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Time and again, history shows that market downturns coincide with spikes in fraud. From the 1980 recession to the 2020 COVID-19-fueled downturn, economic instability has made way for evolved threats, with fraudsters weaponizing new tactics and technologies to exploit organizations' vulnerabilities.

As we look towards 2025 and beyond, how can you better defend your company? Keep reading to understand the historical relationship between fraud and economic uncertainty and what we predict fraudsters will do next.

## Scam activity has shadowed recessions since 1980

Fraud has surged during times of economic uncertainty. According to data from Professor Mark Button at the University of Portsmouth, in the early 1980s, during the savings and loan crisis, there was a 5.6% increase in fraud in the wake of a 3% fall in GDP.<sup>1</sup>

In the 1990s, amid the backdrop of the Gulf War and rising oil prices, there was a 1.7% fall in GDP and a 9.9% increase in fraud.<sup>1</sup> The trend continued during the 2008 recession, which saw a 2.1% fall in GDP and a corresponding 7.3% increase in fraud.<sup>1</sup>

Across the decades, one thing has emerged in a market of ups and downs: instability creates fertile ground for fraud to thrive.

### History poised to repeat itself

**8%**

forecasted increase in fraud in 2025<sup>2</sup>

**40%**

probability of a recession in 2025<sup>3</sup>

**1 in every 4**

job candidates will be fraudulent by 2028<sup>4</sup>

### What you need to know

- Fraudsters see economic instability as an opportunity to ramp up attacks
- Hiring fraud and generative AI fraud are likely to define this upcoming period
- Businesses of all sizes are at risk from recession-fueled fraud

<sup>1</sup> University of Portsmouth, "[Coronavirus Economic Recession Approaching](#)," April 2020

<sup>2</sup> Pindrop's prediction of fraud growth based on internal data (before considering the impact of a recession)

<sup>3</sup> J.P. Morgan Research: "[What Is the Probability of a Recession? The probability of a recession has fallen to 40%](#)," May 2025

<sup>4</sup> Gartner: "[Mitigate Rising Candidate Fraud Through Identity Verification](#)," April 2025

## Scams surged during the pandemic economy

Most recently, the U.S. experienced a short but damaging recession due to the COVID-19 pandemic. During this period, the GDP fell a staggering 32.9%<sup>5</sup> and, as expected, fraud followed.

This period was defined by unemployment and Paycheck Protection Program (PPP) fraud. In just one case, three individuals filed thousands of false unemployment claims to the Georgia Department of Labor, stealing \$30 million.<sup>6</sup> PPP fraud was also rampant, totaling an estimated \$64 billion, according to the U.S. Small Business Administration inspector general.<sup>7</sup>

Contact centers continued to be prime targets during this time, with fraudsters conducting account reconnaissance and using social engineering tactics to manipulate contact center agents. Fraudsters evolved to capitalize on the unique challenges of the times, exploiting long hold times, staffing shortages, and increased call volume.<sup>8</sup>

## Deepfake job candidates are 2025's newest threat

Pindrop predicts that 2025 will be defined by Gen AI-backed scams. Armed with advanced tools, fraudsters are scaling deception rapidly.

Economic uncertainty is creating a perfect storm for deepfake fraud—are your defenses ready?

With just a few video and audio files, fraudsters can use AI to create convincing deepfakes that mimic real people for their own financial gain. We're seeing deepfakes leveraged in a number of ways, but most notably, through deepfake job candidates. Fraudsters are using these impersonations in virtual job interviews to infiltrate companies. At Pindrop, we recently caught a deepfake candidate in our own hiring process. A candidate was using their real voice, but a fake video during an interview.<sup>9</sup>

Deepfakes jeopardize trust at its core in person-to-person situations like these. Now is the time to secure key conversations and preserve trust when it matters most.

## Fighting against evolving fraud in uncertain times

As economic pressures and fraud threats converge, businesses need proven, trusted technology to stay ahead. With Pindrop® Pulse for contact centers and meetings, highly accurate analysis detects deepfakes early, helping protect businesses before they incur hefty fraud losses.

Pindrop® Pulse was independently verified by NPR and emerged as a leader in deepfake detection with an unmatched 96.4% accuracy rate in identifying AI-generated audio.<sup>10</sup> By integrating seamlessly with your contact center software or within video conferencing platforms like Zoom and Webex, Pindrop® Pulse delivers real-time analysis of interactions, quickly alerting your organization to identified AI impersonations.

One deepfake alone can compromise trust—particularly when economic strain is stretching defenses thin.

 [Chat with an expert today](#)

<sup>5</sup> NPR, "3 Months Of Hell: U.S. Economy Drops 32.9% In Worst GDP Report Ever," July 2020

<sup>6</sup> U.S. Department of Justice, Office of Public Affairs: "Three Sentenced for \$30 Million COVID-19 Unemployment Fraud," May 2025

<sup>7</sup> Federal Bureau of Investigations: "How the FBI is Combating COVID-19 Related Fraud," January 2024

<sup>8</sup> Pindrop: "Contact Center Fraud in the Age of Coronavirus," May 2020

<sup>9</sup> Pindrop: "Why Your Hiring Process is Now a Cybersecurity Vulnerability," June 2025

<sup>10</sup> Pindrop: "Pindrop® Pulse Excels in NPR Deepfake Detection Study," April 2024