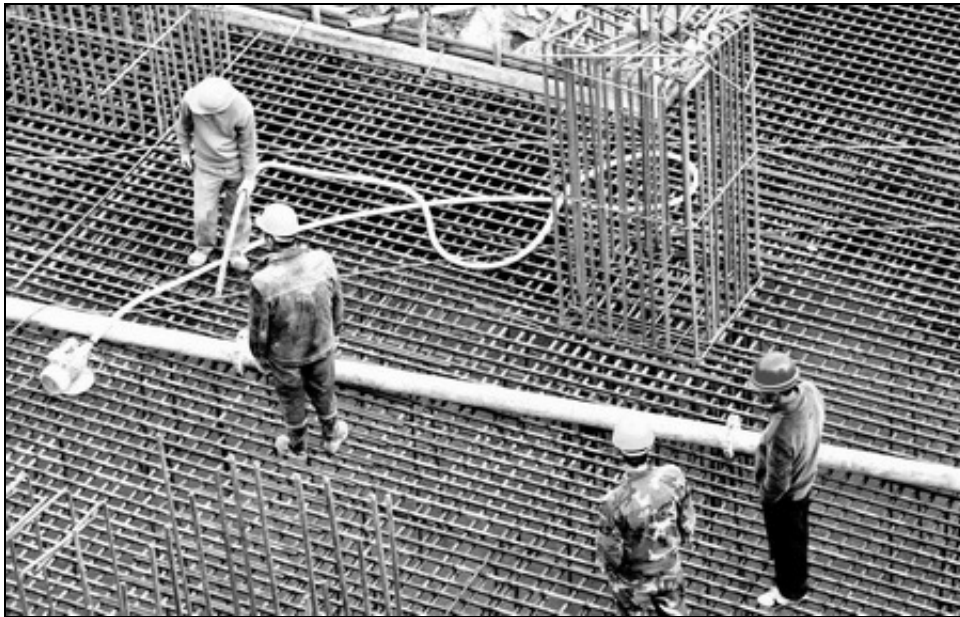


Nationwide inspections target fund misuse

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Workers at a cement factory in Huaying, Sichuan province November 24, 2008. Companies and local governments have been pouring money into infrastructure projects since the central government announced an economic stimulus package earlier this month. [Xinhua]

Local authorities caught misusing funds from the central government's 100-billion-yuan (\$14.6 billion) economic stimulus package risk having their allocated amount withdrawn or cut, an official statement said Monday.

The 24 central government inspection teams sent out nationwide this week will check waste and fraud arising from the use of the funds, the statement jointly issued by the Communist Party of China Central Commission for Discipline Inspection, the National Development and Reform Commission, the Ministry of Supervision, the Ministry of Finance and the National Audit Office said.

Each of the teams includes an official of vice-minister level leading members from the five government agencies, who will be stationed at local governments for three months to oversee the use of the funds, the statement said.

The move is the latest attempt to ensure the proper use of the economic stimulus plan, announced by the State Council on Nov 9.

Ministries and local governments allocated the funds are being required to use them

before early March, in areas such as social welfare, infrastructure, environmental protection and industrial restructuring.

The inspection teams have been tasked to check all aspects concerning the use of the funds, including project planning, assessment and approval, procurement and construction, the statement said.

Inspectors will look out for:

- * Projects built for "image or achievement" that waste money and manpower.
- * Money being misused for constructing Party or government office buildings, or for setting up polluting industries.
- * Hasty construction carried out at the price of quality.
- * Projects that have not gone through proper examination and approval procedures.

"Any official found to be negligent, cheating, embezzling and taking bribes in fund management will receive Party or administrative punishment or even face criminal charges," the statement said.

It is timely for the central government to map such supervision following the announcement of the stimulus package, analysts said.

"It will definitely work toward the prevention of fund misuse," said Ren Jianming, director of the clean government research center at Tsinghua University.

Still, Ren said it is better for such supervision to be accompanied by more public involvement.

"The people can be more effective in supervision than a few central government officials," he said.

Separate spending proposals announced in the past week by local authorities, dwarfing the central government's package at about 10 trillion yuan in total, were also a cause for concern.

"But so far we see no new supervision plan for these local funds," Ren said.