

GOVERNMENT OF INDIA
MINISTRY OF ROAD TRANSPORT AND HIGHWAYS

LOK SABHA
STARRED QUESTION NO. 262

ANSWERED ON 03rd AUGUST, 2017

BRIBE TO BAG CONTRACTS

*262 SHRI DHARMENDRA YADAV:
SHRI A. ANWHAR RAAJHAA:

Will the Minister of ROAD TRANSPORT AND HIGHWAYS

सड़क परिवहन और राजमार्ग मंत्री

be pleased to state:

- (a) whether officials of the National Highways Authority of India (NHAI) have allegedly been bribed by the US based firms to bag contracts during 2011-15;
- (b) if so, the details thereof along with the reaction of the Government thereto;
- (c) whether the Government has conducted any inquiry in this regard;
- (d) if so, the outcome thereof along with the action taken/proposed to be taken by the Government in this regard; and
- (e) the names of the National Highways allocated to the said firms along with the present status thereof, State-wise?

ANSWER

THE MINISTER OF ROAD TRANSPORT AND HIGHWAYS

(SHRI NITIN JAIRAM GADKARI)

- (a) to (e) The statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF LOK SABHA STARRED QUESTION NO. 262 ANSWERED ON 3RD AUGUST, 2017 ASKED BY SHRI DHARMENDRA YADAV AND SHRI A. ANWHAR RAAJHAA REGARDING 'BRIBES TO BAG CONTRACTS'

(a) & (b) It was reported in media that M/s CDM Smith, through its employees and agents, and those of its wholly owned subsidiary in India (CDM India), paid approximately \$1.18 million in bribes to government officials in India in exchange for highway construction supervision and design contracts. This media report emanates from the U.S. Department of Justice, Criminal Division letter dated June 21, 2017 available on their official website. The relevant part of the aforesaid letter is extracted below:

“From approximately 2011 until approximately 2015, employees of CDM Smith’s division responsible for India operations and CDM India illegally paid bribes to officials in the National Highways Authority of India (“NHAI”), India’s state-owned highway management agency and an “instrumentality” under the FCPA, in order to receive contracts from NHAI. The bribes generally were 2-4% of the contract price and paid through fraudulent subcontractors, who provided no actual services and understood that payments were meant to solely benefit the officials.”

The National Highways Authority of India has compiled the list of all the consultancy assignments awarded to the said firm and its associates. The Ministry of Road Transport & Highways (MoRTH) and the National Highways Authority of India have initiated steps to obtain the supporting documents so as to take the matter to logical conclusion. MoRTH has taken up the matter with the Ministry of External Affairs as well as the Indian Embassy in USA to liaise with U.S. Department of Justice to obtain the information and records gathered by them during their inquiry.

Incidentally, it may be mentioned that the NHAI had debarred the said firm for a period of 3 (three) months in 2015 from participating/ engagement in future bidding of NHAI projects because of deficiency in services in one of the projects, i.e. Dholpur- Morena Section of NH-3. Similarly, in a lone assignment awarded to the said firm, the NHIDCL has debarred the said firm this year for a period of two years.

(c)& (d) The Central Vigilance Commission of India has constituted a Special Investigation Team of three officers to investigate the matter and report to Commission.

(e) Details of projects wherein CDM Smith was engaged by NHAI for Engineering Consultancy Services so far along with the status of their completion is attached at **Annexure-1**.

National Highways Authority of India								
Consultancy Services awarded to M/s. CDM Smith & Wilbur Smith Associates								
Sr. No.	Name of the Project	State	NH No.	Consultancy Awarded Amount (Rs.)	Actual Payments Made (Rs.)	Start Date of Consultancy Services	Completion Date of Consultancy Services	Remarks
1	Independent Consultancy Services for 4-laning of Armur-Adloor-Yellareddy Section	Telangana	7	4,76,29,091 (LC) + US\$ 6,79,320 (FC)	4,67,74,668 (LC) + US\$ 2,83,255 (FC)	13.12.2010	22.12.2015	
2	IE Services for 6-laning of Vijayawada-Gundugolanu Section	Andhra Pradesh	5	8,36,88,800	4,55,43,538	11.02.2013	12.07.2016	
3	IE Services for 4-laning of Vijayawada-Machilipatnam Section	Andhra Pradesh	9	7,76,23,500	1,96,72,753	18.10.2012	12.09.2014	
4	Consultancy Services for Packages EW (RJ-9)	Rajasthan	76	11,09,63,711 (LC) + US\$ 28,62,600 (FC)	16,21,99,256	14.02.2006	July, 2010	
5	Consultancy Services for Packages EW (RJ-10)	Rajasthan	76					
6	Consultancy Services for	Rajasthan	76					

