FRED2

FRAUD REPRESSION THROUGH EDUCATION 2

Fraud Repression through EDcation2
FOCUS MAGAZINE

CENTRO DI RICERCA IMPRESAPIENS

SAPIENZA UNIVERSITÀ DI ROMA

PROJECT SUMMARY
FRED2

The project aims to improve the cooperation between the anti-irregularities/anti-fraud units and the academic environment, with reference in particular to the Italian AFCOS with the Sapienza University of Rome, on the subject of European Funds including recent procedural developments (penal and administrative), by strengthening the exchange of information, experiences and goodw practices. The project comprises 12 events (conferences, webinar, workshops and study visits), involving 1000 participants in Italy plus 4 events in the following Countries: Greece, Finland and Belgium, with a balanced representation of academics and practitioners coming from law enforcement, anti-irregularities and antifraud authorities. The University of Rome La Sapienza has a strong institutional support accredited through letters of interest from different universities and institutions, which bring human resources and know-how.

THE PROJECT FORESEES THE FOLLOWING OBJECTIVES:

• An experiential co-lab-learning itinerary participated by academic and practitioners for developing innovative cost-effective approaches that will fit out participants with a greater know-how effectiveness for determining fraud risks and comparing control strategies in the sector of public budget support.

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• An Anti-Fraud Observatory with a European transnational dimension perspective, which will give sustainability to the new network through relations aimed at improving the awareness of fraud and other illegal activities by enhancing transnational and multi-disciplinary cooperation.

• Promotional and dissemination material planning and realisation for supporting the previously mentioned goals.

Stefano Screpanti, Antonella Polimeri and Raffaele Fitto

0TH **KICK OFF**

KICK-OFF MEETING OF THE PROJECT "101101784 — 2022-IT-FRED2"

Fraud Repression through EDucation2

INTRODUCTION TO THE PROJECT, MISSION AND TRANS-NATIONAL VALUE OF ANTI-FRAUD

Rome, 31 May 2023

Presidenza del Consiglio dei Ministri
Via della Panetteria, 18 - 2° piano - Sala Parlamentino

22 NOVEMBER 2023

14:30 REGISTRATION AND OPENING OF THE MEETING

Interpreter: **Maria Virginia SIROLLI**, ImpreSapiens Research Centre Member, FRED2 Task manager
Moderator: **Eleonora COVA**, Tutor of the Master's in European Project Management and European Professions and of the Master's in European Project Management for Public Administrations and International Organizations, FRED2 Task manager

15:00 Introduction to project and the micro-territorial systems concept

Andrea ROCCHI, Director of the Master's in European Project Management and European Professions and Master's in European Project Management for Public Administrations and International Organizations, Director of the ImpreSapiens Research Centre, Professor of the Department of Communication and Social Research of Sapienza University of Rome, FRED2 Project Manager

15:30 Annual reports on the protection of the EU's financial interests ("PIF" Report) and Commission Anti-Fraud Strategy (CAFS): enhanced action to protect the EU budget

Andrea BORDONI, Expert from the European Anti-Fraud Office (OLAF) of the European Commission

16:00 EPPO Annual Report: the role of the European Public Prosecutor's Office (EPPO) to improve the level of protection of the financial interests of the European Union (EU)

Alessandro DI TARANTO, European delegated prosecutor (EDP) in Rome

16:30 Role of the Italian Anti-fraud coordination service and, in particular, of the Guardia di Finanza Anti-Fraud Unit as Technical Secretariat of IT-AFCOS: National Anti-fraud Strategy (NAFS)

Cruciano CRUCIANI, Coordinator of the Technical Secretariat of the Italian Anti-fraud coordination service (AFCOS)

17:00 Procedures and IT tools for proper financial management and monitoring of the implementation of NRPP interventions and reforms

Giorgio CENTURELLI, Director of the General Directorate for Financial Management, Monitoring, Reporting and Control of the Ministry of Environment and Energy Security (National Recovery and Resilience Plan - NRRP measures)

17:30 Emerging Technologies for mapping Risk Stakeholders (using Artificial Intelligence (AI) and blockchain applications)

Francesco BELLINI, Professor of Digital Transformation and Data Management at the Department of Management of Sapienza University of Rome

18:00 Q&A. CONCLUDING REMARKS

23 NOVEMBER 2023

09:30 REGISTRATION AND OPENING OF THE MEETING

Luisa REGIMENTI, Personal Councillor, Local Police, Local Authorities, Urban Security Lazio Region
Moderator: **Vanni RESTA**, Euro-designer, Master's in European Project Management and European Professions and Master's in European Project Management for Public Administrations and International Organizations Lecturer, Professor of Social Design at the Coris Department Sapienza University of Rome, President of the Manlio Resta Foundation

10:00 General anti-fraud strategy for the implementation of the National Recovery and Resilience Plan (NRRP) and guidelines for the control and reporting measures: Member States' control systems to prevent, detect and correct fraud under the Recovery and Resilience Facility (RRF)

Ugo LIBERATORE, Head of "Reporting and control" Unit of the General Inspectorate for NRRP at the Italian Ministry of Economy and Finance, RGS-State General Accounting

10:30 University training offer dedicated to the professionals in the field of European Funds. The hypothesis of an organisational model of "specialist training" that could also be used by the universities of Greece, Finland and Belgium. Investigatory powers and procedural safeguards: Improving legislative framework through a comparison with other national and EU authorities

University of West Attica-Greece
University of UC Louvain-Belgium, **Nicolas DE SADELEER**

Francesco Bellini, Cruciano Cruciani, Andrea Rocchi, Maria Virginia Sirolli, Alessandro Di Taranto and Eleonora Cova

1ST WORKSHOP **ROME**

1ST WORKSHOP OF THE PROJECT "101101784 — 2022-IT-FRED2"

