

EIT CULTURE & CREATIVITY ANTI FRAUD STRATEGY September 2024





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Content

1. Introduction 3

2. Principles and standard..... 4

3. Definitions and examples..... 5

4. Fraud risk assessment 7

5. Objectives and actions 8

6. Functions addressing and preventing fraud 9

7. Reporting allegations of fraud 9

8. Review and Monitoring..... 10

9. Disciplinary actions 11



1. Introduction

The EIT KIC Culture & Creativity is a part of the EIT that works to build and maintain trust in the areas it operates, especially with key individuals, partners, groups, and institutions crucial for achieving its mission and goals. It follows good governance principles outlined by the European Institute of Innovation and Technology established by Regulation (EC) N° 294/2008 of the European Parliament. Ethical behavior is emphasized to foster trust with stakeholders, and legal conduct is promoted to uphold the KIC's reputation in external relations such as research, education, business, collaboration, and investments. Internally, the KIC LE aims to make decisions without conflict and organize work efficiently without excessive bureaucracy. Any fraudulent or corrupt activities can deplete funds and damage the KIC's reputation, affecting trust in its ability to deliver results transparently.



2. Principles and standard

EIT Culture & Creativity upholds a set of guiding principles and standards, as follows:

a. Zero Tolerance to Fraud: EIT Culture & Creativity is unwavering in its commitment to a policy of zero tolerance towards fraud. This encompasses a proactive stance against any irregularities, fraudulent activities, and corruption. The organization is dedicated to formulating a strategic approach, including the establishment of mechanisms to prevent, detect, address, and rectify any misconduct occurring within the purview of its activities, or involving external entities affiliated with the KIC (such as partners, beneficiaries, recipients, subcontractors, and other stakeholders).

b. Awareness: EIT Culture & Creativity actively engages all staff and Partners to ensure strict adherence to the principle of zero tolerance to fraud. Our people are empowered and encouraged to report any instances of fraudulent behavior pertaining to EIT Culture & Creativity that may come to their attention. This collective vigilance is integral to maintaining the organization's commitment to ethical conduct and transparency.

c. Impartiality and Independence: EIT Culture & Creativity is firmly committed to upholding the principles of impartiality and independence in the execution of its activities. This dedication ensures that decisions, as articulated in the Code of Conduct of the KIC, remain immune to individual interests or political influences. The organization recognizes the importance of maintaining a transparent and unbiased approach in all of its activities.

d. Lawfulness: In adherence to a commitment to ethical conduct, EIT Culture & Creativity operates in strict accordance with the EU law and EIT Principles. The organization diligently applies the rules and procedures outlined in applicable laws, regulations, internal protocols, and established processes.

e. Cooperation: EIT Culture & Creativity recognizes the strength in unity and actively collaborates with the broader EIT community and other Knowledge and Innovation Communities (KICs). In the collective pursuit of fostering an environment resilient to fraudulent activities, the organization engages in collaborative efforts to enhance awareness within the EIT Community. By fostering cooperation, EIT Culture & Creativity contributes to the overarching strategy against fraud, striving for continuous improvement in the shared commitment to ethical practices and anti-fraud measures.



3. Definitions and examples

3.1 Definitions

a. Irregularity:

An irregularity encompasses any breach of provisions in applicable laws resulting from actions or omissions by EIT Culture & Creativity or any involved parties. Such irregularities have, or would or could have, the potential to harm the business plan, financial statements, or reputation of EIT Culture & Creativity, or involve an unjustified item of expenditure.

b. Fraud:

Fraud constitutes any deliberate act or omission characterized by:

- The use or presentation of false, incorrect, or incomplete statements or documents, leading to the misappropriation or wrongful retention of funds from the general budget of the European Commission or budgets managed by, or on behalf of, the European Commission.
- Non-disclosure of information in violation of specific obligations, resulting in the same misappropriation effect.
- The misapplication of funds for purposes other than those for which they were originally granted.

c. Corruption:

Corruption means the abuse of (public) position for private gain. Corrupt payments, a common form of corruption, can facilitate various types of fraud, including false invoicing, phantom expenditure, or failure to meet contract specifications. This prohibition extends to promising, offering, authorizing, giving, or accepting anything of value from any third party, including national or European government officials. This applies either directly or indirectly through a third party, with the intent to obtain or retain specific subsidies, approvals, or authorizations.

