Cross-border investigations and asset recovery strategies

FW discusses cross-border investigations and asset recovery strategies with Edgars Volskis, Pei Li Wong, Jonathan Graessle and Barry Robinson at BDO.

THE PANELLISTS

EDGARS VOLSKIS
Head of Advisory
BDO
T: +371 257 80 900
E: edgars.volskis@bdo.lv

Edgars Volskis is a financial and academical professional with considerable international experience gained over the last 26 years. He has specialised in work with financial institutions, including banks, insurance companies, and pension and investment funds. After his studies at the University at Buffalo, School of Computer Science and Engineering, he has been involved in projects related to 'AI factory' strategic framework development and implementation, an area which covers financial data pipeline construction and fraud pattern definitions.

PEI LI WONG
Principal
BDO
T: +1 (212) 885 8288
E: pwong@bdo.com

Pei-Li Wong is BDO's global forensics principal with over 25 years of experience in forensic accounting and auditing, leading the Asia forensic desk and serving on the global forensics leadership team. She has conducted investigations, risk assessments and compliance reviews across North America, Asia, Europe and Latin America, working with multinational organisations on cases involving corruption, fraud and regulatory matters. Ms Wong also advises clients on compliance risks and remediation. She was recognised by Global Investigations Review in its 2021 Women in Investigations list, which highlighted 100 remarkable female professionals in the field.

JONATHAN GRAESSLE
Senior Manager
BDO
T: +1 (904) 224 1165
E: jgraessle@bdo.com

Jonathan Graessle leverages over a decade of experience as a consultant and attorney to advise governments, cryptocurrency exchanges, custodians, law firms, investment banks and other financial institutions on complex digital asset matters. He supports expert witness engagements in high-stakes litigation before courts and tribunals worldwide, with cases involving cryptocurrency scams, regulations, digital asset valuation, stablecoins, and token sales and listings. He played a key role as part of the team leading an investigation and drafting a public report for a prominent layer one blockchain. His expertise also extends to on-chain tracing and due diligence investigations of digital assets and issuers.

BARRY ROBINSON
Director
BDO
T: +353 (61) 414 455
E: brobinson@bdo.ie

Barry Robinson leads BDO's forensic services practice in Ireland and is a member of BDO's global forensic leadership group. He has over 23 years' experience in the areas of forensic accounting, commercial disputes, investigations and asset tracing. He is also a member of the Irish government's advisory council against economic crime and corruption.

FW: What do you see as the most significant global shift in how financial crime is investigated across borders today?

Robinson: The most significant global shift in cross-border financial crime investigation has been the convergence of global regulators toward harmonised, risk-based regulatory regimes integrating advanced technology, including artificial intelligence (AI). Examples of this convergence are the Financial Action Task Force's (FATF's) latest 2025 guidance which explicitly links financial inclusion to both risk and integrity which requires proportionate controls and flexible digital onboarding, and FinCEN's new guidance to encourage and promote appropriate, voluntary cross-border

sharing of information between and among financial institutions (FIs), including appropriate foreign FIs. In the European Union, the AML Single Rulebook which, will come into effect in 2027, and the new Anti-Money Laundering Authority will introduce standardised requirements, extending oversight beyond banks to crypto and high-value goods dealers, and will support the use of advanced technologies, including AI, to enhance transaction monitoring and risk assessment. These developments demonstrate the shift toward a harmonised global compliance landscape.

FW: How do you see the role of AI and data analytics evolving in financial investigations, especially in identifying beneficial ownership and tracing complex laundering schemes?

Volskis: The convergence of AI and digital data analytics has been reshaping financial investigations by enabling the efficient collection, structuring and processing of complex datasets, as well as training them to validate and predict the outcome of investigations. To identify beneficial ownership, AI systems can integrate and structure fragmented data from validated global registries to expose concealed relationships. In areas of anti-money laundering (AML), AI tools can trace sophisticated laundering schemes and define patterns and structures for illicit financial transactions. A

foundational component of effective AI implementation in financial investigations is developing an 'AI factory' model – a strategic framework that includes a robust data pipeline, iterative algorithm development and scalable software infrastructure, and establishing a supervised learning process for AI predictive models. This framework maintains high-quality, well-structured data and agile AI tools for investigations. As AI systems learn from prior cases, they improve their ability to predict risk and detect anomalies with greater accuracy. Ultimately, the success of AI in financial crime investigations hinges on responsible deployment, data integrity and a resilient operational backbone – making the AI factory model critical for futureproofing investigative capabilities.

FW: What are the most promising innovations in asset tracing methodologies, particularly in cases involving trade-based money laundering or shell company networks?

