

AI: The Next Frontier of Fraudsters



OVERVIEW

Overview of Artificial Intelligence (AI)



Artificial intelligence (AI) is rapidly changing the world and fraud is not exempt from this.

AI is being adopted into a variety of industries, including finance, healthcare and retail. It is also being used to create new forms of fraud, which are becoming more sophisticated and without the right technology, difficult to detect.



AI can be used to create fake identities, generate fake documents and even hack into computer systems.

This makes it much easier for fraudsters to scale up their ability to steal money and personal information.



AI can be used to prevent and detect fraud.

AI can process huge volumes of data and in near real time, spot patterns in that data. Something that would take a human weeks to do can now be achieved in milliseconds.

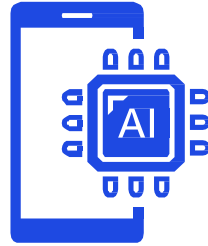


AI can be used to create deepfakes.

This involves the manipulation of video or audio recordings, to give the fraudulent appearance that a person is saying or doing something that in reality, has not occurred.

CASE STUDIES

Case studies



The evolving landscape of fraud is being shaped by the increasing adoption of AI technologies. Fraudsters are using AI to automate tasks, target victims more effectively, and evade detection. This is presenting a wide range of challenges for law enforcement and regulatory bodies.

Case study 1

May
2023

Scammers use AI to clone government officials' voices

A group of scammers used AI to clone the voices of Indian government officials and call unsuspecting citizens. They claimed to be from the government and asked for money or personal information. The scammers defrauded more than 45 people of INR 50,000. One victim became suspicious and reported the call to the police who were able to track down and arrest the scammers.



Case study 2

May
2023

Scammers use deepfake technology to steal money

Scammers in China used deepfake technology to create videos of a government official asking people to transfer money to a specific bank account. The videos were so realistic that many people were fooled, and they ended up transferring a total of USD 622,000 to the scammers. The fraud was caught when one of the victims became suspicious and reported it to the police.



KPMG



AI presents both a challenge and an opportunity. The increasing adoption of AI technologies, and real-world case studies, show that AI-driven fraud is now a real threat, but equally, the rapid development of AI-powered fraud detection systems that can process huge volumes of data in real time, means that AI also provides a solution.