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36th Annual Report on the protection of the European Union's financial interests and the fight against fraud – 2024

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EXECUTIVE SUMMARY

In line with the obligation laid down in Article 325(5) of the Treaty on the Functioning of the European Union, each year the European Commission, in cooperation with the EU Member States, submits a report on the protection of the EU's financial interests (PIF report) to the European Parliament and the Council on the measures taken in this area.

On 6 May 2025, the European Parliament adopted its resolution on the protection of the EU's financial interests based on the 2023 PIF report. The Parliament highlighted the significant challenges that the EU is confronted with in an increasingly complex and rapidly evolving landscape and emphasised the need to modernise the EU anti-fraud architecture along three main lines: a) strengthening its governance; b) maximising the financial impact of anti-fraud actions of investigative bodies; and c) adapting anti-fraud measures to new technologies.

In line with the Parliament's requests, this PIF report focuses on the progress made in 2024 in the three identified areas.

Exchanges of information, expertise and know-how between the main bodies of the EU level of the anti-fraud architecture happen regularly in different forums. The annual exchange of views at political level to discuss the European Anti-Fraud Office's policy on combating fraud gathered, for the second consecutive year, all key anti-fraud players at EU level to discuss, in particular, the potential impact of artificial intelligence in the fight against fraud. At operational level, complementary administrative investigations by the European Anti-fraud Office enable faster recoveries of financial resources compromised by fraudsters investigated by the European Public Prosecutor Office.

All Member States reported having anti-fraud strategies in place, although these vary significantly in terms of scope and only 10 Member States have a fully-fledged national anti-fraud strategy in place.

In 2024, the Commission advanced the implementation of the action plan accompanying its anti-fraud strategy.

Digitalisation of the fight against fraud and the use of innovative technologies is a recurrent theme in the EU's anti-fraud agenda (including in the action plan accompanying the Commission's strategy), with several initiatives ongoing, some supported also by the EU anti-fraud programme. Member States show a strong focus on building capacity and commitment to boost digitalisation.

Irregularities detected and reported in 2024 have only slightly increased compared to the previous years. However, the number of reported fraudulent irregularities has significantly increased, in all budgetary areas except for agriculture. While this represents a positive development in line with past recommendations of the Commission, some problems remain in relation to the follow-up of reported cases of suspected fraud, pointing to the need to further develop the exchange of information between administrative and judicial bodies.

The Commission calls once more on the Member States to ensure (i) the swift and continuous reporting of detected cases of suspected fraud and their follow-up; (ii) the establishment of more effective communication channels between the actors involved; (iii) the adoption of national anti-fraud strategies, as a key element of national anti-fraud governance; and (iv) the development of innovative technologies in the fight against fraud.

As part of its efforts to ensure the most efficient protection of its financial interests, the EU has also started preparatory work to review its anti-fraud architecture. This comprehensive review, involving all the relevant actors within the EU anti-fraud architecture, will focus on deterrence, and create more synergies and efficiencies among relevant actors, avoiding duplication at every stage of the anti-fraud cycle - prevention, detection, investigation, correction of fraud, and the recovery of the amounts concerned, including those for the EU budget.

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LIST OF ABBREVIATIONS

AFA	Anti-Fraud Architecture
AFIS	Anti-Fraud Information System
AI	Artificial Intelligence
AMLA	Authority for Anti-Money Laundering and Countering the Financing of Terrorism
AFCOS	Anti-Fraud Coordination Services
CAFS	Commission Anti-Fraud Strategy
CAP	Common Agricultural Policy
COCOLAF	Advisory Committee for the Coordination of Fraud Prevention
CONT	Committee on Budgetary Control
ECA	European Court of Auditors
EDES	Early Detection and Exclusion System
EPPO	European Public Prosecutor's Office
ERDF	European Regional and Development Fund
ESF	European Social Fund
EU	European Union
FEAD	Fund for European Aid to the Most Deprived
FPDNet	Fraud Prevention and Detection Network
IBOA	Institutions, Bodies, Offices and Agencies
IMS	Irregularity Management System
IPA	Instrument for Pre-Accession
IT	Information Technology
JCO	Joint Customs Operation
NAFS	National Anti-Fraud Strategies
OLAF	European Anti-Fraud Office
PIF	Protection of financial interests
PFIU audits	Audits on the protection of the financial interests of the Union
RRF	Recovery and Resilience Facility
RRP	National Recovery and Resilience Plan
TFEU	Treaty on the Functioning of the European Union
TOR	Traditional own resources
UAFP	Union Anti-Fraud Programme
VAT	Value Added Tax

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1. INTRODUCTION

1.1. The EU's financial interests and their protection

The EU's 2024 budget amounts to EUR 189.4 billion in commitment appropriations and EUR 142.6 billion in payment appropriations. The 2021-2027 multiannual financial framework amounts to EUR 1 200.6 billion ([1]). Additional resources come from NextGeneration EU, the EU's post-COVID economic recovery package under which EUR 750 billion is to be spent between 2021 and 2026.

These financial resources enable the EU to finance its policies and promote its aims and values.

EU Member States manage the largest share of EU expenditure and collect VAT and traditional own resources (TOR), the latter mainly taking the form of customs duties.

In accordance with Article 325 of the Treaty on the Functioning of the European Union (TFEU), the EU and its Member States must counter fraud and any other illegal activities that affect the EU's financial interests. In line with Article 325(5) TFEU, each year the Commission, in cooperation with the Member States, submits a report to the European Parliament and the Council on the measures taken to implement that Article. This report, also known as the PIF report, meets that obligation for 2024 ([2]). It is accompanied by seven working documents ([3]).

On 6 May 2025, the European Parliament adopted its resolution on the protection of the EU's financial interests for 2023 ([4]). Parliament called for the PIF report to become a tool serving the better governance of the EU's anti-fraud architecture and for the report's holistic approach to be further enhanced. In line with this request, the 2024 PIF report has been structured to answer this call and provide a more comprehensive overview of the key measures taken in 2024 across the various layers and elements of the anti-fraud architecture.

Section 2 is divided into two main parts. It looks first at the EU level of the anti-fraud architecture (i.e. the EU players), before moving on to Member States level. The section also offers an overview of cooperation between the different bodies involved and the actions taken to strengthen the protection of the EU's financial interests and the governance of national anti-fraud networks. Section 3 presents how the EU and national authorities are using digitalisation and innovative technologies to step up the fight against fraud. Section 4 presents data on the fight against fraud, corruption, conflicts of interest and other irregularities that affect the EU's financial interests.

([1]) Multiannual financial framework ceilings in million EUR, at current prices. Source: OJ L, 2024/207, 22.2.2024.

([2]) Article 310(6) TFEU.

([3]) The seven Commission staff working documents are:

a) National anti-fraud strategies (NAFS) state of play and assessment;
b) Measures adopted by Member States to protect the EU's financial interests in 2024;
c) Follow-up on recommendations to the Commission report on the protection of the EU's financial interests and the fight against fraud – 2023;
d) Statistical evaluation of irregularities reported for own resources, natural resources, cohesion policy, pre-accession assistance and direct expenditure in 2024;
e) Commission anti-fraud strategy (CAFS) action plan implementation monitoring: state-of-play 31 May 2025;
f) Early Detection and Exclusion System (EDES) – Panel referred to in Article 143 of the Financial Regulation;
g) Annual overview with information on the results of the Union anti-fraud programme in 2024.

([4]) Procedure file 2024/2083(INI).

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Where available, the data also reflects the state of recoveries. Section 5 provides conclusions and recommendations.

1.2. Data sources

This report relies on information provided by the Member States through dedicated questionnaires ([5]). Section 4 is based on irregularities detected and reported by the Member States ([6]) (Sections 4.2.2 and 4.3), by the beneficiary countries of pre-accession assistance ([7]) (Section 4.3.3) and on recovery orders extracted from the Commission accounting system ([8]) (Section 4.3.3, direct management).

Sectoral regulations on traditional own resources, shared management funds and pre-accession instruments specify the conditions under which Member States and beneficiary countries of pre-accession assistance must report irregularities detected in those areas. The reporting of irregularities is subject to certain limitations ([9]).

Two broad categories are used in this report for cases reported by the Member States and beneficiary countries: **fraudulent irregularities** ([10]) and **non-fraudulent irregularities** ([11]).

Throughout this report reference is made to the results of investigations by the European Anti-Fraud Office (OLAF) and the European Public Prosecutor's Office (EPPO). Data referred to are taken from the respective annual reports ([12]) or have been obtained directly from these bodies (in which case reference is made to them as: *Commission's calculation on data provided by OLAF/the EPPO*).

These data sources have some significant underlying differences in nature, scope, budgetary areas covered and timelines ([13]).

([5]) The questionnaires concern the measures adopted by the Member States to protect the EU's financial interests and the follow-up to the recommendations in the 2023 PIF report.

([6]) See, in particular, Box 2 of the 2021 PIF Report, Section 6.1, p. 31.

([7]) Reported to the Commission via the Irregularity Management System (IMS).

([8]) Data are extracted from ABAC for the last year, as the system has been replaced by SUMMA.

([9]) For a description of these limitations, see Box 3 in the 2021 PIF Report, Section 6.1, p. 32.

([10]) 'Fraudulent irregularities' are those the reporting country has classified as fraud in traditional own resources, suspected fraud or established fraud in relation to shared management and pre-accession.

([11]) All irregularities that have not been classified as fraudulent are considered as non-fraudulent.

([12]) The OLAF 2024 annual report and the EPPO 2024 annual report present significant differences in nature and scope with the PIF report. These have been extensively explained in Section 1.2 of the 2023 PIF report.

([13]) The reporting workflow from the Member States and, ultimately, the availability of complete data to prepare this report depend heavily on information from the authorities detecting and investigating the irregularity or fraud. Reporting bodies in the Member States (mainly managing authorities or paying agencies in shared management and customs authorities in relation to traditional own resources) may report on criminal investigations only when the relevant judicial or law enforcement authorities provide them with the authorisation and the necessary information. This implies that while the EPPO, OLAF or national law enforcement are actively investigating a case, bodies responsible for reporting irregularities and fraud to the Commission might not be able to do so in certain cases due to investigations possibly being confidential. In such cases, this information will only become available when the investigation is completed and will only be included in the PIF Report once this has happened.

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The PIF Report primarily takes a single year approach, presenting irregularities reported in the reporting year, and shows the amounts calculated and reported by the Member States as the financial impact of the irregularities detected ([14]).

The following table summarises the main differences between the three main data sources.

Figure 1: Similarities and differences between the data sources used in this report

Scope	PIF Report	OLAF Report	EPPO Report
Specific to the activities of a single body	No	Yes	Yes
Fraudulent irregularities	Yes	Yes[a]	Yes
Non-fraudulent irregularities	Yes	Yes	No
Territorial scope			
EPPO participating Member States	Yes	Yes	Yes
Non-EPPO Member States	Yes	Yes	Yes [a]
Non-EU countries	Yes [b]	Yes	Yes [a]
Budgetary area			
Shared management	Yes	Yes	Yes
Customs fraud (non-VAT)	Yes	Yes	Yes
Indirect management (pre-accession)	Yes	Yes	Yes [a]
Direct management (not RRF)	Yes	Yes	Yes
Direct management (RRF)	No	Yes	Yes
VAT fraud	No	Yes	Yes
Data sources			
Direct[c]	Partial	Yes	Yes
Indirect[d]	Yes	No	No
Timeline			
Year-to-year[e]	Yes	Yes	Partial
Aggregated[f]	Partial	Partial	Yes

[a]Within the limits of its mandate.

[b]Limited to countries benefiting from pre-accession assistance

[c]Direct data source means that the report refers to cases directly investigated by the reporting body. Data on cases detected by the Commission are only a limited part of the data set used in the PIF Report.

[d]Indirect data source implies that data reported come from a different data source. For the PIF Report, the Commission uses data about irregularities (fraudulent and non-fraudulent) reported by national authorities of Member States and candidate countries.

[e]The EPPO report shows information on the data referred to in the reporting year (opened investigations, freezing orders granted) as well as aggregated data (active investigations).

[f]Aggregated data (usually the last five years) for the PIF Report are available in the staff working document 'Statistical evaluation of reported irregularities', but not in the report itself.
- The OLAF report provides aggregated data on some types of information, mainly referring to the last five years.
- The EPPO report provides aggregated data when referring to active investigations.

([14]) These financial amounts largely tend to be those for which recovery is actually pursued.

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2. KEY MEASURES

The EU anti-fraud architecture (AFA) is made of a variety of components with specific tasks and roles in preventing, detecting and countering fraudulent activities against the EU's financial interests. These primarily include: (i) In the EU Institutions, Bodies, Offices and Agencies (IBOAs), the Authorising Officers by Delegation; (ii) OLAF; (iii) the EPPO; (iv) Eurojust; (v) Europol; (vi) the European Court of Auditors (ECA); and (vii) the newly established Anti-Money Laundering Authority (AMLA).

On 17 May 2023, the Commission proposed the establishment of an EU Customs Authority as part of the customs reform package ([15]).