Robinson: The most promising innovations in asset tracing for trade-based money laundering or shell company networks include AI-driven predictive analytics and graph analytics, which can map complex transactional relationships and uncover hidden connections. Blockchain forensics creates immutable records for analysing cross-border trade transactions, enhancing transparency and

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BARRY ROBINSON
BDO

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JONATHAN GRAESSLE
BDO

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BDO

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BDO

identifying irregular patterns. Optical character recognition and natural language processing can automate review of invoices, bills of lading and unstructured documents, flagging pricing anomalies and circular trades faster than manual review. These models can reveal hidden relationships among counterparties, identify shell companies and trace circular trading patterns that span multiple jurisdictions, helping forensic teams unravel multilayered laundering schemes.

FW: What are the biggest challenges in recovering digital assets such as cryptocurrencies across jurisdictions with differing regulatory maturity?

Graessele: Threat actor sophistication and varying levels of regulatory maturity across jurisdictions increase the challenges for digital asset recovery. Today's threat actors use cross-chain swaps, privacy coins, mixers and even meme coin launches to obfuscate the source of illicit cryptocurrency before converting it to fiat currency on an exchange. While mature jurisdictions enforce know your customer (KYC) and AML compliance for exchanges, lagging regulation, lax enforcement and peer-to-peer exchanges in many jurisdictions still facilitate illicit cryptocurrency laundering. However, the emergence of comprehensive digital asset regulations, global law enforcement coordination to seize no-KYC

exchanges, advanced blockchain analytics tools, and a growing number of trained cryptocurrency investigators will help support digital asset recovery.

FW: How are international cooperation frameworks evolving to support faster and more effective cross-border asset recovery?

Wong: International cooperation frameworks have evolved significantly to address the complexity and urgency of recovering illicit assets. Recent changes include the FATF's 'International Standards on Combating Money Laundering' and the 'Financing of Terrorism & Proliferation – The FATF Recommendations', updated in June 2025, which followed amendments the FATF made to its recommendations in November 2023 to strengthen global asset recovery efforts, such as enhancing mechanisms for speed and efficiency, and encouraging prompt cross-border collaboration among law enforcement and financial intelligence units. The FATF also updated Recommendation 16 to enhance requirements for cross-border payments and the adoption of new anti-fraud technologies. The April 2025 UN Convention against Corruption meeting highlighted the use of beneficial ownership information to uncover hidden assets and discussed best practices for asset recovery. Interpol's Silver Notice, piloted

in 51 countries, now helps trace and freeze assets internationally. While challenges remain, initiatives such as the Stolen Asset Recovery programme, Integrated Border Enforcement Team, and Shiprider programmes, demonstrate a growing commitment to cross-border asset recovery through improved intelligence-sharing and joint operations.

FW: In what ways are private sector partnerships – such as with FIs or forensic firms – enhancing the effectiveness of cross-border investigations?

Wong: Private sector partnerships can play a prominent role in enhancing the effectiveness of cross-border investigations. Such partnerships are further enhanced by FIs investing in the latest technologies and adopting advanced analytics and sound AI strategies in transaction monitoring and data mining. Advanced technology assists in quick and more accurate analyses to identify patterns and trends. Blockchain analytics is also crucial in the world of digital assets, which are increasingly used by bad actors and criminal organisations to obfuscate ill-gotten gains and

assets. Strategic cooperation among FIs, forensic firms and law firms covers multiple bases in cross-border investigations. Forensic support in the form of networks of forensic practitioners and lawyers has proven to be an important resource in cross-border investigations. Firms with expansive networks of forensic practitioners and lawyers have an advantage in tracing and mapping complex asset structures and transfers across multiple jurisdictions. Additionally, professionals practicing in cross-border asset recovery are often members of global networks and alliances that support learning and development of advanced skills and techniques, provide referrals to qualified practitioners, and help shape discussions and policymaking.

FW: What emerging trends or technologies do you believe will most significantly reshape cross-border investigations and asset recovery over the months and years ahead?

Volskis: Over the months and years ahead, emerging technologies will continue to reshape cross-border investigations and asset

recovery. AI, blockchain analytics and digital identity verification will fundamentally transform investigations strategy and operational execution – shifting approaches from manual, reactive processes to data-driven, supervised and trained AI prediction models. Strategically, these tools will enable investigators to more quickly detect, classify and mitigate risks, and will maintain a robust digital chain of custody throughout the investigation process. New AI technologies have already improved the precision and efficiency of collecting, analysing and visualising complex datasets, thereby accelerating investigation timelines. Blockchain analytics platforms are becoming indispensable for effectively tracing illicit crypto transactions and exposing wallets, mixers and obfuscation techniques. Supported by an AI factory model, these technologies will shift asset recovery from reactive tracing to proactive and preventive disruption of financial crimes. ∎