

OUR POLICY ON FRAUD

Preventing and detecting fraud is a general obligation in the framework of the COST Association daily activities involving the use of the COST Programme resources. The COST Association has a zero-tolerance policy towards fraud and corruption. We have set up a control system to follow up on suspected cases.

The COST Association may at its discretion open investigations and conduct reviews where financial fraud is suspected.

Considering the type of financing provided and the applicable legal framework, Grant Holders and individuals shall consider the following provisions:

- Rights of inspection and access to information for the COST Association, as well as other competent EU institutions and bodies.
- The requirement to keep books and records.
- Compliance with applicable laws.

What is fraud?

Fraud is defined as an intentional act of deceit with the intention to gain an advantage (financial or otherwise). Fraud or attempt of fraud encompasses a wide range of misconduct including theft, corruption, embezzlement, bribery, forgery, misrepresentation, collusion, money laundering and concealment of material facts related to the COST programme's resources or assets.

How to identify fraud?

Identifying fraud is a complex process that requires a blend of vigilance, a deep understanding of common red flags, and an ability to recognize patterns of suspicious behaviour or inconsistencies. What distinguishes fraud from simple mistakes or irregularities is intention—fraud involves deliberate deceit or misrepresentation for personal gain. While intent can be challenging to prove, other warning signs can help you identify fraud early and mitigate its impact.

Fraud typically involves three core elements: concealment, motive, and opportunity. Understanding how these factors interact can help you detect and prevent fraudulent activities. Typically, the tell-tale signs of fraud are:

- **Concealment:** One of the most consistent traits of fraud is the attempt to hide or obscure evidence. Fraudsters go to great lengths to ensure their deceit remains unnoticed, often making it difficult to uncover without a detailed investigation.
- **Motive:** Fraud often arises from a clear personal or financial incentive. Whether driven by personal financial hardship, revenge, or pressure to meet performance targets, the motivation behind fraud is a critical element. In different cases, individuals feel compelled to commit fraud because they believe there is no other way to achieve their goals or avoid financial disaster.
- **Opportunity:** Fraud typically occurs when internal controls or oversight systems are weak or ineffective. Even individuals who may not initially intend to commit fraud might be tempted if they perceive an opportunity to do so without consequence. The "fraud triangle" (opportunity, pressure, and rationalization) highlights that opportunity is a key enabler of fraudulent acts.
- **Repetition:** Once a fraudster successfully deceives an organization or system without detection, they are likely to repeat the behaviour.

Who to contact in case of suspected or detected case of fraud?

If you suspect fraud in your COST Action, you can report it through the reporting platform: cost.integrity.complylog.com

All reports will be treated with full confidentiality.