

Cash Crimes: Govt eye on 103 NGOs

Sanjib Kr Baruah, Hindustan Times, New Delhi, January 07, 2013

The government is keeping a close watch on the activities of 103 NGOs and 24 international donorson the basis of information that they may have undertaken suspicious monetary transactions. Thedevelopment is significant in view of increasing reports of money laundering and terror financingthrough NGOs and foreign donors.

"127 such entities have been placed on the suspect list. Their activities are being strictly monitoredin view of reports that they are being used by criminals and terror groups to bring money into thecountry for funding anti-national activities or money laundering," said a top government official."The MEA and RAW have been asked to gather more information on suspicious international donors.The MEA has been instructed to sensitise international donors to the misdemeanours of many NGOsthat receive funds from them."

"The I-T department has also been asked to step up monitoring," the official added.

Sources also told HT that the government is mulling appropriate legislative amendments, so as todevise a mechanism to regulate domestic funding. Existing provisions do not require the registrationof donors. The Economic Intelligence Committee, chaired by the finance minister, is expected to takeup the issue.

The government is also likely to come up with certain alterations in the law, so as to ensure thatforeign NGOs do not exert undue control over their Indian subsidiaries. This step has beenecessitated by reports that many international NGOs are using their Indian arms to bring in fundsthat may be used by entities in activities inimical to India's interest. However, the government is handling the issue with care because many genuine NGOs are engaged in bonafide charitable work.

VANI's Response

Selective leaks to silence and scare

We know history repeats itself, but when it comes to voluntary development organisations it is very systematic and selective. Especially, when we see it as an attempt to silence and scare the sector. Today, we saw a very interesting news item in the Hindustan Times on page number 9, "Cash crimes: Govt eye on 103 NGOs". Similar news appears when anti-corruption movement was at its peak, which said government has the list of 75 organisations that are violating FCRA (Foreign contribution Regulation Act) and they are under watch. This news item was leaked by news channels and series of debates took place. The voluntary sector demanded the list of 75 NGOs to be made public, but the news died down as the movement of anti-corruption died. Similarly, allegations were made against NGOs of Tamil Nadu in anti-nuclear movement, but that also demonstrated no conclusion. Now when very aggressive movement is going on for the basic safety and security of women in India,

and numerous NGOs, especially women groups are taking the lead, this news has appeared. Is there any correlation between social movement and such selective leaks? Is it not an attempt to silence the dissent by spreading the message that “Big-brother is watching you”?

Unfortunately, whenever such news appears, the source is not clearly defined or identified, and agencies are named which are normally beyond the reach of common Indian citizen. The numbers are listed and language is scary. Today’s news says “103 NGOs and 24 international donors on the basis of information that they may have undertaken suspicious monetary transactions.” It further says “Increasing reports of money laundering and terror financing through NGOs and foreign donors”. Now can anyone show such report where any genuine NGO, national, international or local has done this. The news says 127 such entities have been placed under suspect list. Can we see that list? The most astonishing part of the news is, “The Ministry of External Affairs (MEA) has been instructed to sensitise international donors to the misdemeanours of many NGOs that receive funds from them’. We all know that in India foreign funding could be received only by organisations which have been registered with Ministry of Home Affairs (MHA) under FCRA department. Either this line means that many so-called NGO are receiving foreign funding without FCRA registration or monitoring of MHA is so weak that they are not able to track the money which is coming to India.

Interestingly, on one hand the MHA is becoming more open towards genuine NGOs by developing mechanism for building mutual trust and streamlining the implementation of FCRA. Both NGOs and government share the concern of making country safer by cleaning and streamlining the system, but on the other hand such vague news items distort the public image of numerous voluntary organisations working in most difficult circumstances to realise the dream of better India. One must see the annual report of FCRA department before coming to any conclusion. It is now well known fact that it is only the marginal amount which comes to the country as development aid through FCRA channel, whereas quite substantial money is coming for purely religious and administrative purpose. The foreign aid to India for development purpose has experienced substantial decline. Secondly, the money coming through FCRA is highly monitored. The voluntary organisations intent to receive foreign aid has to go through the scrutiny of IB and state police, whereas no other agencies either government or private have to go through such strict regime.

Unfortunately, the voluntary sector in the country is the victim of regulatory apathy. The focus of most of the changes in legislations has led to more control and less professional regulations. Neither there is any nodal ministry for the voluntary development agency nor there are properly defined national registration laws which can differentiate voluntary development agencies from sports clubs, corporate hospitals, public schools or government sponsored NGOs. This has led to mushrooming of unaccounted players who operate in a space which is meant for charities. VANI has been arguing for proper identification and segregation through Income Tax Act, which is silent under its section 2(15). This section imposes strict taxation limitation on genuine organisations engaged in social development.

As a citizen of the country we are well aware of the fact where agencies like CBI and Income Tax are used to control the dissent, but when the question of voluntary sector comes this list further adds to MHA, FCRA, IB, and now RAW. We hope that not only government but even the society takes serious note of the situation of Voluntary sector and address its issues. One sided stories demoralise the activists and professionals who are engaged in nation building along with government and

private sector. We not only demand that such news must have substantial evidence, but also there is need to come out with the white paper on the problems and solution of voluntary sector in India. We must address the issue of not only foreign aid but also misuse of domestic aid by fly-by-night players. The society has right to know what was the outcome of the action taken on the VOs in Tamil Nadu; what happened to the so called list of 75 NGOs; and now who are these 127 NGOs. We should not declare VOs guilty without transparent and legal investigations.

Harsh Jaitli
Chief Executive Officer
Voluntary Action Network India (VANI)

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