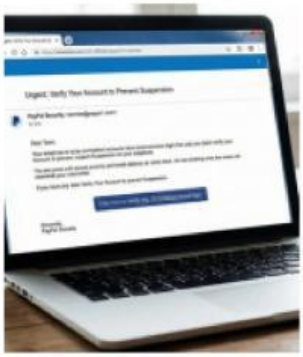
AI Fraud Goes Industrial

Look at the images below. Match the images to the plans used by criminals to steal from or mislead companies and individuals. Discuss the follow-up questions in pairs.

deepfake scam false representation phishing scam voice-cloning



1. _____ 2. _____ 3. _____ 4. _____

1. Which of these methods could be used by criminals to get money from a business?
2. Have technological advances made it easier for fraud to be committed?
3. How can companies protect themselves from fraud?
4. Have you ever been the victim of a scam online?

Part A: Match the words below with the correct definitions.

Group 1

1. bypass (v)	a. a piece of business that is done between people, especially an act of buying or selling
2. impersonate (v)	b. pretend to be somebody in order to trick people or to entertain them
3. transaction (n)	c. measures that are taken to protect against the criminal use of electronic data
4. chief financial officer (n)	d. ignore a rule, an official system or somebody in authority, especially to get something done quickly
5. anchor (n)	e. the person in a company who has the most authority over the finances
6. cybersecurity (n)	f. a person who presents a live radio or television show and introduces reports by other people

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Group 2:

1.	phishing (n)	a.	claim to be something or to have done something, when this may not be true
2.	confidential (adj.)	b.	meant to be kept secret and not told to or shared with other people
3.	echelon (n)	c.	a video or audio recording that has been digitally altered to present a particular person doing or saying something that they never actually did or said
4.	purport (v)	d.	the activity of tricking people into providing personal or financial information by sending emails, texts, etc. that seem to be from companies that the person knows, often to steal money from them
5.	deepfake (n)	e.	an organization or a group of people that invests money that is given or lent to it and uses the profits to help a charity
6.	trust (n)	f.	a rank or position of authority in an organization or a society
7.	dupe (v)	g.	trick or cheat somebody

Part B: Discuss these questions in pairs.

1. In which ways can companies keep their data confidential in the Digital Age?
2. Do you think heists targeting companies are more common than bank robberies? If so, why?
3. What would you do if you suspected that somebody had created a deepfake of you?

Listening comprehension

For each question, select the answer that most accurately reflects the information given in the audio. Listen to the report again to check your answers.

1. How much money did Arup lose in an AI-powered scam?

   a. $27 million b. $270 million c. $2 billion

2. What happened after the Arup employee took part in a conference call?

   a. They became suspicious and contacted the police.

   b. They transferred money to five Hong Kong bank accounts.

   c. They spoke to the real CFO and realized that they had been scammed.

3. How many recent instances of impersonation for profit did the AI Incident Database catalogue?

   a. over a dozen b. over a hundred c. thousands

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4. Which nationality was the politician who fell victim to a deepfake as documented by the AI Incident Database?
   a. Austrian b. Australian c. Armenian

5. Who said that AI has advanced to the point that fake content can be produced by "pretty much anybody"?
   a. a spokesperson for Arup b. the AI Incident Database c. an MIT researcher

6. In which country did a multinational corporation lose over half a million dollars to scammers in 2025?
   a. Australia b. Singapore c. China

Look at the sentence below. What do you think the underlined phrase means? Have you ever fallen foul of a scam? Discuss in pairs.

*I **fell foul of** a group of people with bad intentions at university, but I cut contact with them after a few months.*

Pre-reading task: general vocabulary

You are going to read an article in which three individuals share their experiences with AI-powered scams. Read the text quickly and find words that match the synonyms and definitions below in each section.

1. _____ (v, para. 1): say or do something that makes somebody less frightened or worried
2. _____ (v, para. 1): send something to a different address or in a different direction
3. _____ (n, para. 1): a note, either in writing on an official record, or in somebody's mind, of something you have done or said that makes people think badly of you
4. _____ (v, para. 2): (of a machine, etc.) to fail to work correctly
5. _____ (n, para. 2): a person who has done something wrong or against the law
6. _____ (v, para. 2): file a lawsuit against (a person, company, etc.) in response to receiving a lawsuit from them
7. _____ (adj., para. 3): tending to make or cause mistakes
8. _____ (adj., para. 3): believable

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A Helping Hand or a Threat?

Three individuals share stories of AI-related issues in working environments.

1. **The Accountant**

We're trained to recognize warning signs, but when our bosses are reassuring us that everything is okay, what are we supposed to do? I've worked at my company for over two decades, and this is the first time I've made a serious mistake. It started with an email from a financier. This was somebody we had worked with before, so I wasn't suspicious. After a while, the financier started talking about moving money into a new account, which he would redirect to an investment fund. He offered to call to ease any doubts I might have. I recognized his voice straightaway, and my boss gave me the go-ahead for the transaction.

At the time, our business was in danger of going under. Everyone was a little bit desperate, and so we seized a potential lifeline without looking too hard at what we were doing. After we'd made the transfer, things began to fall apart. It turned out the money had disappeared, along with the "financier". We lost hundreds of thousands of dollars! In the end, the company folded. Word got around, and I haven't been able to find a new job. There's a black mark beside my name, which I feel isn't entirely deserved.

2. **The CEO**

I've always been ahead of the curve when it comes to technology. I love new gadgets, and I would say I'm generally optimistic about the future. When AI came along, I spotted an opportunity to downsize without cutting profits. We replaced our customer service operators with AI agents. Instead of talking to human beings who needed to sleep, our clients would be able receive an instant response from the bots. We did notice a bit of a drop in sales, but that's only natural when a new technology arrives to disrupt traditional ideas. Unfortunately, the incident that occurred was caused by one of our AI agents malfunctioning.

