

Examples of Hallucinations:

<https://www.forbes.com/sites/marisagarcia/2024/02/19/what-air-canada-lost-in-remarkable-lying-ai-chatbot-case/>

Air Canada, the flag carrier and the largest airline in Canada, was **ordered** to compensate a passenger who received incorrect information concerning refund policies from the airline's chatbot.

When the customer sought a refund, the airline admitted the chatbot's error but refused to honor the lower rate. However, a tribunal ruled that Air Canada is responsible for all information on its website, whether it comes from a static page or a chatbot. The tribunal also ruled that the airline "failed to take reasonable care in ensuring its chatbot's accuracy" and ordered payment of the fare difference.

<https://www.txnd.uscourts.gov/judge/judge-brantley-starr>

During the New York federal court filing, one of the lawyers was caught citing non-existent cases. It turned out he was using ChatGPT to conduct legal research — the bot referenced fake cases to the attorney.

Responding to the incident, a federal judge issued a standing **order** that anyone appearing before the court must either attest that "no portion of any filing will be drafted by generative artificial intelligence" or flag any language drafted by AI to be checked for accuracy.

OpenAI's Whisper transcription tool, increasingly used by hospitals to turn doctor appointments into written records, has been **shown** to "invent" text not spoken by patients or doctors. According to one **study**, 1% of transcription samples included entirely hallucinated phrases or sentences that did not exist in any form in the underlying audio, and nearly 40% of the hallucinations were harmful or concerning because the speaker could be misinterpreted or misrepresented. Made-up fragments included racial commentary, violent rhetoric, and even imagined medical treatments.

Despite OpenAI warning that Whisper is unsuited for "high-risk domains" like medicine, over 30,000 medical professionals reportedly use Whisper-based systems to transcribe patient encounters.