



Office of the Inspector General

SOCIAL SECURITY ADMINISTRATION

November 16, 2023

The Honorable Bob Casey
Chairman
Special Committee on Aging
United States Senate
G16 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Senator Casey:

Thank you for holding a hearing in the U.S. Senate Special Committee on Aging entitled “Modern Scams: How Scammers Are Using Artificial Intelligence & How We Can Fight Back.”

SSA annually delivers over \$1 trillion in Social Security benefits to Americans. This makes SSA funds – particularly the delivery of those funds by electronic means – susceptible to fraud facilitated by Artificial Intelligence (AI). As the Inspector General for the Social Security Administration (SSA), I am similarly concerned about how fraudsters will utilize AI to increase the frequency and sophistication of scams against older Americans.

The SSA Office of the Inspector General (OIG) is a key federal player in the fight against government imposter scams. Our goal is also to be at the forefront of AI-related issues by committing to learning to leverage AI using advanced algorithms to spot abnormalities and outliers to detect fraud, improve decision making, and develop an understanding of how AI can be used to commit malicious behavior.

Disrupting Social Security-Related Government Imposter Scams

Government imposter scams remain a major issue and an opportunity for fraudsters to prey upon the American public. SSA OIG has taken a multi-disciplinary approach to combatting Social Security-related government imposter scams. While SSA OIG has seen a precipitous decline in the number of SSA-related imposter scam allegations from 2020 to the present, according to data from the Federal Trade Commission (FTC), Social Security-related scams remain the top-reported government imposter scam as of November 2023. Therefore, we continue to focus on disrupting these scams.

Shortly after my confirmation, in October 2019, I established a Major Case Unit (MCU). The MCU was created to better handle emerging major fraud schemes against SSA programs and operations, including government imposter scams. Investigating large-

scale organized fraud often requires a multi-disciplinary effort with enhanced legal and analytical capabilities, and coordination with multiple law enforcement agencies around the country. MCU was specifically organized and staffed to conduct multi-jurisdictional investigations of this complex nature. In particular, the MCU works zealously to develop leads, prosecute criminals, and disrupt the scams. For example, our work with federal and state partners have led to the prosecution and sentencing of multiple individuals involved in telephone imposter scams originating from overseas call centers.

Our attorneys also notify domestic gateway providers (who serve as intermediaries between foreign providers and downstream U.S. carriers and pass through millions of calls daily) of their potential civil liability under a consumer protection law within the Social Security Act. In doing so, our team of attorneys educate these domestic gateway providers on the applicability of this statutory provision, encourages proactive techniques to block transmission of scam calls, and, where appropriate impose fines. Further, SSA OIG collaborates with all levels of government, leverages anti-fraud interests of private companies, and engages with special interest groups who focus on combatting fraud and protecting and reaching vulnerable populations. SSA OIG regularly engages with the news media to broaden consumer education efforts, including through television, radio, print, social media, and podcast interviews.

SSA OIG collaborates with SSA to hold an annual Slam the Scam Day during National Consumer Protection Week. Slam that Scam Day educates the public about the tactics scammers use and encourage the public to hang up on scammers. The fourth annual Slam the Scam Day in 2023 garnered an approximate audience of over 86 million people, including television, radio, online, and print audiences. In 2023, Senator Susan Collins was the sponsor of S. Res. 101. With your, Ranking Member Mike Braun, and members of the Special Committee on Aging, Senator Raphael Warnock and Senator Mark Kelly's cosponsorship of this resolution, it passed with unanimous consent.

Addressing Artificial Intelligence

Artificial intelligence is rapidly becoming a primary driver of emerging technologies and is impacting society in ways the public and private sectors are just beginning to understand. According to the National Institutes of Justice, AI is becoming an important technology in fraud detection. Internet companies and financial institutions thwart fraud attempts by using large data sets to continuously train their fraud detection algorithms to predict and recognize anomalous patterns indicative of fraud. AI will be a powerful tool to support the federal government's ability to detect and prevent the fraudulent disbursement of taxpayers' dollars. However, AI will also be a powerful tool for criminals to commit fraud. Criminals will use AI to make fraud schemes easier and faster to execute, the deceptions more credible and realistic, and ultimately, the fraud more profitable.

SSA OIG is in the early days of understanding how criminals will leverage AI to commit fraud against SSA, but we have some understanding based on recent experience. In 2020, SSA OIG agents initiated an investigation into widespread SSA direct deposit

benefit diversion. Agents discovered a "chatbot"¹ was used to impersonate beneficiaries, contact SSA customer service representatives, change SSA beneficiaries' direct deposit account information, and divert their monthly benefit payments to spurious accounts. Like the impersonation scams OIG investigates, the chatbot numbers originated from overseas. The chatbots were effective in moving stolen Social Security benefits into the stream of criminal commerce here in the United States, where organized rings of "money mules" collected and moved the proceeds. We believe this is just the beginning of the potential harm AI can cause to the delivery of Government benefits to the American public.

I recently established an OIG internal Task Force to study AI and related technology. From this effort, SSA OIG expects to determine the tools, processes, and staffing we need to detect, investigate, and deter AI-related fraud and to leverage AI in these efforts. SSA OIG will continue to work with longtime federal law enforcement partners to stay current in the detection, investigation, and deterrence of AI-related fraud. SSA OIG will engage with agencies like the FTC and Federal Communications Commission, who have proven capable partners in our fight against imposter and telecom fraud. SSA OIG will also collaborate with SSA to understand how the agency plans to use AI in its operations, and will review any applicable risk assessments, vulnerabilities, and/or efficiencies gained utilizing AI in SSA programs. Additionally, with our oversight tools, we plan to assist SSA to address AI threats to the agency and to Social Security beneficiaries.

I trust this information is helpful and if you should have any follow-up questions or concerns, please feel free to send them to OIG's Congressional Affairs Advisor Jonathan Blyth at Jonathan.J.Blyth@ssa.gov.

Sincerely,



Gail S. Ennis
Inspector General

¹ A computer program designed to simulate conversation with human users, especially over the Internet.