

Asset Recovery Mechanisms for Cross-Border Telecom and Online Fraud and Paths for Improvement

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Keywords: Cross-Border Telecom and Online Fraud; Internet; Asset Recovery; Diversified Mechanism for Asset Recovery; Cross-Border Collaboration

Abstract: Cross-border telecom and online fraud has imposed significant threats on the security of society and people's property. Using emerging tactics, criminals engage in cross-border telecom and online fraud, severely harming people's interests. With the increase in criminal cases, the economy has also suffered substantial losses. Multiple challenges are imposed on investigation and evidence collection due to the complexity of such crimes. Moreover, it requires cross-border collaboration and highlights the significance of apprehending fugitives and recovering illicit assets for the crackdown on such crimes. This study aims to explore asset recovery in cross-border telecom and online fraud and proposes suggestions to improve relevant laws and regulations. Examining the significance of international collaboration in law enforcement to crack down on crimes can enhance public awareness of telecom fraud prevention. The exploration is also significant for the crackdown on cross-border fraud and contributes to national security and social stability.

1. Introduction

Telecom and online fraud has seriously endangered the security of society and people's property. Using emerging tactics, criminals engage in cross-border telecom and online fraud, severely harming the interests of the public. With the increase in criminal cases, the economy has also suffered substantial losses. Multiple challenges are imposed on investigation and evidence collection due to the complexity of such crimes. Moreover, it requires cross-border collaboration and highlights the significance of apprehending fugitives and recovering illicit assets for the crackdown on such crimes. This study aims to explore asset recovery in cross-border telecom and online fraud and proposes suggestions to improve relevant laws and regulations. Examining the significance of international collaboration in law enforcement to crack down on crimes can enhance public awareness of telecom fraud prevention. The exploration is also significant for the crackdown on cross-border fraud and contributes to national security and social stability.

2. Overview of Telecom and Online Fraud

With the rapid development of information technology, telecom and online fraud crimes have become increasingly rampant and become a major issue that undermines social security and public interests. Its severity has posed a serious threat to the security of society and people's property. Telecom and online fraud is difficult to combat due to its features of advanced technologies, covert approaches, and tightly organized structures, greatly challenging the security of society and people's property. Therefore, it has become a primary task to strengthen the suppression and prevention of such crimes, which covers online gambling, investment and financial management, false recruitment, and other types of fraud.

The crimes are carried out using concealed tactics, with evidence gathering being difficult due to their diverse approaches. Overall, the illicit industrial chain of cross-border telecom and online fraud consists of four major modules, namely personnel, information, technologies, and funds. Different modules are interconnected and coordinated dynamically, demonstrating a complex network structure [1]. The organization has a clear and detailed division of labor, which is typically divided into communication teams, information supply teams, technical teams, and money laundering teams. They are fully capable of conducting remote fraud across regions and even time zones. Without effective intervention, the scale of this illicit industrial chain will continue to expand, thereby further endangering people's lives and property [2].

Faced with new and emerging crimes such as artificial intelligence (AI) face swapping and cryptocurrency scams, current laws and regulations lag behind and fail to fully address emerging forms of fraud. The lack of technical evidence and lagged international collaboration has hindered the effectiveness of crackdowns.

3. Current Landscape and Challenges of Asset Recovery

As cross-border telecom and online fraud grows increasingly rampant, asset recovery has become a significant task for China's law enforcement agencies.

3.1. Lagging Laws and Regulations

During the process of apprehending fugitives and recovering assets of cross-border telecom and online fraud, law enforcement agencies are confronted with a series of critical challenges. Faced with new types of crimes, they are challenged by lagging laws and regulations and the lack of adequate legal grounds for asset recovery and prosecution. Differences in legal systems across countries and regions in the process of cross-border fugitive apprehension and asset recovery have also led to significant challenges for law enforcement agencies in applying appropriate legal frameworks. Although relevant regulations are in place, inadequate enforcement capacity often results in ineffective implementation of prosecution and asset recovery efforts. Following the occurrence of a fraud case, criminals tend to quickly transfer the illicit assets abroad through various channels, which increases the difficulty of recovering asset. Meanwhile, a great amount of time and resources are required to recover diversified assets such as house properties and jewelries that are transferred within a short time.

