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Management Board of eu-LISA

Anti-fraud Strategy 2025-2027 of eu-LISA

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1. Introduction

Articles 317 and 325 of the Treaty on the Functioning of the European Union (TFEU) are the legal basis regarding the protection of the financial interests of the Union and the fight against fraud.

The European Union Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice (hereinafter called the "Agency" or "eu-LISA") became operational on 1 December 2012. The initial legal base was replaced on 11 December 2018 by Regulation (EU) 2018/1726 on eu-LISA. The act specifically sets anti-fraud responsibilities for the Executive Director and the Management Board.

As the EU budget is comprised of taxpayers' contributions, it is imperative that eu-LISA ensures its use is economical, effective and efficient exclusively allocated to authorised programmes and activities, in strict compliance with all applicable laws. Fraud affecting EU funds undermines the integrity and credibility of EU institutions, agencies and bodies including eu-LISA itself. To combat fraud effectively, the European Commission updates regularly its Anti-fraud Strategy (AFS), objectives and action plan. In its AFS, the Commission reaffirmed the guiding principles in the fight against fraud¹, reproduced hereunder:

- *zero tolerance for fraud,*
- *fight against fraud as an integral part of internal control,*
- *cost-effectiveness of controls,*
- *professional integrity and competence of EU staff,*
- *transparency on how EU funds are used,*
- *fraud prevention, notably fraud-proofing of spending programmes,*
- *effective investigation capacity and timely exchange of information,*
- *swift correction (including recovery of defrauded funds and judicial/administrative sanctions),*
- *good cooperation between internal and external players, in particular between the EU and national authorities responsible, and among the departments of all EU institutions and bodies concerned,*
- *effective internal and external communication on the fight against fraud.*

With the acknowledgement that point seven refers to the Agency's obligation to handover potential cases to the European Anti-fraud Office of the European Commission (OLAF) for investigation, these principles are equally relevant to eu-LISA's control environment. Therefore, the Agency commits to ensuring that these principles are properly applied also in the implementation of its anti-fraud strategy and action.

OLAF developed a *Methodology and guidance for anti-fraud strategies for EU decentralised agencies and Joint Undertakings*². The Agency has based the development of this anti-fraud strategy on OLAF's guidance.

What is fraud³?

Fraud is an intentional offense, as defined by EU law, and its qualification is determined through an investigation, prosecution, and judgment by a competent court, in accordance with the applicable legal framework. Intention is the key element that distinguishes fraud from non-fraudulent irregularity as regards the EU funds and financial interests. For the purposes of the agency's anti-fraud strategy, the term '*fraud*' should be understood in a broad sense, encompassing:

- Fraud, corruption and misappropriation affecting the Union's financial interests, as defined in Articles 3 and 4 of the PIF Directive⁴,
- Other criminal offences affecting the Union's financial interests, e.g. offences linked to an abuse of procurement procedures where they affect the EU budget,

¹ Commission Communication of 29 April 2019, Commission Anti-Fraud Strategy: enhanced action to protect the EU budget, COM(2019) 196, page 12.

² Ref. Ares(2024)4040978 – 05/06/2024

³ Page 13-14, OLAF Methodology and guidance for anti-fraud strategies for EU decentralised agencies and Joint Undertakings

⁴ Directive (EU) 2017/1371 of the European Parliament and of the Council of 5 July 2017 on the fight against fraud to the Union's financial interests by means of criminal law

- Irregularities as defined in Article 1(2) of Regulation (EC, Euratom) No 2988/95⁵ (21) (insofar as they are intentional but not already captured by the criminal offences referred to above),
- Any other illegal activity affecting the financial interests of the EU,
- Serious breaches of professional obligations by staff or members of the Management Board of the agency, as referred to in Article 1(4) of the OLAF Regulation, in the second subparagraph of Article 2(1) of Commission Decision (EC, ECSC, Euratom) No 352/1999 (22) and in Article 16 of the Staff Regulations, the latter as regards obligations after leaving the service.

When developing its anti-fraud strategy, eu-LISA have also considered other matters related to ethics and the discharge of professional duties which may constitute a serious failure to comply with the obligations of officials of the Union (Art. 22(a) of Staff Regulations).

For drafting an anti-fraud strategy, fraud detection refers to the identification of irregularities or anomalies that indicate a potential fraud risk or highly suspicious circumstances that suggest that fraud may have taken place and may include suspicious transactions, behaviors, or circumstances that warrant further investigation or review.