At Member States' level, a great variety of authorities and bodies play a significant role in the protection of the EU's financial interests, collecting revenue, managing and controlling the funds, investigating and prosecuting fraud and recovering funds unduly paid. For instance, in the field of taxation, the Eurofisc Member States' network ([16]) was set up in 2010 to combat cross-border VAT fraud. Its mandate covers joint processing and data analysis, coordination of follow-up actions, and access to customs data on VAT exempt importations ([17]).

The complex legislative and organisational architecture put in place to protect the EU's financial interests is the result of a continuous process spanning more than three decades. On 16 July 2025, Commission has launched a reflection process for the review of the anti-fraud architecture ([18]).

This section of the report focuses on key aspects of the cooperation among the most prominent actors of both the EU's and Member States' level of the AFA and the measures taken to further strengthen their governance and the protection of the EU's financial interests in 2024.

2.1. Measures taken at EU level

2.1.1. The European Parliament's resolution on the 2023 PIF Report

Each year, the European Parliament adopts a motion for a resolution on the protection of the EU's financial interests and the fight against fraud, drawing on the analysis in the most recent PIF report. The most recent resolution, based on a report adopted by the Committee on Budgetary Control (CONT) ([19]), was passed by the Parliament's plenary on 6 May 2025. It is a key document (anchored in the budgetary discharge procedure) through which the budgetary authority provides its main political address in relation to the fight against fraud. This year's resolution, beyond the three main areas indicated in Section 1.1, points to the challenges facing the AFA, in particular the threats posed by organised crime and the need to adapt to new technologies. The issue of adapting to new technologies concerns both (i) the EU's ability to exploit the opportunities such technologies

([15]) See, in particular, the proposal for a regulation of the European Parliament and of the Council establishing the Union Customs Code and the European Union Customs Authority, and repealing Regulation (EU) No 952/2013, COM/2023/258 final. The proposal is with the co-legislators.

([16]) Council Regulation (EU) No 904/2010 of 7 October 2010 on administrative cooperation and combating fraud in the field of value added tax (recast), OJ L 268, 12.10.2010, p. 1–18.

([17]) Europol, Eurojust and Eurofisc are still characterised by the 'intergovernmental third pillar spirit' in that they depend on the final decision taken by national authorities, which they are not intended to replace.

([18]) White paper for the Anti-Fraud Architecture Review, COM(2025) 546.

([19]) The report is named after the CONT rapporteur. For procedure 2024/2083(INI), linked to the 2023 PIF report, the rapporteur was MEP Gilles Boyer.

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offer to increase efficiency and effectiveness in fighting fraud, and (ii) its readiness to deal with their increased use by fraudsters.

In its resolution, the Parliament highlights some problems with the implementation of the Recovery and Resilience Facility (RRF) and NextGeneration EU. It calls on the Commission and Member States to address these problems and take account of the lessons learnt when designing the next multiannual financial framework spending programmes.

The resolution also reiterates the importance of greater transparency. It calls on the Commission to make full use of all the tools at its disposal to safeguard the rule of law. It stresses the need to put more emphasis on funds spent in non-EU countries and deems that priority should be given to the fight against corruption in pre-accession negotiations. In addition, it calls for the EU and the Member States to join forces in tackling missing trader intra-community VAT fraud.

The Parliament welcomes the operational results achieved by OLAF and the EPPO and considers that the two bodies must increase their cooperation. It also emphasises the importance of measuring the results of OLAF and EPPO investigations in terms of recoveries of unduly paid amounts and the quantification of amounts being prevented from being unduly spent.

This PIF report provides information concerning the main developments in most of the areas highlighted by the Parliament.

2.1.2. Cooperation between the main EU-level actors

Cooperation between the main actors of the EU AFA can take different forms. These vary based on the different nature of the institutions and bodies involved. The main forms of cooperation are a) exchange of knowledge and expertise; b) coordination; c) operational coordination and support between investigative bodies.

Throughout 2024, inter-institutional dialogues were facilitated by the European Commission, allowing for dynamic exchanges of views. Alongside traditional dialogue partners such as the European Parliament, the Council, and the European Commission, the annual exchange of view held under article 16 of Regulation (EU, Euratom) No 883/2013 ([20]) saw the inclusion, for the second time, of all key anti-fraud players at the EU level: the European Court of Auditors, the EPPO, Eurojust and Europol. The focal point of the discussions between these actors was how artificial intelligence could be used to enhance the protection of the EU's financial interests.

Exchange of information, knowledge and expertise takes place on a continuous basis in the framework of different forums, for instance in the course of the Parliament's hearings or through participation to conferences and seminars (reference Section 2.1.3).

Coordination and cooperation on investigations happen through the AFA's operational bodies. The EPPO, for example, reported that Europol provided support (information exchange, analytical support, expertise) upon 83 requests and that at the end of 2024 there were 25 ongoing cases supported by the Eurojust National Desks ([21]).

([20]) Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council of 11 September 2013, amended by Regulation (EU, Euratom) 2016/2030 of the European Parliament and of the Council of 26 October 2016 and by Regulation (EU, Euratom) 2020/2223 of the European Parliament and of the Council of 23 December 2020.

([21]) 2024 EPPO annual report, *cit.*, p. 107.

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In 2024 OLAF sent 74 cases to the EPPO for the opening of a criminal investigation, and EPPO opened 69 based on OLAF's input. In the same year, OLAF concluded 26 complementary investigations and initiated 17 ([22]).

2.1.3. The Commission: implementation of the action plan accompanying the CAFS

Throughout 2024, the Commission took further steps to strengthen its internal anti-fraud governance. The Commission anti-fraud strategy (CAFS) and its accompanying action plan is the basis for close cooperation and coordination in the Commission and OLAF, as the lead service, monitors and coordinates its implementation ([23]).

A dedicated network of OLAF anti-fraud correspondents from the Commission services – the Fraud Prevention and Detection Network (FPDNet) – met regularly in plenary and subgroup format to exchange best practices and coordinate the implementation of CAFS actions.

Three of the seven themes of the action plan directly concern the EU anti-fraud governance in respect to both the EU and national level of the AFA: (i) supporting Member States to reinforce the protection of the RRF, cohesion, agriculture and fisheries funds; (ii) strengthening the EU anti-fraud architecture; and (iii) enhancing the Commission's anti-fraud governance.

Under the first theme, most actions concern the exchange of data between Member States and the Commission ([24]).

Under the second theme, the focus is on cooperation between the Commission and the EPPO, the support to decentralised agencies and joint undertakings, the protection of investigative journalists and the involvement of civil society ([25]).

Under the third theme, Commission services and executive agencies continued updating their own anti-fraud strategies and risk assessments every three years in line with OLAF's methodology. OLAF provided methodological guidance and peer reviews of each submission ([26]).

Drawing on its mandate and expertise, OLAF and the EPPO also gave inputs to the Commission Rule of Law Report and the Rule of Law conditionality mechanism.

Lastly, the Commission exploited synergies between fraud and corruption prevention. Following the May 2023 anti-corruption package, the Commission published on 4 November 2024 a study on high-risk corruption areas with a dedicated section on overlaps between fraud and corruption ([27]).

([22]) 2024 OLAF annual report, *cit.*

([23]) See the 'Commission anti-fraud strategy (CAFS) action plan implementation monitoring: state-of-play 31 May 2025' accompanying this report.

([24]) See footnote 23, actions from 12 to 19.

([25]) See footnote 23, actions from 30 to 33.

([26]) See footnote 23, actions from 34 to 39.

([27]) The study was presented and discussed at the 2nd plenary meeting of the EU network against corruption on 3 October 2024. Public procurement, construction and infrastructure, and health care were deemed to be among the areas most at risk. A follow-up study will investigate actions that mitigate corruption in these high-risk areas. As announced in the 2023 Joint Communication on the fight against corruption, the research will feed into the first EU strategy against corruption, setting out actions to prevent and fight corruption in high-risk areas.

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2.1.4. AMLA, the newest actor in the EU anti-fraud architecture

The Authority for Anti-Money Laundering and Countering the Financing of Terrorism (AMLA) is a decentralised EU agency that will coordinate national authorities to ensure the correct and consistent application of EU rules. AMLA aims to transform anti-money laundering and countering the financing of terrorism supervision in the EU while boosting cooperation among financial intelligence units.

Following the adoption of the AMLA's regulation ([28]) on 31 May 2024, the authority was legally established on 26 June 2024 and will be fully operational as of 1 January 2028.

2.1.5. The future actor: the EU Customs Authority

The current proposal to establish the EU Customs Authority aims to adopt a more centralised digital approach, especially with respect to customs risk management and controls, to ensure a more efficient, strengthened and fraud-proof customs union and play a key role in fighting fraud at the EU external borders. The Authority will operate the EU Customs Data Hub, providing a pool of real-time data on customs flows and enhanced data analytics capacity that will allow for a better risk management and customs controls at the external borders, with the view to enhancing the protection of the EU's financial interests.

2.2. Measures taken at national level

2.2.1. Strengthening the governance of Member States' anti-fraud networks

In its 2022 and 2023 PIF reports, the Commission recommended that Member States strengthen their anti-fraud governance by setting up or improving dedicated networks involving all national bodies with a mandate involving the protection of the EU's financial interests ([29]).

From the information collected from the Member States, the situation has remained relatively unchanged from that reported in the 2023 PIF report, with most Member States reporting no significant developments. Among those that have introduced changes ([30]), the focus has been on strengthening the role and capabilities of Member States' anti-fraud coordination services (AFCOS).

2.2.2. National anti-fraud strategies

Another key element of this governance is the adoption of dedicated strategies to counter fraud affecting the EU's financial interests. Over the years, the Commission has supported the adoption of national anti-fraud strategies (NAFS), to be developed by the key national level of the AFA.

In 2024, all 27 Member States reported having anti-fraud strategies in place to protect the EU's financial interests, though their approaches varied significantly. Specifically, 10 Member States

([28]) Regulation (EU) 2024/1620 of the European Parliament and of the Council of 31 May 2024, OJ L, 2024/1620, 19.6.2024.

([29]) Information about progress on this and the other recommendations in the 2023 PIF report has been collected via a specific questionnaire. For the complete replies to this questionnaire, see the 'Follow-up on recommendations to the Commission report on the protection of the EU's financial interests and the fight against fraud – 2023' accompanying this report.

([30]) Cyprus, Latvia, Luxembourg, Netherlands, Italy, Spain.

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indicated having a NAFS, with 2 of them updating their NAFS in 2024, while 7 Member States were in the process of adopting one. The 17 Member States who currently have no nation-wide NAFS, have nonetheless other types of anti-fraud strategies in place to protect the EU's financial interests, as presented in Figure 3.

Figure 2 – Overview of anti-fraud strategies reported by Member States

MS	AT	BE	BG	CY	CZ	DE	DK	EE	EL	ES	FI	FR	HR	HU	IE	IT	LT	LU	LV	MT	NL	PL	PT	RO	SE	SI	SK
NAFS			■		■							■		■		■			■	■			■	■			■
Planned adoption		■		■			■			■							■	■			■						
Other AFS																											
Regional AFS (cross-cutting and covering the EU's financial interests)		■				■				■																	
Sectoral national strategy (covering the whole national territory)	■	■					■	■	■	■	■		■								■		■		■		
Sectoral regional AFS		■				■																					
Anti-corruption strategy (also covering the EU's financial interests)						■		■	■	■	■		■	■			■		■								
Authority level AFS		■				■	■	■		■			■					■	■					■		■	
Programme level AFS		■		■		■	■						■									■		■			
Other	■	■						■					■		■	■				■		■		■		■	

■	Yes
	No

2.2.3. National measures adopted to strengthen the protection of the EU's financial interests

EU Member States manage the largest share of EU expenditure and collect traditional own resources (TOR – mainly customs duties) and VAT. They continuously review and fine-tune their approaches, based on EU legal acts and policy measures (such as the recommendations in the PIF reports) or on their own initiative. The Commission sent Member States a dedicated questionnaire to collect information on the national measures Member States consider the most important for strengthening the protection of the EU's financial interests.

Member States reported a total of 69 measures (50 single measures and 19 described as a 'package of measures') ([31]), almost evenly divided between legislative, administrative, organisational and operational measures. Most ([32]) cover in particular fraud prevention or detection (91% and 86% respectively), while almost half aim at strengthening investigation and prosecution and recovery and sanctioning (46% and 45% respectively) as showed in Chart 1 in Annex 3. A large majority of measures target expenditure, in particular the cohesion policy and the RRF (15 and 12 measures respectively), while some 10 measures address revenue fraud (tax and customs).

([31]) For a complete overview of the measures reported by the Member States see the 'Measures adopted by Member States to protect the EU's financial interests in 2024' accompanying this report. Specific measures are presented in Snapshot 1 (conflict of interest), Section 2.2.4 (cooperation and information exchange), Section 2.3.3 (cooperation between the internal and external layer of the EU AFA) and Section 3.2.2 (digitalisation and the use of new technologies).

([32]) A measure can target more than one stage of the anti-fraud cycle and more than one budgetary area/sector.