National Highways Authority of India

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	Packages EW (RJ-11)							
7	4-laning of Dholpur-Morena Section	Rajasthan	3	5,27,35,600	8,72,60,302	11.03.2008	15.07.2017	
8	Consultancy Services for 4-laning of Lucknow-Sitapur Section	Uttar Pradesh	24	3,73,25,800 (LC) + US\$ 7,03,060 (FC)	4,93,93,346 (LC) + US\$ 8,58,404 (FC)	02.06.2006	01.06.2010	
9	Consultancy Services for Dhule-Pimpalgaon Section	Maharashtra	3	4,05,98,250 (LC) + US\$ 6,57,970 (FC)	4,57,07,664 (LC) + US\$ 4,54,988 (FC)	01.04.2006	30.06.2014	
10	4-laning of MP/Maharashtra Border - Dhule Section	Maharashtra	3	6,60,26,840 (LC) + US\$ 6,89,349 (FC)	2,84,33,761 + 79,85,459	21.04.2010	30.09.2016	
11	4-laning of Talegaon-Amravati Section	Maharashtra	6	6,41,53,040 (LC) + US\$ 8,41,439 (FC)	6,46,88,316 (LC) + US\$9,58,341 (FC)	28.10.2010	15.04.2015	

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12	Four Laning of Maharashtra / Karnataka border - Sangareddy Section from Km 348.800 to Km 493.000 in the state of Karnataka and Andhra Pradesh on DBFOT Basis under NHDP III (Package No. : Kar/Phase-III/IC-3/2011-12)	Karnataka	9	13,22,86,143	9,58,81,027	11.02.2013	30.09.2016	
13	Operation and Maintenance and fee collection of Elevated highway project from silk board junction to Attibele from Km.8.765 to Km.33.130 on Bangalore-Hosure Section of NH-7 constructed under BOT toll basis through a concessionaire (Package No. Kar/O&M/IC-2/2011)	Karnataka	7	3,05,86,190 (including Taxes)	3,74,76,672 (including Taxes)	15.03.2012	31.12.2015	

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14	Independent Engineer Services for 4 laning of Gwalior-Shivpuri section of NH-3 from km 15.600 of NH-75 (End of Gwalior bypass) to km 236.00 of NH-3 in the state of Madhya Pradesh on BOT (Toll) on DBFOT Pattern under NHDP Phase-IV	Madhya Pradesh	3	11,79,89,528	7,83,48,248	20.11.2013	02.12.2016	
15	Consulatanacy Services for 4/6 laning of Shillong - Jowai Section including Shillong Bypass & Jowai Bypass	Meghalaya	40 & 44	1,70,80,900	1,12,03,166	28.03.2005	06.02.2007	
16	Operation and Maintenance of Orai - Bhognipur Section (Km.220.000 to Km.255.100) and Bhognipur-Barah Section (Km.421.000 to Km.449.000) in the State of U.P.	Uttar Pradesh	2 & 25	3,57,84,997 (LC) + US\$ 6,16,920 (FC)	5,42,13,573 (LC) + US\$ 7,76,532 (FC)	12.09.2006	26.04.2014	The Consultant, M/s. Wilbur Smith Associates Inc.- M/s. Wilbur Smith Associates Pvt. Ltd (JV) demobilized from the project.