Agency's context

The Agency is responsible for the **operational management of large-scale IT systems** that support the implementation of EU policies in the domain of Justice and Home Affairs (JHA): the Schengen Information System (SIS II), the Visa Information System (VIS), European Asylum Dactyloscopy database (Eurodac), European Criminal records Information System – reference Implementation (ECRIS RI), and e-Justice Communication via Online Data Exchange (e-CODEX).

The Agency is also responsible for **the development and running of € multi-million large-scale IT systems in the JHA domain**: the European Entry/Exit System (EES), the European Travel Information Authorisation System (ETIAS), the European Criminal Record Information System for Third Country Nationals (ECRIS-TCN), automated data exchange for police cooperation (Prüm II central router), advance passenger information (API-PNR router), EU Visa application Platform (EU VAP), Joint Investigation Teams collaboration platform (JITS CP), central repository for reporting and statistics (CRRS) and the new interoperability architecture for the JHA domain (IO) comprising of shared biometric matching service (sBMS), European search portal (ESP), common identity repository (CIR), multiple-identity detector (MID).

The headquarters of eu-LISA are in Tallinn, Estonia, whilst its operational centre is in Strasbourg, France. The Agency has a business continuity site for the large-scale IT systems based in Sankt Johann im Pongau, Austria, and a Liaison Office in Brussels, Belgium.

For year 2025, the Agency has been authorised a budget of **311 million euros**⁶ in commitment appropriations, financed from European Union subsidy and contributions from Schengen Associated Countries. The budget is mostly implemented through operational activities, procurement and staff expenditures. The budget allocated to running cost (title 2) and operational expenditure (title 3), representing **82%** of the total value, is for the most part implemented **through procurement**. The remainder, representing 18% of the total budget, is allocated to personnel expenditure (title 1).

The Agency's establishment plan authorised for 2025 has **473 posts** while the number of **external service providers amounts to 149**⁷.

The Agency's main stakeholders and partners are visa, border, law-enforcement, asylum and justice authorities of the EU Member States, relevant authorities in the Schengen Associated Countries, the European Commission, other EU agencies, and **economic operators** (carriers and their service providers from all business areas – air, land, sea).

⁵ Council Regulation (EC, Euratom) No 2988/95 of 18 December 1995 on the protection of the European Communities financial interests

⁶ P.85 of eu-LISA Single Programming Document 2025 - 2027

⁷ P.92-93 of eu-LISA Single Programming Document 2025-2027

2. Means and Resources dedicated to fighting fraud

The Agency applies a framework of internal controls, the Internal Control Framework of eu-LISA (ICF)⁸, to ensure good governance and management of the organisation. To exploit synergies and enable efficient use of resources, the anti-fraud action is organised around the five standards⁹ aligned with the ICF. For instance, the ICF includes also a requirement to implement a procedure for reporting fraud and to have a solid and targeted anti-fraud strategy in place at the Agency¹⁰. The standards are explained below together with Agency's means and resources devoted to achieving them:

#	Anti-fraud standard	Means and resources
1	eu-LISA establishes and communicates a fraud risk management program that demonstrates the expectations of the Management Board and senior management and their commitment to high integrity and ethical values regarding managing fraud risk (correspondence to ICF Control Environment).	<i>AFS design and enforcement:</i> - creation, consultation, adoption, and publication of the Anti-Fraud Strategy (AFS), - IACS' annual AFS Monitoring Report to ED/ACFC/MB, - top-at-the top internal communication.
2	eu-LISA performs comprehensive fraud risk assessments to identify specific fraud schemes and risks, assess their likelihood and impact, evaluate existing fraud control activities, and implement actions to mitigate residual fraud risks.	<i>AFS effectiveness:</i> - comprehensive, dedicated fraud risk assessment (every three years), - new fraud risks and mitigating actions might be identified following AFS monitoring activities by the IACS (annually) and risk management activities (quarterly).
3	eu-LISA selects, develops, and deploys preventive and detective fraud control activities to mitigate the risk of fraud events occurring or not being detected in a timely manner.	<i>Preventive controls:</i> - awareness sessions to all staff by HRU & OLAF, - management of sensitive functions, - prevention and management of potential conflict of interest¹¹. <i>Detective controls:</i> - financial circuits checks, - exceptions and non-compliance reporting, - Early Detection and Exclusion System (EDES)¹², - internal and external audits, - whistleblowing procedure¹³.
4	eu-LISA establishes a communication process to obtain information about potential fraud and deploys a coordinated approach to investigation and corrective action to address fraud appropriately and in a timely manner.	<i>Corrective controls:</i> - IACS is established as contact point for OLAF and EPPO, - eu-LISA Internal Control Strategy.