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Beyond 'shared management and the control of EU funds' (32 measures reported by 18 Member States ([33])), there was a significant focus on preventing 'conflict of interest' (30 measures reported by 16 Member States) ([34]), 'public procurement' (21 measures reported by 13 Member States) ([35]) and 'anti-fraud or anti-corruption strategy' (20 measures reported by 13 Member States) ([36]).

Snapshot 1: Measures addressing conflict of interests

The 30 measures reported by the Member States targeting conflict of interest revolve around three main sub-areas: (i) training and capacity building; (ii) management and deterrence; and (iii) transparency and better governance ([37]). These measures put strong emphasis on prevention. However, as new technologies emerge, several measures also incorporate new sophisticated detection mechanisms.

This blend of prevention and detection strategies highlights a shift towards comprehensive conflict of interest management systems that make use of both human oversight and technological innovation to reduce fraud risks.

(i) Training and capacity building

A significant focus on training reflects an understanding of the human element in managing conflict of interest. Four Member States ([38]) have initiated comprehensive training programmes designed to equip public officials with the skills necessary to identify and address conflict of interest effectively.

(ii) Management and deterrence

The goal of these measures is to prevent conflicts of interest from arising, to deter them effectively, and to detect and address them quickly if they do occur. This is achieved through: enforcing mandatory declarations for public procurement to maintain legal compliance ([39]); focusing on transparency through required declarations ([40]); improving detection using dedicated tools, revealing complex connections ([41]); and a preventive control mechanism for EU-funded procurements ([42]).

([33]) Austria, Bulgaria, Croatia, Cyprus, Estonia, Finland, Germany, Greece, Italy, Latvia, Luxembourg, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, and Sweden.

([34]) Austria, Belgium, Bulgaria, Croatia, Cyprus, Estonia, Finland, Germany, Greece, Italy, Lithuania, Poland, Portugal, Slovakia, Slovenia and Sweden.

([35]) Austria, Belgium, Bulgaria, Croatia, Cyprus, Estonia, Germany, Greece, Hungary, Italy, Lithuania, Slovakia and Slovenia.

([36]) Austria, Belgium, Cyprus, Czechia, Finland, Germany, Greece, Hungary, Italy, Netherlands, Portugal, Slovakia and Slovenia.

([37]) For a description of the related measures, see Sections 1.6.1.1, 1.6.1.2 and 1.6.1.3 respectively of the 'Measures adopted by Member States to protect the EU's financial interests in 2024' accompanying this report.

([38]) Estonia, Finland, Lithuania and Germany (Bremen).

([39]) Belgium.

([40]) Germany (Baden-Württemberg).

([41]) Poland (SAMPLER Tool).

([42]) Slovakia.

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(iii) Enhancement of transparency and governance

Member States ([43]) are prioritising these areas to strengthen regulatory compliance and mitigate conflict of interest. The measures taken involve increasing compliance in procurement procedures and offering clear guidance and instructions to officials. This, in turn, strengthens ethical standards and accountability in public administration.

2.2.4. Enhanced cooperation and information exchange

Improving EU and national cooperation and information exchange is another key focus area of this year's reported measures, aligning with Recommendation 3 of the 2023 PIF report to develop the governance of the anti-fraud architecture ([44]). Some 11 measures were adopted by Member States to improve cooperation and information exchange.

Seven of these measures (listed in Table 1 in Annex 3) address cooperation at national level by establishing dedicated anti-fraud bodies, departments or sections. These initiatives also include setting up contact points and network meetings to improving coordination, along with a job-shadowing programme within the AFCOS network to facilitate the exchange of best practices.

2.3. Cooperation between the EU and national level

2.3.1. Dedicated *forums*: COCOLAF and its subgroups

The Commission cooperates directly with Member States' authorities to improve fraud prevention through the Advisory Committee for the Coordination of Fraud Prevention (COCOLAF), a Commission expert group set up in 1994 ([45]) and managed by OLAF. Composed of representatives from the competent national services of the Member States and from Commission departments, COCOLAF serves as a forum to facilitate cooperation and the exchange of information and good practices on protecting the EU's financial interests.

COCOLAF meets twice per year in a plenary session and several times in specialised sub- and working groups, addressing key topics such as fraud prevention policies and actions, anti-fraud strategies, irregularity reporting and analysis, operational cooperation and coordination between AFCOS and OLAF. The annual PIF Report is prepared under the aegis of COCOLAF. Dedicated working groups were set up in 2024 to revise the 'Handbook on irregularities reporting' and draft a document to share Member States' experiences in dealing with 'Double funding in EU funded projects' ([46]).

Snapshot 2: Measures to strengthen the cooperation between the EU and the national level of the anti-fraud architecture

Four Member States reported measures (listed in Table 2 in Annex 3) focusing on strengthening collaboration with EU bodies. These involved organising an EU-wide anti-fraud conference in

([43]) Bulgaria, Croatia, Cyprus, Poland and Slovakia.

([44]) For the implementation of this recommendation, see Section 2.2.1.

([45]) Commission Decision 94/140/EC of 23 February 1994 setting up an advisory committee for the coordination of fraud prevention, OJ L 61, 4.3.1994, p. 27–28, as amended by Commission Decision 2005/223/EC of 25 February 2005 amending Decision 94/140/EC setting up an advisory committee for the coordination of fraud prevention, OJ L 71, 17.3.2005, p. 67–68.

([46]) Both documents are expected to be finalised before the summer 2025.

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collaboration with OLAF and implementing efforts to encourage broader, cross-border cooperation.

2.3.2. Implementation of the EU anti-fraud programme

The EU anti-fraud programme (UAFP), with a budget for 2021-2027 of EUR 181 million, provides financial support for:

(i) the protection of the EU's financial interests by its Member States;
(ii) the organisation of mutual administrative assistance and cooperation in customs and agricultural matters (Anti-Fraud Information System – AFIS); and
(iii) the development and maintenance of the Irregularity Management System (IMS) for the reporting of irregularities by Member States.

The 2024 Financing Decision allocated EUR 16.1 million to the first component, EUR 8.4 million to the AFIS component and about EUR 1 million to the IMS component. The available funds were successfully implemented in 2024 using the various financing instruments available ([47]).

In 2024, an association agreement covering Ukraine's participation in the programme was negotiated between the Commission (represented by OLAF) and the relevant Ukrainian authorities. The agreement was adopted in March 2024.

For the first component, the focus was on financing projects (in the form of grants) linked to the expenditure side of the EU budget and on digitalisation, IT development and the integration of AI in the fight against fraud. The two calls that were launched in 2024 (amounting to about EUR 11.4 million) saw a high demand for financing (four times higher than the available budget) and participation by most Member States (123 applications from 19 countries). More than one quarter of the requests concerned the financing of data analytics technology and IT tools.

The activities covered by procurement in 2024 (totalling around EUR 4.4 million) related to specialised conferences, digital forensic and analysts training, access to commercial databases, and customs analysis tools ([48]).

2.3.3. Improving reporting and follow-up of suspected fraud

To improve the quality and reliability of available data on suspected fraud (which Member States have a legal obligation to report), in 2023 the Commission recommended Member States to ensure timely updates of reported cases and complete reporting of the cases, including those investigated by OLAF and the EPPO ([49]). To this end, Member States were invited to establish appropriate communication channels with law enforcement and prosecution services.

A significant majority of Member States have a high degree of confidence in their reporting systems. A total of 11 Member States reported using a well-established reporting system ([50]) capturing all relevant data on suspected fraud cases and irregularities, while 9 stated that they have

([47]) A description of the initiatives financed via the UAFP is available in the 'Annual overview with information on the results of the Union anti-fraud programme in 2024' accompanying this report.

([48]) Via the Joint Research Centre.

([49]) See the 'Follow-up on recommendations to the Commission report on the protection of the EU's financial interests and the fight against fraud – 2023' accompanying this report, in particular Section 1.1.

([50]) Austria, Czechia, Estonia, Finland, France, Germany, Luxembourg, Malta, Poland, Romania, Slovakia.

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a strong reporting system but with some gaps in capturing all relevant data ([51]). Notably, 17 Member States regularly review and assess the effectiveness of their reporting mechanisms ([52]), underscoring a commitment to maintaining and improving system robustness.

In contrast, 13 Member States indicated persistent challenges concerning the exchange of relevant information ([53]). A common scenario involves reporting challenges between judicial and reporting authorities. Difficulties often emerge when judicial proceedings are drawn out or when confidentiality of investigations hinders comprehensive reporting. These issues highlight the need for better collaborative measures and improved procedural clarity to ensure that reporting systems work effectively across all levels of governance. A total of 17 Member States reported some improvements in their follow-up procedures over the past year ([54]). Good practices identified to improve the systems include centralised coordination, comprehensive guidelines and systems, clear legal frameworks and obligations, and routine and direct communication.

To improve data quality, OLAF has launched an in-depth analysis of irregularities and fraud related to the cohesion policy reported via the IMS. The analysis assessed any issues linked to the accuracy and completeness of the reporting. Based on this review, OLAF initiated a **structured dialogue** with 10 Member States to address all the identified issues. While the process is still ongoing, it has already helped raise the awareness of the authorities involved and led to the identification of a significant reporting backlog in one Member State ([55]).

3. DIGITALISATION OF THE FIGHT AGAINST FRAUD

3.1. Foster digitalisation and the use of IT tools to fight fraud in the Commission

The first theme of the action plan accompanying the CAFS focuses on the need for more corporate IT solutions to make the fight against fraud more effective and efficient. The Commission is exploring ways of increasing digitalisation and interoperability and further strengthening and broadening the use of existing IT tools such as Arachne, EDES, SUMMA and IMS to prevent, detect and investigate fraud. The risk scoring and data mining tool will be developed to cover all management modes, while OLAF is exploring digital options to communicate better on its investigations with other Commission departments and executive agencies. Table 3 in Annex 3 summarises the state of implementation of the actions linked to this theme.

Furthermore, the theme 'Reinforce the EU's capacity to fight customs fraud and protect EU revenues' ([56]) contains several actions addressing digitalisation, interoperability of systems and data analytics. Between June 2024 and May 2025, for example, following the deployment of the

([51]) Belgium, Bulgaria, Croatia, Denmark, Hungary, Italy, Latvia, Slovenia, Sweden.

([52]) Bulgaria, Cyprus, Czechia, Denmark, Estonia, Germany, Hungary, Italy, Latvia, Lithuania, Malta, Poland, Portugal, Romania, Slovakia, Slovenia, Spain.

([53]) Bulgaria, Croatia, Cyprus, Denmark, Estonia, Hungary, Lithuania, Poland, Portugal, Romania, Slovakia, Slovenia, Spain.

([54]) Bulgaria, Czechia, Denmark, Estonia, Germany, Hungary, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Spain.

([55]) See footnote 90.

([56]) See the 'Commission anti-fraud strategy (CAFS) action plan implementation monitoring: state-of-play 31 May 2025' accompanying this report, actions 26 to 29.

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AFIS analytical platform (FraudAP), various applications and intelligence reports were produced and online training provided to national customs authorities. The development of the B2B interface between the Customs Information System and national systems is ongoing ([57]).

In 2024, the IMS received an important upgrade to make it more user-friendly and technologically ready for other significant future developments.

3.2. National measures aimed to step up digitalisation of the fight against fraud

3.2.1. Follow-up to the recommendation of the 2023 PIF report on accelerating the digitalisation of the fight against fraud

In its 2022 and 2023 PIF reports, the Commission recommended that Member States accelerate the digitalisation of the fight against fraud ([58]).

In their replies, a vast majority of Member States indicated that digitalisation is a clear goal in their anti-fraud efforts. To address existing gaps, 17 Member States ([59]) use training, followed by gap analysis and internal assessments (8 Member States each) ([60]). This highlights a strong focus on building capacity and improve digitalisation. Some 20 Member States ([61]) reported at least partial success on implementing IT tools, showing significant progress on digital transformation.

Data analysis tools, whether external or integrated into national systems, are prevalent; they are currently used or planned by 24 Member States ([62]). Predictive analytics and AI see less usage, despite AI being one of the most 'planned to use' tools (see Figure 3).

([57]) See footnote 56, action 26.

([58]) The Commission collected information about progress on this recommendation collected via a specific questionnaire. For the complete replies to this questionnaire, see 'Follow-up on recommendations to the Commission report on the protection of the EU's financial interests and the fight against fraud – 2023' accompanying this report.

([59]) Austria, Belgium, Bulgaria, Cyprus, Czechia, Germany, Greece, Hungary, Italy, Lithuania, Malta, Romania, Slovakia, Slovenia, Spain, Sweden, Finland.

([60]) Internal assessment: Czechia, Denmark, Estonia, Germany, Greece, Italy, Luxembourg, Romania
Gap Analysis: Belgium, Czechia, Germany, Italy, Romania, Slovakia, Slovenia, Spain.

([61]) Partially successful: Austria, Belgium, Bulgaria, Denmark, Estonia, Finland, France, Greece, Lithuania, Latvia, Netherlands, Portugal, Slovakia, Slovenia, Spain, Sweden.
Totally successful: Hungary, Italy, Malta, Poland.

