

CHAPTER XVII: MINISTRY OF TOURISM

17.1 Infertuous expenditure on Hospitality

Department of Tourism extended repeated free hospitality under 'marketing, publicity and promotion' scheme to a US national of Indian origin and her companions, without ensuring returns by way of promised publicity. Department had not evaluated the scheme to prevent its abuse.

Department of Tourism (DOT) extends free hospitality to foreign-based travel writers, journalists and photographers, tour operators etc. under a plan scheme "Marketing, Publicity and Promotion" which covers to and fro passage, hotel accommodation, and travel within India. On return to their country of residence, it is expected that the guests would project India as an attractive multi dimensional destination in the overseas tourist traffic generating markets. The foreign tourists are selected and sponsored by 18 overseas Tourist Offices functioning under the administrative control of DOT.

DOT approved a proposal from, Government of India Tourist Office, Los Angeles (GOITO-LA) to extend hospitality under the scheme to Ms. Mahendri Arundale, reportedly a freelance gourmet writer from Los Angeles, California and her associate, Ms. Suzanne Cloutier. They were provided in May 1993, return Club Class passages from New York to Delhi and back, passages on Indian Airlines for travel within India, local hospitality including free accommodation, meals and ground transportation with guide and car. DOT had assessed the value of publicity resulting from the book and articles that the guest would write on her return to the US at around US \$ 250,000.

GOITA-LA had justified hospitality for the companion Ms. Suzanne Cloutier stating that she had provided invaluable insights, constructive criticism and suggestions for the guest's first book. Ms. Cloutier's curriculum vitae, however, had showed that she was a film actress and there was no reference of any connection with the culinary field. In approving the hospitality to Ms. Cloutier, DOT violated its own guidelines, which stipulated that all the guests recommended for hospitality were to be directly connected with the field of work.

Ms. Mahendri Arundale neither published any book nor had written any article after her visit. Yet, GOITO-LA again proposed in January 1994 another visit of Ms. Mahendri Arundale to South India for collecting necessary details for her second book. It contended that on her return, Ms. Arundale would write four/five articles in various Gourmet magazines besides publishing her cook book and delivering talks and lectures to various clubs. It expected the hospitality to generate a publicity value of US \$ 250,000. The proposal also mentioned incorrectly that on return from her earlier visit, Ms. Mahendri Arundale had written an article on the cuisine of India in the Los Angeles Times. However, what had been published was a review by a reporter of her earlier book, which had little to do with any direct or implied commitments

related to the visit for which DOT had extended full hospitality to her and her associate in May 1993. DOT again approved the proposal to extend full hospitality for ten days to Ms. Mahendri Arundale, notwithstanding the above. The guest visited Delhi, Kottakal, Cochin and Madras in April-May 1994.

Nothing was heard from Ms. Mahendri Arundale on her return till March 1, 1995 when she sent a proposal for another hospitality visit to India with a photographer associate in connection with her third book. She also stated that her second book was awaiting publication. DOT again approved full hospitality visit for four days for Ms. Mahendri Arundale together with photographer associate, Mr. Anthony Barnard to visit Delhi, Bombay and Calcutta in April 1996. The hospitality included two club class passages to Delhi and back from New York by Air India, passages by Indian Airlines on the domestic sectors Delhi/Calcutta/Bombay/Delhi and hotel accommodation for four nights at respective places. DOT expected the guests to write articles in the Travel and Food sections of the Los Angeles Times, besides the publicity accruing from the publication of her third book. DOT put the total publicity value from the visit at approximately between US\$75,000 and \$ 93,000. There had been no contact with Ms. Mahendri Arundale after her return from India in May 1996. There was also no evidence of her writing articles or of publication of her second or third book. No gains accrued to India, against the anticipated publicity value of US \$ 575,000 (equivalent to approximately Rs 1.85 crore). This casts serious doubts as regards manner of selection of the guests and assessment of their publicity value by GOITO-LA and DOT.

DOT did not have details of expenses incurred on these futile hospitality visits. The expenditure incurred on air travel alone was Rs 9.10 lakh. The department in their reply in November 2001 also admitted that this was one of the rare cases where Hospitality was given three times and no publicity return accrued. Department further added that they had formulated a policy that no hospitality could be given to any guest/s who had availed department hospitality during previous three years. DOT, in their earlier reply sent to Audit in July 2000, accepted what they called ' a case of lapse on the part of Tourist Office Los Angeles' and stated that they had initiated action to fix responsibility. The fact, however, remains that final responsibility vests with DOT since GOITA-LA had only a recommendatory role, and it was DOT who approved the proposed hospitality visits. DOT had not made any value-for-money evaluation of the hospitality visits in the last five years as a measure of strengthening internal control procedures to (a) prevent abuse of the hospitality scheme and (b) ensure optimum gains from it. Details of department's action to fix responsibility was awaited in Audit as of November 2001.