⁸ MB Decision No 2019-042 of 19/03/2019 on the adoption of the revised internal control framework for eu-LISA

⁹ Fraud Risk Management Guide by COSO&ACFE, 2016

¹⁰ Principle 7 of the Internal Control Framework of eu-LISA.

¹¹ MB Decision No 2020 – 405 of 23/12/2020 on implementing rules on the prevention and management of conflicts of interests of the staff members; MB Decision 2023-363 of 16/11/2023 adopting the rules for the prevention and management of conflict of interest concerning the representatives of the Management Board, of the Programme Management Boards and of the Advisory Groups.

¹² <https://europeaeu.sharepoint.com/sites/budgpedia/SitePages/early-detection-exclusion-system-edes.aspx>

¹³ The revised eu-LISA Guidelines on Whistleblowing (doc. 2022-039) adopted by the Management Board by written procedure on 03/03/2022 (doc. 2022-080).

#	Anti-fraud standard	Means and resources
5	eu-LISA selects, develops, and performs ongoing evaluations to ascertain whether each of the five principles of fraud risk management is present and functioning and communicates fraud risk management program deficiencies in a timely manner to parties responsible for taking corrective action, including senior management and the Management Board.	<i>AFS efficiency improvement:</i> - independent internal and external audits, - monitoring of action plans to various audit recommendations issued by internal and external auditors (IACS, IAS, ECA, EDPS), - AFS monitoring activities by the IACS (annually).

The Agency dedicates **~0.7 FTE a year (estimate) to anti-fraud action** of which ~0.4 FTE by the IACS alone.

The following roles, responsibilities and tasks for anti-fraud action are assigned throughout the Agency:

Roles	Responsibilities and tasks related to anti-fraud action
Management Board (MB)	- adopting the Anti-fraud Strategy (AFS), - ensuring adequate follow-up to the findings and recommendations stemming from the various internal or external audit reports and evaluations as well as from investigations by the European Anti-Fraud Office (OLAF) and the European Public Prosecutor's Office (EPPO)¹⁴.
Audit Compliance and Finance Committee (ACFC)	- assisting the Management Board in fulfilling its responsibilities for audit, compliance and financial matters, - assisting the Management Board in providing structured and systematic oversight of the Agency's internal control, risk management, internal and external audit¹⁵.
Executive Director (ED) Deputy Executive Director (DED)	- protecting the financial interests of the Union by applying preventive and precautionary measures against fraud, corruption and any other illegal activities, without prejudicing the investigative competence of the EPPO and OLAF, by effective checks and, if irregularities are detected, by recovering amounts wrongly paid and, where appropriate, by imposing effective, proportionate and dissuasive administrative, including financial, penalties¹⁶, - preparing and presenting the AFS to the Management Board and monitoring the proper and timely implementation of that strategy¹⁷, - giving '<i>the tone from the top</i>' by promoting anti-fraud culture across eu-LISA, setting anti-fraud objectives, and putting in place effective arrangements for combating fraud by implementing the AFS, - informing the Commission without delay on cases of presumed fraud and other financial irregularities, and of any completed or ongoing investigations by the EPPO or OLAF.

¹⁴ Article 19(1)(h) and (x) of Regulation (EU) 2018/1726 on eu-LISA

¹⁵ Mandate of the Audit Compliance and Finance Committee of the Management Board of eu-LISA, ref. document 2023-293 of 16/11/2023.

¹⁶ Article 24(3)(i) of Regulation (EU) 2018/1726 on eu-LISA.

¹⁷ Article 24.3 of Regulation 2018/1726 on eu-LISA.

