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**TO THE ISSUE OF IDENTIFYING ILLEGAL ASSETS****Karapetian O.M.***PhD in Economics*

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**Abstract.** *The article is devoted to the study of the implementation in Ukraine the best practices and standards of the European Union in the field of detection, search and management of assets obtained from corruption and other crimes. A comparative analysis in the functional institutional models of authorities whose activities are aimed at the search and return of assets has been carried out. Emphasis is placed on informational-analytical and financial support of the Asset Recovery and Management Agency (ARMA). The regulatory framework for the formation and functioning of the Asset Recovery and Management Agency in Ukraine for the identification, search and management of assets obtained from corruption and other crimes is analyzed.*

**Keywords:** *cybercrime, cybercrime investigation, special knowledge, computer technology, investigator, specialist, expert, review, forensic examination.*

In Ukraine, the Asset Recovery and Management Agency (hereinafter referred to as ARMA) has been established and is functioning now. Firstly, it is an executive authority with a special status (a mandatory feature of the second model), and secondly, the obligation to identification and search of property in criminal proceedings are assigned to the prosecution (an obligatory feature of the first model), and the decision on the seizure of such property and its special confiscation is on the investigating judge and the court, respectively. It seems that the corresponding agencies of France and Romania became the prototypes of ARMA.

The functions of the ARMA are understandable for most countries of the world, but they are completely new in the system of state authorities of Ukraine. Today, for most European Union countries, the existence of agencies like the ARMA is a long established practice. In particular, Article 10 of the EU Directive No. 2014/42/EU of 03.04.2014 says that all EU Member States are obliged to take measures for the effective disposal of seized assets, as well as the creation of special institutions responsible for the management of such assets in order to preserve them or to

preserve their value [1].

Among the informatization trends, the indicator of ARMA effectiveness is the automation of information actions. Based on management tasks, when implementing the ARMA leading functions, the automation of information activities should be aimed at: analysis of any requests for the year, quarter, month; analysis of the number of requests in progress; processing of data on identified individuals and legal entities in the course of identifying and searching for assets; accounting for established assets in the context of their individual types and in the context of individual performers (or in a separate period); calculation of the volume of interdepartmental correspondence; accounting and analysis of criminal proceedings and assets established within the framework of detection and search; accounting for asset management operations; systematization of control and monitoring procedures in the control over asset management [2].

During the research of information support in the field of searching and identifying criminal assets, the capabilities of the Financial Crimes Enforcement Network (Fin CEN) deserve attention – a bureau of the United States Department of the Treasury that collects and analyzes information about financial transactions in order to combat money laundering in the United States and abroad, about the financing of terrorism and other financial crimes

The Fin CEN AIS software allows automatic scanning of 60 government and commercial databases and simultaneously analyzes disparate information about one object (organization, individual) located in various US institutions. In addition to processing a financial database containing confidential information for almost 25 years, Fin CEN uses "artificial intelligence" to prepare certificates, codenamed "criminal activity forms." Such forms are added to Fin CEN in cases where banks, inspectors from the Ministry of Finance, the tax service and other regulatory authorities discover transactions that are suspicious from the legal point of view [3].

Asset tracing investigations can be greatly facilitated by combining semantic search with the wealth of intelligence publicly available on news websites, government watch lists, property declarations of public officials, and commercial

data sources [4].

IBM i2 is an overview of economic, legal and IT criminal solutions. The main task of IBM i2 is to search for hidden relationships and patterns among a large number of subjects who can use its services for economic and internal security, risk management and investigation management [5].

IBM i2 works at the intersection of three areas: anti-fraud, IT and economic security, and makes the analysis process simple and straightforward. The IBM i2 system can be designed with various components that can be installed and used in different combinations, depending on the tasks at hand. iBase is a component that allows to collect and analyze data from different sources. iBase is a central node complex that uses information storage and analysis. This component also manages accounts and access rights for functional systems. The iBase software product allows to: design the database while the information is collected; formulate rules for importing data from third-party sources; control access to data and check the distribution of such access; store the results of the analysis centrally.

There are problematic issues in the field of information support of the ARMA. In particular, today Ukraine has not signed or ratified an agreement on the possibility of joining the International Convention on Access to Accounts of Non-Residents, which would allow public authorities to have access to residents' accounts in foreign banks. At the same time, 101 states and almost all offshore jurisdictions have signed this convention. These tasks require urgent solutions to improve the work of the agency.

Cash management is a separate institution for managing seized assets, which acts simultaneously in the interests of the owner of funds and the state, ensuring their safety and preservation of economic value. ARMA's deposit portfolio consists of: funds directly transferred to ARMA for management in cash and non-cash forms in hryvnias, dollars, euros; proceeds from the sale of seized assets.

**Summary and conclusions.** Based on the study in the field of detection, search and management of assets obtained from corruption and other crimes, conclusions can be drawn that have theoretical and practical value.