Fraud Repression through EDucation2

«CAPACITY BUILDING, NETWORK PROGRAMME GUIDELINES AND MAPPING OF CASE STUDIES AND KNOWLEDGE ON THE PROTECTION OF THE EU'S FINANCIAL INTERESTS AND THE FIGHT AGAINST FRAUD»

Rome, 22-24 November 2023

Sapienza University of Rome

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University of West Attica-Greece
University of UC Louvain-Belgium, **Nicolas DE SADELEER**

11:00 COFFEE BREAK

11:30 Protection of the EU's financial interests: national law on cooperation with OLAF during On - The-Spot Checks (OTSC) and EPPO. State of play of national antifraud strategies (NAFS) in Greece, Finland and Belgium AFCOS competences

Greece AFCOS, **Dimosthenis AVARKIOTIS**
Finland AFCOS, **Toni TIALA**
Belgium AFCOS, **Christian BOURLET**

12:15 University training offer dedicated to professionals in the European Funds sector. The hypothesis of an organizational model of "specialist training" that could also be used by other Italian universities

University of Sassari, **Alessio TOLA**
University of L'Aquila, **Antonio CAPUTO**

13:00 LIGHT LUNCH (hosted by SAPIENZA UNIVERSITY OF ROME)

14:30 OPEN FLOOR DISCUSSION: Contributions for the development of the European Anti-Fraud Observatory on Monitoring the correct and efficient use of European Funds in micro territorial systems. Analysis of the role that European and national institutions could play in the Observatory (TASK FORCE)

Maria Felice AREZZO, Professor of Economic Statistics at the Department of Methods, Models for Economics, Territory and Finance, Sapienza University of Rome

15:20 Guardia di Finanza: Italian economic and financial police force in the fight against EU fraud

Andrea PECORARI, General of the Guardia di Finanza, Commandeer of the Investigative Unit of the Special Nucleus of Public Expenditure and Repression of Community Fraud

15:45 Direct Funds: the management of the European Union budget and the implementation of the financial framework (funding in the MFF 2021-2027, including Horizon Europe, and Next Generation EU)

Serena BORGNA, Head of Institutional Department at APRE - Agency for the Promotion of European Research

16:05 Indirect Funds: case studies and best practices in micro territorial systems. Types of fraud and use of the "Irregularities Management System - IMS"

Agnese GNESSI, Manager of the Control Systems Area of the Economic Development, Productive Activities, Research Directorate of Lazio Region
Roberta LACAVA, Technical Assistance to the ADG

16:30 Regulatory and monitoring activities in the areas of anti-corruption, transparency, public employees' integrity, whistleblowing and public procurement with the aim to prevent corruption in the public sector and avert the waste of public resources

Luca FORTELEONI, Councillor of the Italian National Anti-corruption Authority (ANAC)

16:55 Overcoming gaps in knowledge and practice of anti-corruption and anti-fraud by building on international and EU AML best practices

Valerio VALLEFUOCO, External expert in anti-money laundering and anti-corruption and compliance for the Italian National Order of Chartered Accountants and Accounting Experts (CNDCEC)

17:15 Use of integrated and cooperative IT tools capable of combining heterogeneous data coming from different information systems, such as the data warehouse, the data mart, big data and the data-driven approach (activated within the 'ReGiS' information system, 'Arachne' and 'Integrated Anti-Fraud Platform – PIAF')

Andrea MINTO, representative of the University of Venice "Ca' Foscari"

17:40 Contributions for the development of European Anti-Fraud Observatory on Monitoring the correct and efficient use of European Funds in micro territorial systems

Andrea MINTO, representative of the University of Venice "Ca' Foscari"

18:00 Q&A. CONCLUDING REMARKS

24 NOVEMBER 2023

09:00 REGISTRATION AND OPENING OF THE MEETING

Moderator: **Vanni RESTA**, Euro-designer, Master's in European Project Management and European Professions and Master's in European Project Management for Public Administrations and International Organizations Lecturer, Professor of Social Design at the Coris Department Sapienza University of Rome, President of the Manlio Resta Foundation

09:30 LABORATORY ACTIVITIES IN BREAK-OUT SESSIONS

Topics:
1)Knowledge vs. information: Knowledge is a high-value form of information that is ready to apply to decisions and actions, [and that] knowledge derives from information as information derives from data. The map allows to extract knowledge with a bottom up approach using the actors of the territorial microsystems as the source of knowledge.
2)Drafting the knowledge map of pilot research study on preventing fraud in micro territorial systems.
3)Sharing of ideas for the implementation of the European Anti- Fraud Observatory.
4)Facilitated discussion among workshop participants focusing on key questions. What are the benefits of knowledge mapping in the fight against fraud (how to build a 'knowledge map'; best practices and examples of finding knowledge using a 'knowledge map')

Moderator: **Cruciano CRUCIANI**, , Italian Anti-fraud coordination service (AFCOS)
Vanni RESTA, Euro-designer, Master's in European Project Management and European Professions and Master's in European Project Management for Public Administrations and International Organizations Lecturer, Professor of Social Design at the Coris Department Sapienza University of Rome, President of the Manlio Resta Foundation

12:00 Q&A. CONCLUDING REMARKS

Scuola Grande San Giovanni Evangelista di Venezia

2ND WORKSHOP **VENICE**

2ND WORKSHOP OF THE PROJECT "101101784 — 2022-IT-FRED2"

Fraud Repression through EDucation2

«MAPPING KNOWLEDGE IN THE FIGHT AGAINST FRAUD»

Venice, 19 February 2024

Scuola Grande San Giovanni Evangelista di Venezia
Sala Albergo Sestiere San Polo 2454

Venice, 20 February 2024

Comando Regionale Veneto della Guardia di Finanza
Sala videoconferenze - Caserma Piave di Venezia
Palazzo Corner-Mocenigo, San Polo 2128/a

