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LAURA SWANSON, STAFF DIRECTOR LILA NIEVES-LEE, REPUBLICAN STAFF DIRECTOR United States Senate COMMITTEE ON BANKING, HOUSING, AND **URBAN AFFAIRS** WASHINGTON, DC 20510-6075

July 6, 2023

The Honorable Rohit Chopra Director **Consumer Financial Protection Bureau** 1700 G Street NW Washington, DC 20552

Dear Director Chopra:

We write to express our deep concerns regarding the emergence of voice cloning technology and its potential exploitation in financial scams. We urge the Consumer Financial Protection Bureau (CFPB) to take action regarding the governance of artificial intelligence (AI) and machine learning in consumer financial products, especially as it relates to protecting consumers from fraud and scams.

Voice cloning, the process of reproducing an individual's voice with high accuracy using AI and machine learning techniques, has seen remarkable advancements in recent years,¹ and is increasingly being used in malicious ways.² One particularly alarming application is its potential use in perpetrating financial scams.

Financial scams already impose significant hardships on unsuspecting consumers, who often have no reimbursement recourse from banks and peer-to-peer payment apps. In the past, this Committee has sent letters to Zelle,³ Cash App, and Venmo⁴ regarding their scam and fraud detection policies.⁵ Voice cloning adds a new, threatening dimension to these scams, allowing fraudsters to generate voice clips to convincingly impersonate friends, family, or potentially even financial advisors and bank employees. Hearing trusted voices amplifies the risks of consumers falling victim to scams. As the FTC explained in a recent consumer alert, while a grandparent may be aware of "grandparent scams", the use of AI-generated voice clips increase uncertainty and make detection more difficult ⁶

¹ Fox News, *Voice cloning on the rise* (June 14, 2023)

² TIME, From Scams to Music, AI Voice Cloning Is on the Rise (April 29, 2023)

³ US Senate Committee on Banking, Housing, and Urban Affairs, <u>To Help Americans Keep Their Money Safe, U.S.</u> Senators Urge Regulators to Hold Zelle Accountable for Inadequate Protections to Stop Fraudulently Induced Payments to Crooks (March 2, 2023)

⁴ US Senate Committee on Banking, Housing, and Urban Affairs, <u>Brown, Colleagues Urge PavPal to Protect Venmo</u> Users from Fraud (June 15, 2023)

⁵ Link to both past Zelle letters and the new Cash App and Venmo letters

⁶ FTC Consumer Alert, <u>Scammers use AI to enhance their family emergency schemes</u> (March 20, 2023)

We are also concerned about how financial institutions themselves may be vulnerable to breaches powered by artificially generated voice clips. In May, Chairman Brown sent letters to six of the largest banks that offer voice authentication services, outlining concerns that artificial intelligence (AI) generated voice clips allow fraudulent actors to break into customers' accounts.⁷ In comparing the responses received, it became clear that financial institutions do not have a uniform and robust approach to detecting and preventing AI-driven threats, leaving consumers vulnerable to harm.

The risks posed by voice cloning in the realm of financial scams demand immediate attention and action. To effectively address this emerging threat, we respectfully request that the CFPB review the risks posed by this new technology as soon as practicable and take action under the CFPB's existing authorities to protect consumers. Thank you for your prompt attention to this critical matter and for your continued work to safeguard consumers.

Sincerely,

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Sherrod Brown Chairman Senate Committee on Banking, Housing, and Urban Affairs

Robert Menendez United States Senator

Tina Smith United States Senator

Jack Reed United States Senator

⁷ US Senate Committee on Banking, Housing, and Urban Affairs, <u>Brown Presses Banks on Voice Authentication</u> <u>Services</u> (May 4, 2023)