

Understanding the Role of Central Bureau of Investigation (CBI) in Economic Scams

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Abstract – Law enforcement agencies hold a vital job in the productive running of the nation. They keep up law and request in a nation and guarantees that harmony and valor wins in the nation. A country's satisfaction can be assessed from multiple points of view. Mental security of person's is one of the ways. A country where the general population are constantly frightful of occurring of some obscure occasion can't be said to be a glad country. 'Being secure' is the first need of any person so as to have an upbeat existence. Law enforcement agencies make us secure, which is their most extreme duty. The CBI has as of late been unmistakably in the news, accepting bunches from a few and brickbats from others. The Indian culture has been having a type of an adoration detest association with this association. The CBI has regularly been censured for its supposed inability to work unbiasedly and dispassionately as an agency of law, yet all the while there has dependably been a consistently expanding demand for examination of muddled cases including compelling people to be handed over to the CBI. This occurs in spite of the fact that the record of CBI in such cases has not been truly laudable.

Keywords: Corruption, Central Bureau of Investigation, Law Enforcement Agencies, etc.

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I. INTRODUCTION

Corruption in any structure treated as a serious illness is brought about by many social and economic disasters in the general public. It harms the good and moral filaments of the civilization. Undisputedly, corruption breeds numerous shades of malice in the general public. Corruption is a global wonder and has genuine ramifications and ramifications for the development of democracy, promotion and assurance of fundamental rights. There is a wide spread discernment that the dimension and inescapability of corruption picks up centrality⁷⁰.

It harms the good and moral strands of the civilization. Undisputedly, corruption breeds numerous disasters in the general public. When the seed of corruption begins developing it takes roots gradually and slowly and dangerously. It goes through the entire Nation and turns into a perilous disease⁷¹. Corruption has been viewed as one of most prominent difficulties obstructing the development of contemporary India. Despite the fact

that India's economy stands tall and firm, it has not understood its actual potential as corruption has, in the present situation, represses and undermines the economic development, yet in addition the compelling working of democracy. Corruption, a social danger, has made our nation vulnerable to and unprotected against the approaching powers of hostile to social components. Corruption in India is an outcome of the nexus between bureaucracy, politics and criminals. India is currently never again thought about a soft State. It has now moved toward becoming thought State where everything can be had for a thought. Corruption corrosively affects economy. It intensifies our picture in the international market and prompts loss of abroad chances.

Central Bureau of Investigation (CBI) is a government agency that fills in as a Criminal investigation body, national security agency and intelligence agency. In any case, it must be clarified beyond all doubt that the Central Bureau of Investigation (CBI) is neither an intelligence gathering agency nor a security association. It is an analytical agency doled out legally the activity of uncovering rather than hiding. The Central Bureau of Investigation (CBI) was set up vide Resolution No. 4/31/61-T dated first April, 1963 of the Ministry of Home Affairs, Govt. of India. Central Bureau of Investigation (CBI) was framed with one of the

⁷⁰ Harriss-White, B. and G. White, Editorial Introduction: Corruption, Liberalization and Democracy, in B. Hasrris-White (eds), Liberalization and the new Corruption, Vol.27,No.2, 1996,p.1.

⁷¹ Nye, Joseph S., —Corruption and political development: A cost-benefits analysisll American political Science Review, Vol.61.No.2, June 1967, p.417.

most amazing proverb for example —Industry, Impartiality, Integrity.

II. CORRUPTION TROUBLESHOOTING LEGAL FRAMEWORK

To battle this staggering corruption Indian penal code (IPC) was the fundamental instrument during the pre-autonomy period. The code had a part on —offences by public hirelings'. Segment 161 to 165 gives the legal structure to arraign degenerate public hirelings. Around then the requirement for a special law to manage corruption was not felt. In any case, the Second World War made hazards (deficiencies). Exploiting that circumstance the deceitful components abused the circumstance which prompted huge scale corruption in public life. Then the law creators earnestly felt that extreme authoritative estimates should have been taken immediately. Consequently the Prevention of Corruption Act, 1947 was enacted to battle the evils of bribery and corruption. This Act did not reclassify nor expand the meaning of offenses came about to corruption, officially existing in the IPC. Be that as it may, the law characterized another offense criminal unfortunate behavior in release of official duty for which improved disciplines was stipulated. Later in 1988, the Prevention of Corruption Act was enacted. It merges the provisions of the Prevention of Corruption Act 1947, the Criminal Law Amendment Act, 1952 and a few provisions of IPC. It has likewise certain provisions planned to battle corruption successfully among public hirelings. In this Act the term 'Public Servants' is comprehensively characterized and another idea 'Public Duty' is presented. In addition, trail on cases by Special Judges.