19 FEBRUARY 2024

10:00 REGISTRATION AND OPENING OF THE MEETING

10:15 Institutional Greetings

Rosanna CONTE, Member of the European Parliament
Fabrizio D'ASCENZO, Extraordinary Commissioner of the Italian National Institute for Insurance against Accidents at Work (INAIL)
Riccardo RAPANOTTI, Division General of the Guardia di Finanza, Veneto Regional Commander
Alberto PASTORE, Deputy Rector for Placement, Fundraising, Entrepreneurship and Start-up, Director of the Department of Management, Sapienza University of Rome
Luca ZAIA, President of Veneto Region (Intervention by reading of letter)

11:00 Introduction to project

Andrea ROCCHI, Director of the Master in Euro-planning for PPAAs and OOIIs, Director of the ImpreSapiens Research Centre, Professor at the Department of Communication and Social Research of Sapienza University of Rome

11:15 FRED2 - Fraud Repression through Education 2. Capacity Building and Networking Program Guidelines. Presentation of the conclusions of the 1st workshop and state of play of the work in progress

Cruciano CRUCIANI, Coordinator of the Technical Secretariat of the Italian Anti-fraud coordination service (AFCOS) at Presidency of the Council of Ministers, Department for European Affairs
Vanni RESTA, Euro-designer, Master's in European Project Management and European Professions and Master's in European Project Management for Public Administrations and International Organizations Lecturer, Professor of Social Design at the Coris Department Sapienza University of Rome, President of the Manlio Resta Foundation

11:30 Follow-up of 'AFCOS 2022 annual reports' and development of National Anti-Fraud Strategy

Cruciano CRUCIANI, Coordinator of the Technical Secretariat of the Italian AFCOS

11:50 The FRED2 Mixed methodological training and learning path

Vanni RESTA, Euro-designer, Master's in European Project Management and European Professions and Master's in European Project Management for Public Administrations and International Organizations Lecturer, Professor of Social Design at the Coris Department Sapienza University of Rome, President of the Manlio Resta Foundation

12:10 Contributions for the development of "European Anti-Fraud Observatory" on Monitoring the correct and efficient use of European Funds in micro territorial systems: presentation of the 'Task Force' and sharing of documents needed for data analysis

Maria Felice AREZZO, Professor of Economic Statistics from the Department of Methods, Models for Economics, Territory and Finance, Sapienza University of Rome

12:30 Contributions for the development of the "European Anti-Fraud Observatory" on Monitoring the correct and efficient use of European Funds in micro territorial systems

Bernardino QUATTROCIOCCHI, Professor from the Department of Management, Sapienza University of Rome Manlio Resta Foundation

12:50 Performance measurement related to EU projects

Francesca IANDOLO, Professor from the Department of Management of Sapienza University of Rome

13:10 A statistical approach to the Greek AFCOS CMS (Compliance management system). Transforming innovation into knowledge

Dimosthenis AVARKIOTIS, Head of the Greek AFCOS Unit
Konstantinos PAVLIKIANIS, AFCOS executive

13:00 **LIGHT LUNCH**

14:30 **The implementation of NRRP project in particular sectors**

Giorgio CENTURELLI, Director of the General Directorate for Financial Management, Monitoring, Reporting and Control of the Ministry of Environment and Energy Security (National Recovery and Resilience Plan - NRRP measures)

14:50 **Criminal, Law and Administrative Protection of the Financial Interests of the EU. The activity of the prosecutor's office in the fight against fraud against European funds. Regulations and examples of good practices**

Emma RIZZATO, European Delegated Prosecutor (EDP) in Italy

15:10 **Use of integrated and cooperative IT tools capable of combining heterogeneous data from different information systems such as the data warehouse and data mart activated within the ReGiS unitary system and the Arachne IT System anti-fraud information system provided by the European Commission**

Ugo LIBERATORE, General Inspectorate for the NRRP of the Ministry of Economy and Finance, State General Accounting Department

15:50 **COFFEE BREAK**

16:15 **OPEN FLOOR DISCUSSION**

European Anti-Fraud Observatory on monitoring the correct and efficient use of EU funds: 1)Knowledge vs. information. Knowledge is a high-value form of information that is ready to apply to decisions and actions, [and that] knowledge derives from information as information derives from data. The map allows to extract knowledge with a bottom up approach using the actors of the territorial microsystems as the source of knowledge. 2)Drafting the knowledge map of pilot research study on preventing fraud in micro territorial systems.

Moderators: **Maria Felice AREZZO**, Professor of Economic Statistics Department of Methods, Models for Economics, Territory and Finance, Sapienza University of Rome
Vanni RESTA, Euro-designer, Professor at the Communication and Social Research Department, Sapienza University of Rome
Francesco BELLINI, Euro-designer, Professor at the Management Department, Sapienza University of Rome
Eleonora COVA, PhD Student, FRED2 Task Manager, Sapienza University of Rome
Maria Virginia SIROLLI, PhD Student, FRED2 Task manager, Sapienza University of Rome

18:00 **CLOSING OF THE MEETING**

20 FEBRUARY 2024

10:00 REGISTRATION AND OPENING OF THE MEETING

10:15 Institutional Greetings

10:30 Welcome and introduction to the programme

Andrea ROCCHI, Director of the Master in Euro-planning for PPAAs and OOIIs, Director of the ImpreSapiens Research Centre, Professor at the Department of Communication and Social Research of Sapienza University of Rome
Eleonora COVA, PhD Student, FRED2 Task Manager, Sapienza University of Rome
Maria Virginia SIROLLI, PhD Student, FRED2 Task manager, Sapienza University of Rome

10:45 The activity of the "Guardia di Finanza" in the fight against fraud affecting the financial interests of the EU: mapping case studies (best/worst practices of European funds management) in micro-territorial systems

Fabio DAMETTO, Head of the Economic and Financial Police Unit of the Guardia di Finanza of Venice

