


We Need to Chat! Managing the Legal Risks of Generative AI in the Workplace

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1



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2



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3

Agenda

 <p>What is Generative AI?</p>	 <p>Benefits</p>
 <p>Risks</p>	 <p>Legal Framework</p>
 <p>What are Employers to do?</p>	 <p>Q&A</p>



4

What is Generative AI?

Generative AI

- A type of AI system capable of generating human-like text, images, or other media in response to prompts
- Generative AI models learn the patterns and structure of their input training data and then generate new data that has similar characteristics
- E.g., ChaptGPT, Bing AI, Bard AI

5

Definitions

Large Language Models (LLM): A type of artificial intelligence (AI) algorithm that uses deep learning techniques and massively large data sets to understand, summarize, generate and predict new content

Machine Learning (ML): A process whereby computer systems improve their performance of specific tasks over time. There are three types of machine learning: supervised, unsupervised, and reinforcement training.

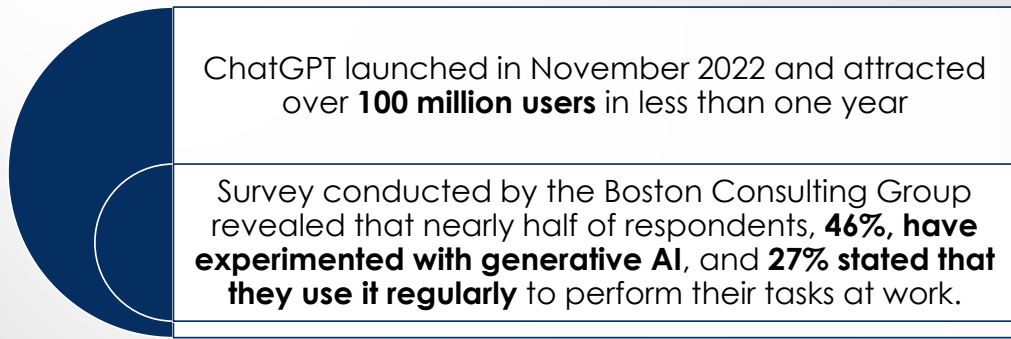
Input: Refers to the data or information that is fed into the AI program to be processed to produce a response or perform a task

Output: Refers to the result, response, or data produced by the AI program after processing the inputs

Hallucinations: False, although authoritative-sounding, statements that can be produced as outputs by AI

6

Current Use



ChatGPT launched in November 2022 and attracted over **100 million users** in less than one year

Survey conducted by the Boston Consulting Group revealed that nearly half of respondents, **46%**, have **experimented with generative AI**, and **27%** stated that **they use it regularly** to perform their tasks at work.



7

Benefits



- Save time and money by automating and optimizing routine processes and tasks (E.g., analyzing data)
- Increase productivity and operational efficiencies (E.g., Drafting emails, presentations, and resumes)
- Mine vast amount of data to generate quality leads and grow your customer base (E.g., conducting research)
- Increase revenue by identifying and maximizing sales opportunities



8

Risks

1. Misinformation, Bias, and Ethics

- Quality Control
- Bias in Job Descriptions
- Unfair candidate evaluation
- Reputational harm (E.g., Mata v. Avianca Inc.)



Risks (Cont.)

2. Inputs are not Confidential

- Personal Data and Privacy Violations
- Employee Monitoring
- Disclosure of Company Confidential and Proprietary Information



Risks (Cont.)



3. Intellectual Property Issues



11

Risks (Cont.)

4. Lack of Transparency



12

Risks (Cont.)

5. It's not Human


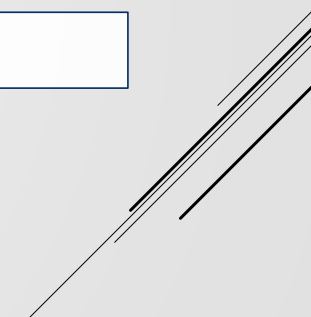


13

Legal Framework

U.S. Equal Employment Opportunity Commission (EEOC)

- Artificial Intelligence and Algorithmic Fairness Initiative



14

Legal Framework (Cont.)

Automated Employment Decision Tools (AEDT) (New York City)

- Prohibits employers and employment agencies from using an automated employment decision tool unless the tool has been subject to a bias audit within one year of the use of the tool, information about the bias audit is publicly available, and certain notices have been provided to employees or job candidates.



Legal Framework (Cont.)

Proposed AI Legislation

- California's [A.B. 331](#)



What are Employers to do?

- 1. Understand how your workforce is currently using Generative AI**
- 2. Decide whether your organization can implement proper controls**
- 3. Create clear guidelines**
(I.e., explicitly authorize types of programs and activities and who can use AI, register with work credentials)
- 4. Transparency and Training**
(Consider providing examples of prohibited uses, such as researching candidates)
- 5. Confidence-building employee support**
(E.g., Employees may review sources behind outputs)
- 6. Prepare for Diligence**
(E.g., frequently update policy, monitor employees, review inputs/outputs for bias or offensive materials)

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17

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18





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