

## **Intelligence Network – an effective instrument for preventive vigilance in PSEs.**

Intelligence as an important input for effective governance has been testified by history. In the modern dimensions of administration too it has in fact gained in importance though the nature and operation of intelligence has undergone vast changes keeping with the requirement of the times.

In the context of vigilance administration too the role of intelligence cannot be underestimated. While in an enlightened society every responsible citizen is expected to perform the role of an intelligence provider, watchfulness by the society is highly limited in respect of white-collar crimes especially in organizations where transparency has not been a practice followed in administration.

While a specialized intelligence wing is part of the organization in respect of investigation agencies like SPE (CBI) and State Vigilance and anti corruption departments, in respect of regular Government Department or a PSE by and large no such organized mechanism exists though some PSEs do have provision for cash incentives for informers. Vigilance Manual Vol. I para 11 of chapter XVIII confines itself to just a line on the subject saying, “CVO should also have a system of collecting his own intelligence about possible malpractices and misconduct among employees of his organization.” Govt. Departments generally depend on public complaints or media reports as the starting point for vigilance investigation. Some PSEs have evolved quite effective but informal intelligence channels.

Officers of various enforcement departments like police, income tax, customs etc. do have the expertise in intelligence work and when posted as CVOs of PSES have successfully established intelligence networks. However by its very nature, the details of such a network are not documented and published in literatures for effective adoption by other enterprises.

This paper hence attempts to make a case for the need for an intelligence network in a PSE with suggestions for considerations. The objective of the paper is to begin a discussion on the need for an intelligence network in a PSE as an effective instrument in preventive vigilance. The

result of the debate/discussion will bring out the final view of the group in the matter.

PSEs vary widely in their size, nature of operation. They also vary in terms of number of units like Cochin Shipyard, which is a single unit enterprise, & NTPC with large number of units all over the country. The vigilance activity too hence will be varying accordingly though essentially, the basic nature of vigilance work may be similar. While most PSEs have officers from All India and organized central services as CVOs, they are normally confined to the corporate head quarters. Vigilance activity in units away from the HQ is carried out by full time or part time VOs/AVOs who are normally employees of the organization.

### **Maintaining Continuity**

While outsiders when posted as CVOs have the advantage of looking at the system in an objective and unbiased manner, they being officers outside the system often fail to comprehend some of the existing features nexuses and past history that exist in the organization which may be known to all employees except the CVO who is rank outsider. Though the other officers in the vigilance set up are generally insiders often many such things are seldom brought to CVO's knowledge. To overcome this it is suggested that CVO may maintain a memorandum book as prescribed in the office manuals of various central government departments. This Memorandum book, which is maintained by the head of the office, will give details of various departments – reports about their defective functioning, allegations etc. Employees and executives about whose conduct and behavior there are doubts are entered and periodically reviewed. This record maintained in the personal custody is handed over to the new incumbent during change of incumbency. The important advantage of this is that it gives a comprehensive view of the organization, sensitive areas, vulnerable personnel etc. and information gathered over a period a time is available to new incumbents who would have otherwise not known these.

### **Sources of Intelligence:**

One of the very useful and cost free sources of intelligence is the central Industrial Security Force (CISF) an agency that provides security for most of the PSEs in the country. The CISF have their own crimes and intelligence wing in each PSE handed by inspectors or Dy. Commandants, they can

provide reliable intelligence especially on pilferages and officers conniving, procurements and foul plays therein. Regular meetings (preferably informal) can provide vital information, which can assist in framing procedures as part of preventive vigilance or apprehending employees indulging into unfair dealings.

Information center / reception located normally near the main gate, main building will have useful information about the various visitors coming to the PSUs along with the officers they are meeting. Such frequent meeting of suppliers with certain executives can provide vigilance with some leads to be associated with cases in hand. In such of those firms where entry passes are computerized and if the same works in an environment, details of visitors along with the executives visited.

Govt. of India has laid down guidelines for inclusion of officers in the agreed list signed with the local branch of the CBI. While both the vigilance organization and CBI could keep watch over these persons, another avenue could be to liaise with the investigation wing of Income Tax department through whom information pertaining to contractors employed by the PSE could be gathered. Unduly high expenditures on hospitality, gifts and other miscellaneous items by the contractors could point to possible undue benefits enjoyed by some of the persons having dealings with the contractor, which may possibly include some executives (as envisaged in para 9, chapter XVIII of Vigilance Manual Volume I).

Regular co-ordination meeting with CBI as prescribed in the vigilance manual is an appropriate forum for exchange of intelligence and crossing checking of information. In fact CBI, the vigilance organization and income tax department can function complimentary to each other through regular formal and informal meets.

### **Intelligence set up within the organization.**

A successful intelligence network largely depends on its silent and unnoticed functioning. An intelligence agent should not be known to any one in the organization as one, which follows that such personnel will function without any written or formal orders making them quite anonymous.

