International Journal of Social Impact
ISSN: 2455-670X
Volume 10, Issue 2, DIP: 18.02.007/20251002
DOI: 10.25215/2455/1002007
www.ijsi.in |April-June, 2025

Research Paper

Special Investigative Actions in Financial Crimes

Georgios Kontogeorgis[1]*

ABSTRACT

Economic crime, and especially white-collar crime, is committed by people who have a special place in society. This enables them to successfully hide the evidence and data relating to the financial crimes they commit. The aim of this article is to identify good practices in the area of financial crime data collection. Successful data collection will lead to a reduction in financial crime and the return of illegally obtained funds to the public treasury. The research methodology is a literature review of academic articles and reports from institutions involved in the investigation of financial crime. The main finding of this article is that the investigation of financial crimes is a demanding process that requires the application of special investigative techniques, transnational cooperation, the existence of standards and rules, a legislative framework and the cooperation of financial institutions. The main proposals for improving the effectiveness of financial investigations are the introduction of stricter and more modern legislation, the use of new technologies and the creation of communication platforms. Moreover, there is a number of proposals that banks should adopt to improve their investigative techniques for financial investigations.

Keywords: *Financial Crimes, investigative actions, white – collar crimes, fraud, corruption*

Investigations play an important role in the detection of financial crimes. Investigations play an important role in the detection of financial crime. Investigative measures such as surveillance of suspects, wiretaps, expert witnesses, financial and banking data help to gather evidence on the basis of which a defendant is prosecuted or later convicted by a court of law (Monteiro, 2020)

This article consists of the sections research methodology, literature review and conclusions. The literature review section consists of two subsections. The first part deals with special investigative measures in financial and economic crime and the second part with the effectiveness of special investigative measures. At the same time, suggestions are made for improving the effectiveness of investigative measures.

METHODOLOGY

The research methodology employed in this study is a comprehensive literature review. Specifically, it involves the systematic analysis of peer-reviewed scientific articles published in international journals, as well as reports from reputable institutions specializing in financial

[1]Hellenic Open University, Collaborating Teaching Staff, Criminological and Penal Law Perspectives on Corruption, Economic and Organised Crime, Greece
*Corresponding Author

Received: March 25, 2025; Revision Received: April 20, 2025; Accepted: April 23, 2025

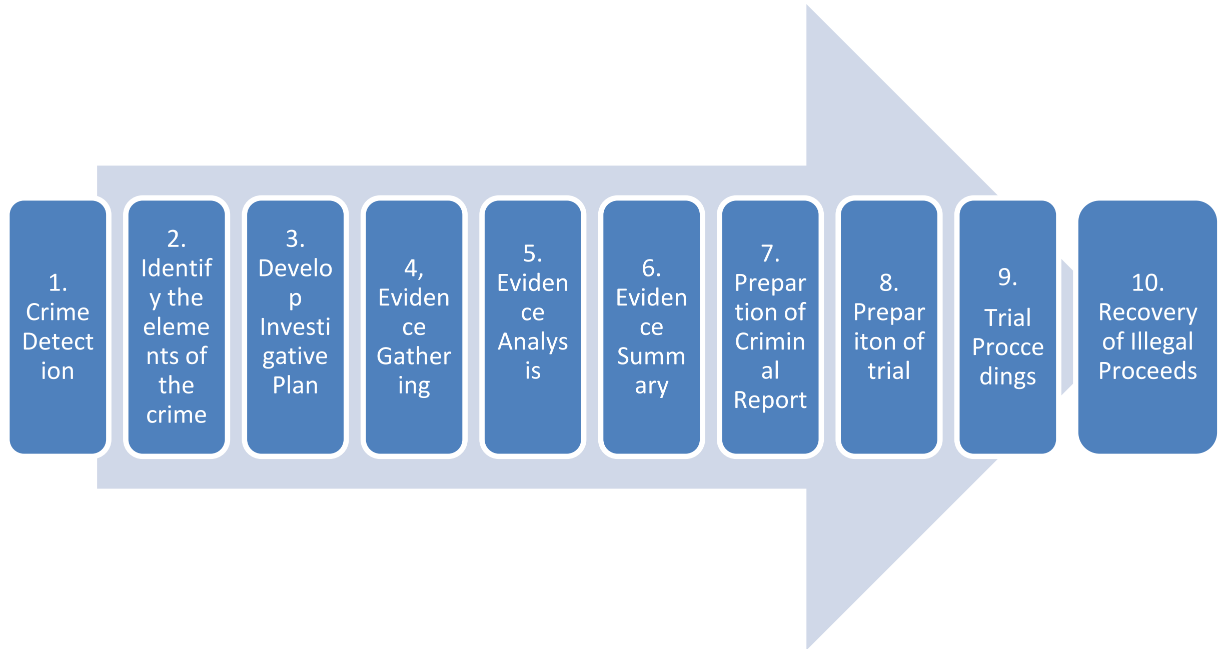
crime investigations. These sources provide a solid foundation for understanding the role, effectiveness, and challenges of special investigative measures in economic crimes. The literature review method allows for an in-depth examination of existing research, legal frameworks, investigative strategies, and best practices adopted by financial institutions and law enforcement agencies. By synthesizing findings from multiple sources, this study ensures a well-rounded perspective on the subject and identifies key areas for improvement in financial crime investigations.

