

Department is also saddled with a committed liability of ₹26.60 crore (for the period from April 2020 to September 2021) towards payment for Biometric and IRIS devices and service charges due to TSTSL.

The Department undertook the implementation of ABAS in a haphazard manner, without having a feasibility study conducted and without assessing Aadhaar data requirement to run the scheme successfully. Thus, taking up the project in 9,349 schools of 12 Districts at a cost of ₹28.96 crore, rendered the expenditure incurred so far wasteful.

The matter was reported to the Government in March 2022; their reply is awaited.

Youth Advancement, Tourism and Culture Department

2.9 Issue of unauthorised Advertisements by the Department

Failure of the Department to verify the genuineness of the advertisement claims made by an Advertising Agency led to fraudulent payment of ₹1.84 crore

As per the orders of State Government (January 1994 and reiterated in February¹⁰⁰ 2017) the advertisements of all Government Departments should be released by the Information and Public Relations (I&PR) Department, which is the nodal agency for release of Government related advertisements.

Ignoring these orders during the period 2015-20, the Tourism Department directly incurred an expenditure of ₹20.31 crore¹⁰¹ on tourism promotion through hoardings at different locations outside the State like airports, in buses, taxis, flights, through promotion in TV and Theatres, etc. Out of the total expenditure of ₹20.31 crore, an amount of ₹9.96 crore was paid to a single agency¹⁰².

Audit observed that orders for release of branding¹⁰³ advertisements outside the State were issued to the agencies based on the proposals received from them without going through the tendering process as stipulated in State Government Orders¹⁰⁴ (July 2004).

It was further observed that the Department had not verified the advertisement campaigns carried out by the agency before accepting their claims for payments. The Department replied (December 2020) that due to non-availability of field

¹⁰⁰ Issued vide G.O.Ms.No.52, General Administration (I&PR) Department dated 14 February 2017

¹⁰¹ 2015-16: ₹4.82 crore; 2016-17: ₹11.07 crore and 2018-19: ₹4.42 crore

¹⁰² M/s Sai Signages, Bangalore

¹⁰³ Branding is the process of giving a meaning to specific organisation, company, products or services by creating and shaping a brand in consumers' minds

¹⁰⁴ Issued vide G.O.Ms.No.20, Information Technology & Communications Department (e-Procurement), dated 6 July 2004

officers to visit personally and ensure the facts, proofs submitted by the agency were treated as genuine.

Specific cases of irregularities with regard to release of branding advertisements in buses/flights, etc., to a single agency and release of payments without verifying the required documents are outlined in the paragraphs below.

Branding in Buses

During 2016, proposals were received from the agency mentioned above by the Department for branding in buses of Bengaluru, Chennai and Kerala. Details of the proposals received are shown below:

Table 2.12

Sl. No.	Name of the Corporation	Period of campaign	No. of buses	Rate per bus (in ₹)	Total Amount (₹ in lakh)
1	Bangalore Metropolitan Transport Corporation (BMTTC)	1 January 2016 to 30 June 2016	300	3,000	61.88
2	Metropolitan Transport Corporation (MTC), Chennai	1 June 2016 to 30 November 2016	300	3,500	72.45
3	Kerala State Road Transport Corporation (KSRTC), Trivandrum	1 July 2016 to 30 November 2016	300	3,500	60.38

Source: Information furnished by YATC Department

Work orders were issued by the Department for display of advertisements in buses accordingly. As per these work orders, the Agency on completion of the campaign period was to submit the invoice along with digital dated photographs towards evidence of completion of the campaign.

Audit observed that the Department had made payment to the agency without verifying the digital dated photographs and the genuineness of the campaign conducted by the agency.

Cross-verification with the agencies (in whose buses advertisements were to be displayed) revealed the following:-

- BMTTC authorities confirmed (June 2021), that they did not have any agreement with the Agency and also that they did not have any information regarding display of Telangana Tourism advertisement in their buses. This indicates that claim of ₹61.88 lakh by the agency for branding in BMTTC buses for the period of six months was fraudulent.
- MTC authorities confirmed (March 2022) that, no work order/licence had been issued to the Agency. Thus, the claim of ₹72.45 lakh by the Agency for branding in MTC buses was fraudulent.

- Kerala State Road Transport Corporation authorities while confirming the display of advertisements pertaining to Telangana Tourism in KSRTC buses, stated that, the display of advertisements was only in 225 KSRTC buses and not 300 as claimed by the Agency. Thus, there was a fraudulent claim to the extent of 75 buses (₹15.10 lakh) by the Agency.

Thus the Department honoured the fraudulent claims of the Agency without any verification and paid the Agency ₹149.43 lakh.

Branding in Indigo Flights

During 2016, a proposal for branding in Indigo flights, was submitted by the same Agency for the period 1 August 2016 to 30 September 2016. Work order was issued by the Department for display of advertisements in five flights at the rate of ₹six lakh per flight per month for two months initially which was subsequently extended for the period from 1 January 2017 to 31 March 2017, i.e., for a total period of five months.

Audit noticed that the branding in Indigo flights was actually done for a period of four months (i.e., from 10 August 2016 to 25 September 2016 and from 1 February 2017 to 15 April 2017) against the originally sanctioned five months. The advertisement campaign was therefore not carried out as per the work order issued to the agency but the amount of ₹1.73 crore claimed by the agency for five months was paid by the Department.

The fraudulent claim of ₹34.50 lakh by the agency in respect of the period of one month during which no advertisement campaign was carried out, was paid by the Department.

Thus, the failure of the Department to verify the genuineness of the claims made by the Advertising Agency led to payment of ₹1.84 crore towards fraudulent claims.

Recommendation:

Government may ensure that all claims by Agencies are properly verified before effecting payments. Appropriate measures including criminal action for recovery of the fraudulently claimed amount from the Agency may also be initiated.

The matter was reported to the Government in December 2021; their reply is awaited.