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**Sustainable pathways for engendering
trust and use of artificial intelligence
in cross-border cooperation on tax
crime and money laundering in the EU**

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OUTLINE

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Introduction

Research objectives

Research approach / methodology

Research findings

Conclusions

INTRODUCTION

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Tax crime and money laundering

- Scale
- Tax crimes, money laundering and related crimes affect security interest of the EU

Cross-border cooperation

- Law enforcement
- Human factors

Artificial intelligence

- Law
- Ethics

- **Emerging challenges to cross-border cooperation.**
- **Critical trust pillars of law enforcement cooperation in relation to the use of artificial intelligence.**
- **Sustainable pathways to maintain and build trust among policymakers, law enforcement agencies and other actors.**

RESEARCH APPROACH

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Socio-legal

- qualitative
- secondary

Exploitation of projects

- PROTAX project
- TRACE project

Other literature

- Institutional
- Scholarly

RESEARCH FINDINGS

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- Cross-border cooperation provides a framework for exchange of information, intelligence, knowledge, and resources among key law enforcement stakeholders across borders in the EU.
- Mutual cross-border cooperation is undoubtedly one of the most critical instruments for cross-border law enforcement and compliance.
- **Challenges** that hinder effective and efficient cross-border cooperation to combat cross-border crimes such as tax crime and money laundering include **limited trust among cross-border state actors including law enforcement agencies and policymakers.**

Challenges

- Another related challenge is far-reaching invasiveness of artificial intelligence.
- These challenges are fostered by several factors including:
 - Inadequacies with transparency, resilience and strength of exchange platforms.
 - Difficulty of ensuring AI systems are fair and unbiased.
 - Data security.
 - Technical/legal expertise.
 - Privacy and data protection.
 - dysfunctionalities with character, perception, culture and attitude of actors.

Critical trust pillars

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- The above elements characterise trust issues which, when addressed, can significantly leverage the opportunities for addressing other cooperation challenges:
- **Accountability**
- **Transparency**
- **Participation of the public**
- **Data security**
- **Data quality**
- **Responsibleness**
- **Ethical**
- **Rule of law**
- **Human rights**

- AI and relevant trust complementarity can reliably support:
 - Identification of suspicious activities / transactions
 - Tracking criminal assets
 - Providing court-proof evidence.
- Enhancing common standards for data sharing.

Sustainable pathways

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- Upscale capacity building and investment in technical / legal expertise.
- Enhancing data sharing and collaborative systems/platforms.
- Development of a robust legal / regulatory framework (regulatory sandboxes also necessary).
- Foster transdisciplinary approach.

Sustainable pathways

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- Integration of ethical AI principles into the design, development, implementation, evaluation and adaptation of AI systems. This should be governed by higher order of the rule of law.
- Sharing best practices, gaps and technological advancements with actors.
- Addressing intellectual property concerns.

Sustainable pathways

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- Addressing state interest and competition concerns.
- Strengthening risk-based approach to AI and trust.
- Need to prohibit potentially harmful AI systems.
- Ensuring excellence and trust in operationalising AI systems.

Conclusions

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- To operationalise sustainable pathways, it is necessary to promote trust and foster the use of AI in cross-border cooperation.
- Sustainable pathways can enhance trust and use of AI in cooperation to counter tax crime and money laundering in EU.
- This can be done by, among others, ensuring transparent, accountable, and legal as well as ethical engagements among actors and objects (software/machines).

Conclusions

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- Additionally, involvement of all stakeholders is an important pathway in engendering trust.
- When these sustainable pathways are adopted and operationalised, there will be more trust and responsible use of AI in cross-border cooperation to more effectively counter tax crime and money laundering.

Thank you! Any questions?

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