In compatibility of the suggestions made by the Committee on Prevention of Corruption, prevalently known as the Santhanam Committee, the Central Vigilance Commission was set up by the Government of India by a Resolution dated 11.2.1964. At the government level, key organizations are incorporate the Central Vigilance Commission (CVC), The Central Bureau of Investigation (CBI), The Office of the Comptroller and Auditor General (C&AG) and the State Level Anti-Corruption Bureaus (ACB) of each State are made to fighting the corruption in India. This article asses the jobs and elements of CBI to kill corruption in India and think about the one of the effective anticorruption agency in Hong Kong's Independent Commission against Corruption (ICAC).

As of late, in the method for battling corruption, the aversion of Money Laundering Act 2002 was enacted enabling the Directorate of Enforcement, India, and Financial Intelligence Unit, India to explore and indict such public hirelings who hold sick gotten riches in outside nations and move to their homeland through money laundering. Further, since mystery in public organization breeds corruption. The Right

Information Act, 2005 has been enacted going for guaranteeing proficiency, straightforwardness and accountability in public life. This is a progressive advance towards the annihilation of corruption from public life.

III. CENTRAL BUREAU OF INVESTIGATION

The Central Bureau of Investigation (CBI) is constrained by the Department of Personnel and Training in the Ministry of Personnel, Public Grievances and Pension of the Union Government generally headed by a Union Minister who reports straightforwardly to the Prime Minister. The Central Bureau of Investigation (CBI) is the official Interpol unit for India. The Central Bureau of Investigation (CBI) follows its birthplace to the (SPE) Special Police Establishment for example Vishesh Police Sansthan, which was set up in 1941 by the Govt of India. The elements of the SPE were to research cases of bribery and corruption in transactions with the War and Supply Department of India during World War-II. The Superintendent of the SPE was vested with the War Department. Indeed, even after the finish of the War, the requirement for a Central Government Agency to explore cases of bribery and corruption by Central Government employees was felt. The Delhi Special Police Establishment (DSPE) Act was therefore brought into power in 1946. This Act moved the superintendence of the Special Police Establishment (SPE) to the Home Department and its capacities were extended to cover all departments of the Govt of India. The Jurisdiction of the SPE reached out to all the association domains and could be stretched out likewise to the states with the assent of the State Government concerned. The originator director of the CBI was D.P. Kohli and he established the strong framework on which the association became throughout the decades to progress toward becoming what it is today.

The CBI's incident is that it is a police association. Like all police powers in the nation, it has been open and amiable to bothersome ill-conceived impacts from its political experts. The Supreme Court's judgment in the Havala case has not given it the sort of protection it required. The handing of Judeo-Jogi cases by the CBI obviously demonstrates this. The abnormal government officials exploit the public observation that the CBI in its work is infrequently impacted by political contemplations. Indeed, even where action taken against them is flawlessly genuine and is according to the law, they perpetually present as casualties of political feud and witch hunting. Every once in a while, the central government has issued requests leaving the powers of the CBI with the goal that it turns into a toothless tiger and exceedingly reliant on the government even in leading its operations. During Rajiv Gandhi's time, a Single Directive was

issued by the government, endorsing that no body of evidence against an officer of the position of Joint Secretary and above would even be enrolled without composed permission from the leader of the government. In the Havala case, the Supreme Court struck down the Directive as illegal, yet the Government of India has again acquired it back by including it the Central Vigilance Commission Act of 2003, which was passed as of late by the Parliament. Prior, it was just a lot of official directions; presently it has turned into a piece of law. The Government of India has never needed this association to wind up solid and successful. The need an investigating agency at the Center had been felt as ahead of schedule as in 1948, as found in the section "Central Bureau of Intelligence and Investigation" incorporated into the Union List of the Seventh Schedule to the Constitution. The CBI was built up just on 1.4.1963 and till date no law has been enacted to administer its functioning. It is as yet being administered by an obsolete Act of Second World War vintage, called the Delhi Police Establishment Act, which was enacted in 1946 to direct the functioning of the Special Police Establishment. This Establishment, presently converged in the CBI, was set up in 1941 to examine cases of bribery and corruption including buys and supplies during the World War II. On the off chance that the CBI needs to work as an unbiased and compelling association, certain measures are basic. One of these is to enact a law, which must characterize the status, capacities and powers of the CBI, set down protections to guarantee the objectivity and impartiality of the association and not enable anyone to appreciate exemption.

