Ranking Member Mike Braun's Opening Statement
"Modern Scams: How Scammers Are Using Artificial Intelligence &
How We Can Fight Back"

While the most common scams are still old-fashion impersonation, we are now seeing fraudsters leverage artificial intelligence (AI) to carry out sophisticated attacks.

Scammers utilize voice-cloning and deepfakes to pose as much more realistic threats than consumers are used to.

With the amount of personal information already online, these scammers can target practically anyone.

These damages, as highlighted in our Fraud Book, can amount to billions of dollars in losses.

We must also recognize that AI has facilitated an extraordinary number of positive developments.

AI has made a massive resurgence in the past 10 years to become more widespread, powerful and easier to use than ever before.

AI has materialized across multiple industries, being used to detect cancer, predict equipment failure for manufacturing, and detect fraud in banking.

It is consumer demand that has been a driving force in AI investment and advancement. It is estimated that worldwide spending on AI will reach nearly $98 billion this year.

I know first-hand from being an entrepreneur the importance of embracing technology to grow your business.

There are clear benefits to AI, but it is also something we need to be careful about unrolling.

In the context of frauds and scams, AI can be leveraged negatively - but it can also be part of the solution.

The private sector has utilized AI and machine learning since the 1990s to combat fraud.

It is important that the government embraces similar technology by testing promising solutions to systems that suffer the most from fraud, like Medicare.

Taxpayers are losing more than $60 billion every year in Medicare-related fraud and payment errors, and individuals are sometimes charged up to $1,200 in co-pays per scam.

I will be introducing the *Medicare Transaction Fraud Prevention Act*, which empowers CMS to conduct a fraud detection pilot utilizing machine learning.

This bill targets two categories of historically high-fraud Medicare-covered products, Diagnostic testing and Durable Medical Equipment.

By notifying beneficiaries in real time with suspicious purchase alerts, this bill uses successful techniques that are already employed by private industry.

While some of my colleagues have called for heavy-handed federal regulations on AI, I am very concerned that we do not smother it.

I am proud of championing solutions like this to help the government better integrate working solutions and look forward to learning about similar commonsense solutions for long-term fraud reduction.