([62]) External (In use): Austria, Belgium, Croatia, Cyprus, Czechia, Denmark, Estonia, France, Germany, Greece, Hungary, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Romania, Slovakia, Slovenia, Spain, Sweden.

External (Planned): Portugal.

Integrated (In use): Belgium, Czechia, France, Germany, Hungary, Italy, Lithuania, Netherlands, Poland, Romania, Slovakia, Slovenia, Sweden.

Integrated (Planned): Bulgaria, Denmark, Estonia, Finland, Greece, Latvia, Luxembourg, Malta, Portugal, Spain.

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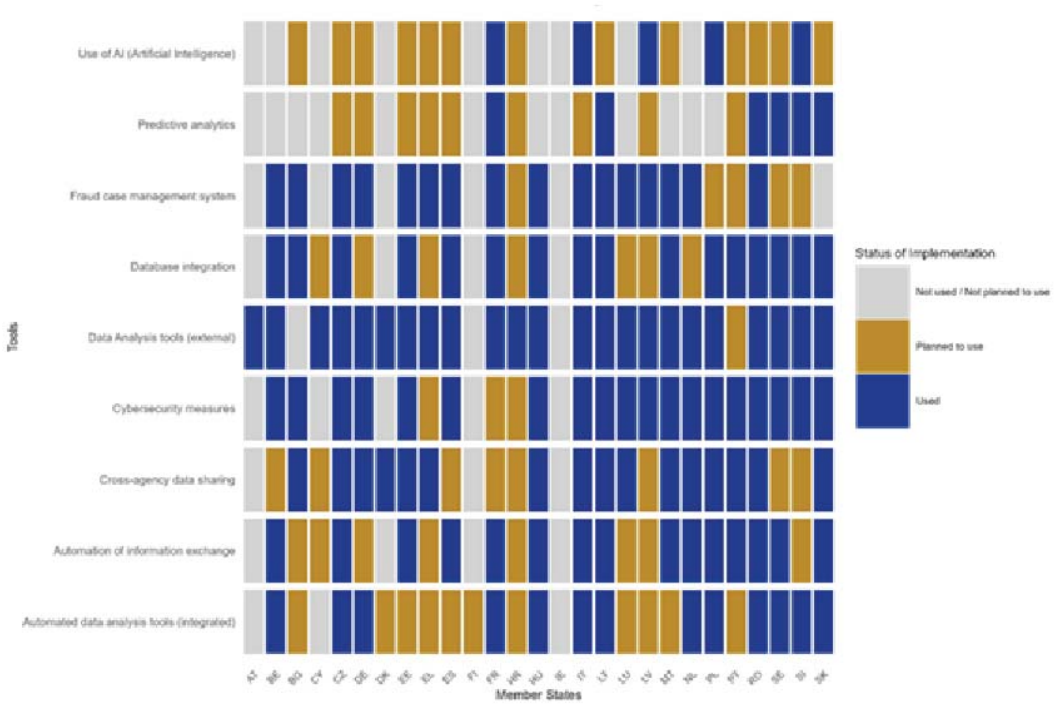
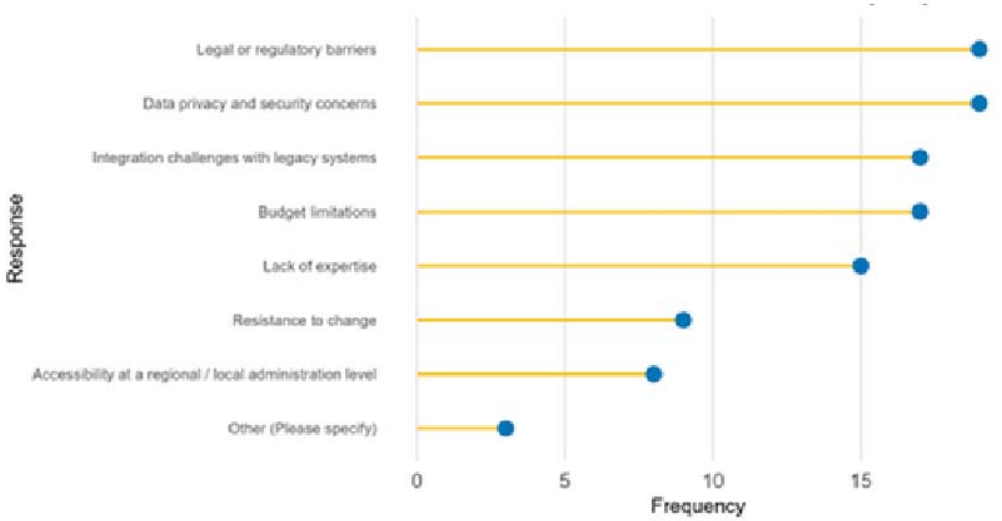
Figure 3 – Digital tools and technologies in use in the Member States in 2024



Legal or regulatory barriers and data privacy and security concerns are the primary challenges in digitalisation efforts, suggesting that Member States are held back by specific obstacles rather than a lack of commitment (see Figure 4).

Figure 4: Challenges faced in accelerating digitalisation to fight fraud



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Some 16 Member States ([63]) have developed interoperable data management systems. Improving interoperability is crucial for seamless data sharing across borders, improving fraud detection, and focusing on potential future standardisation.

Some 22 Member States ([64]) are incorporating the current ARACHNE system in their anti-fraud strategies. Key implementers include managing and auditing authorities. ARACHNE is widely used across EU funds for prevention and detection, using risk scoring to identify fraud and irregularities. While the system has been adopted, comprehensive training and support are still deemed necessary for effectiveness.

Many Member States reported process improvements with ARACHNE ([65]).

With the compulsory feeding of the single data mining and risk-scoring tool (Arachne+) for audit and control purposes as from 1 January 2028, data collected by all Member States' authorities as regards all funds will be included in a single EU-wide tool. This will enhance control and audit functions across the EU and assist national authorities and AFA actors in the prevention, detection, correction and follow-up of fraud, corruption and irregularities, including conflicts of interest and double funding.

3.2.2. Digitalisation and the use of new technologies in control systems

2024 saw a significant emphasis on digitalisation, continuing the trend observed in the previous year and in line with the recommendations of the 2023 PIF Report.

These digitalisation initiatives are primarily targeting cohesion policy and revenue, with particular attention on combating tax fraud and improving customs operations. The tools being implemented facilitate verification checks, anomaly detection, real-time monitoring, and the identification of connections between entities and individuals. A key role in this area is played by the legal framework of the EU's Single Customs Window, which establishes a binding set of harmonised rules for data sharing and digital cooperation between customs and other authorities, also stimulating digitisation efforts on both sides, at EU and national level: at the core of this framework there's the EU Customs Single Window Certificate Exchange System (EU CSW-CERTEX) which enables real time check on existing formalities, aiding in the anti-fraud efforts of national customs. A notable example of using new technologies to stay ahead of fraudsters is Spain's integration of AI to detect e-commerce fraud, where traditional methods are insufficient to handle the increasing volume of online fraud activities. As fraudsters increasingly use and exploit new technologies to commit fraud, it is important to accelerate digitalisation in the EU's anti-fraud efforts.

Table 4 in Annex 3 summarises the main digitalisation initiatives that Member States have reported ([66]).

([63]) Austria, Belgium, Czechia, Estonia, France, Hungary, Ireland, Italy, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia.

([64]) Austria, Belgium, Bulgaria, Croatia, Cyprus, Czechia, Estonia, France, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Poland, Portugal, Romania, Slovakia, Slovenia, Spain.

([65]) Moderate improvement: Austria, Belgium, Czechia, Malta, Portugal, Romania, Slovakia, Spain Significant improvement: Cyprus, Greece, Italy.

([66]) For an overview of all measures reported and additional details on those in the table, see the 'Measures adopted by Member States to protect the EU's financial interests in 2024', accompanying this report.

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4. COMBATING IRREGULARITIES, FRAUD, CORRUPTION AND CONFLICTS OF INTEREST DETRIMENTAL TO THE EU BUDGET

4.1. General overview

From an operational point of view, protecting the EU's financial interests from fraud, irregularities and other illicit activities is a task entrusted to national authorities, OLAF and the EPPO.

A total of 13 589 fraudulent and non-fraudulent irregularities, amounting to EUR 1.84 billion, were reported ([67]) in 2024. There was a slight decrease in the number of reported irregularities compared to 2023 (-2.6%), while the related irregular amounts increased (+19.5%) ([68]). Irregularities reported in 2024 were 3.6% higher than the average for the last five years, while their related financial amounts were 12% higher.

The number of fraudulent irregularities reported by national authorities to the Commission remained relatively stable between 2020 and 2023, but significantly increased in 2024 to 1 364 (+26% on 2023). This number represents 10% of the total number of reported irregularities. The financial amounts linked to these cases have varied more due to a limited number of individual cases with high financial impact, increasing to EUR 548.8 million in 2024 (+138.7% on 2023) confirming the volatility of this indicator ([69]). Compared to the last five years' average, the number of reported fraudulent irregularities was 19% higher and the related amounts 56% higher. This increase in reporting of fraudulent irregularities may be the result of the reiterated recommendations addressed by the Commission to the Member States in the past years. It would be premature to draw conclusions in this respect and the Commission will keep on monitoring any future development in this area.

The number and financial impact of reported non-fraudulent irregularities followed an upward trend from 2020 to 2023, in line with the expected trends linked to the spending programmes cycle. 2024 saw a stabilisation, with 12 225 non-fraudulent irregularities reported (-5% on 2023), involving a financial amount of EUR 1.29 billion (-1.4% on 2023) ([70]). Compared average for the last five years, the number of non-fraudulent irregularities reported in 2024 was 2% higher, while their financial value was stable.

([67]) Irregularities were reported by the Member States and non-EU countries in IMS in relation to expenditure and in OWNRES in relation to traditional own resources. Irregularities related to direct management are extracted from the Commission's ABAC accounting system.

([68]) This increase is the result of the updates received during 2024 on irregularities reported in 2023. These updates are normal, as they indicate the progress made in implementing corrective measures. In the 2023 PIF report the financial value of the irregularities reported in 2023 amounted to EUR 1.90 billion, indicating a stable situation compared to 2024. All variations indicated in this paragraph are calculated based on the updated values for all relevant years.

([69]) For financial amounts linked to fraudulent irregularities, the updates that occurred in 2024 in relation to older data had an even higher impact. If the value published in the 2023 PIF report (EUR 585.8 million) had been used, the financial amounts related to cases reported in 2024 would have decreased by 6.6% in comparison with 2023.

([70]) No significant variation was visible in relation to the financial amounts linked to non-fraudulent irregularities as published in the 2023 PIF report.

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Figure 5: Reported irregularities and related financial amounts – 2020-2024; irregularities and related financial amounts by budgetary area – 2024

4.1.1. Investigations by OLAF

In 2024 OLAF concluded 246 investigations. It issued 301 recommendations, of which 188 financial, for a total recommended amount for recovery of EUR 871.5 million and EUR 43.5 million prevented from being unduly spent ([71]). Over the same period 230 new investigations were opened. Of these, 32 (14%) were related to own resources, 95 (41%) to shared management and the RRF, 20 (9%) to indirect management, and 57 (25%) to direct management. 29 (13%) investigations were opened in relation to internal matters ([72]).

Snapshot 3: Recoveries following OLAF's investigations

At the end of its investigations, OLAF can issue financial recommendations to Member States, EU institutions, bodies, offices and agencies. These recommendations specify the actual amounts of EU expenditure irregularly spent and of EU revenue irregularly evaded from the EU budget, which OLAF, based on the outcome of its investigations, recommends to recover. If planned disbursements have not yet taken place, OLAF recommends not to carry out the irregular spending.

([71]) The data reported in this section are included in the OLAF's 2024 Annual Report.

([72]) The sum of the investigations opened per budgetary area is higher than the total number of investigations opened in 2024 (230). This is because an investigation can cover more than one sector.

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In the period 2022 to 2024, OLAF investigations have led to **recoveries of EUR 4.5 billion** and have **prevented over EUR 800 million of irregular spending**.

4.1.2. Investigations by the EPPO

In 2024, the EPPO opened 1 504 investigations corresponding to estimated damage of EUR 13.07 billion ([73]). At the end of 2024, the EPPO had 2 666 active investigations involving estimated damage of EUR 24.80 billion. These are divided among the various budgetary areas as follows:

- 488 active investigations on VAT fraud (see snapshot 4),
- 252 on customs fraud (total estimated damage of EUR 886.9 million)
- 1 807 on expenditure (total estimated damage of EUR 9.4 billion), of which 279 connected to the Recovery and Resilience Facility (for a total estimated damage of EUR 2.7 billion) ([74]).

Among the typologies identified in these active investigations, 2 105 offences (33.2% of the total) relate to non-procurement expenditure fraud, 591 (9.3%) to procurement expenditure fraud, 385 to PIF crime-focused criminal organisations (6%), 480 (7.6%) to non-VAT revenue fraud, 1 287 (20.3%) to VAT revenue fraud, 191 (3%) to corruption, 115 (1.8%) to misappropriation, 380 (6%) to money laundering, and 808 (12.7%) to inextricably linked offences ([75]).