Roles	Responsibilities and tasks related to anti-fraud action
Heads of Department Heads of Unit	- promoting the anti-fraud culture within their departments and units, - monitoring staff awareness and ensuring that all suspected or reported cases of potential fraud are immediately reported to OLAF, - cooperating with all other functions involved in the implementation of the AFS. - preventing and detecting fraud rests with managers as they are primary responsible of 'first line controls', - managing the risk of fraud.
Operational/Financial Initiating Agents (OIA/FIA), Operational/Financial Verifying Agents (OVA/FVA), Authorising Officers by Delegation (AOD), Authorising Officer (AO), Accounting Officer (ACCO)	- implementing the budget of the Agency in compliance with effective and efficient internal control, and in line with principle of sound financial management, - identifying and analysing "red flags"¹⁸, and reporting any suspected fraudulent activities within eu-LISA to their line manager, Executive Director or OLAF as appropriate, - validating the accounting system in line with Article 50 of eu-LISA Financial Regulation and perform checks targeted to detect red flags in Agency's accounts (ACCO's duty). - following trainings dedicated for OIA/OVA/RAO functions in the area of budget, finance and contract management, as well as staying up to date with relevant rules and policies by taking knowledge revision trainings.
Manager in charge of risk management and internal control (MRMIC)	- setting up, monitoring, implementation, assessment and reporting related to the Internal Control Framework of eu-LISA as mandated by the Executive Director, - ensuring alignment of Agency's Internal Control Strategy with the AFS for a consistent, efficient and cost-effective implementation.
Internal Audit Capability Sector of the eu-LISA (IACS)	- supporting the Executive Director to ensure that: ✓ the AFS is appropriately prepared, submitted to the Management Board for approval, regularly updated, and properly implemented, ✓ exchange of information with OLAF and/or EPPO is well managed by acting as contact point, ✓ notifications are timely prepared and submitted to OLAF in case of suspected irregularities or fraud, ✓ monitoring reports on the findings and recommendations stemming from internal or external audit reports issued by the IAS and ECA as well as from investigations by OLAF and by the EPPO, are prepared and presented to the Board at least twice a year. - considering the fraud risk in every audit and performing appropriate audit procedures, - reporting without delay any suspected fraudulent activities within eu-LISA to OLAF and, as appropriate, to the Executive Director and the Management Board.

¹⁸ Red flags can be defined as situational pressures (e.g. unrealistic budget pressure or other performance indicators pressure) and / or opportunities to commit fraud (e.g. improper oversight by the Management Board, weak or non-existent internal controls, unusual or complex transactions, financial estimates that requires significant subjective judgement by management, ref. page 205 of 2016 Fraud Examiners Manual (International), Association of Certified Fraud Examiners (ACFE TM).

3. Evaluation of the previous Anti-Fraud Strategy

According to the last monitoring report of the previous Anti-Fraud Strategy¹⁹, it was concluded that **the anti-fraud objectives set for the 2022-2024 period were reasonably achieved**. Indeed, the action plan to the AFS had 13 actions, each of them aimed to mitigate one or several of the fraud risks identified by the Agency. At the end of 2024, the status of implementation of the action plan was as follows:

- Nine (9) actions were fully implemented (69%),
- Four (4) actions have been partially implemented (31%).

Also, the following recommendations were made:

- Management should lead by example and stimulate staff participation to awareness sessions on integrity, ethics and anti-fraud.
- Management should reinforce the implementation of Implementing Rules on Guide to Missions adopted by the Agency.
- The Quality Board should start providing assurance to senior management over achievement of quality criteria and indicators in the key operational areas of the Agency i.e. programme and project management, operational management of core business systems, corporate processes.
- Continue to carry out and fully document regular reviews on staff and external user accounts for all communication and information systems of eu-LISA to ensure compliance with applicable security policies and standards, so that to minimise security vulnerabilities to be exploited by potential fraud perpetrators.
- The Control Strategy should be formally approved and included in a monitoring system to ensure its timely and effective implementation.

By revising its anti-fraud strategy and updating it to the 2025-2027 period, the Agency targets to fully implement the residual actions from the previous exercise as per the above-listed recommendations, move the preventive and detective anti-fraud measures to the next level, and to give a vigorous response to the significant changes impacting its personnel, budget and operating environment.

4. Fraud Risk Assessment

Between March and June 2025, the Agency identified and assessed potential fraud risks relevant to its objectives in a comprehensive and dedicated exercise. A risk identification activity was organised and opened to 90 relevant staff members, inviting them to identify potential fraud risks and scenarios. Instructions and anti-fraud training material had also been made available. At the end of risk identification activity, 45 risks were identified of which 15 (33.3%) by the invited staff members, and 30 by the IACS (from audit reports, risk registers, research). The identified fraud risks were grouped around procurement, asset management, contract management, human resources and security. The existence and effectiveness of controls in place to mitigate the fraud risks were also considered in the assessment. All the managers and heads of special functions were invited to assess the likelihood and impact of each of the identified risks in a workshop on 10/06/2025. As a result of the workshop, the Management Committee of eu-LISA prioritised and retained for further mitigation the following **five fraud risks**:

- Insider threat (#SEC1)
- Access of external service providers to sensitive information (#HRM6)
- Social engineering to get access to Agency's information systems (#SEC2)
- Intentional neglecting to report on and track deliverables of service and product contracts (#CM5)
- Responsible authorising officer overriding of internal controls (#CM2)

¹⁹ IACS Monitoring Report on the implementation of the Action Plan to the Anti-fraud Strategy 2022-2024, ref. Ares(2025)1665503 - 03/03/2025

An action plan, a sensitive document available separately from the AFS, has been designed to mitigate the fraud risks and support implementation of the Agency's antifraud objectives. Detailed description of each of the five risks together with their risk levels can be found in the action plan. The other risks not retained for active action have been made available online to eu-LISA staff members to consult them whenever needed e.g. unit/corporate risk assessment, financial circuit checks. IACS will monitor these risks annually for any significant changes from their initial assessment.

