

# A tough Gangtok Rap

by Soumik Dutta

**An RTI exposes how the Sikkim government has blatantly misutilised funds meant for quake relief**



**Wasted recce** - Rahul Gandhi with CM Chamling in Gangtok in September 2011 (AFP)

## **Whose Money is it anyway!**

Of the Rs 60.45 crore allocated for construction of roads and bridges, the state government gave only Rs 30 crore

Another Rs 52.64 crore was allocated, of which the government again spent only Rs 3 crore

On the other hand, the state allocated only Rs 5 crore against the Rs 42.92 crore proposed by the Planning Commission for immediate relief operations

Exactly a year after a 6.9 magnitude temblor hit Sikkim on September 18, 2011, the mountain state was hit by another rude tectonic jolt, its 5.55 pm timing just 15 minutes off the original earthquake at 6.10 pm. It is the second anniversary of the 2011 tragedy, and a third shock awaits Sikkim's people: the fact of the Pawan Kumar Chamling government - in power in the state since 1994 - misutilising the funds it received from various agencies to rebuild public infrastructure that had been damaged in the 2011 quake and the

accompanying landslides. This included financial relief to the families of the 111 people who died in the natural calamity.

According to an investigation by the website Cobrapost, the state spent several crores from the war chest of Rs 1,000 crore it was sanctioned from the Prime Minister's Relief Fund (PMRF) on such unrelated expenditure as repairing manhole chambers along NH-31A or blacktopping and recarpeting roads in capital Gangtok, when the epicentre of the earthquake was further north. The affected areas have benefited the least from the largesse.

A further Rs 120 crore of the PMRF that the Planning Commission had sanctioned for the reconstruction of rural roads and bridges was in fact spent on clearing bills that had been pending for work carried out in 2010, a year before the quake. The improvement of Dr Ambedkar Road in Gangtok is one such example. Listed in 2009 and targeted for completion by 2010, the money for the project was paid out of the PMRF. Such 'official' misappropriation has also happened with funds from the National Disaster Response Fund (NDRF), the Chief Minister's Relief Fund (CMRF), the State Disaster Response Fund (SDRF) and the Special Package (SPA). Moreover, most of the contracts for relief work were issued without public tenders, a matter likely to be challenged in the Sikkim High Court.

There is no dearth of examples of flagrant misutilisation of relief and restoration money. Why, the land revenue and disaster management department, headed by none other than CM Chamling, itself approved and paid Rs 47 lakh for the purported restoration of a 'bridge' near Paljor Stadium in Gangtok. Never mind there is no bridge to speak of or that the work was carried out before the quake. What exists is a mere approach road, part of which had caved in way back in 2005. The huge sum of money was spent just on putting three iron plates to make the road useable.



***Wrong approach - The steel 'bridge' on Norkhil Jhora***

An internal audit report conducted between April and June this year, the contents of which have not been made public before, has found that the government spent relief money arbitrarily on work not related to the quake and produced bogus bills to divert money (see box). The report also lambasts the state government for the misuse of central government funds and for reallocating the relief money to various departments without taking prior approval. Questions have also been raised about the CMRF, which has not been audited by the CAG or any other auditor appointed by the Chamling government when such an audit is mandatory. A white paper on the CMRF tabled in the budget session of the Sikkim assembly misled the house on the quantum of money collected in four banks - the State Bank of India, the Central Bank of India, HDFC Bank and the State Bank of Sikkim. There are gross anomalies even in the accounting of contributions in the white paper. Anonymous sources have made contributions running into crores whereas there is no mention of the amount collected from the deduction of a day's salary of government employees.

Even where rehabilitation work has been executed, it has been at an extremely slow pace and at exorbitant cost. For instance, as per one Planning Commission proposal, the government has to reconstruct 7,972 rural houses damaged by the quake by April 2014 at a total cost of Rs 389.83 crore from the SPA. However, Cobrapost has learned from documents procured by Sikkim activist Anand Lama under RTI that only 321 houses have been built so far using Rs 120 crore. Going by this, the total would surpass the Rs 5 lakh per house cost stipulated by the Planning Commission by Rs 35 lakh.

**Money for reconstruction of quake-hit roads has been used to blacktop Gangtok's roads and paint railings along NH-31A.**

One of the most contested facts has to do with the Rs 193 crore contract for the reconstruction of the civil secretariat, which was badly damaged in the quake. First, the land revenue and disaster management department handed over the task without any tendering process to Calcutta-based Engineering (India) Ltd. However, the contract was annulled and handed over - again without a tender - to another Calcutta-based firm, Architech Consultants Pvt Ltd. This expensive overhaul wouldn't

have been required in the first place had the state government used the Rs 1 crore it was given in 2007 to retrofit the secretariat and make it quake-resistant. The money was used instead to paint the structure and fit new tiles. By contrast, the Rs 4 crore that were handed over to Enchey Monastery and Raj Bhawan were actually spent on strengthening the two structures, which is why they survived the 2011 quake without any damage.

Likewise, the firm B.K. Infrastructure was given the first instalment of a Rs 196.17 crore project in January 2012 to retrofit different government buildings without any public tender. The second instalment of the order was awarded, in June, on the basis of a letter from SIKKA India Pvt Ltd, a well-known firm in the Northeast and of which B.K. Infrastructure is an 'authorised applicator' for 2013. How can a government award a contract on the basis of an authorisation letter issued a year after the project was handed over? „The government has spent the money as if it were from its pocket“, RTI activist Lama told Cobrapost. „They forgot that the money has to be spent as per the directives of the Planning Commission. Even the specified guidelines for awarding contracts were shelved.“

The RTI also reveals that the government has disbursed ex-gratia payments for damaged houses, in contravention of guidelines that allow for payments from the CMRF and other similar funds only in cases of either death or injury. Moreover, families of the deceased have received Rs 5 lakh instead of the stipulated Rs 1.5 lakh under the SDRF. The internal audit report of the Sikkim government has also found widespread anomalies in the way ex-gratia payments were handed out. The state identified 60 deceased people for ex-gratia

payment, resulting in a distribution of Rs 3 crore when the amount should have been just Rs 90 lakh.

Not just that, ex-gratia payments can be handed out by the district collector, the block development officer and the district development officer. The Sikkim government, on the other hand, sanctioned Rs 10 lakh to the IGP for „other works“ and Rs 1.5 lakh to the additional SP for ex-gratia payment. Relief money also found its way in several cases to the police for training purposes. „I have also heard that the Sikkim police has bought several patrolling cars out of the earthquake relief fund“, says Lama.

A huge amount of money has also been spent on the demolition of quake-hit buildings and removal of debris, when according to law, says youth activist Tseten Lepcha, „the removal of debris after a national calamity is the responsibility of the state government; the expenditure on it too has to be borne by the state government. Not only was the money paid from the central fund, the removal of debris too took a long time.“



***Much repaired*** - SDF prez Chumbey Rai's house

In another gross violation, relief money worth Rs 2 lakh from the SDRF was used to repair the private wall of the house of Chumbey Rai, youth president of the ruling Sikkim Democratic Front party. Money from the SDRF was also spent on painting hand railings along the national highway.

There has been no reply yet to the several e-mails Cobrapost has sent to the CM's office. It anyhow has to first answer those who suffered in the 2011 quake.