



EUROPEAN COMMISSION

PROTECTION OF YOUR PERSONAL DATA

This privacy statement provides information about the processing and the protection of your personal data.

Processing operation: Risk analysis for fraud prevention and detection in the management of European Structural Funds (ARACHNE)

Data Controller: DAC

Record reference: DPR-EC-00598

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1. Introduction

The European Commission (hereafter ‘the Commission’) is committed to protect your personal data and to respect your privacy.

The Commission collects and further processes personal data pursuant to [Regulation \(EU\) 2018/1725](#) of the European Parliament and of the Council of 23 October 2018 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data (repealing Regulation (EC) No 45/2001).

This privacy statement explains the reason for the processing of your personal data, the way we collect, handle, and ensure protection of all personal data provided, how that information is used and what rights you have in relation to your personal data.

It also specifies the contact details of the responsible Data Controller with whom you may exercise your rights, the Data Protection Officer, and the European Data Protection Supervisor.

The information in relation to processing operation “ARACHNE” managed by DAC – Joint Audit Directorate for Cohesion policy is presented below.

2. Why and how do we process your personal data?

DAC – Joint Audit Directorate for Cohesion policy has the main responsibility of validating information provided by the authorities covered by the European Social Fund (ESF), the European Social Fund Plus (ESF+), the European Regional Development Fund (ERDF), the Recovery Assistance for Cohesion and the Territories of Europe (REACT-EU), the Cohesion Fund (CF), the Just Transition Fund (JTF), the Youth Employment Initiative (YEI) and the Fund for European Aid to the Most Deprived (FEAD).

It will be carrying out external audits within EU Member States, issuing timely reports and opinions, constantly updating a risk score table to allow a sound management of the Funds.

The Agriculture and Rural Development DG of the EC has the responsibility of carrying out external audits within EU Member States in relation to expenditure under the European Agricultural Fund for Rural Development (EAFRD).

The Directorate-General for Economic and Financial Affairs of the EC has the responsibility to make available to the Member States an integrated and interoperable information and monitoring system including a single data-mining and risk-scoring tool under the Recovery and Resilience Facility.

Considering that there are frauds and irregularities that can affect expenditure, a system capable of managing fraud prevention and detection is needed.

The purpose of this data processing, and of the supporting system named ARACHNE, is to respond to an increased demand for the creation of an adequate and accurate fraud prevention and detection strategy and the use of data mining tools in audit

Thus, the system ARACHNE aims at enriching a comprehensive and complete database of application for funding requests for the purpose of carrying out and ex-ante assessment of applications and applicants and, for the purpose of ex-post (cost claim) checking, the projects implemented under various funding instruments with publicly available information to identify the riskiest projects, based on a set of risk indicators.

The system is based

- on the integration of an existing risk assessment tool
- with operational data provided by managing authorities or paying agencies
- and on further elaboration and matched with public sources of data to provide risk scores to identify the riskiest projects and the specific risk zones.

3. On what legal ground(s) do we process your personal data

The legal basis for this processing operation is:

- Regulation (EU) No 1303/2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund.
- Regulation (EU) 2021/1060 laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy.
- Regulation (EU) 2020/2221 amending Regulation (EU) No 1303/2013 as regards additional resources and implementing arrangements to provide assistance for fostering crisis repair in the context of the COVID-19 pandemic and its social consequences and for preparing a green, digital and resilient recovery of the economy (REACT-EU)
- Regulation (EU) No 1305/2013 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD).
- Regulation (EU) 2021/2115 establishing rules on support for strategic plans to be drawn up by Member States under the common agricultural policy (CAP Strategic Plans) and financed by the European Agricultural Guarantee Fund (EAGF) and by the European Agricultural Fund for Rural Development (EAFRD) and repealing Regulations (EU) No 1305/2013 and (EU) No 1307/2013
- Regulation (EU) 2021/241 establishing the Recovery and Resilience Facility.
- Regulation (EU) No 223/2014 on the Fund for European Aid to the Most Deprived
- Regulation (EU, Euratom) 2018/1046 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012.
- Article 325 of the Treaty on the Functioning of the European Union (ex Article 280 TEC)
- Article 317 of the Treaty on the Functioning of the European Union (ex Article 274 TEC)
- The Financing Decisions relative to the development and licence cost of the ARACHNE tool (C(2012)2295, C(2013)2143 and C(2014)1458).
- JOINT ANTI-FRAUD STRATEGY (JAFS) 2015-2020 and JOINT ANTI-FRAUD STRATEGY (JAFS) 2020-2025 ERDF, CF, ESF, FEAD, EGF, EUSF AND EMFF

We process your personal data in the ARACHNE system, because:

- processing is necessary for the performance of a task carried out in the public interest or in the exercise of official authority vested in the Union institution or body;
- processing is necessary for compliance with a legal obligation to which the controller is subject;

4. **Which personal data do we collect and further process?**

These risk checks result in risk indicators on projects and contracts. The risk checks are performed processing, among other data categories, the following personal data:

1. From the Member States authorities and agencies:

- Beneficiaries and partners: name, address, VAT number, role.
- Key staff: name, function, date of birth.
- (Sub-)Contractors: name, address, VAT number.
- Key experts for service contracts: name, date of birth
- Data on final beneficial owner data (FBO) of beneficiaries, contractors, and subcontractors: name, date of birth as of Q3 2022.