11:05 Guardia di Finanza: Italian economic and financial police force in the fight against EU fraud and the 'checklist' for verifying milestones/targets in the management of NRRP measures

Andrea PECORARI, Colonel of the Guardia di Finanza, Commander of the Investigative Unit of the Special Nucleus of Public Expenditure and Repression of Community Fraud

11:25 Shared management of EU funding: case studies and good practices in territorial microsystems. The Irregularity Management System (IMS), a dedicated electronic system developed to report irregularities and fraud (data quality improvement)

Marco FANTI, Italian Anti-fraud coordination service (AFCOS) at Presidency of the Council of Ministers, Department for European Affairs

11:45 COFFEE BREAK

12:05 Anti-corruption compliance in the business sector in the protection of European funds

Eduard IVANOV, Representative of the International Anti-Corruption Academy (IACA)

12:25 Italian Anti-money laundering system and the role of the Financial Intelligence Unit (FIU): reports of suspicious transactions relating to the implementation of projects co-financed with European funds and with NRRP resources

Walter NEGRINI, Deputy Head of Suspicious Transactions Department within the Italian Financial Intelligence Unit (UIF) within the Bank of Italy

12:45 Frauds in the common agricultural policy sector

Francesco LO GERFO, Seconded National Expert Magistrate at European Anti-Fraud Office (OLAF)

13:05 University training offer dedicated to professionals in the field of European Funds: hypothesis of organisational model of 'specialised training' aimed at permanent dialogue and joint communication initiatives on anti-fraud issues

Antonio CAPUTO, Representative of University of L'Aquila

13:25 CLOSING OF THE MEETING

Investment and financial concept

3RD WORKSHOP **ONLINE**

3RD WORKSHOP OF THE PROJECT "101101784 — 2022-IT-FRED2"

Fraud Repression through EDucation2

«NEXT GENERATION EU: ITS FINANCIAL SOURCES AND FRAUD RISKS IN ITS IMPLEMENTATION»

Rome, 15 March 2024

Online

09:30 REGISTRATION AND OPENING OF THE MEETING

Raffaele FITTO, Minister for European Affairs, the South, Cohesion Policy and the PNRR, in case of impossibility, the Head of the European Policy Department will speak
Antonella POLIMENI, Rector of Sapienza University of Rome

10:00 Institutional Greetings

10:15 Introduction to project

Francesca Iandolo, Professor from the Department of Management of Sapienza University of Rome

10:45 Next Generation EU overview: its development and its financial sources

Francesco Bellini, Euro-designer, Professor at the Management Department, Sapienza University of Rome

11:30 COFFEE BREAK

11:45 Reporting on NEXT EU projects

Giorgio Centurelli, Director of the General Directorate for Financial Management, Monitoring, Reporting and Control of the Ministry of Environment and Energy Security (National Recovery and Resilience Plan - NRRP measures)

12:15 Main fraud risk indicators in the Italian's NRRP (National Recovery and Resilience Plan)

Cruciano Cruciani, Coordinator of the Technical Secretariat of the Italian AFCOS

12:45 LUNCH BREAK

14:00 Focus on NRRP and its comparison with other European Recovery Plans

Vanni RESTA, Euro-designer, Professor at the Communication and Social Research Department, Sapienza University of Rome

15:45 COFFEE BREAK

16:00 Next Generation EU: a statistical perspective

Maria Felice Arezzo, Professor of Economic Statistics Department of Methods, Models for Economics, Territory and Finance, Sapienza University of Rome

17:00 CLOSING OF THE MEETING

Digital Data Network Connections

4TH WORKSHOP **ONLINE**

4TH WORKSHOP OF THE PROJECT "101101784 — 2022-IT-FRED2"

Fraud Repression through EDucation2

«DATA DRIVEN APPROACH AND ITS USE IN CONTRASTING THE EUROPEAN FUNDS FRAUD PHENOMENON»

Rome, 27 June 2024

Online

09:30 REGISTRATION AND OPENING OF THE MEETING

Moderator: **Maria Felice Arezzo**, Prof. of Statistics, Sapienza University of Rome, Italy; Coordinator of FRED2project

10:00 Institutional Greetings

Alberto Pastore, Director of the Master in Euro-planning for PPAAs and OOIIs, Director of the Department of Management of Sapienza University of Rome, Italy
Mario Calabrese, Director of the research center Impresapiens, Sapienza University of Rome
Cruciano Cruciani, Colonel of Guardia di Finanza, Coordinator of the Technical Secretariat, Italian AFCOS
Antonio Tuccillo, President of the Fondazione Nazionale Commercialisti Ricerca

10:15 Indicators of fraud - A preliminary taxonomy

Francesca Iandolo, Professor from the Department of Management of Sapienza University of Rome, Italy

10:45 Detecting frauds through statistics and machine learning: an overview of supervised and unsupervised algorithms

Domenico Vitale, Professor of Statistics from the Department of Methods, Models for Economics, Territory and Finance of Sapienza University of Rome, Italy

11:15 COFFEE BREAK

11:30 From unstructured data to structured data: how artificial intelligence can help to define reliable risk indicators

Silvio Gerli, Adjunct professor of Statistics at the Department of Computer Science, Systems and Communication of University of Milano Bicocca, Italy; CEO of Sinte srl

12:00 Robust correspondence analysis of the detection of distortions in international trade

Marco Riani, Prof. of Statistics from the Department of Economics and Management Division of Statistics and Computing, University of Parma, Italy. Director Interdepartmental Centre Ro.S.A

12:30 An overview of the economic approach to deviant (non-compliant) behaviour in economics

Raffaella Coppier, Prof. of Economics from the Department of Economics of University of Macerata, Italy

13:00 LUNCH BREAK

14:30 The potential of Benford's law to derive disaggregated tax evasion indices for Italy

Luisa Scaccia, Prof. of Statistics from the Department of Economics of University of Macerata, Italy