LITERATURE REVIEW

A. Special investigative actions in financial crimes and in white collar crimes

Economic crime refers to the activities of an individual or a group of individuals with the purpose of obtaining economic gain. Financial crimes use credit institutions and financial markets in their efforts (Management Solutions, 2023). Economic crime, and especially white-collar crime, is particularly difficult to solve. The reason for this is that the people who commit such crimes are in a higher social, political or power position which they can influence to avoid the consequences of a conviction in a criminal court (Kontogeorgis, 2025d).

Investigative strategies and criminal prosecutions must follow 10 stages in order to be successful. These stages are presented in the following figure (United Nations Development Programme, 2021):



In order to achieve the key objectives, set out in the above scheme, judicial and audit authorities should (United Nations Development Programme, 2021):

- Identify the means, motive and purpose of the crime.
- Trace the suspect's financial profile and find declared and hidden income.
- Use of investigative strategies and investigative preparation for each case.
- Use many sources of information such as banking information, legislation, individual psychology and other available sources to gather the necessary data.
- Make detailed analysis of financial records. These documents are often voluminous and need to be examined in detail.
- Prepare for interviews and the investigation process.

- Examine anti-money laundering control procedures. Audit authorities should be aware of the legal framework for money laundering and should examine any relevant actions taken by suspects.
- Present any findings of unjust enrichment in a clear and complete manner. The findings should be accompanied by supporting documentation.
- Carry out case management. In particular, audit authorities should prioritise important cases and close unimportant cases or those with insufficient evidence.
- Have clear boundaries and responsibilities for the judicial and control authorities involved in the investigation process. Unclear boundaries can have a negative impact on the quality of investigative work.

Special investigations are a key element in the fight against organised and financial crime. In particular, they contribute to (European Commission,2025):

- Identify the purpose of the crime, the means used and to link the criminal acts to individuals.
- Identify the use of services such as telephone, transport and other means relevant to the cases under consideration.
- Find and talk to witnesses and victims of financial crimes in order to gather valuable evidence for the case.
- Investigate the financial crime network. Often there are triangular transactions and it becomes difficult to solve the crimes.
- Trace the assets of a suspect and analyse the property situation. The purpose of the asset analysis is to detect money laundering practices or to confiscate assets. People involved in investigating financial crime should be aware of cryptocurrencies, as they are a modern means of money laundering (Kontogeorgis, 2025b).

The main difficulties faced by the authorities are in tackling financial crimes are (Monteiro, 2020):

- Access to financial data: Governments and auditors need access to bank data to gain insight into the financial situation of suspected financial criminals. Many countries have not adequately developed such databases that have banking data on a cross-country basis. Searching bank data from a foreign country requires a request and this means loss of time and the possibility of not providing data.
- The type of information available: Many banks or credit institutions have the information on paper, so if processing is required, the process is time consuming and very complicated as it usually involves 5 years of data.
- The expertise and skills of the staff carrying out the investigations: The handling of such complex cases requires the staff who deal with them to have specific knowledge in areas such as information systems and banking.
- The level of international cooperation: International cooperation is facing problems. Delays in providing information and failure to provide information are observed in some cases.

B. Effectiveness of special investigative acts - Suggestions for improvement

The use of training for investigative staff, the adoption of standards for the conduct of investigations, the use of forensic accounting, and the multidisciplinary approach to investigations can be catalysts for increasing the effectiveness of financial crime investigation strategies (United Nations Development Programme, 2021).

Financial Action Task Force (FATF) suggests a number of proposals that banks should adopt to improve their investigative techniques for financial investigations (Pheijffer, 2009):

- FATF Recommendation 12: Credit institutions must keep complete, accurate and official data on their customers in the event of an audit for financial crime and possible criminal offences.
- FATF Recommendation 13: Credit institutions must identify the true beneficiary of bank accounts. They must also check whether someone is depositing money in one bank in the name of another.
- FATF Recommendation 14: Credit institutions must keep records of their customers' transactions for at least 5 years. These records should include data on national and international transactions. These records should be readily available in the event of financial investigations and criminal prosecutions.
- FATF Recommendation 26: Banking supervisors, i.e. central banks, should ensure that banks have a comprehensive anti-money laundering programme in place and are operating it effectively.