2. From the external public data sources:

- From a commercial provider (Orbis database through VADIS)
 - Comprehensive information on companies (mainly as the info above)
 - Shareholders/management/key staff: name, function.
 - Data on Ultimate beneficial owner (UBO data) of companies as of Q4 2022.
- From a commercial provider (Word Compliance database - LexisNexis)
 - Global PEP List: profiles of Politically Exposed Persons from over 230 countries, including family members and close associates. State owned companies and foreign officials are added to this list.
 - Global Enforcement List: Information from regulatory and governmental authorities, including warnings and actions against individuals and companies, narcotic traffickers, money launderers, fraudsters, human traffickers, fugitives, and other criminals.
 - Global Sanctions List: Aggregated information from sanction lists around the world and grouped into the Global Sanction Lists
 - Global Adverse Media List: This is an extensive proprietary database, comprised of public domain news, money launderers, fraudsters, arms dealers, narcotic traffickers, and other criminals. 25.000 newspapers and magazines in more than 35 languages are monitored for risk relevant information for protection from risk entities in the public domain.

There are no data fields including data associated to the processing of personal data revealing racial or ethnic origin, political opinions (except for Global PEP list), religious or philosophical beliefs, trade-union membership, and of data concerning health or sex life.

5. How long do we keep your personal data?

All projects, contracts, and expenses data, which are uploaded by the Member States in the Arachne database will be kept for 10 years after the last payment claim for the period by the managing authority to the Commission.

External database containing data on companies and legal representatives, Enforcements and Sanctions lists, PEP (Politically Exposed Persons) list and Adverse Media will be updated regularly, i.e., on a monthly to quarterly basis.

All risks computed for each MS projects will be kept for 10 years after the last payment claim for the period by the managing authority to the Commission.

6. How do we protect and safeguard your personal data?

All personal data in electronic format (e-mails, documents, databases, uploaded batches of data, etc.) are stored on the servers of the European Commission. All processing operations are carried out pursuant to the [Commission Decision \(EU, Euratom\) 2017/46](#) of 10 January 2017 on the security of communication and information systems in the European Commission.

To protect your personal data, the Commission has put in place several technical and organisational measures. Technical measures include appropriate actions to address online security, risk of data loss, alteration of data or unauthorised access, taking into consideration the risk presented by the processing and the nature of the personal data being processed. Organisational measures include restricting access to the personal data solely to authorised persons with a legitimate need to know for the purposes of this processing operation.

7. Who has access to your personal data and to whom is it disclosed?

Recipients is the Commission staff who uses ARACHNE. Access to the tool is given to EC staff, such as: 1) EC Directorate General for Employment, Social Affairs and Inclusion 2) EC Directorate General for Regional Policy 3) EC Directorate General for Agriculture and Rural Development 4) DAC Joint Audit Directorate as part of DG REGIO and DG EMPL 5) EC Directorate General for Economic and Financial Affairs

Further, information may be accessed by 6) OLAF, ECA and EPPO (upon their request and on a "case by case" rule).

In relation to solving technical problems, the information may be accessed by 7) EC Directorate General for Informatics. The information we collect will not be given to any third party, except to the extent and for the purpose we may be required to do so by law.

8. What are your rights and how can you exercise them?

You have specific rights as a 'data subject' under Chapter III (Articles 14-25) of Regulation (EU) 2018/1725, in particular the right to access, rectify or erase your personal data and the right to restrict the processing of your personal data. Where applicable, you also have the right to object to the processing or the right to data portability.

You have the right to object to the processing of your personal data, which is lawfully carried out pursuant to Article 5(1)(a).

You can exercise your rights by contacting the Data Controller, or in case of conflict the Data Protection Officer. If necessary, you can also address the European Data Protection Supervisor. Their contact information is given under Heading 9 below.

9. Contact information

- The Data Controller

If you would like to exercise your rights under Regulation (EU) 2018/1725, or if you have comments, questions or concerns, or if you would like to submit a complaint regarding the collection and use of your personal data, please feel free to contact the Data Controller (EC-DAC-AUDIT-COORDINATION@ec.europa.eu).

- The Data Protection Officer (DPO) of the Commission

You may contact the Data Protection Officer (DATA-PROTECTION-OFFICER@ec.europa.eu) with regard to issues related to the processing of your personal data under Regulation (EU) 2018/1725.

- The European Data Protection Supervisor (EDPS)

You have the right to have recourse (i.e. you can lodge a complaint) to the European Data Protection Supervisor (edps@edps.europa.eu) if you consider that your rights under Regulation (EU) 2018/1725 have been infringed as a result of the processing of your personal data by the Data Controller.

10. Where to find more detailed information?

The Commission Data Protection Officer (DPO) publishes the register of all processing operations on personal data by the Commission, which have been documented and notified to him. You may access the register via the following link: <http://ec.europa.eu/dpo-register>.

This specific processing operation has been included in the DPO's public register with the following Record reference: **DPR-EC-00598**.