

Exclusive: US military had close call after using AI for false intelligence report, sources say

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The intelligence report, circulated across the US military this spring in the midst of the war with Iran, immediately set off alarm bells: A Chinese ship in the Middle East was transporting components of a nuclear weapons program.

The US military swung into action with plans to intercept the vessel, according to four sources familiar with the episode. According to two of the sources, armed members of the US military were preparing to board the ship. Military planes were in the air, one of those sources and another source familiar with the incident said.

It was only just before the planned operation that officials dug deeper into the report put together by a special operations command analyst and found it had been generated with the help of artificial intelligence (AI) — and that a chatbot the analyst had used inaccurately identified the material the ship was carrying. CNN was not able to learn what the misidentified cargo was.

The report, according to one of the sources, was “entirely false.” But it also “almost started a war,” the source said. Any US operation against a Chinese vessel could have risked spiraling into an armed conflict between the two nations.

Across the US military and the intelligence community, officials are pushing to weave AI into nearly every facet of their work, from analyzing the huge volumes of raw intelligence the US collects and selecting targets for strikes, to more mundane applications like managing budgeting, logistics and supply chains.

But the episode underscores the profound risks of using this powerful, new and relatively poorly understood technology for targeting in the middle of a war. Analysts have long feared that AI could lead to a catastrophic miscalculation if nation states are relying on poor or [corrupted data](#) — the kind of miscalculation that might lead the United States to fire on a Chinese ship based on inaccurate information.

In this particular instance, the analyst queried a chatbot about some intelligence reporting on the ship’s manifest that originated with US Special Operations Command Pacific, based in Hawaii. It was not clear whether the chatbot was a commercially available one or a US government product.

“The internal tools are mostly just copies of the commercial stuff wearing lipstick,” a former senior US official familiar with the AI systems used by military and intelligence analysts.

The bot fused together open-source intelligence with secret signals intelligence in government holdings and reached its fateful conclusion about the material the ship was carrying.

The analyst then used AI again to package the findings into a standard intelligence report — the kind that is trusted by military officials — and disseminated it.

US Special Operations Command Pacific and the Pentagon did not respond to a request for comment.

The rationale for the rapid adoption of AI is that it can help the military make battlefield decisions, like which targets to strike or which military assets to move where, faster. Officials say the US can't afford to fall behind in integrating AI in case it must one day fight China or another adversary who would potentially be able to stay one step ahead of the US.

In January, Defense Secretary Pete Hegseth released his agency's "Artificial Intelligence Acceleration Strategy" in a bid to speed up the military's use of AI.

"We will unleash experimentation, eliminate bureaucratic barriers, focus our investments and demonstrate the execution approach needed to ensure we lead in military AI," Hegseth [said in a speech announcing the strategy](#).



The strategy also pushes for its broad use across the military, ordering the department to make AI available via several programs with the aim of "democratizing AI experimentation and transformation across the Department by putting America's world-leading AI models directly in the hands of our three million civilian and military personnel, at all classification levels," [a memo announcing the strategy said](#).

But the effort is decentralized, multiple US officials familiar with the dynamic said, with different parts of the government using different tools under different orders and safety standards. There's no one set of standards for how the US verifies the information generated by these tools. The constellation of different AI systems being deployed by disparate corners of the military and intelligence community means that the relative reliability and functionality vary widely.

For weeks, Washington policymakers have been intensely debating AI after a series of dire warnings from Silicon Valley engineers and tech CEOs of the possibility that AI could break free of human constraints, with potentially civilization-ending consequences.

But the episode with the Chinese ship underscores a different, and more immediate risk: human beings making disastrous decisions based on inaccurate or misleading information generated by AI or other automated systems. Sources said that the military is rapidly turning to AI to help with targeting, an area which holds the obvious risk of fatal mistakes.

“AI in targeting is definitely something that is ramping up and there is no real guidance for how having a human in the loop will prevent civilian casualties or fratricide,” another source familiar with the military’s current policies said.

The kind of “[hallucination](#)” that the tool used by the analyst in this case conjured has not been an isolated incident across the intelligence community since these tools began proliferating across government, according to one of the sources.

For some older intelligence officials — even those who broadly support the use of AI inside the military — AI has put pressure on analysts to produce and disseminate intelligence faster, opening the door for mistakes. Young analysts in particular, several sources said, are natives on these tools and more likely to trust them uncritically.

“AI allows you to get to a bad idea faster,” one of the sources said.