In respect of the EPPO's investigations, it is important to note that the estimated financial damage may be that given at the outset and not the actual damage calculated at the outcome stage of investigations.

4.2. Revenue

This section presents data and information concerning fraud and irregularities related to revenue (VAT and traditional own resources).

Revenue is the budgetary area most exposed to cross-border fraud. By the end of 2024, the EPPO had 767 active investigations with a cross-border component. Of these, 573 (74% of the total) are linked to revenue (416 to VAT fraud, 86 to non-VAT fraud and 71 linked to both). The total estimated damage of this investigations is EUR 13.6 billion, 87% of the total estimate damage linked to cross-border fraud ([76]).

4.2.1. Revenue – VAT

In 2024, the Commission estimated the VAT compliance gap for 2022 at EUR 89.3 billion, representing 7.0% of the VAT total tax liability. The VAT compliance gap measures the difference between the VAT revenue that would be collected in the case of full compliance and the actual revenue collected ([77]).

([73]) The data reported in this section are included in the EPPO Annual Report 2024.

([74]) Data provided by the EPPO.

([75]) Each case can lead to the investigation of more than one offence. See page 13 of the EPPO annual report 2024.

([76]) Commission's calculations on data provided by the EPPO.

([77]) European Commission, *VAT gap in the EU – 2024 report*.

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Based on this data, the gap is closing: in 2018 it was estimated at EUR 121.2 billion, representing 11.2% of the VAT total tax liability.

The reader should note that only a part of this estimated gap is due to VAT fraud (see Snapshot 4), evasion and avoidance. Other factors include corporate insolvency and bankruptcy and administrative errors. In terms of the EU's financial interests at stake, only a small share (0.3%) of the VAT-related financial amounts belongs to the EU budget ([78]). Based on the estimated VAT gap data this would be about EUR 270 million in 2022.

Snapshot 4: Investigations by the EPPO into VAT-revenue fraud

For 2024, the EPPO reported that it had 488 VAT-related active investigations, involving estimated financial damage of EUR 13.15 billion. This represented almost 53% of the total estimated financial damage involved in the EPPO's 2 666 active investigations).

As indicated, this would equate to about EUR 40 million when viewed in terms of the amount owed to the EU budget. The remainder is owed to the national budgets of the Member States.

The fraudulent practices employed include carousel fraud, fraudulent reduction of profit margin taxation, cross-invoicing with artificial VAT credits, e-commerce fraud, use of 'paper-mill' companies (issuing false invoices for non-existing services) and abuse of customs VAT deferment.

4.2.2. Revenue – traditional own resources ([79])

In 2024, the **total number of irregularities** related to traditional own resources (TOR) – both fraudulent and non-fraudulent – reached 5 000 cases, an **increase** of **2%** compared to the five-year average of 4 904 cases. However, the total estimated and established **amount of TOR** of EUR 489.5 million **decreased by nearly 14%** compared to its five-year average. In 2024, the average amount per case was EUR 97 903 compared to the five-year average of EUR 116 254.

In 2024, 10.7% of all detected cases of irregularities were classified as fraudulent. Compared to the 2020-2024 period, **fraudulent irregularities went up by 6.6%** to 537 cases, while the number of **non-fraudulent irregularities increased only by 1.4%** to 4 463 cases in 2024. Despite this, the estimated and established **amount of TOR decreased** by almost 28% for fraudulent cases to EUR 84 million and by 11% for non-fraudulent cases to EUR 405 million.

In fraudulent cases, **'incorrect value'** became the primary **modus operandi**, with 279 cases involving EUR 15.5 million. However, smuggling and incorrect origin or country of dispatch continue to involve larger amounts of TOR (67 cases totalling EUR 31.4 million and 69 cases totalling EUR 18 million). For non-fraudulent cases, the most common violation is the **'incorrect classification/misdescription'** of goods, both in terms of the number of cases (1 629) and the TOR amounts involved (EUR 124 million). **Vehicles** (electric bikes and cars) became the most affected goods in terms of value, while **textile and footwear** remained the most affected goods in terms of number of cases. Certain products such as tobacco (cigarettes) or olive oil saw notable increases in 2024. **China, the United States and Türkiye** ranked as the top three countries of origin of goods affected by irregularities.

([78]) For the period 2021-2027, a uniform call rate of 0.3% is being applied on each Member State's VAT base.

([79]) For a detailed analysis of irregularities reported by the Member States in relation to TOR, see the 'Statistical evaluation of irregularities reported for own resources, natural resources, cohesion policy, pre-accession assistance and direct expenditure in 2024' accompanying this report, Section 2.

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Figure 6: Irregularities detected and reported in traditional own resources and detection by type of control

Snapshot 5: Detecting fraud and irregularities in traditional own resources

'Release for free circulation' remains the most affected **customs procedure** with 4 054 cases involving an overall estimated and established amount of EUR 349.5 million. This represents **81% of all cases** and **71% of the amounts** reported for 2024, regardless of whether they were fraudulent or non-fraudulent. In 2024, the registered TOR amounts went up for fraudulent cases of 'transit' and 'inward processing'. For non-fraudulent cases, the second most affected customs procedure in terms of TOR amounts was 'inward processing' followed by 'customs warehousing'.

In 2024, **post-release controls** (48% of cases and 21% of amounts) together with **inspections by anti-fraud services** (30% of cases and 63% of amounts) played a crucial role in detecting fraudulent cases. Non-fraudulent irregularities were primarily detected through **post-release controls** (46% of cases and amounts), although other methods of detection such as release controls and tax audit were also effective.

In 2024, 11 Member States reported 65 cases of **smuggled cigarettes** accounting for EUR 32 million of the estimated amount of TOR involved. As in 2023, **Lithuania** reported the highest number of cases (19), and **Belgium** reported the highest amount of TOR (EUR 25 million in total). Compared to 2023, 9 Member States continued to report cigarette smuggling cases exceeding EUR 10 000 in TOR ([80]) whereas other Member States have newly appeared in the statistics ([81]). Meanwhile, certain Member States (e.g. Spain) have disappeared from the statistics, suggesting a **potential shift in fraudulent activities or cigarette smuggling routes**.

([80]) Belgium, Bulgaria, Estonia, Greece, France, Croatia, Lithuania, Poland and Romania.

([81]) Slovenia and Sweden.

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Snapshot 6: Joint Customs Operations

Joint customs operations (JCOs) are targeted actions of a limited duration aimed at combating fraud and the smuggling of sensitive goods in specific areas at risk and/or on identified trade routes. In 2024, 7 JCOs were co-organised or supported by OLAF covering a broad spectrum of targets such as counterfeit medicines, illicit alcohol and illicit trade among others ([82]).

Snapshot 7: Recovery rates in traditional own resources

The recovery rate for fraudulent and non-fraudulent irregularities in TOR detected in 2024 was **very positive, at 80%** (up from 77% in 2023). For non-fraudulent cases, the results were very similar to 2023, resulting in a recovery rate of 85%. For fraudulent cases, the recovery rate of 39% shows a significant increase on the previous year. The lower recovery rate for fraudulent cases is linked to their higher complexity.

The **historical recovery rate stands at 84%** (70% for fraudulent cases and 90% for non-fraudulent cases). Recovery is a constantly ongoing process with amounts potentially growing over time as EU, national and other administrative appeal processes are finalised and final decisions made.

4.3. Expenditure

This section covers the areas of shared, indirect and direct management expenditure. The first two categories are based on the analysis of fraudulent and non-fraudulent irregularities reported via IMS and the latter on data extracted from the Commission's ABAC accounting system. In relation to the Recovery and Resilience Facility (RRF) for which no mandatory reporting is foreseen in IMS, data concern investigations by OLAF and the EPPO.

A total of 124 active EPPO investigations have a cross-border dimension (7% of the total active investigations in expenditure). Their estimated financial damage stands at EUR 994.1 million (about 10.6% of the total estimated financial damage linked to active investigations into spending programmes). ([83])

Snapshot 8: Preventive and corrective measures resulting from the controls of the Commission and of the Member States in 2024

In 2024, as a result of checks by the Commission and the Member States, and investigations by OLAF, preventive and corrective measures ([84]) worth EUR 2.66 billion were implemented to protect the EU budget, representing 0.82% of relevant expenditure ([85]). 79% of these amounts (EUR 2.09 billion) come under the budget headings 'Cohesion, resilience and values' and 'Natural resources and environment' ([86]).

([82]) See OLAF's 2024 Annual Report.

([83]) Commission's calculations on data provided by the EPPO.

([84]) Corrective measures are financial corrections and recoveries. Preventive measures are interruptions and suspensions of payments.

([85]) These corrective and preventive measures were implemented in 2024 but may refer to expenditure that occurred in previous years.

([86]) See Vol. III, Annex 5, Section 5.4, Table G, of the Commission's annual management and performance report 2024.

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4.3.1. Agriculture ([87])

Between 2020 and 2024, Member States reported 1 618 fraudulent irregularities and 16 572 non-fraudulent irregularities relating to the agricultural policy, covering direct payments, rural development and market measures. **Fraudulent irregularities in rural development** rose due to reporting for the 2014-2020 programming period, though this reporting is still lower than during the corresponding years of implementation of the 2007-2013 programming period. Irregularities related to **support to agriculture** peaked in 2022, due to many inter-linked cases of limited financial impact in one Member State, later dropping back to the 2020 level, before rising again in 2024.

The fraudulent irregularities involved a total financial amount of **EUR 133 million**. The EU funding granted to projects or operations affected by these irregularities was **EUR 160 million**, which means that 83% of the value of the related operations was irregular.

Fraudulent irregularities detected often concerned **falsification of the request for aid** and **documentary proof**. For example, applicants for direct payments may use false lease agreements to request aid for plots of land they do not have the right to use. In rural development, beneficiaries may, for example, use false invoices, declare equipment as new when it is in fact second-hand, and manipulate bids in procurements. For market measures and rural development, infringements concerning the **implementation of the action** were also frequently reported.

Snapshot 9 – Measures affected by fraud in the common agricultural policy

In **direct payments**, about 75% of the fraudulent irregularities concerned just one type of 'direct aid' measure, mainly the single area payment scheme, while the rest concerned more than one measure. About 40% of fraudulent irregularities concerned agricultural practices beneficial to the climate and environment (alone or in combination with other 'direct aid' measures). About 13% of fraudulent irregularities concerned voluntary coupled support, and 10% concerned redistributive payments to small farmers or small farmer schemes, where, for example, artificial splitting of agricultural holdings may be used to obtain higher payments. In 2024, Member States reported the first detected fraudulent irregularities related to expenditure under national CAP strategic plans and nearly all of them were related to climate and environment schemes.

For **market measures**, most fraudulent irregularities during the past ten years concerned (i) the wine-growing sector (mainly funding for investment, promotion in third countries and restructuring and conversion of vineyards); (ii) the fruit and vegetables sector (mainly aid to producer organisations for preliminary recognition, either as aid to investment or aid to formation and administrative operations or both); or (iii) promotion.

Most fraudulent irregularities in **rural development** concerned reimbursement-based measures, in particular investments in agricultural holdings. Another significant share of fraudulent irregularities related to conditions-based payments, notably agri-environment payments and payments to farmers in areas facing natural or other constraints.

Detection rates for rural development were much higher than for support to agriculture. However, one part of support to agriculture, market measures, accounted for a detection rate that is similar to rural development and for the highest detection rate related to non-fraudulent irregularities. The detection of irregularities, especially fraud, was concentrated in a few Member States.

([87]) For a detailed analysis of irregularities reported by the Member States in relation to agriculture, see the 'Statistical evaluation of irregularities reported for own resources, natural resources, cohesion policy, pre-accession assistance and direct expenditure in 2024' accompanying this report, Section 3.