Achieving high performance in identifying, searching and managing assets, as well as their return from foreign jurisdictions in cooperation with pre-trial investigation, court authorities, foreign partners, as well as the business community, citizens, requires the ARMA to introduce not only modern information technologies, but also high-quality informational and analytical support of these processes. In the context of the informational and analytical support of the ARMA, there are significant gaps that increase the time lags in the process of financial investigations of criminal assets. In particular, the lack of access to the database of export-import transactions makes it impossible for the ARMA to analyze information about companies involved in foreign economic activity from around the world; to carry out an operational search for connections between residents and non-residents for activities with assets in the field of foreign economic activity; trace the origin of assets involved in criminal schemes; reveal hidden links between the subjects of criminal proceedings and economic activity.

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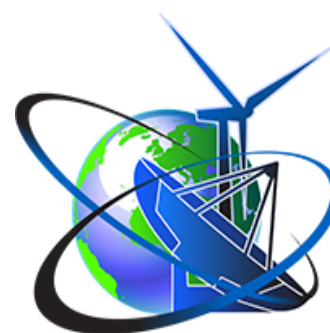
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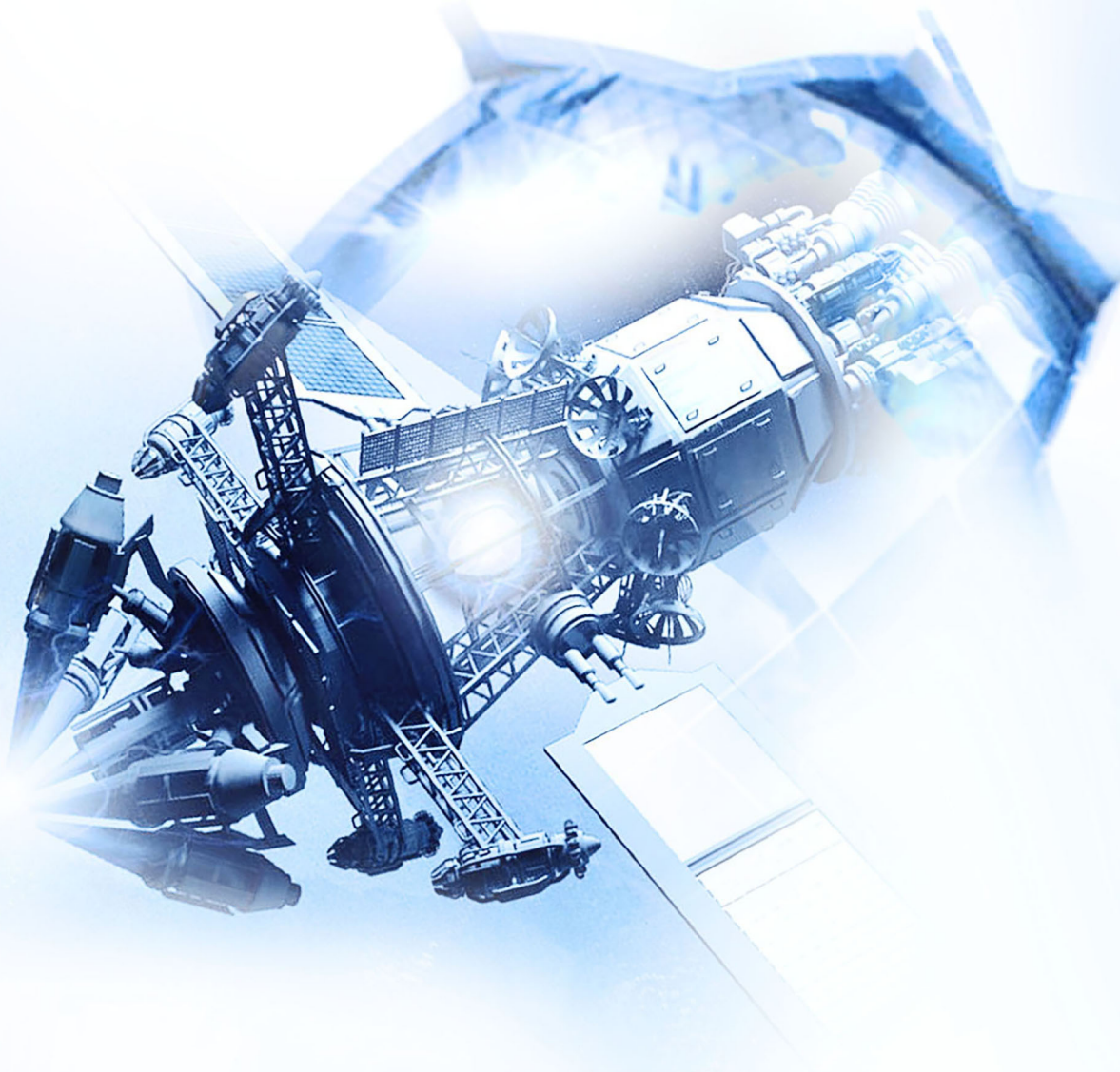
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