All of the above FATF proposals can greatly assist financial investigations and prosecutions. If implemented, they will provide valuable evidence. Legislative changes to address the financial problem should focus on the following issues in the coming years (Management Solutions, 2023):

- Tighten money laundering legislation. Legislation should cover modern electronic transactions, such as the use of cryptocurrencies.
- Use of new technologies such as cloud, artificial intelligence and machine learning. The use of artificial intelligence is an important tool for conducting internal audits and should be utilised (Kontogeorgis, 2025a).
- Cooperation between judicial authorities to improve the effectiveness of the fight against financial crime.
- Create a platform for collaboration between the private and public sectors.

CONCLUSIONS

One very important measure that will be instrumental in tackling financial crime is to increase cooperation. Increased cooperation between banks and between judicial authorities. Increased cooperation will lead to an increase in the amount of information that can be shared. Also, the establishment of rules for cooperation between the parties is important for effective cooperation (Management Solutions, 2023).

Special investigative measures play a crucial role in detecting and prosecuting financial crimes. These measures, including surveillance, forensic accounting, and the analysis of financial records, help authorities gather essential evidence. However, financial crime investigations face significant challenges, such as limited access to cross-border banking data, outdated record-keeping methods, insufficient expertise among investigators, and weak international cooperation. Forensic accountants can be valuable experts for investigative acts related to financial crimes (Kontogeorgis, 2025c).

To enhance the effectiveness of financial crime investigations, several improvements are necessary. These include specialized training for investigators, the adoption of standardized investigative procedures, and the use of advanced technologies such as artificial intelligence and machine learning. Furthermore, legislative changes should focus on strengthening anti-money laundering regulations, improving collaboration between judicial authorities, and fostering partnerships between the public and private sectors.

The recommendations put forward by the Financial Action Task Force (FATF), such as maintaining accurate customer records and implementing stricter transaction monitoring, are essential for improving investigative outcomes. By addressing these challenges and adopting modern investigative techniques, authorities can significantly strengthen the fight against financial crime and enhance the efficiency of criminal prosecutions.

REFERENCES

Chuquihuara, O. (2022). Financial crimes Investigations: Improving public-private collaboration to tackle Illicit Financial Flows on Facebook, Harvard Kennedy School.

European Commission (2025). Financial Investigations, Available at: https://home-affairs.ec.europa.eu/policies/internal-security/organised-crime-and-human-trafficking/financial-investigations_en .

European Union Agency for Law Enforcement Cooperation (2023). ''European Financial and Economic Crime Threat assessment 2023''.

Fitzpatrick, D. (2017). "A ''think piece" on intelligence, investigation and prosecution", Journal of Financial Crime, 24 (3), 449-460.

Gottschalk, P. and Solli-Saether, H. (2010). "Computer Information Systems in Financial Crime Investigations", Journal of Computer Information Systems, 50(3), 41-49.

Kontogeorgis, G. (2025a). ´´The Artificial Intelligence (AI) framework and the benefits of its use in internal audit´´, International Multilingual Journal of Science and Technology (IMJST), 10(1), 8046-8050.

Kontogeorgis, G. (2025b), ´´Money laundering: new technologies and control challenges (cryptocurrencies, blockchain)´´, International Multilingual Journal of Science and Technology (IMJST), 10(3), 8090-8093.

Kontogeorgis, G. (2025c), ´´Forensic accounting and its importance in financial crime investigations´´, International Multilingual Journal of Science and Technology (IMJST), 10(3), 8090-8093.

Kontogeorgis, G. (2025d), ´´Financial crimes with an emphasis on the white-collar crimes´´, International Multilingual Journal of Science and Technology (IMJST), 10(3), 8090-8093.

Lasagni, G. (2019). "Banking Supervision and Criminal Investigation Comparing the EU and US Experiences", Comparative, European & International Criminal Justice, 1, Springer.

Management Solutions (2023). ''Financial crime: Challenges and trends in the digital era, Management Solutions''.

Monteiro, C. (2020). ''Financial investigations and asset recovery Basel Institute of Governance''.

Pheijffer, M. (2007). ''Financial Investigations and Criminal Money'', Journal of Money Laundering Control, Vol. 2 (1), 33-38.

United Nations Development Programme (2021). ''Policy Paper on Financial Crime Investigations: An Integrated Approach, Financial Investigations – Follow the money!".

Acknowledgment
The author(s) appreciates all those who participated in the study and helped to facilitate the research process.

Conflict of Interest
The author(s) declared no conflict of interest.

How to cite this article: Kontogeorgis, G. (2025). Special Investigative Actions in Financial Crimes. *International Journal of Social Impact*, *10*(2), 067-072. DIP: 18.02.007/20251002, DOI: 10.25215/2455/1002007