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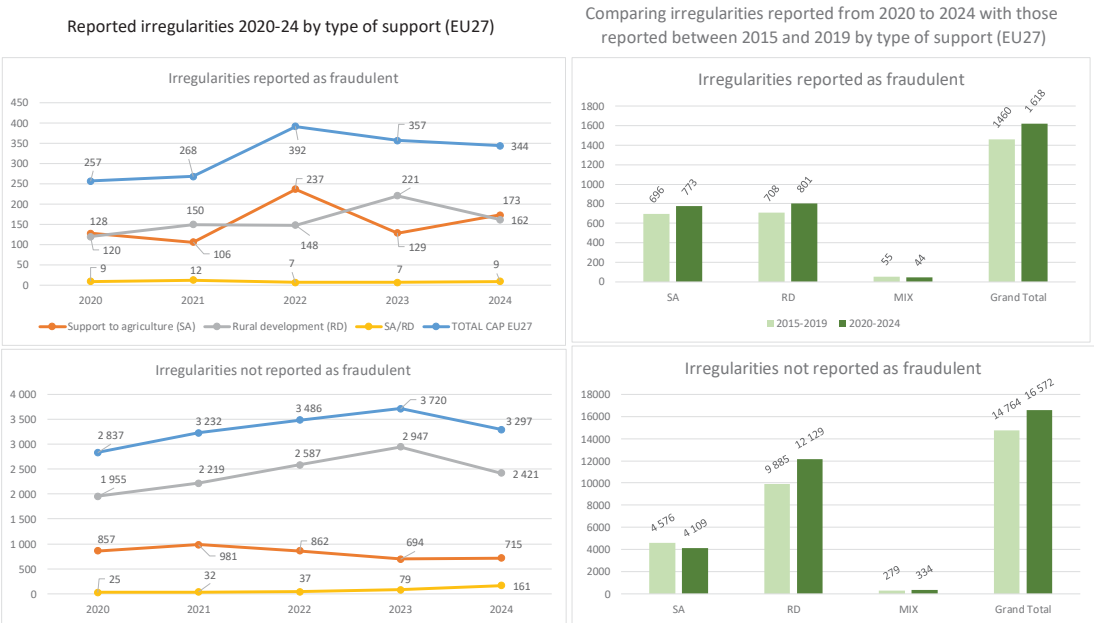
Figure 7: Reported irregularities in CAP by type of expenditure



During 2020-2024, **risk analysis** only marginally contributed to detecting fraud in rural development and direct payments. For market measures it seemed to play a stronger role, but only if scrutiny activities were actually based on risk analysis. The share of fraud detections based on **tips from informants** and whistleblowers was also low, except for market measures, where it reached 12%. However, this figure may be volatile as it is based on very few cases. Just one fraud case (in direct payments to farmers) was detected following information published in the **media**.

4.3.2. Cohesion policy ([88])

Irregularities reported between 2020 and 2024 in relation to the cohesion and fisheries policies mainly concern three different programming periods: 2007-2013, 2014-2020 and 2021-2027.

The bulk of the **fraudulent irregularities** reported during the five-years period related in particular to the 2014-2020 programming period. Reporting related to the programming period 2021-2027 has just started. Fraudulent irregularities reported between 2020 and 2024 involve financial amounts worth about **EUR 0.9 billion**. The total EU funding granted to the projects or operations affected by these irregularities was about **EUR 6.4 billion**. This means that the irregular financial amounts involved in fraudulent irregularities accounted for about 14% of the value of the related operations ([89]).

The number and financial amounts of the non-fraudulent irregularities reported from 2014 to 2024 (first 11 years) for the programming period 2014-2020 **are much lower than those reported from 2007 to 2017 (first 11 years) for the programming period 2007-2013**. The decrease concerns all

([88]) For a detailed analysis of irregularities reported by the Member States in relation to cohesion policy, see 'Statistical evaluation of irregularities reported for own resources, natural resources, cohesion policy, pre-accession assistance and direct expenditure in 2024' accompanying this report, Section 4.

([89]) This means that there is fraud (or a suspicion of fraud), but this concerns just part of the operation/project, while the remaining part is considered legal and regular and funding is confirmed.

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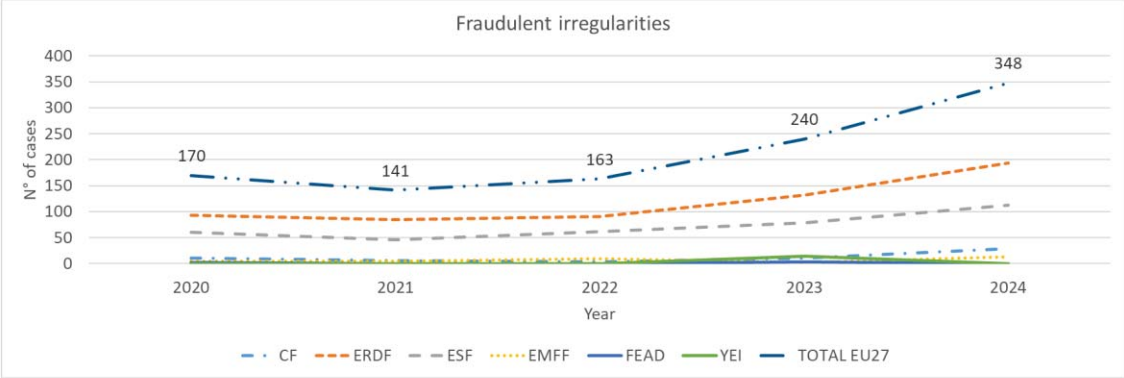
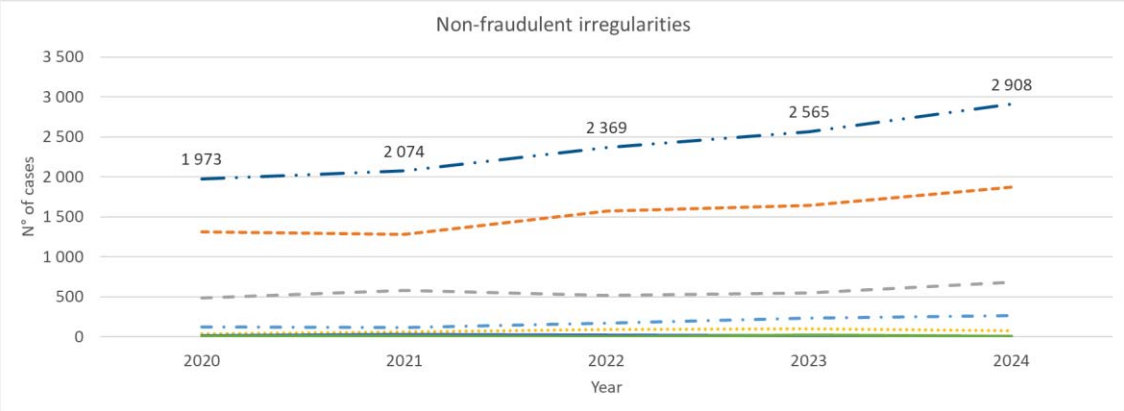
funds ([90]). The same situation occurs in relation to the number of irregularities reported as fraudulent, but the difference is much smaller and is decreasing.

Figure 8: Focus on the programming period 2014-2020 –irregularities reported by fund





With regard to fraud, the **most frequent infringements concerned supporting documents** (reported in 46% of the fraudulent cases for the programming period 2014-2020). Fraudulent infringements of **contract provisions/rules** often consisted in non-implementation of the funded action. Infringements of **public procurement** rules were the most reported non-fraudulent irregularities (reported in 38% of the non-fraudulent irregularities related to the programming period 2014-2020), but they rarely led to a suspicion of fraud. This suggests that either fraud detection or the administrative capability of contracting authorities needs to improve. Most fraudulent infringements concerning **ethics and integrity** were related to conflict of interest ([91]).

Snapshot 10 – Detecting fraud and irregularities in cohesion policy

During 2020-2024, **risk analysis** still only marginally contributed to detecting fraud, with **civil society** playing a larger role overall (including tips from informants, whistle-blowers and information published in the media). For **non-fraudulent irregularities, neither risk analysis nor information from civil society** played a noticeable role in detection.

The **fraud detection rate ([92])** for the programming period 2014-2020 is 0.22%, which is lower than that recorded for the programming period 2007-2013 (0.42%). The **irregularity detection**

([90]) In the framework of the 'structured dialogue' mentioned in Section 2.3.4 a backlog of about one thousand irregularities has been identified in relation to Spain. Half of it has been absorbed by the end April 2025 and the second part is expected to be redressed by the end of the year.

([91]) See also Section 4.4.

([92]) The fraud detection rate is calculated as the percentage of financial irregular amounts linked to fraudulent irregularities on the total payments.

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rate ([93]) is 0.76%, which is much lower than the rate recorded for the programming period 2007 2013 (2.5%). Detection and reporting vary significantly between Member States; this is an issue which needs to be addressed.

4.3.3. Other budgetary areas ([94])

Several funds, implemented under shared management, support **other internal policies**. These include the Youth Employment Initiative (YEI) ([95]), the Fund for European Aid to the Most Deprived (FEAD), the Internal Security Fund, the Just Transition Fund, and the Asylum, Migration and Integration Fund. Since 2016, Member States reported 340 irregularities (of which 35 as fraudulent, mostly related to YEI and FEAD), involving EUR 58.8 million in irregular amounts (of which EUR 8.4 million was linked to fraudulent irregularities, mostly related to FEAD). Of these, 42 irregularities were reported in 2024, for a total irregular amount of EUR 3.9 million.

Since 2007, the EU has used **the Instrument for Pre-Accession Assistance** (IPA) to provide financial and technical assistance to support reforms in the enlargement countries. Irregularities reported by the beneficiary countries between 2020 and 2024 in relation to pre-accession mainly involved funds distributed under the 2007-2013 Instrument for Pre-Accession Assistance I (IPA I) and the 2014-2020 IPA II. In 2024, 17 irregularities were reported as fraudulent, involving EUR 2.4 million. The number of reported non-fraudulent irregularities increased in 2024 to 316 (up from 242 in 2023), involving irregular financial amounts worth EUR 22.5 million.

On expenditure disbursed under **direct management** (non-RRF), in 2024 1 040 recovery items classified as irregularities were recorded in ABAC, for a total value of EUR 135.4 million. Of these, 63 were reported as fraudulent, amounting to EUR 62.4 million. About 90% of the irregularities identified as potentially fraudulent were **detected following OLAF investigations**. The highest number of recovery items qualified as fraudulent irregularities was related to the budget heading 'Single market, innovation and digital' (43 items), as well as the highest financial amounts (EUR 59.7 million).

4.3.4. Recovery and Resilience Facility

In 2024, the Commission continued to support Member States in the process of amending their national recovery and resilience plans (RRPs). The Commission disbursed 41 payments to Member States for a total of EUR 85.3 billion (out of which EUR 29.4 billion in loans), bringing the total disbursements by the end of 2024 to EUR 306.1 billion, divided into EUR 197.5 billion in grants (55% of total EUR 359 billion RRF envelope) and EUR 108.7 billion in loans (37% of total EUR 291 billion RRF envelope).

From the start of the implementation of the RRF, the Commission took a dynamic approach to audit and control. Benefiting from the findings and recommendations from its own auditors, the Internal Audit Service, the European Court of Auditors, the Council and the European Parliament,

([93]) The irregularity detection rate is calculated as the percentage of financial irregular amounts linked to non-fraudulent irregularities on the total payments.

([94]) For a detailed analysis of irregularities reported by the Member States in relation to pre-accession and direct management, see 'Statistical evaluation of irregularities reported for own resources, natural resources, cohesion policy, pre-accession assistance and direct expenditure in 2024' accompanying this report, Sections 5 and 6.

([95]) Under the multiannual financial framework 2021-2027, the initiative is part of the European Structural and Investment Funds.

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the Commission continued to strengthen its audit and control framework for the RRF in the course of 2024.

In total, by the end of May 2025, the Commission had performed 113 audits, covering 358 milestones and targets, with 395 audited entities, resulting in 565 findings.

By the end of 2023, the Commission had audited each Member State through at least one system audit on the protection of financial interests of the Union (PFIU). In 2024, the Commission carried out two additional system audits on PFIU ([96]). In line with its revised audit strategy of December 2023, the Commission has developed a risk assessment methodology to be implemented on an annual basis to select Member States for further system audits on PFIU.

Based on its ongoing audit work, the Commission observes a gradual overall improvement in the implementation of internal control systems across the audited implementing and coordinating bodies. In some cases, audit and control milestones have served as an additional incentive for timely follow-up on audit recommendations. As regards public procurement and State aid, the Commission continued to implement enhanced comprehensive checks ([97]) in all types of audit work on the Member States' internal control systems to verify how these systems ensure compliance with public procurement and State aid rules, including the effectiveness of such checks.

The Commission's services also further improved the anti-fraud governance at EU level for the RRF, namely through increased cooperation with OLAF and the EPPO.

Snapshot 11 – Cooperation between the Commission, OLAF and the EPPO to fight fraud and irregularities in the RRF

As of 27 May 2025, the Commission reported to OLAF 34 cases of potential irregularities identified during ex-post audits or from open sources in respect of RRF supported actions. OLAF informed the Commission of other 40 cases, making a total of 74 potential irregularities.

Since the start of the implementation of the RRF and up to 27 May 2025, the Commission received in total 75 notifications from the EPPO, of which 64 were active cases in court proceedings or on-going investigations ([98]). 80% of the on-going cases notified by the EPPO to the Commission related to one measure in a single Member State.

On 8 May 2025, following one of the OLAF recommendations, the Commission adopted its first implementing decision on the reduction of support by EUR 1.225 million for Slovakia in accordance with Articles 22(5) of the RRF Regulation and Article 19(1) and (2)(a) of the Financing Agreement pursuant to the framework for 'Reductions and Recoveries under the Recovery and Resilience Facility' ([99]).

These numbers demonstrate that national and EU level control systems are effective in detecting conflict of interest, fraud, or corruption.

([96]) Belgium and Lithuania.

([97]) In particular, the Commission uses comprehensive checklists on public procurement and State aid which were rolled out in April 2023 and approved in September 2023.

([98]) For investigations of the EPPO see also Section 4.1.2.