3.2. Examples



Examples of irregular, fraudulent, and corrupt practices encompass a spectrum of actions, including but not limited to:

Forgery and False Statements: Creating counterfeit documents or entering false information into EIT Culture & Creativity systems, or making deceptive statements to secure financial or other advantages, either for oneself or others.

Misuse of Funds: Inappropriately diverting EIT Culture & Creativity funds for unauthorized purposes.

Collusion and Anti-Competitive Schemes: Engaging in collusion or other anti-competitive activities with suppliers during procurement processes.

Impersonation and Forgery of Signatures: Forging the signature of EIT Culture&Creativity's Management team, Supervisory Board, or staff members, or fabricating documents to mislead external parties.

Unauthorized IT Access: Illegitimately using another user's IT identity or password, or creating false identities/passwords without consent or authority to manipulate EIT Culture & Creativity processes.

Improper Acceptance of Hospitality: Accepting hospitality, such as meals or entertainment, from contractors or third parties without adhering to the EIT Culture & Creativity disclosure process and obtaining proper authorization.

Misrepresentation of Employment Status: Misrepresenting EIT Culture & Creativity employment status to gain benefits from governmental, public, private institutions, organizations, or the private sector.

Undisclosed Financial or Familial Interests: Failing to disclose financial or familial interests in a business or external party while participating in the award or management of a contract or grant.

Non-compliance with Travel Policy: Inappropriately processing personal travel costs as part of official travel without adhering to the EIT Culture & Creativity Travel Policy.

Misrepresentations on Job Applications: Making false representations, including educational credentials or professional qualifications, on personal history forms during job applications.

Engagement with Corrupt Entities: Involvement of EIT Culture & Creativity with entities exhibiting corrupt practices, such as partners, beneficiaries, recipients, etc.



4. Fraud risk assessment

To better prevent fraud risks, EIT Culture & Creativity will conduct a yearly review using guidelines from the "European Anti-Fraud Office" (Office européen de lutte antifraude or "OLAF"). This review includes a special part focused on spotting fraud risks in the different activities of EIT Culture & Creativity.

The fraud risk check happens annually and looks at risks in all departments and in functions considered sensitive. It mainly focuses on these risk areas:

Financial Risk: Checking how grants, payments, and dealing with beneficiaries are done.

Legal Risk: Making sure contracts, tax rules, and financial transactions are formatted and handled correctly.

Reputation Risk: Checking risks related to online reputation, using logos, official names, and partnerships.

Administrative Risk: Examining things like hiring, following buying rules, and how EIT Culture & Creativity works with regulators.

This approach supports EIT Culture & Creativity in recognizing and understanding possible fraud situations timely, so specific plans to protect against fraud risks are taken into action.



5. Objectives and actions

The commitment of EIT Culture & Creativity is articulated through three overarching objectives, each accompanied by specific actions:

Objective 1: Maintain and enhance an anti-fraud culture underpinned by a high level of awareness, integrity, impartiality, and transparency within the EIT Culture & Creativity.

Actions to reach Objective 1:

- Organize regular training sessions to enhance awareness and understanding of internal processes.
- Appoint an Anti-fraud Coordinator as the internal point of contact with all areas of the KIC and the EIT Anti-Fraud working group.
- Periodically inform the Supervisory Board about the implementation of the anti-fraud strategy and any potential cases.

Objective 2: Maintain an effective system for internal reporting of suspected fraud or irregularities.

Actions to reach Objective 2:

- Establish a permanent Anti-fraud and Ethical Channel for the communication of any suspected fraud or irregularities.
- Share potential or suspected fraud or irregularities by EIT Culture & Creativity or any involved party (partners, beneficiaries, recipients, etc.) with the Chair of the Supervisory Board, the CEO, COO, and the Legal Manager, following internal processes.
- Promote the "four eyes" principle for enhanced scrutiny.

