

be forfeited and got back. There is no point in getting satisfied with pleasing the depositors by paying them back their money. The Government can go on subsidising the UTI every two or three years, when they commit a fraud or when there is a mismanagement, but these periodical dole-outs are not going to be the solutions. Moreover, are we really serious when we think that with the resignation of the Finance Minister everything will be all right with the UTI and all other financial institutions?

There is some malady at the very root. We have to get at it. It is not the Finance Minister, it may not be even the Chairman of the UTI. It is the psyche of the country. When it is public money, we just think that it is there for the people to grab. If I can grab, I grab it. If somebody else can grab it, he grabs it, because honesty which prevails between two citizens totally vanishes when it comes to the handling of public money. We have created a psyche in this country that public money is there for all to loot. That must change. How are we going to do it? That must come from the leadership. As Mr. Peter Alphonse has pointed out, there is no point in saying, "Do you believe this man?", when you have believed him. So much light has been thrown on this debate. The Finance Minister would do well to take this matter seriously, and also get at the root of the problem and also take this as a warning as to what may be happening in other financial institutions like the LIC, the GIC. Are we going to have another debate for two days? Are we going to have another heated exchange of words and be satisfied with it? Or, are we going to take as a warning the things that took place in the UTI and go into the working of other financial institutions as well? Because it is not one Chairman or one Board of Directors who are out to do this. The whole lot of them are doing it all the time. Sometimes, something comes to light. Most of the time, nothing comes to light. The general public is defrauded. This should stop. For that, the psyche must change. Thank you, Sir, for giving me time.

THE VICE-CHAIRMAN (SHRI SANTOSH BAGRODIA): Now, the Minister of Defence will make a statement.

STATEMENT BY MINISTERS

(I) C.B.I. raids on premises of retired Air Force officers

THE MINISTER OF DEFENCE (SHRI JASWANT SINGH): Mr. Vice-Chairman, Sir, in a joint operation conducted by the CBI, the IB and the Indian Air Force Intelligence, some retired Air Force Officers and a few civilians have, on 26th and 27th July, been arrested for activities detrimental to national interests and relating to defence deals.

Some months back it had come to the knowledge of our Air Force Intelligence that Sergeant K.C. Saini, who was posted as equipment Assistant, D Stores, Air HQrs was providing information on defence purchases, in consideration of sums of money. It thereafter got established that Sergeant Saini attempted to recruit another NCO working in a sensitive Directorate of Air HQ, for the same purpose. This NCO, after being contacted by Sergeant Saini, reported the matter to his superior officer in Air HQ, who promptly informed Air Force Intelligence.

It was then decided to let the matter 'run' and to have this superior officer act as a 'decoy', by posing as a supplier of information, so that the full dimensions of this nefarious activity could be unravelled. At this juncture IB was also brought on the scene, and all subsequent meetings of the afore-mentioned officer with suspects, were monitored jointly by the IB and Air Force Intelligence. At this stage, Sergeant Saini arranged a meeting of the 'superior officer' with Air Vice Marshal J.S. Kumar, (Retired). This was in May, 2001. During the introductory meeting itself Air Vice-Marshal J.S. Kumar, (Retired), paid Sergeant Saini approximately Rs.19000/-. At a subsequent meeting, AVM J.S. Kumar, (Retired), paid the decoy officer a sum of Rs.50,000/-, with a promise of further "handsome" rewards for passing needed commercial information. Thereafter, AVM Kumar sought specific information in regard to certain projected purchases of the IAF.

At this juncture, the CBI's assistance was sought, and a formal FIR lodged with them. From this stage onwards, the CBI handled the case along with the IB and our Air Force Intelligence. The operation was then launched on 26th July, 2001. At 1830 hours, on that date, during a meeting arranged earlier between the Air Vice-Marshal, Sergeant Saini and the 'decoy superior officer', the CBI apprehended the Air Vice-Marshal and the Sergeant. Simultaneously, the CBI also raided the houses of four other retired IAF officers, one civilian employee of the MoD, and four civilians.

In the searches so far conducted by the CBI, it has been revealed that the retired Air Vice-Marshal was in possession of documents pertaining to defence deals, and a large amount of cash, at his residence. Similarly, documents of commercial nature pertaining to defence deals were also confiscated from the premises of the other retired IAF officers. As of now, seven individuals have been arrested for questioning.

I wish to place on record the appreciation of the Ministry of Defence for the efficiency, cooperative interaction and patient unravelling of this entire matter jointly by our Air Force Intelligence, the IB and the CBI.

Hon'ble Members would no doubt appreciate that as detailed investigations are currently on, it would not be in public interest to reveal any more details. Thank you.

THE VICE-CHAIRMAN (SHRI SANTOSH BAGRODIA): Now, a statement by the Minister of Petroleum and Nature Gas, Shri Ram Naik, to be laid on the Table of the House.

(II) CNG supply in Delhi

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI RAM NAIK): Sir, I lay a statement on CNG supply in Delhi on the floor of the House.

THE VICE-CHAIRMAN (SHRI SANTOSH BAGRODIA): The clarifications on the statment will be at a later date. I am also to announce that the Short Duration Discussion on the UTI is over. The hon. Finance Minister will reply to the debate tomorrow. The House now stands adjourned till 11.00 AM tomorrow, the 31st July, 2001.

The House then adjourned at thirteen minutes past five of the clock till eleven of the clock on Tuesday, the 31st July, 2001.