15:00 Innovative methods for predicting frauds

Ivan Pastor Sanz, Prof. of Risk Management in Banking and Finance, University of Valladolid

15:30 COFFEE BREAK

15:45 The efficient use of NextGeneration EU Funds: A research of the Eumodnext EU group project

Óscar López de Foronda, Prof of Corporate Finance from Department of Economics and Business Management, University of Burgos

16:15 How to combat risk of fraud and irregularities in EU funding using advanced technologies

Nena Dokuzov, coordinator of the Strategy of digital transformation of economy at the Ministry of the Economy, Tourism and Sport in Slovenia

16:45 CLOSING OF THE MEETING

Maria Felice Arezzo, Androniki Kavoura, Vanni Resta and Sofia Asonitou

5TH WS STUDY VISIT **ATHENS**

1ST STUDY VISIT OF THE PROJECT "101101784 — 2022-IT-FRED2"

Fraud Repression through EDucation2

«SINERGIES OF EDUCATION AND AFCOS AGAINST FRAUD»

Athens, 5 July 2024

Venue: Room 5, First Floor, Campus 2,
250 Petrou Ralli and Thivon, Aigaleo

09:30 REGISTRATION AND COFFEE

Moderator: **Androniki KAVOURA**, Prof., University of West Attica, Greece

10:00 Institutional Greetings

Petros KALANTONIS, Prof., Vice Rector, Research, Innovation and Life Long Learning, University of West Attica, Greece
Vanni RESTA, Euro Designer, President of the Manlio Resta Foundation and Sapienza University of Rome
Mario CALABRESE, Director of Impresapiens research Centre, Sapienza University of Rome

10:15 INSIGHTFUL TALKS FROM THE UNIVERSITIES' PERSPECTIVES

10:15 Risk Management in Public Sector

Petros KALANTONIS, Prof., Vice Rector, Research, Innovation and Life Long Learning, University of West Attica, Greece

10:25 A first view on a data driven approach to tackle frauds: Italy as a case study

Maria Felice AREZZO, Prof. of Statistics, Department of Methods, Models for Economics, Territory and Finance, Sapienza University of Rome, Italy. Coordinator of FRED2 project

10:35 Educating tomorrow's citizens (and scientists) for a fraud-free European society

Sofia ASONITOU, Assoc. Prof., Department of Business Administration, University of West Attica, UNIWA, Greece

10:45 Integrity Counsel and Mediation: boundaries and challenges

Fotios SPYROPOULOS, Ass. Professor of Criminal Law - Faculty of Law - PHILIPS UNIVERSITY, Cyprus

10:55 Internal Audit in Greek Universities

Aggelia XANTHOPOULOU, Adj. Lecturer, University of West Attica

11:05 Future Perspectives in Internal Audit

Dimitrios CHARAMIS, Ass. Professor, University of West Attica, Greece

11:15 Peculiarities of the 2024 call for proposal of the EU Anti-fraud Programme (EUAF): an analysis of the call fiche

Vanni RESTA, Euro Designer, President of the Manlio Resta Foundation and Sapienza University of Rome

11:25 Educational Challenges in a Transforming World against Fraud Activities

Mariana SOKOL, Prof., Institute of Modern Languages, University of Rzeszow, Poland

11:35 Legal & Quality Assurance processes against fraudulent activities: The case of University of Seychelles

Diana ITHIER, Director of Quality Assurance, University of Seychelles and **Emmanuella SIMEON**, Director of Legal & Compliance, Member Association of Chartered Certified Accountants, University of Seychelles

11:45 DISCUSSION, QUESTIONS AND ANSWERS AMONG THE GROUP AND PARTICIPANTS OPEN FLOOR DISCUSSION AND NETWORKING

12:00 INSIGHTFUL TALKS FROM THE ORGANISATIONS' PERSPECTIVES

12:00 Greek AFCOS involvement in protecting EU budget and its crucial role in the Greek public administration

Konstantinos PAVLIKIANIS, Prof., Institute of Modern Languages, University of Rzeszow, Poland

12:10 Contributing in the protection of EU budget and Greek AFCOS role in the Greek public administration

Athanasios Sakellariou, Representative & executive of the Greek AFCOS

12:20 The implementation of the Commission's Recommendations on the protection of the EU budget

Cruciano Cruciani, Coordinator of the Technical Secretariat of the Italian AFCOS

12:30 DISCUSSION, QUESTIONS AND ANSWERS AMONG THE GROUP AND PARTICIPANTS OPEN FLOOR DISCUSSION AND NETWORKING

12:45 LIGHT LUNCH

13:30 FINAL REMARKS AND CLOSING OF THE WORKSHOP

MINISTER
RAFFAELE FITTO

RAFFAELE FITTO

Minister for European Affairs and Minister for the South and Cohesion Policies from October 2022 to November 2024

The main objective of the FRED2 project", said Minister Fitto, "is to bring together national and European institutions and universities, the anti-fraud coordination services of the Member States of Italy, Belgium, Finland and Greece, in a process of exchanging best practices for preventing and combating fraud against the EU budget, with the aim of creating a 'permanent study observatory' where professionals, academics and practitioners can discuss on an ongoing basis issues such as risk profile analysis, cooperation between national and European institutions and the exchange of information".

The exchange of skills and knowledge that the FRED2 project aims to promote is a further opportunity for growth and improvement in our strategy for preventing and combating crimes against Europe's financial interests", added Minister Fitto, "which will allow us to face with renewed confidence the complex work that needs to be done to ensure that the use of PNR resources is truly effective and useful for our country, and that it is based on the protection of the principle of legality and respect for the rules".

The project is therefore being launched at a very important time when, in addition to the reorganization of the management of the PNR plan, better coordination between it and cohesion policies and appropriate simplification," the Minister concluded, "it is necessary to create a dynamic that is useful for strengthening, especially in a preventive way, the controls and cooperation between the best competences for a constant review of the regular progress of the Plan itself.