In July 2025, based on the results of fraud risk identification and assessment, the draft AFS 2025-2027 was created and shared with OLAF for review.

In August 2025, the Management Committee discussed and agreed on the final draft of Anti-fraud Strategy and the action plan 2025 - 2027. The Executive Director and the Management Committee endorsed the two documents formally and submitted them to the ACFC for an opinion. HOME's OLAF coordinator reviewed the document as well.

At its meeting of Sept 2025, the ACFC discussed the AFS and gave a positive opinion to the Management Board of eu-LISA.

In Sept 2025, the Management Board of eu-LISA adopted the Anti-fraud Strategy 2025-2027 and the action plan.

5. Strategic Anti-Fraud Objectives

Objective No 1 – maintain a high level of ethics and anti-fraud culture

Ethics, integrity and transparency are the cornerstones of a healthy, fraud-free work environment. The staff and management of eu-LISA, members of the Management Board and advisory groups, and all external service providers must abide by the highest ethical standards in the exercise of their duties.

The objective is to maintain a high level of ethics and anti-fraud culture in eu-LISA.

- ✓ *Indicator 1.1²⁰: percentage of staff member participation in mandatory ethics and integrity awareness sessions (target >90%),*
- ✓ *Indicator 1.2: percentage of staff having submitted the annual declaration on conflict of interest (target 100%),*
- ✓ *Indicator 1.3: percentage of members of the eu-LISA's Management Board who have signed a declaration of absence of conflicts of interest (target 100%),*
- ✓ *Indicator 1.4: percentage of external experts who have signed a declaration of absence of conflicts of interest (target 100%).*

Objective No 2 – strengthen eu-LISA's capacity to effectively tackle the fraud risks in information management, procurement, and contract management

A proactive fraud risk capacity enables early detection of vulnerabilities. Preventive measures reduce the likelihood of fraud occurring as it is more cost-effective to prevent fraud than to investigate and recover losses afterward. Most of the fraud risks are in threatening eu-LISA's objectives set for information security, procurement, and contract management. Early detection through paying specific attention to red flags in these areas can prevent the perpetrators of fraud from succeeding. The staff of eu-LISA are the first and best line of defence when it comes to protecting EU funds from misuse and report wrongdoings.

The objective is to strengthen the Agency's capacity to effectively tackle the fraud risks around information security, procurement, and contract management.

- ✓ *Indicator 2.1: number of staff that fill sensitive positions for more than five years (trend). Sensitive functions (jobs) are those where a member of staff member executing an activity has a degree of autonomy and/or decisional power sufficient to permit them, should they so wish, to misuse these powers for personal gain),*

²⁰ All the indicators will be measured annually.

- ✓ *Indicator 2.2.: rotation of staff in evaluation committees for similar procurement procedures (target > 50% of members in evaluation committees having not participated in evaluation committees in the past three years for the similar contract),*
- ✓ *Indicator 2.3: percentage of high value (> € 3.0 million) contracts presented to the internal governance body for input before awarding (target 100%),*
- ✓ *Indicator 2.4: percentage of OIA/OVA that take part in trainings in procurement and finance rules (target > 90%),*
- ✓ *Indicator 2.5: complaints to OLAF (i.e. selection cases) that resulted in (i) OLAF investigation cases, and (ii) OLAF recommendations to eu-LISA (trend).*

Objective No 3 – better integrate fraud risk management in the eu-LISA's general risk management

eu-LISA assesses risks at various levels and intervals within the organisation: strategic, operational, financial and compliance. It is therefore efficient and consistent to combine the management of those risks with fraud risks for a better decision making, and early fraud detection and response.

The objective is to better integrate fraud risk management in the eu-LISA's general risk management.

- ✓ *Indicator 3.1: evidence of unified risk framework, use of shared risk registers, shared platforms for fraud analytics and risk dashboards, and joint risk assessments.*

The AFS 2025-2027 and the action plan will be reviewed annually, and the results will be reported regularly to the Executive Director and the Management Board. The results of the review will also be communicated to the staff on the Agency's intranet.

The ASF shall be updated by the end of year 2027.