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Press Release: Nearly 80 Civil Rights, Labor, Consumer, Tech Accountability Groups Oppose AI Sandbox Language and Any Legislation that Incorporates It, Including Senate Crypto Legislation

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WASHINGTON — Today, a group of 78 civil rights, labor, tech accountability, consumer, community, and other organizations sent a letter to the U.S. Senate urging them to oppose the passage of the CLARITY Act crypto legislation including the AI sandbox provisions giving

broad waivers of federal laws and regulations for financial firms deploying artificial intelligence (AI) test projects. This provision will expose consumers, investors, financial institutions, the financial system, and the economy to the substantial risks of unregulated artificial intelligence.

A copy of the letter is available here.

"The AI sandbox provision would encourage financial firms to deploy risky AI products to secure exemptions from federal protections to supercharge their profits by putting people and the economy at risk," **said Patrick Woodall, managing director at Americans for Financial Reform**. "These provisions would rubber-stamp AI-driven discrimination, predatory practices, and extreme risk taking that would harm people and risk financial disaster."

The letter catalogues the risks and harms of unregulated deployment of AI by financial firms including racial bias and discrimination in credit, abusive debt collection practices, illegitimate account freezes and closures, risky and inappropriate chatbot guidance as well as risks to investor protection, market integrity, and financial stability.

The letter urges the Senate to oppose the CLARITY Act for including the AI sandbox provision and concludes, "This language would allow financial firms to experiment on deploying AI for maximizing profits with effective impunity. Customers and the economy would bear the risks and harms, with financial institutions reaping the rewards. The threats and risks are too grave."

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