3.2. Lack of Advanced Technological Means

In the process of fugitive apprehension and asset recovery, law enforcement agencies often lack advanced technological means that can match the sophisticated methods employed by criminals. Crimes of telecom and online fraud frequently involve massive online data collection and controlled

extraction with professional technological support, a regard law enforcement agencies often lack sufficient capacity. Although certain technological means are employed in the process of fugitive apprehension, a considerable disparity still exists when compared to the technological means used by criminals. The rapid transfer of illicit asset by criminals contrasts sharply with the time-consuming law enforcement process for fugitive apprehension and asset recovery, which leads to low efficiency in both asset recovery and prosecution efforts.

3.3. Insufficient International Collaboration

Currently, the main task of fugitive apprehension and illicit asset recovery is the recovery of financial assets. Although certain achievements have been made by China's law enforcement agencies regarding the seizure of real estate, vehicles, and other types of illicit gains, the enforcement efforts are relatively weak. Assistance from international police agencies is required and joint operations against cross-border telecom and online fraud should be carried out to apprehend fugitives and recover assets.

Law enforcement agencies in China have established collaborative relationship with certain countries and regions. However, the collaboration mechanism is insufficiently developed, affecting the efficiency of fugitive apprehension and asset recovery. For example, information flow disruptions caused by language barriers and time zone differences hinder recovery progress to a certain extent. Additionally, potential trust issues between law enforcement agencies from different countries and regions during fugitive pursuit cooperation can lead to weak collaboration intent, which will further affect the recovery effectiveness of illicit gains. Meanwhile, recovered assets often require a lengthy process involving identification, valuation, and auction, among other complex procedures. How to ensure that these illicit gains can be returned to their rightful owners is an urgent issue that needs to be addressed. Meanwhile, in the process of fugitive apprehension and recovery of illicit gains, it is essential to fully protect the legitimate rights and interests of victims and avoid causing secondary harm through improper recovery actions.

4. Strategies and Measures for Asset Recovery

4.1. Improve Domestic Laws and Regulations

Improving relevant laws and regulations in China is both the foundation and focus of addressing cross-border telecom and online fraud. The Anti-Telecom and Online Fraud Law of the People's Republic of China, with clear legislative purposes, protects citizens' lawful rights and interests and prevents and combats telecom and online fraud-related crimes. Comprehensive laws should encompass multiple aspects, including the definition, types, and legal responsibilities of telecom and online fraud, as well as recovery procedures for illicit gains. Meanwhile, it is essential to ensure the law is both comprehensive and practically applicable. New forms of fraud should be incorporated into the legal definitions of crime to ensure that the law keeps pace with evolving criminal techniques. Punishments for telecom and online fraud should be determined based on the level of social harm and impact it may cause, in order to serve as an effective deterrent. Public security organs, the People's Procuratorate, and the People's Court should conduct a comprehensive investigation and review of the financial status of cross-border telecom and online fraud, extortion, and similar criminal groups and their members. Assets involved in the case, such as vehicles and precious metals, should be promptly traced, sealed, seized, or frozen in accordance with the law. When transferring the case for prosecution, relevant authorities should comprehensively collect evidence that can prove the source, nature, ownership, and value of these assets, as well as the necessity for their recovery, confiscation, or restitution. These materials should be transferred along