"MIXED METHODOLOGICAL LEARNING PATH WITHIN FRED2" **VANNI RESTA**

VANNI RESTA

Euro-designer, Professor at the Communication and Social Research Department, Sapienza University of Rome

As many projects in which education plays a crucial role, also FRED2 has some conceptual effort dedicated to the training activities. Considering its work plan, since its creation, it was decided to start this item at immediately after the kick-off.

FRED2 training is based over the consideration that three are the relevant types of audience:

- Citizens and other stakeholders providing input via the co-creation,
- Students approaching the anti-fraud and the corruption themes,
- Public Authorities in charge of adopting policy making.

In line with the characteristic of novelty of the project FRED2 training have both innovative and traditional channels. An example of the first category is a tools like hackathons. About the second category there are many kinds of frontal interaction sessions, webinars and study visits.

Despite, FRED2 has a mono-beneficiary configuration, the training main players belongs to different background and preparation even they are not partner within the Consortium. The baseline of the Mixed Methodological Learning Path is a document that outlines the foundation for implementing the experiential co-lab-learning itinerary. This involves both academics and practitioners, aiming to develop innovative, cost-effective approaches that enhance the skills and capabilities of the project's direct beneficiaries. The goal is to provide them with increased expertise in identifying fraud risks and evaluating control strategies.

Something very relevant which inspired the mixed training path within the project are some pillars adopted during all the project's execution that it is possible to summarise in the following sentences.

Due to the specific management of fraud management the first one to be mentioned is "Privacy". A special effort in planning the training activity has been dedicated to the privacy adopted during any task.

Another general pillar is related to "Gender Equality" thanks to which a special effort has been dedicated to provides participants, in all the phases starting from the selection of learner participating to any training action, with the relevant knowledge, skills and values that allow to contribute to the effective implementation of the gender-mainstreaming strategy in their field, organisation, institution or country.

As a third broad pillar is related to the "Do Not Significant Harm" (DNSH) principle which has been followed giving the training. In fact, in the FRED2 training the environmental sustainability was considered a must. As known, in the month of April 2021 the EU Commission adopted a delegated act laying out assessment criteria regarding the contribution of certain economic activities to objectives of the European Green Deal. These environmental objectives are defined as part of the EU Taxonomy Regulation, as the classification system for environmentally sustainable economic activities, which came into force in July 2020. Training activities could not be related to all the six objectives but, at least, the first two environmental objectives (climate change mitigation and climate change adaptation). In fact, making the FRED2 Training Green has meant to be, as much as possible, paper-less and where this was not possible using environmentally compatible materials like: eco-ink, recycled paper, etc.

About the development of the training within FRED2 the methodology used was based on a common categorisation of training split in two types:
- preservice training,
- inservice training.

Preservice training, more academic in nature and offered by formal institutions, followed definite curricula and syllabuses for a certain duration offered a sort of diploma issued by the Consortium. Instead, inservice training, on the other hand, was offered mainly by the organisations involved in the pilot activity from time to time for the development of skills and knowledge of the incumbents.
On the end, FRED2 training staff considered the training as a circular process which begun with needs identification and, after a number of steps, ended with the evaluation of the training activity (both in term of teacher and learner). A change or deficiency in any step of the training process has the power to affect the whole system, and therefore it is important for a trainer to have a clear understanding about all phases and steps of the training process.

"PILOT"
MARIA FELICE AREZZO

MARIA FELICE AREZZO

Professor of Economic Statistics Department of Methods, Models for Economics, Territory and Finance, Sapienza University of Rome

The issue of fraud and corruption in the management of financial resources, particularly those allocated by the European Union (EU), poses significant challenges to the maintenance of transparency and accountability in public and private institutions. The FRED2 project—Fraud Repression through Education2—addresses these pressing issues through a data-driven approach to combating fraud in EU fund management. This initiative integrates theoretical frameworks with practical applications, thereby offering valuable insights into the realm of fraud prevention and detection, the significance of identifying fraud indicators, and the development of predictive tools for future applications.

Within the context of EU funds, fraud typically manifests as deliberate deceit aimed at misappropriating resources intended for public benefit. The FRED2 project underscores the critical necessity for robust systems to identify and manage fraud risks effectively. These systems are not merely a means of safeguarding the integrity of EU funds; they are also instrumental in ensuring that financial resources reach their intended beneficiaries without any form of compromise.

The added value of projects like FRED2 is to bring together institutions like AFCOS and academia to meet in a common ground where to share their respective expertise and knowledge. The pilot is the result of this challenging process. It is the expression of almost 20 months of meetings (workshops, study visits, informal meetings) where the task force exchanged ideas and experiences. The pilot has the aim to go a step further its initial goal that is to create the map of concepts for detecting and predicting behaviour and risk profiles; the pilot was designed to be the initial core of a decision support system useful for institutions in the first row in the fight against fraud.

Decision Support System (DSS) is a decision-making tool where data, models, and software are used in combination with individuals to generate efficient solutions. It combines numerous data inputs and offers methodological approaches to evaluation, modelling

and display of the information to facilitate decision-making. DSS cannot work human decision alongside. Their scope is to elaborate a vast amount of data, possibly of heterogeneous nature, to identify few patterns that can be suspicious and that should be validated by human experience, knowledge and competences.

