

For Release

FTC Order Requires Workado to Back Up Artificial Intelligence Detection Claims

Agency alleges Workado lacks evidence to support its claims that its Al Content Detector tool was 98 percent accurate at detecting Al-generated text

Tags: Consumer Protection | Bureau of Consumer Protection | deceptive/misleading conduct | Technology Advertising and Marketing

The Federal Trade Commission issued a proposed order requiring Workado, LLC to stop advertising the accuracy of its artificial intelligence (AI) detection products unless it maintains competent and reliable evidence showing those products are as accurate as claimed. The settlement will be subject to public comment before becoming final.

"Consumers trusted Workado's AI Content Detector to help them decipher whether AI was behind a piece of writing, but the product did no better than a coin toss," said Chris Mufarrige, Director of the FTC's Bureau of Consumer Protection. "Misleading claims about AI undermine competition by making it harder for legitimate providers of AI-related products to reach consumers."

Workado markets its AI Content Detector to consumers who are seeking to determine whether online content was developed using generative AI technology, like ChatGPT, or if it was written by a human being. The company claimed that AI Content Detector was developed using a wide range of material, including blog posts and Wikipedia entries, to make it more accurate for the average user. The FTC alleges, however, that the AI model powering the AI Content Detector was only trained or fine-tuned to effectively classify academic content.

The order settles allegations that Workado promoted its Al Content Detector as "98 percent" accurate in detecting whether text was written by Al or human. But independent testing showed the accuracy rate on general-purpose content was just 53 percent, according to the FTC's <u>administrative complaint</u>
__. The FTC alleges that Workado violated the FTC Act because the "98 percent" claim was false, misleading, or non-substantiated.

The <u>proposed order</u> settling the complaint is designed to ensure Workado does not engage in similar false, misleading, or unsupported advertising in the future. Under the proposed order, Workado:

- Is prohibited from making any representations about the effectiveness of any
 covered product unless it is not misleading, and the company has competent and
 reliable evidence to support the claim at the time it is made;
- Is required to retain any evidence it uses to support such efficacy claims;

- Must email eligible consumers about the consent order and settlement with the Commission; and
- Must submit compliance reports to the FTC one year after the order is issued and every year for the following three years.

The Commission vote to issue the administrative complaint and to accept the consent agreement was 3-0. The FTC will publish a description of the consent agreement package in the Federal Register. The agreement will be subject to public comment, after which the Commission will decide whether to make the proposed consent order final. Instructions for filing comments appear in the published notice. Comments must be received 30 days after publication in the Federal Register. Once processed, comments will be posted on Regulations.gov.

NOTE: The Commission issues an administrative complaint when it has "reason to believe" that the law has been or is being violated, and it appears to the Commission that a proceeding is in the public interest. When the Commission issues a consent order on a final basis, it carries the force of law with respect to future actions. Each violation of such an order may result in a civil penalty of up to \$53,088.

The lead staff attorney on this matter is Ben Halpern-Meekin of the FTC's Northwest Region.

The Federal Trade Commission works to promote competition and <u>protect and educate consumers</u>. The FTC will never demand money, make threats, tell you to transfer money, or promise you a prize. Learn more about consumer topics at <u>consumer.ftc.gov</u>, or report fraud, scams, and bad business practices at <u>ReportFraud.ftc.gov</u>. Follow the <u>FTC on social media</u>, read <u>consumer alerts</u> and the <u>business blog</u>, and <u>sign up to get the latest FTC news and alerts</u>.

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