

Protection of the EC financial interests: on-the-spot checks and inspections

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A report calling on Parliament to approve a proposal for a Council Regulation providing for on-the-spot checks and inspections by the Commission to protect the Community's financial interests was adopted by the Committee on Budgetary Control. However, the committee has asked the House not to give the proposal the green light unless the Commission introduces penalties for anyone who obstructs Commission inspections. Mrs THEATO believes that the lack of penalties renders ineffective the requirement that economic operators who are in receipt of funding must allow Community inspectors access to "premises, land, means of transport or other areas, used for business purposes". As is generally the case with initiatives to combat fraud affecting the Community budget, this draft regulation stems from an EP resolution adopted on 11 March 1994 which called on the Commission to give the Community's Fraud Prevention and Coordination Unit (UCLAF) wide-ranging powers to obtain access to information and to conduct on-the-spot inquiries. The Council's draft of the proposal, which took substantial account of the 13 amendments tabled by the EP, is based on two principles endorsed by the committee: - on-the-spot inspections by the Commission must comply strictly with the subsidiarity principle; - inspections are administrative rather criminal.