Manuscript ID : 00001-88060

Source ID : 00000624

INTERNATIONAL JOURNAL OF ARTIFICIAL INTELLIGENCE & MACHINE LEARNING

Volume 2, Issue 1, January-December 2023, Pages 103-120, Page Count - 18

LEVERAGING ARTIFICIAL INTELLIGENCE FOR COUNTERING FINANCIAL CRIMES

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Abstract

Anti-money laundering (AML) has emerged as a critical concern in the worldwide battle against financial crimes like terrorism financing and drug trafficking. The escalating role of artificial intelligence (AI) in AML has become increasingly pivotal with rapid technological advancements. AI possesses the capability to transform AML endeavors by enhancing the precision and efficiency of identifying and thwarting suspicious activities. Nevertheless, the integration of AI in AML introduces challenges and ethical considerations that require scrutiny. The deliberate implementation of contemporary AML technologies enables organizations to effectively achieve the essential balance, providing AML programs with the tools and capabilities to develop the required risk intelligence and establish an AML control framework that is both effective and customer centric. However, initiating a journey toward modernization is intricate and complex, involving various options, considerations, and decisions.

This paper will dive into the impact of AI on AML, examining its benefits, hurdles, case studies, and ethical implications. Financial institutions, including banks, manage confidential information related to individuals, trusts, and corporations. Given the sensitive and valuable nature of money, these organizations become significant and susceptible targets for criminal activities. Criminal endeavors directed at the banking sector encompass a range of illicit actions such as money laundering, theft of identity and personal records, and the financing of terrorism. These issues extend globally and have captured the attention of international bodies and governments. One proposed solution to address the challenges of illicit finance and money laundering involves the integration of artificial intelligence (AI). AI employs diverse algorithms and methodologies to oversee customers, markets, and financial transactions, aiding in the detection of various banking patterns. By comprehending clients` transactions and the intricacies of bank transfers, AI proves instrumental in preventing and combating money laundering.

This study provides insights into the application of artificial intelligence within the financial system to counteract fraudulent activities, particularly money laundering. The exploration is structured across various facets of the intersection between artificial intelligence and money laundering.

Author Keywords

AI/ML, Artificial Intelligence, Financial Crimes, Finance, Banking, Money Laundering, Anomaly Detection, AML, Cybersecurity, Global Banking, Fraud Prevention, Natural language processing, Deep learning

Acknowledgement

All the authors of this paper have contributed equally in writing this paper.

ISSN Print:
Source Type: Journals
Publication Language: English
Abbreviated Journal Title: IJAIML

ISSN Online:
Document Type: Journal Article
DOI:
Access Type: Open Access

Publisher Name: IAEME Publication
Major Subject: Physical Sciences
Subject area: Artificial Intelligence

Subject Area classification: Computer Science
Source: SCOPEDATABASE

Reference