The purpose of a DSS is to collect, analyse and synthesize data to extract relevant information possibly summarized in reports that an organization can use to assist in its decision-making process.
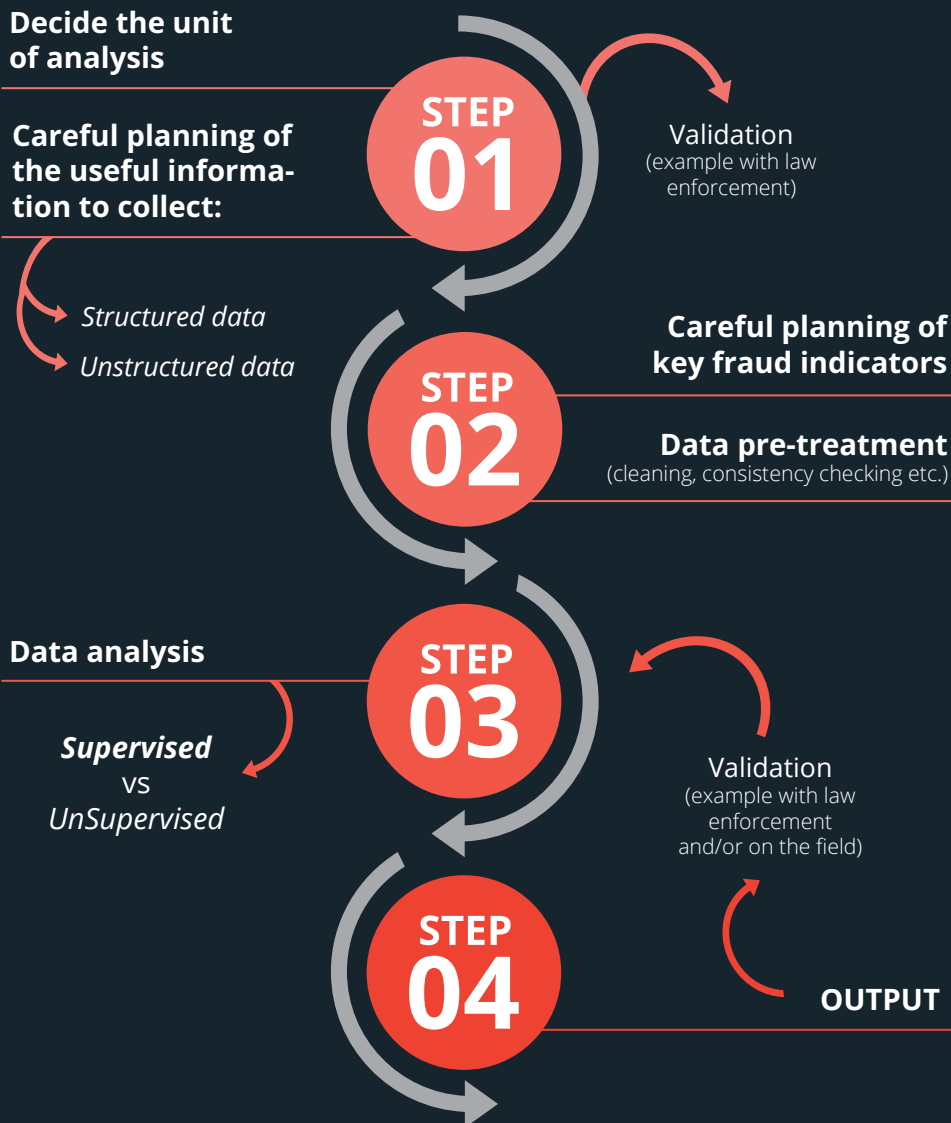
In Figure 1 there is a summary of this preliminary DSS. In the first step, it is necessary to decide on the unit of analysis (e.g. the funded project or the submitted project) and the relevant information to be collected. The selection of the information to be collected is arguably the most critical stage, as only relevant information should be selected. In the current era of high-capacity computing, there is a temptation to collect as much information as possible. However, this approach is not only inefficient, but also costly in terms of both financial resources and time, as it necessitates the collection and storage of the information. Additionally, the utilisation of models, whether statistical or machine learning, requires additional computing time for information processing, further exacerbating the issue.

The second step in the process is to transform the information collected into fraud risk indicators. These indicators are typically created by combining the collected information in a smart way. This process is significantly enhanced by the collaboration of data analysis experts and fraud prevention specialists.

The third step involves data analysis and information extraction. The objective is to identify statistical units (those designated in the first step) which may be fraudulent, and which deserve further analysis. This approach offers a significant advantage by enhancing the efficiency of the inspection and control of EU funds. This is due to the fact that, since there are considerably fewer potentially suspicious units than all of them, the investigative effort would only focus on a small subset theoretically composed of units that present forms of irregularities if not outright fraud.

The fourth step in the process is to provide the final output, which is a list of units that require attention: they could be frauds!

FIGURE 1:
The map of concepts to «detect and predict behavior and risk profiles»: toward a decision support system

Decide the unit of analysis

Careful planning of the useful information to collect:

Structured data

Unstructured data

STEP 01

Validation
(example with law enforcement)

Careful planning of key fraud indicators

STEP 02

Data pre-treatment
(cleaning, consistency checking etc.)

Data analysis

Supervised
VS
UnSupervised

STEP 03

Validation
(example with law enforcement and/or on the field)

STEP 04

OUTPUT

"INDICATORS OF FRAUD - A PRELIMINARY TAXONOMY" **FRANCESCA IANDOLO**

FRANCESCA IANDOLO

Professor from the Department of Management of Sapienza University of Rome

Fraud and corruption in managing financial resources, particularly those allocated by the European Union (EU), pose significant challenges to maintaining transparency and accountability in public and private institutions. The FRED2 project—Fraud Repression through Education2—addresses these pressing issues through a data-driven approach to combating fraud in EU fund management. This initiative combines theoretical frameworks with practical applications, offering valuable insights into fraud prevention and detection, the importance of identifying fraud indicators, and the development of predictive tools for future applications.

Fraud within the context of EU funds typically involves deliberate deceit aimed at misappropriating resources intended for public benefit. Examples range from falsified financial documentation to manipulating project outputs, each representing a breach of trust and a potential impediment to achieving project goals. The FRED2 project emphasizes the critical need for robust systems to identify and manage fraud risks effectively. These systems are essential not only for preserving the integrity of EU funds but also for ensuring that financial resources reach their intended beneficiaries without compromise.

