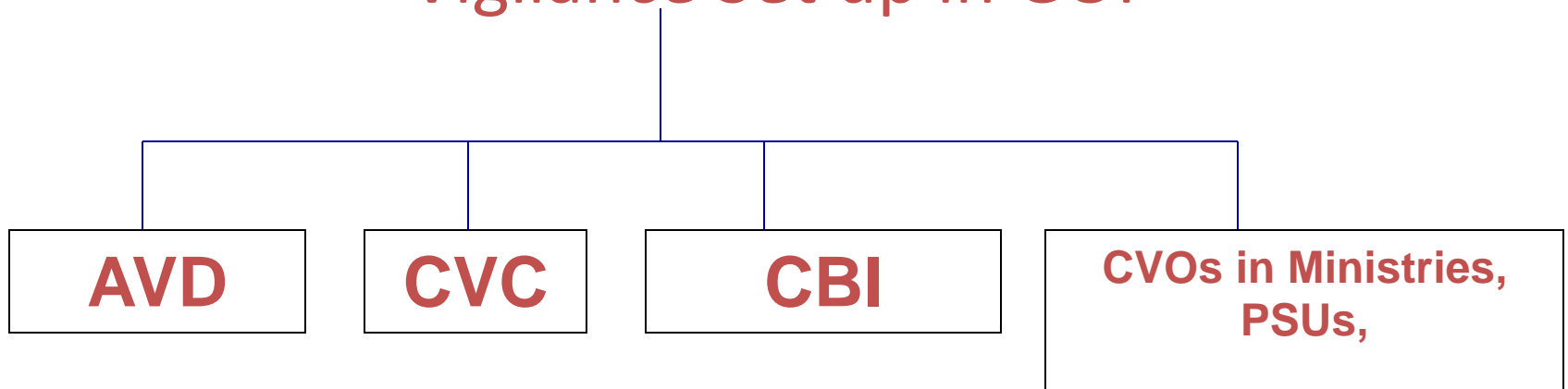
# National Anti- Corruption Strategy

- **Strategy about Grand Corruption :**
  - Transparent & Participative policy making process.
  - Strengthening the Independence & Integrity of Regulatory bodies.



# Vigilance Set Up

## Vigilance Set up in GOI



**What can We do?**

**(Corruption Loves to hear  
Excuses )**





# Surprise Checks



- Rules, Regulations, procedure and practice and modus operandi to be thoroughly understood before a check.



- Ensure secrecy and adequate precautions to prevent leakage of information.



- Follow up action by Registration of Cases.



## Undesirable Contact Men

- CBI prepares these lists- suspected of resorting to corrupt or irregular practices in their dealings with official agencies.
- Consolidated lists circulated by CBI- HO to Departments for taking preventive measures.
- Unobtrusive watch/check- on their activities- to identify further contacts, modus operandi , specific instances of corruption.

# What can we do?

- Enforcement of the Prevention of Corruption Act, 1988
- Cleansing the Department.
- Intelligence Development .(On Corruption)
- Confiscation of Properties acquired illegally: Crl. Law ( Amendment ) Ordinance, 1944; PMLA, 2002;
- Freezing of Accounts, Sec. 102 Cr.P.C.

# Administrative Vigilance Division



# AVD- DOPT

- The Department of Personnel and Training determines Government policy for the maintenance of the integrity of the public services and eradication of corruption and coordinates the activities of various Ministries/Departments in that area.
- All Ministries/Departments and offices of the Government of India have the direct responsibility for the maintenance of discipline and integrity of their staff by taking preventive measures and eradication of corruption in their operational area of work

**Central V Vigilance C Commission**



# Santhanam Committee Report



- Santhanam Committee was formed in 1962 by the Govt. of India under the Chairmanship of Sri K.Santhanam, MP for prevention of corruption.
- For checking corruption and for creating an environment which will sternly discourage any temptation to stray away from the path of integrity must come from within the Ministry/Department.
- “ Time has come to put the entire Vigilance Organisation on a proper and adequate basis.....”



## Setting up of CVC

- Set up by the Government in February, 1964
- Free of control from any executive authority.
- Monitoring all vigilance activity under the Central Government.
- Advising various authorities in Central Government organizations in planning, executing, reviewing and reforming their vigilance work.