with the case. During prosecution, the People's Procuratorate must review the evidence related to the assets involved in the case and propose recommendations for their handling. For cases involving illicit gains, the People's Court should address their disposition explicitly in the judgment [3]. In the process of fugitive apprehension and asset recovery, law enforcement agencies can utilize methods such as extracting online surveillance data to collect evidence. The standards and procedures for the admissibility and use of such evidence should be outlined to ensure its effectiveness in the recovery process. Detailed regulations on the initiation, implementation, supervision, and termination of fugitive apprehension and asset recovery should be developed to ensure a standardized and transparent process of accountability and asset recovery. The legal procedures of freezing and confiscating assets should be improved and well-established to ensure lawful and efficient asset disposal during apprehension and recovery. The People's Court, the People's Procuratorate, and public security organs should handle cases strictly in accordance with the law on an evidence-oriented basis, uphold and implement the principle of evidentiary adjudication, and collect and review evidence comprehensively. It is strictly prohibited to extract confessions through torture or to obtain evidence through threats, inducement, deception, or other illegal means. The legal rights of criminal suspects and defendants should be fully protected. Facts should be accurately established, laws correctly applied, and cases handled fairly and by the law [3]. For ambiguous provisions in laws and regulations, timely legal interpretations should be issued to clarify their application. Judicial interpretations should be used to provide guidance on specific issues in asset recovery, thereby enhancing the applicability and operability of the law. The supplementary role of the confiscation procedure for illegal gains should be fully utilized in the recovery of assets and reparation of losses. While handling assets involved in common criminal cases, the relevant authorities can integrate the asset recovery into the trial process of criminal cases. This will reduce the occurrence of duplicated case handling. Measures such as sealing, seizing, and freezing assets involved in the cases should be implemented. This will ensure that the illicit gains will not be transferred or disappear with the constraints imposed by mandate measures and sentencing decisions. Moreover, initiating the confiscation procedure for illicit gains as a supplementary measure can effectively address the limitations of the regular recovery process and better achieve the goal of asset recovery and loss reparation [4].

4.2. Establish and Enhance International Collaboration Mechanism for Asset Recovery

It is necessary to establish and enhance international collaboration mechanisms for fugitive apprehension and asset recovery, which is crucial to effectively combat corruption and ensure accountability for offenders. Establishing the multilateral collaboration platform for fugitive apprehension and asset recovery will promote information and resource sharing among law enforcement agencies across the globe, and advance the formulation of unified international standards and procedures for the legality and efficiency of fugitive apprehension and asset recovery. This will provide the legal basis and operating procedures for recovery and accountability efforts and promote the development of relevant and reasonable mutual legal assistance agreements. The coordination of international fugitive apprehension and asset recovery policies should foster collaborative efforts through effective policy communication. Regular international seminars and training courses should be held to share successful experiences and advanced technologies adopted by various countries in combating telecom and online fraud and recovering illicit assets. This will improve the professional competence and asset recovery capabilities of law enforcement personnel in different countries through communications and training. A platform of real-time exchange and data sharing for law enforcement agencies across countries should be set up. Modern information technologies should be utilized to identify and track illicit gains timely and monitor cross-border

capital flows in real time. For major cross-border telecom fraud cases, joint investigations should be conducted.

The advancement and efficiency of technological means are associated with fugitive apprehension in cross-border telecom and online fraud crimes. Advanced technological means can quickly locate the flow of illicit funds, enabling more efficient recovery and increasing the likelihood of success. Technological means can provide a solid legal basis for fugitive apprehension and help law enforcement agencies obtain more effective evidence. As the technologies adopted by criminals upgrade, the technologies for asset recovery should be enhanced accordingly. In terms of technology, maintaining a leading position in the fight against crime can enable better adaptation to changes.

4.3. Measures to Enhance Technological Means for Asset Recovery

Currently, the main technological means for fugitive apprehension and asset recovery include uncovering the criminal network and capital flow through analysis of criminals' transaction data and communication records. To counter criminals who use advanced encryption technologies to conceal illicit funds, professional digital forensics tools should be employed to extract encrypted information used in their operations, thereby supporting fugitive apprehension.

Multiple aspects should be emphasized to strengthen technological means of asset recovery and their effectiveness, including technology innovation, research and development, cultivation of professional talent, and the intensification of international collaboration. This will ensure a flexible approach towards the changing situation of telecom and online fraud crimes. To strengthen automation and intelligence of data analysis, internet monitoring, and other technologies, professional software should be developed targeting fugitive apprehension. AI should be leveraged to rapidly analyze massive data to trace the criminals' clues. Platforms for regular technology exchanges should be established. Domestic and abroad experts should be invited to share research achievements and practical experiences on fugitive apprehension and asset recovery, thereby facilitating the partnership establishment with domestic and international research institutions, universities, and enterprises. This will promote the joint research and development of asset recovery and confiscation technologies.