Some of the suggestions in this direction are as follows:

Normally most PSUs have large number of reemployed ex-service personnel from the armed forces. These employees by virtue of their training with the defense forces generally have good discipline and more loyalty to the organization. These employees can form an excellent network of informers or intelligence agents when properly motivated to undertake the task. To be successful, they must keep strict confidentiality of their role, should not discuss their role with colleagues and friends, generally assigned to report to one particular officer of the vigilance organization. Interaction between vigilance and intelligence personnel should be normally done after office hours preferably outside the office premises. Intelligence personnel envisaged here are not full time agents but regular agents but regular employees in various departments as charge man, rigger, electrician, drivers etc, who in addition to their regular duties keep the vigilance informed about the various happenings and doubtful activities going around their place of work.

While a performance based remuneration (or incentive) to these employees could be considered, it is felt such service rendered without any monetary remuneration may be more appropriate since the employee will be doing it purely out of loyalty to the PSU and may not bring to attention gossips and rumors for the sake of collecting remuneration only.

Quite a bit of information and intelligence could be gathered through interaction and involvement in the various community activities like officers club, employees recreation club. Vigilance personnel hence should not shy away from participation in such social activities. They need to be good listeners without showing any apparent keenness for any extra information or poke the nose in any unrelated conversations. Informal meeting among the officials of the vigilance department with the CVO should be held frequently since some information may come out more freely in such atmospheres rather than in the formal closed tower set-up.

Cash and bills paid vouchers are normally maintained in the cash payment section controlled by the accounts department. A perusal of the various bill paid over a period can throw light on the various claims like medical, TA, entertainment allowances. Suspicious ones could be taken up for verification. The constant delay in passing of the bills of few firms compared to expeditious manner bills of few firms are passed give indication of possible nexuses between vested interests and few vendors.

Detection of ineligible claims by executives is a common thing in PSUs. They seldom question any of the claims preferred by top executives. Ineligible claims especially on foreign tours could be effectively detected. The knowledge that vigilance is looking into the bills itself will act as a deterrent preventing many an executive from claiming ineligible benefits.

Based on annual property returns submitted by the employee, random physical checks could be carried out discreetly to see if the measurements of buildings value etc. quoted in the returns are approximately tallying. Local enquiries from neighbors in suspicious cases can give valuable information about undisclosed assets owned by the officer / employee.

### **External Intelligence:-**

The system of informers from outside the organization has been over the years, the main stay of external intelligence in many an organization. While this is no doubt important, professional informers who do it for monetary rewards could often evolve fictitious information with the purpose of earning his livelihood. Hence extreme care is necessary in acting upon the intelligence input received from such paid sources.

Competitors in the business like competing suppliers of various materials, contractors, transport operators, dealers of products manufactured by the PSE could provide vital intelligence about unfair dealing entered by their rivals in connivance with the personnel of the PSE. Here again extreme caution is necessary since business rivalries can indeed make people to fabricate unsubstantiated charges against rivals and some of the honest staff of the company.

Another source which probably has not been exploited and which has good intelligence is from other PSUs, which has business dealings with the PSU like for eg. Some of the unfair dealings of a shipping company in repairs could come to the notice of the vigilance organization of the shipyard where the repair is undertaken. This could be passed on to the vigilance cell of the customer's company for further necessary action.

**Likely problems: -**

Though the CVC's circular regarding special chapter on vigilance in PSU's suggest that CVOs should function as eyes and ears of the CEO in a PSU often CVO is looked upon with suspicion because of the nature of his job and his role and his accessibility to the controlling ministry or department; his frequent interaction with agencies like CBI etc. This suspicion is bolstered by the fact that the incumbent is from outside the organization whose reputation or track record is generally not known to the staff of the PSU. The functioning of CVO is further hampered by the unique structure of many PSUs where there is very little delegation of powers and any irregularity noticed directly or indirectly points the fingers at the CEO. This puts the CVO at an unenviable position.

In this scenario, will the CEOs agree for an extensive intelligence network? Or is the CVO well within his rights to go ahead and establish an intelligence system as envisaged in the vigilance manual (pl. see para 3). The CEOs especially those who have risen from the ranks in the same organization by virtue of their acquaintance with large number of employees, executives are bound to have their loyal group who will be regularly feeding the CEO with vital intelligence (this may include personnel from the vigilance department also). Often this could be on the activities of vigilance wing too which could lead to suspicious and mistrust between CVO & CEO especially when done without informing the CEO.

It hence seems that there is a need to lay down clear directives empowering CVO to have his own set up for intelligence, the confidentiality of which need not be disclosed to anyone including the CEO. This though sounds simple is incongruent when viewed from the fact that the CVO is a subordinate to the CEO and CVO is an employee of the company (though he may be an outsider) and controlled by the CEO. There hence seems to be no simple solution to the dilemma. All the agencies involved in this task of combating corruption in PSUs need to do address this and find an appropriate solution taking care of all the above listed constraints.