# Apex Court Directives

## Vineet Narain Case

- The Central Vigilance Commission (CVC) shall be given statutory status.
- The CVC shall be responsible for the efficient functioning of the CBI.
- The Central Government shall take all measures necessary to ensure that the CBI functions effectively and efficiently and is viewed as a non-partisan agency.
- Time-limit of three months for grant of sanction for prosecution must be strictly adhered to.

**AIR 1998 SC 889**



## CVC Act, 2003



- Santhanam Committee- Setting up of CVC by a Govt. Resolution of 1964.
- 1997- Independent Review Committee constituted- suggested statutory status to CVC & CVC to ensure efficient functioning of CBI.
- 18<sup>th</sup> Dec 1997- Vineeth Narain Judgement – SC- Statutory status to be given to CVC.
- Central Vigilance Commission Ordinance – 1998, Central Vigilance Commission Bill – 1998, 1999
- **Central Vigilance Commission Act 2003 came into effect from September 11, 2003**



# Central Bureau of Investigation





# Historical Background of Special Police Establishment



- Unscrupulous & Anti-Social persons both Officials & Non-officials found to be enriching themselves due to enormously expanded expenditure during early stages of world war-II.
- State Police found inadequate to cope with situation.

**1941: Special Police Establishment (SPE)  
Created by an Executive order.**

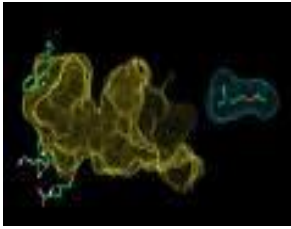




## Functions of SPE

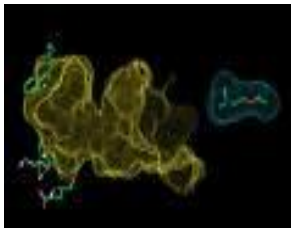


- To Investigate cases of bribery & Corruption in transactions with war & Supply Dept. of GOI.
- End of 1942: To include cases of corruption in the Railways. (It was under War Dept.)
- 1943:SPE Ordinance.
- 1946: Delhi SPE Ordinance.
- 19<sup>th</sup> Nov. 1946: DSPE Act, 1946 enacted.



## SPE → DSPE

- Superintendence transferred to Home Department.
- Enlarged to cover all Depts. Of GOI.
- Under the Director, Intelligence Bureau.
- 1948: Post of I.G. SPE created.
- 1953: Enforcement wing added to deal with offences relating to breach of import & Export Regulations.



# DSPE → CBI



- **CBI established on 1<sup>st</sup> April, 1963.**
- Investigation of crimes being handled by DSPE.
- Collection of criminal intelligence.
- Participation in the role of National Central Bureau connected with ICPO.
- Maintenance of crime statistics and dissemination of info. Regarding crime & Criminals.
- Study of specialized crime having all-India ramification.
- Conduct of police research.
- Coordination of law relating to Crime.



## **Legal Powers of CBI**

- **Derived from DSPE Act, 1946.**
- **Concurrent & co-extensive powers, duties, privileges and liabilities as of Police Officers of U.T.s.**
- **Investigation of offences notified under sec.3 of DSPE Act, 1946.**
- **Arrest of persons concerned in such offences.**
- **Sub-inspector & above deemed to be Officers-in-charge of Police-Stations.**



# Offences to be investigated by CBI

- Section 3 DSPE Act, 1946:



“ The Central Government may, by notification in the Official Gazette, specify the offences or classes of offences which are to be investigated by the DSPE”



# Extension of Powers & Jurisdiction of CBI

- Section 5 of DSPE Act, 1946:

“The Central Government may by order extend to any area (Including Railway areas) in a State not being a Union Territory the powers and jurisdiction of the members of the DSPE for the investigation of any offences or classes of offences specified in a notification under section 3.”





# Consent of State Government

- **Section 6 of DSPE Act, 1946:**  
“ Nothing contained in Sec. 5 shall be deemed to enable any member of the DSPE to exercise powers and jurisdiction in any area in a State not being a U.T. or railway area, without the consent of the Government of that State.”