A comprehensive taxonomy of fraud indicators is a pivotal contribution of the FRED2 project, designed to enhance stakeholders' capacity to detect irregularities. This taxonomy is structured into two main components: descriptive indicators and quantitative indicators, facilitating the identification of fraud in various organizational and financial contexts.

Descriptive indicators focus on qualitative aspects of the beneficiary entities and the nature of the funds, providing context for potential fraud risks. For instance, the typology of funds examines whether the resources are allocated as grants, subsidies, or loans, as each type carries distinct risks and monitoring requirements. Measurement and amount are assessed to identify anomalies relative to project size and industry standards, while temporal extension considers the duration over which funds are utilized, revealing in-

consistencies in fund allocation and usage. A distinction between grants and lump sums helps tailor oversight processes to specific funding mechanisms.

The beneficiary company's description also falls under descriptive indicators. Elements such as the company's legal form, shareholder composition, and the country of residence of its legal representative provide insights into its structure and operational legitimacy. The presence of consortia or temporary associations can complicate accountability, necessitating a closer examination of collaborative arrangements. The company's track record, including a history of completed projects, helps assess reliability, while ongoing legal procedures and pre-existing banking relationships indicate its financial and legal stability.

Quantitative indicators, on the other hand, derive from financial statements and provide measurable data to detect potential fraud through anomalies and inconsistencies. Balance sheet-derived indicators, such as capitalization, assess the equity-to-asset ratio, which reflects financial health. Sudden increases in short-term debt or unexplained changes in equity may raise concerns about liquidity and financial manipulation. An analysis of current debt composition, receivables deterioration, and stock rotation indices reveals inefficiencies or signs of mismanagement, while profitability indicators like ROS, ROI, and ROE offer critical insights into operational efficiency and financial stability.

The application of the taxonomy is further illustrated through real-world case studies. One example involves financial statement fraud detection, where an organization receiving EU funds was suspected of inflating its financial performance to meet eligibility criteria. The investigation revealed revenue recognition issues, such as sudden increases in revenue without corresponding operational growth, and expense manipulation that understated costs to inflate profits. Another case study focused on fraud in grant allocations, where a non-profit organization misused EU funds intended for community projects. Audits revealed a lack of documentation, deviations from grant agreements, and discrepancies in reported expenditures, leading to the revocation of the grant and the implementation of corrective measures.

The FRED2 project also emphasizes the proactive management of fraud risks. Predictive modeling based on validated indicators enables the early detection of anomalies, allowing institutions to anticipate and prevent fraud. Continuous monitoring is essential, requiring regular updates to fraud indicators and the integration of advanced technologies for enhanced oversight. Fostering a culture of transparency further deters fraudulent behavior by encouraging ethical conduct across all levels of engagement.

Fraud impacts extend beyond immediate financial losses; it undermines institutional trust and disrupts operational efficiency. Collaboration among EU institutions, national authorities, auditors, and beneficiaries is vital to addressing these challenges. By sharing best practices and harmonizing regulations, stakeholders can collectively strengthen accountability and promote sustainable fund management practices.

The FRED2 project illuminates the critical role of education, collaboration, and data-driven methodologies in addressing fraud in EU funds. The comprehensive taxonomy of fraud indicators serves as a foundational tool, enabling more effective detection and prevention strategies. By leveraging innovative tools and fostering a culture of integrity, institutions can safeguard financial resources and strengthen the broader ecosystem of trust within the EU's financial framework. This ongoing effort underscores the importance of vigilance and adaptability in an era where fraud schemes continue to evolve in complexity and sophistication.

"THE ROLE OF TECHNOLOGIES IN EF FUNDS FRAUD DETECTION AND RISK MANAGEMENT" **FRANCESCO BELLINI**

FRANCESCO BELLINI

Euro-designer, Professor at the Management Department, Sapienza University of Rome

The European Anti-Fraud Office (OLAF) reports that in 2023, 265 investigations were concluded and 190 opened, with the recommendation to recover more than EUR 1 billion for the EU budget; in the meantime, a further EUR 210 million of EU funds were prevented from being lost due to fraud.

In general, fraudulent activities relate to allegations and cases of collusion, manipulation of procurement procedures, conflicts of interest, inflated invoices, evasion of customs duties, smuggling and counterfeiting, but an obvious growing pattern involves complex frauds taking place online and in multiple jurisdictions.

This trend reflects the increased use of digital technologies in everyday life, which has intensified since the COVID-19 pandemic. The key to solving these crimes is the use of technology and data. Cutting-edge technologies such as artificial intelligence (AI), blockchain and big data can be really effective in the field of financial fraud detection and risk management, especially in the context of EU fund allocations.

In particular:
- Data analysis tools and big data are used to analyse transaction patterns and flag anomalies through predictive models.
- Machine learning (ML) and AI are used for real-time anomaly detection and predictive modelling, as well as natural language processing (NLP) to identify fraud indicators in documents.
- Blockchain technology ensures transparency, traceability and secure transaction records, with smart contracts facilitating automated compliance.
- Network analysis maps relationships to uncover collusion and unusual patterns of activity, while forensic accounting tools use advanced analysis to examine discrepancies.

- Risk assessment software assesses and scores risk levels for proactive measures, while collaborative platforms facilitate real-time secure information sharing between EU Member States.

A blended approach that integrates multilingual data mining, multilingual semantics, network and time-series analysis to detect suspicious patterns and advanced visualisation techniques to obtain useful information can therefore be particularly effective.

We believe that an increased use of big data and artificial intelligence for decision support, a multidisciplinary approach to tackle evolving fraudulent patterns and a continuous adaptation of risk models to uncover Rumsfeld's 'unknown unknowns' can strengthen fraud detection, improving the governance of European funds and building a resilient and collaborative framework for cross-border fraud.