When ChatGPT Helps Investigations

By Bruce Gerstman

June 30, 2023

We knew what to search for, but until looking deeper, were unsure what was true.

I have been taking ChatGPT for a ride to see what it can uncover in our investigations. On one hand the tool can provide attorneys with a path forward investigating people and companies, efficiently giving ideas of where to look in an investigation. Yet the results from artificial intelligence sometimes provide such incorrect results, it is as if they are made up as part of a fiction.

How ChatGPT Helps

In most cases, a subject of an investigation needs to have somewhat of a profile in the media or on the internet. Pop in a question about whether the person was arrested or sued and you might see a bunch of instances when they have been. That provides ideas of what to know more about—a specific dispute or legal trouble.

In one instance, I was researching a hedge fund owner. I started out asking general questions about his background and received summaries of biographies I had seen on the internet. Concise, and accurate, but general without details—a short seller who focuses on overvalued or fraudulent companies in China and other emerging markets.

Getting deeper, I asked whether he had legal battles, faced criminal charges and whether he has enemies. ChatGPT responded about four different lawsuits over the years and their respective allegations, each of defamation. These facts were true and gave me an express route to learn more.

An attorney can take these basic pieces, understand some of what is already out there and hire an investigator go deeper to understand the specifics. This will not capture everything in somebody's background, but it provides a guide for where to start, potentially saving time and money in a deeper investigation.
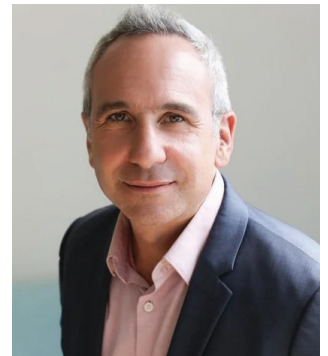
Beware of Fiction

At the end of our investigation into an executive, I wanted to see if ChatGPT found something that I did not. So, I asked what lawsuits the executive had faced in the past. The results said that the U.S. Securities and Exchange Commission sued him and his company on July 17, 2018, in U.S. District Court for the Central District of California for making false statements about an unregistered initial coin offering, and that he settled the case by paying $25,000 in 2019. It included the specific judge and case number.

I was floored. Could I have missed such an obvious case that I should have seen in numerous databases, as well as in media articles?

Combing through government databases and archived media reports, nothing came up. The case number was attached to somebody unrelated. I called the SEC and the clerk had no record of such a case. I got a hold of the clerk in the judge's courtroom—no such record. Somehow ChatGPT created this case that never existed in the world.

If this answer was somehow broadcast to a larger audience, it would have started a false rumor, harming the executive's reputation. As lawyers find bits and pieces of somebody's background to check out further, keep in mind that a thorough investigation might find that some of those items presented as facts are completely wrong.

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Courtesy photo

Bruce Gerstman, president of Waterfront Intelligence Inc.