Sufficient technological support for fugitive apprehension should be provided, including relevant equipment, software, and expert consultation. Technological training courses for law enforcement officers should be conducted regularly to improve their ability of cutting-edge technology. Talents with professional knowledge and skills of fugitive apprehension and asset recovery should be introduced to improve the overall performance. Unified technological standards and operating procedures should be formulated to ensure the legality and effectiveness of fugitive apprehension and asset recovery technologies.

4.4. Establish Diversified Mechanisms for Asset Recovery

For cases that involve both foreign-related rule of law and international efforts in fugitive apprehension and asset recovery, a coordinated approach is needed to strengthen foreign-related rule of law and the application of international law. This requires a comprehensive support from domestic legislation, law enforcement, judicial practice, law compliance, and public legal education, alongside active engagement in cross-border fugitive apprehension and asset recovery. A comprehensive and coordinated approach for the rule of law in China is essential to facilitate international fugitive apprehension and asset recovery, thereby contributing to the legal framework for anti-corruption across the globe [5]. Fugitive apprehension and asset recovery is integral to the combat against cross-border telecom and online fraud crimes. Diversified mechanisms of fugitive

apprehension and asset recovery stands out as especially crucial in enabling a more efficient asset recovery and confiscation and mitigating losses of victims. Multiple prosecution and recovery strategies should be integrated, which will develop a comprehensive and multi-dimensional system for asset recovery. To fully cope with the diversified scenarios of telecom and online fraud and various tactics used by criminals, the synergistic effects of multiple approaches should be leveraged to accelerate the recovery of illicit assets and bribes and enhance their efficiency.

Diversified mechanisms of fugitive apprehension and asset recovery should consist of multiple aspects, including legislation, administration, technology, and international cooperation and participation mechanisms for fugitive apprehension and asset recovery. This will contribute to multi-level mechanisms for asset recovery and confiscation. Well-established laws and regulations related to fugitive apprehension and asset recovery should be developed and improved, which will provide a legal basis for asset recovery and accountability and help clarify the responsible entities and procedural obligations. Law enforcement should be strengthened to ensure that sufficient deterrence is applied to offenders, thereby promoting the effective implementation of laws and regulations. Recovered illicit funds should be frozen promptly and administrative orders should be issued to require relevant financial institutions and payments to provide cooperation.

Joint combat on cross-border telecom and online fraud should be carried out. Collaboration mechanisms for fugitive apprehension and asset recovery with law enforcement agencies across the globe should be established to share relevant criminal intelligence and resources. Meanwhile, prosecution efficiency should be improved through platforms such as the International Criminal Police Organization. The public is encouraged to actively engage in fugitive apprehension and asset recovery efforts and informants providing actionable leads will be rewarded. Professional asset recovery companies, volunteers, and other community forces should be mobilized to assist law enforcement agencies in recovering assets. Cross-departmental collaboration mechanisms should be established to ensure information sharing and operational cooperation across all departments, encompassing legal, administrative, and technological aspects. Meetings should be held regularly to analyze and adjust strategies for fugitive apprehension and asset recovery. The content and forms of collaboration should be specified, and collaboration frameworks with countries across the world should be established. Joint crackdowns targeting cross-border telecom and online fraud should be carried out regularly. Public awareness of fugitive apprehension and asset recovery should be enhanced, and anti-corruption knowledge should be spread via media and the internet. Efforts from all sectors should be integrated to form a concerted force to fight crime and safeguard people's property. Diversified recovery mechanisms should be established as an important channel to address telecom and online fraud and recover the proceeds of bribery.

5. Conclusion

In summary, asset recovery in telecom and online fraud is a long-term and arduous task. Although the task is challenging, continuous efforts will lead to positive progress. As President Xi addressed at the symposium marking the fifth anniversary of the Belt and Road Initiative, it is essential to highlight the prevention of risks abroad, improve the risk prevention system, and fully advance security protection abroad and the capability to address risks.

Only by strengthening international collaboration on law enforcement, adopting technological means, improving laws and regulations, and enhancing public awareness of prevention, can this problem be effectively solved and people's legitimate rights be protected. In the future, China's public security organs should continuously devote themselves to combating cross-border telecom and online fraud, contributing more to cracking down on such crimes and safeguarding national security and social stability.

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