IV. CBI AND ECONOMIC SCAMS

The Central Bureau of Investigation (CBI) directed inquiries at around 188 places the nation over on Tuesday. These assaults were regarding somewhere in the range of 42 cases identified with bank frauds including around 7,200 crore.

CBI officials said that the amount being referred to in four of these cases is worth over 1,000 crore. These strikes were directed crosswise over 16 States and Union Territories.

A case was enlisted against Advantage Overseas Private Limited for causing an unfair loss of 1266 crore to the State Bank of India, Bhopal. The company and its senior officials have been accused of cheating, forgery, and criminal misconduct among others. The bank has claimed that blamed have occupied with mass trading for agro items and in intrigue with obscure bank officials profited offices worth 6,000 crore on premise of constrained records.

Another case has been enrolled against Energo Engineering Projects Limited for causing an unfair loss of 1100.73 crore to State Bank of India, New Delhi. It is said that the blamed company officials in

conspiracy with obscure bank officials fraudulently profited a credit line facility worth 1,290 crore by turning of forgery of reports and adulterated accounts.

The CBI likewise struck premises related with Surana Industries, Chennai and its promoters for causing a loss of 1083 crore to a consortium of banks drove by IDBI bank, Chennai. The company and its delegates have been blamed for controlling books of accounts by making fictitious passages and occupying funds for reason other than recorded.

JVL Agro enterprises Limited, Varanasi is additionally in the CBI net for making a loss two banks. The blamed has caused the Bank for Baroda a loss of ₹ 518.44 crore and the Punjab National Bank a loss of 517.99 crore. The officials are blamed for presenting an off-base balance sheet for approval of bank loan.

CBI sources said that the banks associated with every one of the cases where attacks were led (counting consortium members) are Andhra Bank, Oriental Bank of Commerce, Indian Overseas Bank, SBI, Allahabad Bank, Canara Bank, Dena Bank, Punjab and Sind Bank, PNB, Central Bank of India, Union Bank of India, IDBI Bank, Bank of Baroda, Bank of Maharashtra, and Bank of India.

Measures Required to Stop Scams and other Economic Crimes

In the present running economy, the measures taken by the Indian government are not adequate enough to take care of the issues of over growing scams and other economic crimes. There is need of severe provisions to manage such issues. The government is required to draw out specific reforms to beat these issues, for example, to oversee the crimes of economics the government ought to patch up the laws since the current laws are not all that brutal. Because of absence of such reforms, the economics scams are expanding step by step and the equivalent not just sham the public money rather additionally influence the exchequer at high rates every year. Patching up of laws can put constrains on the commission of such economics crimes? Additionally the enforcement agencies should attempt to keep bars on the advantages emerging out of such crimes by the offenders or scam. Further, the state authority ought to take care of the extent of bails gave to the offenders of scams. Alongside these reforms, the legal executive likewise ought to guarantee quick and fast decisions with respect to the trials of economic offenders. In this issue, the Indian reforms are a lot of soft than of other countries. One next to the other, all the private or public agencies, for example, income tax department, custom offices, police departments, SEBI, and so forth should work

in a coordination to rapidly dispose of these economics crimes.

V. CONCLUSION

The CBI (Central Bureau of Investigation) was first imagined in 1941 as the Special Police Establishment by the then Government of India as per CBI Constitution. CBI is an agency of Central Government that has wide scope of investigating regions and powers. It was framed with an objective to check corruption and other crimes in the country and so it will keep up a spotless picture of itself. The deficiency of the police to manage such issues was obvious, since these bodies, functioning under the government, were unfit to appropriately explore cases including government officials. Therefore, these conditions warranted the setting up of another and separate association which would concentrate just on the cases of bribery and corruption (which were tormenting the nation) which lead to CBI Constitution. The security scams and the financial scandals which have been talked about above include thousands of crores of money which either has a place with little investors, the government or cooperative banks. The offenders have thorough knowledge about the working of the system and expertise to control the system to profit by it. However, such advantages to certain people come at the expense of loss of lakhs of rupees to a great many investors or the government. It is obviously clear from the aforementioned cases that the event and re – event of such scams must be ascribed to the feeble financial regulations and a disappointment of corporate governance in finance. While the fundamental point of the corporate sector is to win profit, it ought not to come at the expense of relinquishing ethics and professionalism. The corporates ought to have a worry about the welfare of the shareholders. In all the dramatization that unfurls after each scam that is revealed, at last it's the honest man, who places for his entire life reserve funds into the share market who endures the most. And what struggles him more is that the culprits of his loss pull off a simple slap on their wrists.

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