# Divisions of CBI



- **Anti-Corruption Division**



- **Special Crimes Division.**



- **Economic Offences Division.**





## CBI vs. State Police

- Cases substantially & essentially against Central Govt. employees or Concerning Affairs of the Central Govt. though certain employees of the State Govt. may be involved.
  - CBI to investigate, State Police to Assist
- Cases substantially & essentially against State Govt. employees or Concerning Affairs of the State Govt. though certain employees of the Central Govt. may be involved.
  - State Police to investigate and CBI to Assist.



## State Govts. handing over of Cases to CBI

- The services of the CBI are available to the States in taking up investigation of certain specified categories of serious offences having ramifications in more than one State.
- While making a request to the CBI, it has to be ensured that at least one of the offences alleged, particularly the main offence, is included in the notified offences u/s 3 of DSPE Act. It is not necessary that all the offences alleged should be notified.



## **Courts Entrusting Cases to CBI**

- **Supreme Court and High Court i.e constitutional courts only can entrust any matter/ FIR for investigation or enquiry to CBI.**
- **Supreme Court has power under Articles 32 and 142 (1) of the Constitution & High Court has power under Article 226 and for giving such direction to the CBI.**

# TRAP Case

- **7.Public Servant taking gratification other than legal remuneration in respect of an official act.-** Whoever, being , or expecting to be a public servant accepts or obtains or agrees, to accept or attempts to obtain from any person , for himself or for any other person, any gratification whatever, other than legal remuneration as a motive or reward for doing or forbearing to do any official act or for showing or forbearing to show, in the exercise of his official functions, favour or disfavour to any person or for rendering or attempting to render any service or dis-service to any person , with the Central Government or any State Government or Parliament or the Legislature of any State or with any local authority, corporation or Government Company referred to in clause (c) of Section-2 , or with any public servant, whether named or otherwise, shall be punishable with imprisonment which shall be not less than 6 months but which may extend to 5 years and shall also be liable to fine.



# CVOs in Ministries, Banks, Depts and PSUs

I



# **Role, Duties and Responsibilities of the CVO**

- a) Examine the existing organization procedures and eliminate or minimize factors that provide opportunities for corruption or malpractices;**
- b) Plan conduct of regular inspections, surprise visits for detecting failure in quality or speed of work indicative of existence of corruption or malpractices;**
- c) identify sensitive spots; proper scrutiny of personnel posted in sensitive posts which involve public dealings on large scale**
- d) maintain proper surveillance on officers of doubtful integrity and officers who are on the “Agreed List”.**

- (e) ensure prompt observance of Conduct Rules relating to integrity; covering (i) statements of assets and acquisitions (ii) gifts (iii) relatives employed in private firms or doing private business (iv) benami transactions; )**
- (f) keep a close watch on officers who have to deal with companies or businessmen and habitually accept lavish hospitality or pecuniary obligations;**
- g) give suitable advice to the Chief Executive about adoption of appropriate procedures and practices with an objective to ensure integrity in administration;**
- h) ensure speedy processing of vigilance cases and to see that rules are strictly complied with;**

- j) ensure proper assistance to the CBI in the investigation of cases entrusted to them or started by them on their own source information;**
- k) ensure consultation with Central Vigilance Commission at stages wherever required;**
- l) ensure prompt submission of returns to the Commission;**
- m) review the existing arrangements for vigilance work to ensure expeditious and effective disposal of works;**
- n) ensure that the competent disciplinary authorities do not adopt a dilatory attitude in processing vigilance cases, particularly in cases of officers due to retire;**



**o) ensure that cases against the public servants on the verge of retirement do not lapse due to time-limit for reasons such as misplacement of files etc., and that the orders passed in the cases of retiring officers are implemented in time; and**

**p) to maintain close liaison/interaction with CVC, CBI and Administrative Ministry on vigilance matters.**

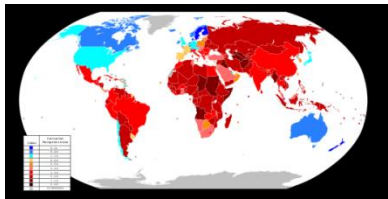


# Bribery

## ( Common Denominator in Corruption )

### Challenges in Successful Investigation & Prosecution

- *V.V. Lakshmi Narayana,*
- *43RR,*
- *Maharashtra (1990)*



# National Anti- Corruption Strategy

- **Strategy about Grand Corruption :**
  - Transparent & Participative policy making process.
  - Strengthening the Independence & Integrity of Regulatory bodies.