([99]) C/2024/4618 Commission Notice – Guidance on recovery and resilience plans

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4.4. Organised crime, corruption and conflicts of interest

Information on **organised crime activity** against the financial interests of the EU is available in the EPPO's annual report. The EPPO indicated 385 investigated offences concerning PIF-focused criminal organisations in its active investigations up to the end of 2024 ([100]).

On **corruption cases**, the EPPO reported 191 investigated offences ([101]) up to the end of 2024. From 2020 to 2024, 56 cases were reported to the Commission via IMS by seven countries. An analysis based on data from 2007 to 2023 suggests insufficient reporting ([102]) of fraudulent irregularities related to corruption. Where reported, corruption mostly concerned public procurement (both simplified/restricted and open procedures), including cases involving managers or external experts. This confirms that public procurement is an activity at risk of fraud, so irregularities in this field should be investigated accordingly. About 20% of these cases of corruption followed checks started in response to tips from informants or information published in the media.

Over the same period, 418 cases related to **conflicts of interest** were reported via IMS (92% referred to cohesion, 3% to agriculture and 3% to pre-accession) involving approximately EUR 159 million.

([100]) Representing 6% of the offences investigated by the EPPO. See Section 4.1.2.

([101]) Representing 3% of the offences investigated by the EPPO. See Section 4.1.2.

([102]) The analysis showed that reporting by the Member States on corruption is not entirely reliable, as several cases reported may not effectively relate to corruption.

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5. CONCLUSIONS AND RECOMMENDATIONS

The protection of the EU's financial interests faces significant challenges in an increasingly complex and rapidly evolving landscape. Rapid developments in technology, financial systems, and global crime networks require the EU to adapt swiftly to emerging threats.

On 16 July 2025, the Commission has adopted a Communication on a White Paper for the anti-fraud architecture review. This Communication launched a reflection process to review the overall EU anti-fraud architecture with a view to better address challenges and bridge existing gaps in the protection of the EU's financial interests. This review process will also be an opportunity to improve and streamline cooperation between the various actors, drawing on the outcomes of relevant ongoing evaluations of the legal frameworks applicable to certain actors relevant to the anti-fraud architecture (e.g. Eurojust, Europol, OLAF and the EPPO).

The AFA review complements the preparatory work on the next multiannual financial framework (the MFF). The aim is to ensure that the next MFF can benefit from a strengthened and more efficient anti-fraud architecture to protect the EU's financial interests by making the best possible use of resources (particularly as regards the complementarity and coordination of the functions and activities of all relevant actors).

At national level also, reinforced frameworks are essential for the effective implementation of EU anti-fraud measures. The complexity of transnational investigations, particularly in tracking financial flows, underscores the importance of a strong cooperation between the EU and national actors in the anti-fraud architecture.

To this end and without prejudice to the future review of the AFA, based on the analysis and findings presented in this PIF report, the Commission has identified some areas, highlighted in the next paragraphs, where Member States' action can help addressing identified weaknesses and exploit concrete opportunities to strengthen the protection of the EU's financial interests.

5.1. Improved reporting and more effective communication channels

The exchange of timely, accurate and complete information between the different components of the EU's anti-fraud architecture is key. The reporting and follow-up of cases of irregularities and suspected fraud remains an area where more improvements are needed.

Recommendation 1: Closing the reporting gap in relation to suspected fraud and irregularities

Member States are reminded of the need to report all irregularities and suspect fraud to the Commission in a timely and complete manner in accordance with the obligations set down in sectoral regulations. This will provide for a more complete dataset at EU level facilitating better trend analysis and more timely prevention and investigation interventions.

This is also the area where synergies between administrative and judicial bodies can lead to the optimisation of the twin objectives of prosecuting fraudsters and protecting the EU budget, recovering the sums unduly paid. More effective channels of communication need to be put in place so that the various parts of the EU AFA can seamlessly exchange the necessary information and data.

Recommendation 2: Establishing more effective communication channels

Better coordination between national authorities, OLAF and the EPPO is also necessary to ensure that cases investigated by EU bodies are duly reported at the earliest possible moment in compliance with the relevant EU sectoral legislation.

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National authorities must correctly identify and address existing loopholes in the information flow in relation to suspected fraud, the moment they are first reported, and even more so, when following-up on them both in judicial and administrative proceedings at national level.

The Commission is committed to further developing and providing the necessary guidelines, IT tools and support. The Commission will also facilitate to the maximum extent possible the necessary coordination between the bodies involved.

5.2. National anti-fraud strategies as a key element of the anti-fraud governance

The Commission has constantly pressed the case for the widespread adoption of national anti-fraud strategies to protect the EU's financial interests. Those strategies can ensure that the various national actors involved take a common approach and can facilitate cooperation with the EU level. Their role appears even more pivotal with the progressive adoption of national plans (for instance the national recovery and resilience plans or the national agricultural plans) underpinning the spending of EU financial resources.

Recommendation 3: adoption of a national anti-fraud strategy

The Commission reiterates its recommendation that the Member States which have not yet adopted a NAFS should do so.

National anti-fraud networks have been developing in several Member States, often with the national AFCOS playing a key role. These networks provide the ideal structure for conducting nation-wide fraud risk assessment and consequently developing national strategies.

The Commission supports and encourages this process.

5.3. Use of innovative technologies

The rise in cybercrime and the use of AI by criminals pose unprecedented risks to the EU budget. The anti-fraud architecture must keep pace with these developments by developing cutting-edge tools and strategies. While the Commission implements the action plan accompanying its anti-fraud strategy, with a particular attention to the actions dedicated to digitalisation and the use of IT tools to fight fraud, it is also important that Member States continue to introduce and develop the use of innovative technologies in their control systems at a fast pace.

Recommendation 4: digitalisation as a pillar of the national anti-fraud strategy

The Commission reiterates its call to national authorities to embed the digitalisation of the fight against fraud in their national anti-fraud strategies, with the aim of:

a) assessing the level of threat posed to the EU budget by the rise in cybercrime and the use of AI and other innovative technologies, in particular by organised crime;

b) identifying their knowledge and skill gaps in relation to the deployment, development and use of innovative technologies to fight fraud more effectively;

c) identifying the actions needed to address such threats and vulnerabilities.

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ANNEXES 1 to 3

ANNEXES

to the

REPORT FROM THE COMMISSION TO THE COUNCIL AND THE EUROPEAN PARLIAMENT

36th Annual Report on the protection of the European Union's financial interests and the fight against fraud - 2024

{SWD(2025) 196 final} - {SWD(2025) 197 final} - {SWD(2025) 198 final} - {SWD(2025) 199 final} - {SWD(2025) 228 final} - {SWD(2025) 229 final} - {SWD(2025) 230 final}

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Annex 1 - Irregularities reported as fraudulent in 2024

The number of irregularities reported as fraudulent measures the results of Member States' work to counter fraud and other illegal activities affecting the EU's financial interests. Therefore, the figures should not be interpreted as indicating the level of fraud in the Member States territories. Annex for the PIF Report does not include third countries (pre-accession), the UK and direct expenditure.

Member States	Agriculture		Cohesion poliy and Fisheries		Other internal policies		Pre accession & Neighbourhood (2)		TOTAL EXPENDITURE		REVENUE	
	N	EUR	N	EUR	N	EUR	N	EUR	N	EUR	N	EUR
Belgique/België	0	0	8	271,505	0	0	0	0	8	271,505	31	28,425,351
Bulgaria	0	0	4	406,895	1	88,007	0	0	5	494,901	18	4,246,228
Ceská republika	2	68,171	81	31,046,299	0	0	0	0	83	31,114,470	0	0
Danmark	6	115,614	0	0	0	0	0	0	6	115,614	3	220,350
Deutschland	5	250,894	27	3,143,272	1	98,086	0	0	33	3,492,252	274	14,978,051
Eesti	68	3,628,074	11	7,584,202	0	0	0	0	79	11,212,276	8	3,167,555
Éire/Ireland	0	0	0	0	0	0	0	0	0	0	0	0
Ellada	2	43,698	2	269,375	0	0	0	0	4	313,073	16	1,230,631
España	5	4,007,265	0	0	0	0	0	0	5	4,007,265	12	1,293,196
France	5	254,902	2	856,716	0	0	0	0	7	1,111,618	68	7,107,711
Hrvatska	1	41,964	3	12,150,101	0	0	0	0	4	12,192,066	3	145,836
Italia	23	1,450,149	0	0	0	0	0	0	23	1,450,149	46	10,039,602
Kypros	2	57,922	2	51,000	0	0	0	0	4	108,922	6	202,120
Latvija	6	1,516,580	5	235,671	0	0	0	0	11	1,752,252	0	0
Lietuva	17	1,838,296	5	2,325,555	0	0	0	0	22	4,163,851	19	1,505,074
Luxembourg	0	0	0	0	0	0	0	0	0	0	0	0
Magyarország	0	0	54	7,373,321	0	0	0	0	54	7,373,321	2	145,634
Malta	0	0	1	60,149	0	0	0	0	1	60,149	0	0
Nederland	3	134,415	0	0	0	0	0	0	3	134,415	0	0
Österreich	0	0	0	0	0	0	0	0	0	0	1	18,403
Polska	30	1,620,426	7	1,606,830	0	0	0	0	37	3,227,256	12	10,832,481
Portugal	5	242,948	16	50,934,913	0	0	0	0	21	51,177,861	0	0
Romania	155	6,769,371	146	248,555,256	0	0	3	57,645	304	255,382,272	13	307,206
Slovenija	0	0	7	681,535	0	0	0	0	7	681,535	1	73,204
Slovensko	8	1,378,744	16	7,504,250	0	0	0	0	24	8,882,995	2	184,378
Suomi/Finland	0	0	0	0	0	0	0	0	0	0	1	38,771
Sverige	1	1,000,868	0	0	0	0	0	0	1	1,000,868	1	100,547
TOTAL EU27	344	24,420,301	397	375,056,845	2	186,093	3	57,645	746	399,720,886	537	84,262,329

(1) Based on data in the Irregularity Management System (IMS) as of 8/3/2025 (for expenditure) and on data from the OWNRES aplication as of 15/3/2025 (for revenue).
(2) Data in this column includes also 3 irregularity (RO) related the the European neighbourhood Instrument

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Annex 2 - Irregularities reported as non-fraudulent in 2024

Annex for PIF does not include third countries (pre-accession), the UK and direct expenditure.

Member States	Agriculture		Cohesion poliy and Fisheries		Other internal policies		Pre accession & Neighbourhood (2)		TOTAL EXPENDITURE		REVENUE	
	N	EUR	N	EUR	N	EUR	N	EUR	N	EUR	N	EUR
Belgique/België	11	184,871	20	1,874,819	1	15,440	0	0	32	2,075,131	256	20,867,611
Bulgaria	58	6,030,825	122	16,687,230	6	111,680	1	32,003	187	22,861,738	1	305,091
Ceská republika	45	3,038,687	332	42,165,373	1	16,334	0	0	378	45,220,394	91	6,895,549
Danmark	47	1,507,065	5	286,128	0	0	0	0	52	1,793,193	94	5,501,704
Deutschland	97	2,619,918	162	31,929,095	7	372,928	0	0	266	34,921,940	1,922	112,625,349
Eesti	24	1,140,794	214	6,699,445	3	82,034	0	0	241	7,922,274	0	0
Éire/Ireland	0	0	2	39,067	0	0	0	0	2	39,067	98	12,520,783
Ellada	225	4,057,042	155	20,302,985	6	2,190,116	5	192,020	391	26,742,163	2	161,979
España	440	12,502,663	58	22,895,569	1	16,753	0	0	499	35,414,984	397	72,901,592
France	120	6,331,700	8	599,226	0	0	0	0	128	6,930,926	289	36,604,446
Hrvatska	154	12,966,084	51	10,186,907	0	0	0	0	205	23,152,991	14	800,496
Italia	268	22,880,310	118	25,051,667	0	0	0	0	386	47,931,977	99	8,117,470
Kypros	0	0	6	908,108	1	65,407	0	0	7	973,515	4	103,948
Latvija	13	865,800	35	13,827,839	0	0	0	0	48	14,693,639	25	1,191,601
Lietuva	122	4,343,200	117	15,050,975	0	0	0	0	239	19,394,175	19	371,464
Luxembourg	1	33,509	0	0	0	0	0	0	1	33,509	3	182,475
Magyarország	386	11,820,804	307	46,287,839	1	97,541	0	0	694	58,206,184	34	2,681,785
Malta	6	144,841	9	854,246	0	0	0	0	15	999,088	3	95,379
Nederland	10	350,280	33	3,161,172	0	0	0	0	43	3,511,452	541	75,445,563
Österreich	9	270,862	18	2,555,176	0	0	0	0	27	2,826,039	60	5,006,604
Polska	547	13,430,752	719	134,768,589	0	0	5	195,938	1,271	148,395,279	130	11,241,941
Portugal	210	8,070,216	85	9,063,424	10	497,017	0	0	305	17,630,657	3	44,529
Romania	317	28,112,511	327	160,787,494	0	0	1	11,333	645	188,911,337	41	3,938,120
Slovenija	10	202,754	19	4,112,666	0	0	0	0	29	4,315,420	27	3,267,815
Slovensko	148	6,404,140	118	51,337,561	0	0	0	0	266	57,741,701	16	664,414
Suomi/Finland	17	495,291	9	329,683	1	39,728	0	0	27	864,702	48	2,791,604
Sverige	12	357,225	9	266,690	2	193,470	0	0	23	817,385	246	20,923,464
TOTAL EU27	3,297	148,162,144	3,058	622,028,973	40	3,698,448	12	431,294	6,407	774,320,860	4,463	405,252,776

(1) Based on data in the Irregularity Management System (IMS) as of 8/3/2025 (for expenditure) and on data from the OWNRES aplication as of 15/3/2025 (for revenue).