I woke up one morning to discover that a customer had cleared out our stock entirely, buying all of our products at an incredibly low price. Panicking, I contacted the company that created the AI agent, but they said it wasn't their problem. Basically, the customer had worked out how to negotiate with the bot until it offered him a discount of ninety-nine percent on everything. The culprit then cleaned out our inventory, and when I threatened him with legal action, he told me he would countersue. I'm seeking legal advice now, but I feel like this could be the end of our company.

3. **The Expert**

I have advised companies on cybersecurity since the late nineties, and have seen a number of technological advances that make things easier for thieves. Artificial intelligence appears to be one of the best additions to a criminal's arsenal. On the one hand, we have businesses – from start-ups to conglomerates – replacing humans with AI. Each one of those humans was doing a vital job, from web coding to customer support. It might seem like a sensible move to generate your own website using AI rather than hiring a designer, but Generative AI is error-prone, and any code it offers you is likely to be full of holes. You're basically inviting fraudsters into your company through the back door, and with many businesses storing sensitive data online, you could lose a significant amount of money.

Then we have the AI that is being placed in the hands of criminals. Aside from cloning voices, generating plausible emails or deepfake videos, AI can be used to speed up the process of selecting a target and carrying out a scam, with Elon Musk's Grok chatbot helpfully offering tips on how to deceive the elderly in a recent investigation. My advice, therefore, is to regard AI as a gimmick that can potentially harm your company, rather than an asset.

Sources: BBC, CNN, The Guardian

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Part B: Choose the correct definition of the idiom *ahead of the curve* from the options below.

- ☐ be more aware of the dangers of new types of technology than other people
- ☐ be one of the first to adopt a new idea or way of doing something
- ☐ be able to successfully predict how things are going to be in the future

Reading comprehension

Part A: Read the article again. Match statements with the correct speakers. One of the statements cannot be matched to any of the speakers and should be marked 'not given'.

not given | The Accountant | The CEO | The Expert

1. They own a company that lost money because of AI. → _____
2. They offer advice to companies about the dangers of online scams. → _____
3. They have used AI to steal from another company. → _____
4. They were the victim of a scam which resulted in their company closing down. → _____

Part B: For each question, choose the answer you believe best suits the speaker.

1. Why wasn't The Accountant initially suspicious about the financier?
   a. his boss told him not to worry
   b. his company had worked with the financier before
   c. the financier reassured him over the phone
2. Who does the CEO blame for the incident involving an AI agent and a customer?
   a. himself, for replacing his staff with AI
   b. the company that designed the AI bot
   c. the company behind the bot and the customer
3. Which example does The Expert give of AI causing problems when used to replace human workers?
   a. If AI replaces managers, it could fire employees for no reason.
   b. If AI replaces customer service workers, it could be convinced to give customers products for free.
   c. If AI replaces web designers, criminals could access your company's data more easily.

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Do you think The Accountant is to blame for his company going under? Was the CEO wrong to replace his workers with AI? Do you agree with The Expert's advice regarding artificial intelligence? Discuss in pairs.

Talking point

In pairs or small groups, discuss the following questions.

1. How can individuals and companies protect themselves from online scammers?
2. Should AI companies be held responsible if their software is used in order to commit fraud?
3. What would you do if you discovered that somebody was impersonating you online?
4. If an employee makes a mistake that costs their business a large amount of money, should they be fired? Why/why not?
5. Are there any positive aspects of deepfake technology?

Optional task: post-reading: business vocabulary

Part A: Using the text above for reference, complete the definitions of the business vocabulary items by filling in the gaps with the correct words from the list.

change	company	device
firms	money	pay
people	stock	successful

1. **inventory (n) -** all of the _____ of a business, including materials, components, work in progress and finished products
2. **financier (n) -** a person who manages or lends large amounts of _____ for or to businesses or governments
3. **conglomerate (n) -** a large company formed by joining together different _____
4. **start-up (n) -** a _____ that is just beginning to operate
5. **go under (phr. v) -** be unable to _____ what you owe and have to stop operating as a business
6. **downsize (v) -** reduce the number of _____ who work in a company, business, etc., in order to reduce costs
7. **disrupt (v) -** cause a significant _____ in an industry or market by means of new ideas or methods
8. **gimmick (n) -** an unusual trick or unnecessary _____ that is intended to attract attention or to persuade people to buy something
9. **fold (v) -** (of a company, a play, etc.) close because it is not _____

Part B: Which two words or phrases from Part A mean the same thing? Is AI disrupting the business world, or is it a gimmick? Discuss in pairs.

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Extended activity: writing a report

Look at the instructions below.

- You have been instructed to perform a review of cybersecurity in a company.
- Write a report about your findings, including the information given in the notes below.
- Your report should be structured into paragraphs with their own subheadings, and should be written in a formal and informative style.
- Your report should end with suggestions or recommendations about the company's security.
- Reports should be between 240 – 280 words.

Notes on Security in MassExec, a Currency Exchange Firm.

- *the CFO responded to a fake email we set up from an unknown investor, who seemed open to potential money transfers despite the account being suspicious;*
- *MassExec's website was rebuilt recently using AI, and our team were able to identify over six hundred security holes that could be used to access sensitive data;*
- *the website utilized an AI chatbot that was willing to give us the names and addresses of MassExec employees after a brief conversation;*
- *when we attempted a phone conversation with a MassExec employee using voice cloning software to replicate a board member, the employee discontinued the call;*
- *employees seem generally aware of common security risks, particularly within the financial sector.*

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