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17	Operation and Maintenance of four laning of Karnataka/ Kerala Border to Kannur Section from Km.17.200 to Km.143.823	Kerala	17	13,05,85,740	-	-	-	NHA issued letter dated 15.10.2014 to the Concessionaire intimating Termination/ Foreclosure of Concession Agreement.
18	IE services for 4-laning of Tirupati - Tiruthani - Chennai section in the States of Andhra Pradesh and Tamil Nadu	Tamil Nadu & Andhra Pradesh	205	14,94,65,040 (LC)	17,58,49,740	01.01.2012	05.05.2016	
				US\$ 1,77,103 (FC)	44,44,812			
19	IE services for OMT Package of Chennai Bypass	Tamil Nadu	Chennai Bypass	2,78,82,000	2,23,41,748	08.09.2014	11.01.2017	
20	IE services for O&M of Tambaram - Tindivanam section	Tamil Nadu	45	1,12,73,892	1,17,88,819	05.04.2013	30.09.2016	
21	IE Services for 2/4-laning of Trichy - Karur section	Tamil Nadu	67	12,70,75,878 (LC) + US\$15,31,000 (FC)	10,61,08,825 + 4,59,76,729	23.05.2008	31.05.2017	

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22	Preparation of fresh DPR for Trichy Bypass section	Tamil Nadu	67	40,90,000	11,69,026	28.11.2011	Not yet completed	Draft DPR submitted. Extension of time upto 31.12.2017 sought for by consultant for submission of final DPR
23	IE services for OMT Package of Trichy - Madurai section	Tamil Nadu	45B	3,05,97,000	2,48,84,521	11.06.2014	10.06.2017	
24	IE services for Six Laning of Hosur - Krishnagiri section	Tamil Nadu	7	8,27,34,720	7,66,44,151	16.08.2012	27.08.2016	
25	O&M of Tindivanam - Ulundurpet section	Tamil Nadu	45	3,60,03,720	76,71,432	05.04.2013	30.09.2016	
26	IE services for O&M of Ulundurpet - Padalur - Trichy section	Tamil Nadu	45	3,60,03,720	1,54,46,283	05.04.2013	30.09.2016	
27	Supervision Consultancy Services for Annual / Ordinary works on NH 45C, 66, 68 &	Tamil Nadu	45C, 66, 68 and 205	51,89,347	48,93,203	06.02.2008	Sept. 2008	

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	205							
28	IE services for OMT Package of Madurai - Kanniyakumari section	Tamil Nadu	7	3,19,29,000	2,15,22,879	25.06.2014	24.06.2017	
29	IE services for O&M of Madurai - Aruppukottai - Tuticorin section, Dindigul - Samayanallur section and Karur to Dindigul Section	Tamil Nadu	45B & 7	3,71,49,816	2,82,07,463	11.04.2013	30.04.2016	
30	Supervision Consultancy for Four laning of Panagudi - Kanniyakumari section	Tamil Nadu	7	3,07,35,900	3,05,68,562	28.05.2008	30.06.2012	
31	SC Services for Permanent Restoration Works on Mettupalayam-Ooty-Tamil Nadu / Karnataka Border from Km.384 to Km.450	Tamil Nadu	67 Extn.	91,17,817	6752496.00	28.02.2008	31.08.2009	

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32	SC Services for Permanent Restoration Works on Mettupalayam-Ooty-Tamil Nadu / Karnataka Border from Km.450 to Km.504	Tamil Nadu	67 Extn.	88,16,047	83,79,694	25.01.2008	31.08.2009	
33	Preparation of Fresh DPR for 4/6 laning from Km.100 (Chengapalli) to Km.182 (Walayar)	Tamil Nadu	47	97,16,600	28,22,243	10.09.2007	09.12.2008	
34	Supervision Consultancy of Civil Projects of 4-laning of 2 Packages No. C-II/BR-4 & BR-6 - Simrahi to Ring Road (Missing Link) (BR-4) and Ring Bund to Jhanjharpur (BR-6)	Bihar	57	5,92,99,400 (LC) + US\$ 1,83,000 (FC)	7,17,13,743 + 5,44,13,713	21.04.2006	30.04.2013	
35	Kosi Bridge including approaches and Guide Bund & Afflux Bund (BR-5)	Bihar	57	5,04,63,000	5,57,93,114	01.05.2007	31.01.2012	

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36	6-laning of Vadodara - Bharuch Section from Km.108.700 to Km.192.000	Gujarat	8	4,54,00,000	2,73,00,000	17.03.2015	Not yet completed	Completion date 16.03.2018
37	IE Services for Palanpur - Ratanpur - Samakhiali on OMT Basis Package-I	Gujarat	14 & 15	3,73,01,268	2,99,02,631	16.05.2014	15.05.2017	