(2) Data in this column includes also 6 irregularities (5 PL, 1 RO) related the the European neighbourhood Instrument

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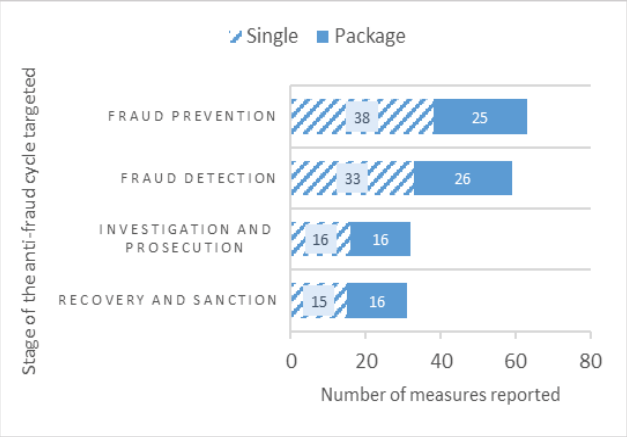
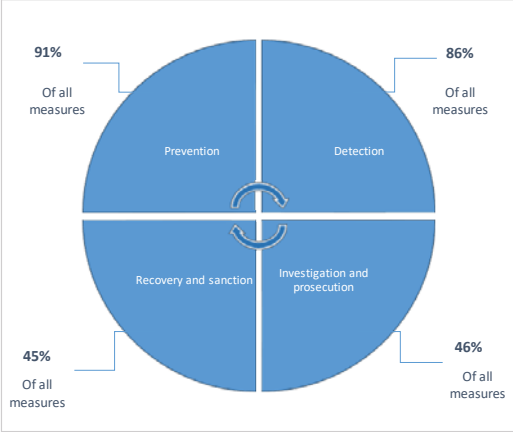
Annex 3 – Figures and Tables

Chart 1: Nature of measures adopted by the Member States and targeted areas (Section 2.2.3)





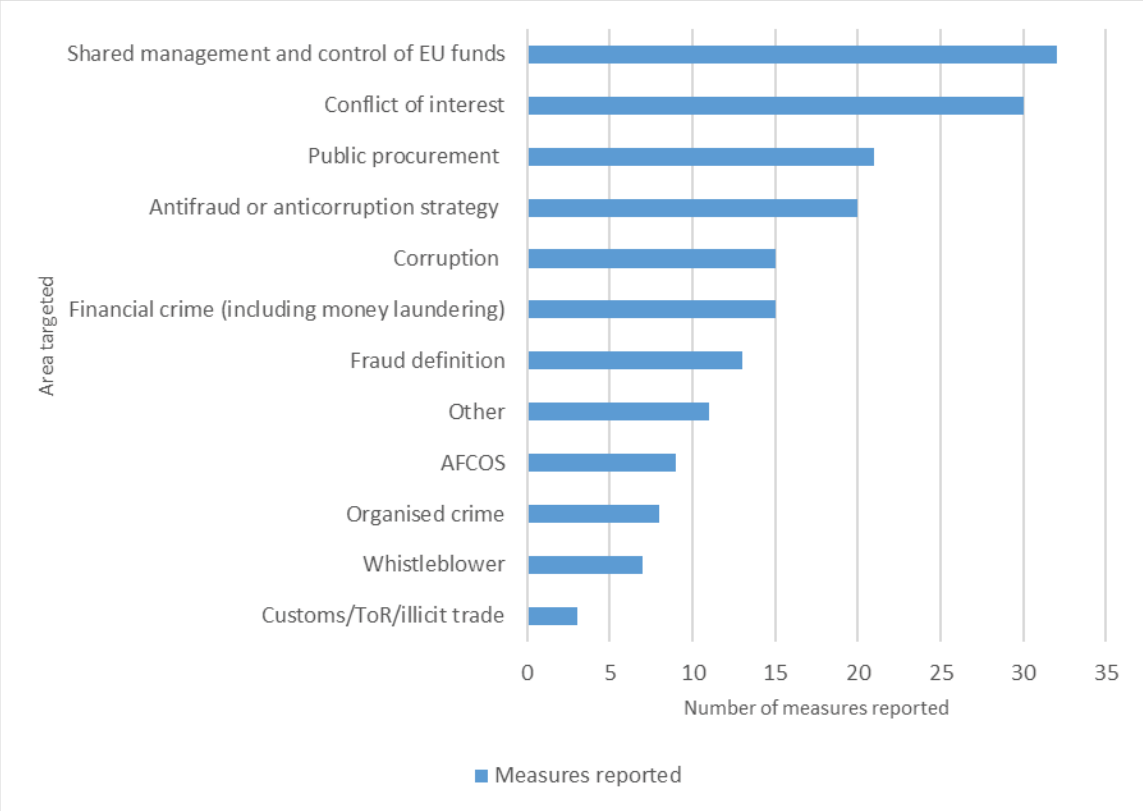


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Table 1: Enhanced cooperation and information exchange - Internal cooperation / National level (Section 2.2.4)

Internal cooperation / national level			
Member State	**Measure taken**	**Measure focus**	**Information sharing and cooperation highlights**
Cyprus	Enhancing anti-fraud strategies: Internal Group Initiative	Establishment of an internal group	• Insights collected from all operational levels of Cyprus Agricultural Payments Organisation • Pooling of collective knowledge
Estonia	Creation of an economic and corruption crime district	Establishment of an economic and corruption crime district in the Prosecutor's Office	• Reorganisation of existing bodies to focus on economic crimes • Improved competence and resource allocation
Italy	Establishment of the Committee for combating fraud against the EU	Internal reorganisation	• Reorganisation of the Office of the Prosecutor General at the Court of Auditors • Dedicated section for the Committee for Combating Fraud against the European Union established in the International Affairs Unit • Collaboration with both national and supranational bodies
Latvia	AFCOS job shadowing	Job shadowing for employees within the AFCOS network institutions	• Improved cooperation between employees from various AFCOS network instructions • Better understanding of the anti-fraud cycle steps and of improving cooperation between different authorities
Netherlands	Network meeting with national EU fund partners	Network meetings involving national partners	• Fostering collaboration • Exchanging best practices and learning from each other's experience
Netherlands	Coordination of antifraud EU funds as part of AFCOS	Appointing a coordinator within the AFCOS network	• Ensuring smooth information flow • Prioritising anti-fraud efforts
Slovenia	Strengthening interinstitutional cooperation in the area of economic crime, corruption and protection of the EU's financial interests	Adoption of a strategic plan for interinstitutional cooperation	• Reorganisation of existing bodies • Setting-up of contact points with the competent bodies

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Table 2: Enhanced cooperation and information exchange – External cooperation (Section 2.3.3)

External cooperation			
Member State	**Measure taken**	**Measure focus**	**Information sharing and cooperation highlights**
Cyprus	Strengthening AFCOS and OLAF collaboration in Cyprus	Strengthening AFCOS and OLAF cooperation	• Protocols developed for collaboration and effective information exchange between Cyprus and OLAF
Greece	'Prevent - Detect - Investigate II: Data-driven Protection of the EU Budget' conference organised with OLAF	EU-wide cooperation conference	• Gathering of anti-fraud authorities across the EU • Dedicated topics such as digitalisation / new tools
Italy	Enhanced collaboration to fight against cross-border VAT fraud	Cross-border cooperation to fight VAT fraud	• Improving international cooperation to address tax fraud • Improving collaboration with key entities such as the EPPO, the Agricultural Payments Agency (AGEA), and the Institute for Agri-Food Market Services (ISMEA)
Romania	Increasing staff of the National Anticorruption Directorate	Strengthen resources to improve cooperation with the EPPO	• Increased resources to improve collaboration

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Table 3: State of implementation of the actions linked to the theme 'Foster digitalisation and the use of IT tools to fight fraud' (Section 3.1)

N°	Action	Status
1	Further develop, promote and increase the use of Arachne in the Commission and Member States	Done and continuous
2	Continue developing the single integrated IT system (corporate Arachne) for data mining and risk scoring	Done and continuous
3	Further develop and increase the use of EDES in the Commission and Member States	Done and continuous
4	Explore the possibility to strengthen the anti-fraud functionalities in SUMMA	Ongoing
5	Increase the user-friendliness of the Irregularity Management System (IMS)	Done and continuous
6	Explore options to improve the efficiency and accuracy of financial and administrative monitoring of follow-up of OLAF cases	Done
7	Explore options to improve internal communication on cases of fraud and irregularities	Ongoing
8	Set up a working group to explore available and possible future options for strengthening digital control against plagiarism	Done
9	Develop a matrix of risk indicators in GETI (Get Intelligence system) to contribute to fraud prevention and to pro-actively identify high risk projects and entities	Ongoing
10	Set up a working group to explore available and possible future options for strengthening digital control of external service providers and experts	Done
11	Further strengthen the Commission's IT and information security to respond to evolving cyber-security threats	Done and continuous
12	Encourage Member States to digitalise as appropriate fraud prevention, detection and investigation by supporting the development and use of IT tools	Done and continuous

Done	Done and continuous	Ongoing

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Table 4: Measures reported by the Member States about digitalisation and the use of new technologies in monitoring and control systems

Member State	Tool or technology used	New tool / Interoperability	Measure taken	Sector	Description and added value of digitalisation
Denmark	Automated checks system 'e-indkomst' digital platform	New IT tool	Enhancing oversight with automated wage checks	Expenditure: cohesion policy	This measure improves monitoring and control by automatically checking if wages have been paid to individuals listed in project reports, swiftly identifying payment discrepancies. The automated system, e-indkomst, uses digitalisation to register and verify wages, making it easier to detect if a payment has taken place or not.
Estonia	Classification and dumping report tool	New IT tool	Estonia's classification and dumping report: enhancing customs fraud detection	Revenue: Customs	This measure introduces a new IT tool for identifying customs evasion schemes, enabling the automation of customs declaration analysis and identification of irregularities. This measure ensures proper taxation and prevents potential fraud, ensuring compliance with EU regulations. It digitalises the analysis of large datasets, detecting importers' customs declarations and highlighting the need for corrections.
Poland	SAMPLER Tool (business intelligence / data analysis tool)	New IT tool	SAMPLER (tool for checking conflict of interest)	Expenditure: cohesion policy	This measure makes it possible to identify personal and capital links between entities and individuals, detecting conflicts of interest and preventing irregularities. The SAMPLER tool uses digitalisation to analyse large datasets, checking connections between identifiers such as tax or personal ID numbers.
Portugal	ARACHNE data transmission automation	Interoperability / data transmission	Fraud-flagging system and risk indicators for cohesion policy funds	Expenditure: cohesion policy	This measure concerns the development of a fraud-flagging system and risks indicators. It includes the automation of data transmission to ARACHNE within programmes under the Portugal 2030 initiative.

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Member State	Tool or technology used	New tool / Interoperability	Measure taken	Sector	Description and added value of digitalisation
Portugal		Interoperability	Enhanced risk management system for customs under Union Customs Code Provisions	Revenue: customs	This measure focuses on developing an enhanced risk management system for customs, aligning with new data models and risk management procedures. The system improves interoperability with control management and national customs information systems.
Romania	Digital platform	New IT tool	Establishment of RO e-transport system for monitoring goods transport	Revenue: tax fraud	This measure focuses on establishing the national system for monitoring the road transport of goods. The digital platform uses data analytics and real-time tracking to identify high-risk goods and individuals.
Slovenia	New application within QlickSense analytic platform	New IT tool	Slovenia's advanced tools and contract updates against fraud	Revenue: tax fraud	This measure strengthens monitoring and control by identifying actual owners, detecting irregularities, and preventing VAT evasion through real-time analysis of data from multiple sources updated daily. It uses technology to create a comprehensive view of risk patterns and identify potential discrepancies between import records and VAT returns. This enables immediate action on suspicious activities and prevents price distortion by keeping a record of actual owners and connections.
Spain	Artificial intelligence	New tool / integration of artificial intelligence	Artificial intelligence in e-commerce fraud detection	Revenue: customs	The measure integrates artificial intelligence to detect e-commerce fraud, addressing the challenges posed by the growth in imports linked to online commerce. As traditional tools are increasingly insufficient to manage this surge in activity, the use of AI boosts the capabilities for monitoring and analysing transactions. This technology improves the detection of suspicious transactions, reducing the risk of financial loss.

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