Objective 3: Focus effort on implementing fraud-risk mitigating measures and bring specific actions in identified areas and procedures of the organization.

Actions to reach Objective 3:

- Develop an internal process to take measures and actions against any detected fraud, irregularity, or corruption. This involves collaboration with relevant public authorities and the application of disciplinary measures to the perpetrator or any collaborator.
- Conduct periodic risk assessments and surveys, working with the results to implement specific measures aimed at mitigating fraud risks.



6. Functions addressing and preventing fraud

To ensure the effective execution of the Anti-Fraud Strategy, EIT Culture & Creativity will establish an Anti-Fraud Working Group. This group is under the supervision and coordination of the Anti-Fraud Coordinator. It brings together a diverse set of expertise from various teams, including Legal, Operations, Finance, HR, IT, and PMO. The composition of the group will include individuals from different management levels, ranging from C-Level to leads, managers, and officers. The activities of the Anti-Fraud Working Group will be regularly reported to the Supervisory Board.

The Anti-Fraud Working Group conducts two annual meetings:

- First Annual Meeting: Planification Meeting

Focuses on planning and strategizing to enhance the effectiveness of the Anti-Fraud efforts.

- Second Annual Meeting: Review of Objectives

Evaluates and reviews the objectives set in place, ensuring alignment with the overarching Anti-Fraud Strategy.

7. Reporting allegations of fraud

EIT Culture & Creativity staff members should be aware of the potential for Fraud and should report any reasonably suspected Fraud. Concerns which should be reported include, but are not limited to, staff committing or attempting to commit, any dishonest or Fraudulent act, such as:

- Misuse of signatures in order to obtain any advantage;
- Forgery or alteration of documents or accounts;
- Misappropriation of funds, supplies or other assets;
- Impropriety in the handling or reporting of money or financial transactions;
- Personal gain by misusing an official position or enabling family members or others to do so;



- Unlawful Disclosure of official activities or information for obtaining personal advantage;
- Attempt to achieve personal gain from third parties by virtue of misusing an official position or authority;
- Theft or misuse of property (including intellectual property), facilities, or services.

This policy also applies to the members of the Supervisory Board, the Partner Assembly and any third parties legally binded by an agreement.

If there is any suspicion of Fraud the witness should take note of all pertinent details, including what was said or done by whom, the date, the time, the location and the names of the individual(s) involved.

→ In case of suspicion of Fraud a report should be sent to the following account

Anti-Fraud@eit-culture-creativity.eu
with the subject: [Confidential] Alert of Potential Fraud in EIT CC

8. Review and Monitoring

Amongst the Management team of the EIT Culture & Creativity an Anti-Fraud Coordinator is going to be established with the guidance of the Legal Manager. The Anti-Fraud Coordinator will be tasked with maintaining the relevance of EIT Culture & Creativity's approach to fraud risk management, aligning it with evolving best practices and legislative standards. The Anti-Fraud Strategy, along with its action plan, will undergo a thorough review at least every two years.

To ensure the effective implementation of EIT Culture & Creativity's Anti-Fraud Strategy, policy, and procedures, periodic monitoring will be conducted. The impact of the strategy will be assessed using key performance indicators, where applicable, allowing for continuous improvement and adaptation to changing circumstances.



9. Disciplinary actions

Where Fraud has been identified and confirmed, the following actions may be taken:

Employees: immediate dismissal in accordance with the provisions of the applicable employment law.

Partners: exclusion from the Business Plan and KIC activities, any relationship with this Partner would be forbidden in the future.

Supervisory Board / Partner Assembly members: immediate exclusion from the related body, in accordance with the provisions of the applicable law.

Suppliers / customers: black-listed, any relationship will be forbidden in the future.

In all cases, in order to safeguard the interests of EIT Culture & Creativity, EIT Culture & Creativity may take necessary measures such as suspension of rights of the individuals concerned or other precautionary measures, including legal actions before a competent court.

**For the avoidance of doubt, In the case of an alert raised against the same person / organization but not (yet) recognized by OLAF as a Fraud but deemed justified by EIT Culture & Creativity, internal sanctions may be taken to ensure the integrity of EIT Culture & Creativity.*