# exterro®

## AI Compliance Issues in Privacy and Information Management
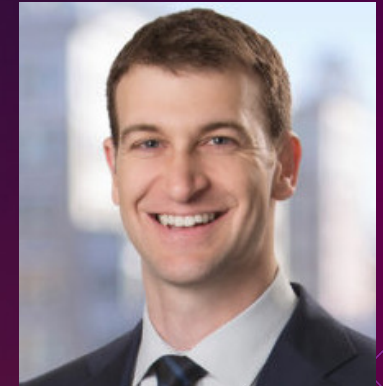
# Introductions

**Rebecca Perry,**
CIPP/US/G
Director of Strategic Partnerships
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**Paul Luehr,**

Privacy and Data Security
Manatt, Phelps & Phillips, LLP

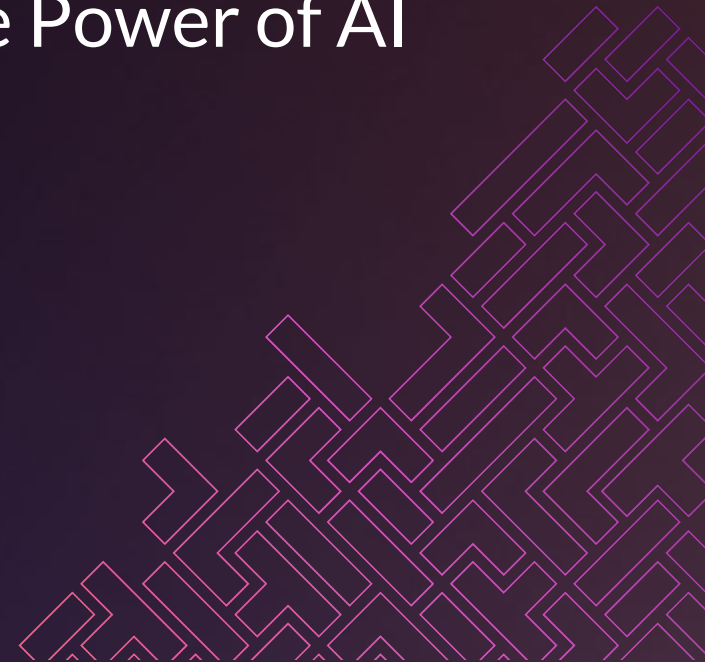**Jeff Brueggeman**

VP, Global Public Policy,
AT&T

**Jared Bomberg**

U.S. Policy Lead, Privacy and Data Strategy,
Google

# Agenda

1. Balancing Risks, Regulations & Innovation
2. Challenges in AI & Information Management
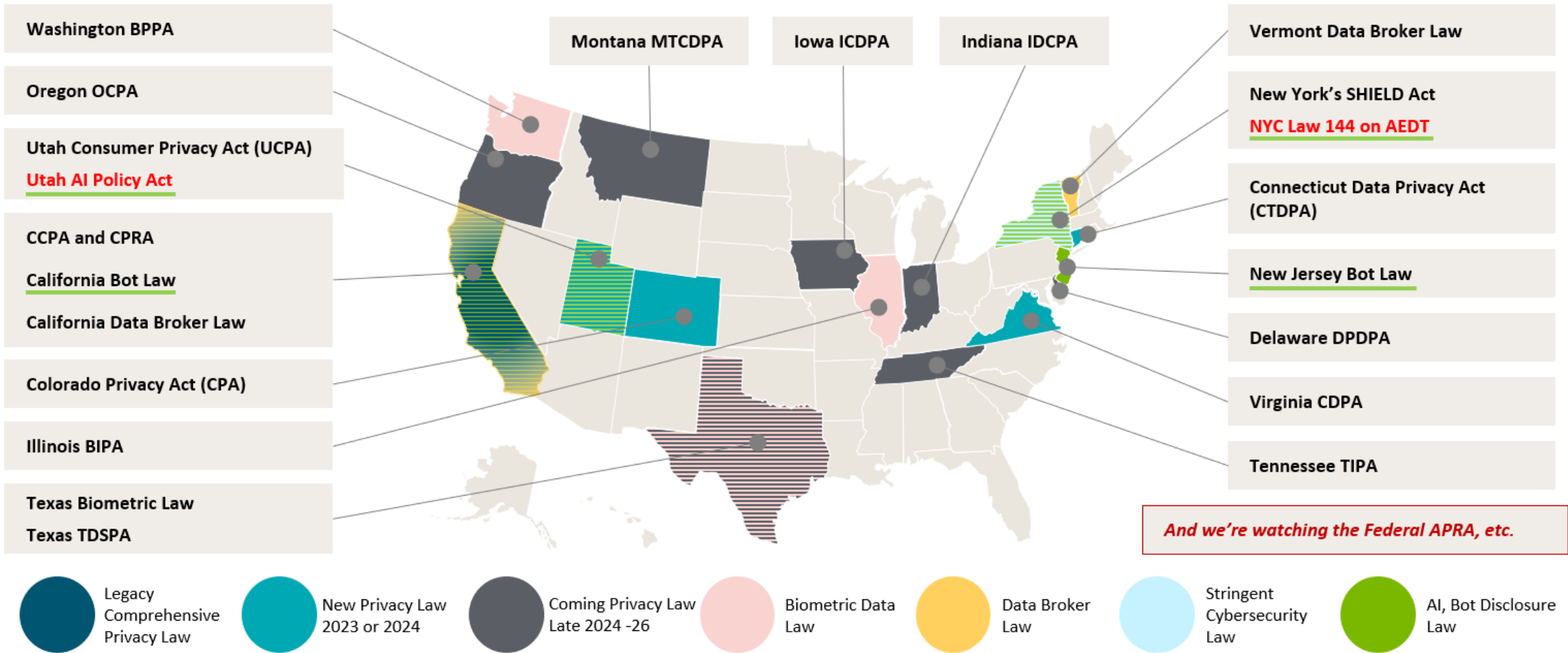3. Data Risk Management Strategy – Unleashing the Power of AI

# Notable Privacy, Cyber and AI Laws & Regulations



Washington BPPA

Oregon OCPA

Utah Consumer Privacy Act (UCPA)

Utah AI Policy Act

CCPA and CPRA

California Bot Law

California Data Broker Law

Colorado Privacy Act (CPA)

Illinois BIPA

Texas Biometric Law

Texas TDSPA

Montana MTCDPA

Iowa ICDPA

Indiana IDCPA

Vermont Data Broker Law

New York's SHIELD Act

NYC Law 144 on AEDT

Connecticut Data Privacy Act (CTDPA)

New Jersey Bot Law

Delaware DPDPA

Virginia CDPA

Tennessee TIPA

*And we're watching the Federal APRA, etc.*

Legacy Comprehensive Privacy Law

New Privacy Law 2023 or 2024

Coming Privacy Law Late 2024 -26

Biometric Data Law

Data Broker Law

Stringent Cybersecurity Law

AI, Bot Disclosure Law

manatt

# The EU AI Act

Takes a **"risk based"** approach, classifying AI systems according to separate tiers:
1. prohibited
2. **high-risk**
3. limited risk
4. minimal risk (e.g., spam filters and AI within video games)

"**High risk**" systems will be subject to **strict requirements** on:
- risk management system
- transparency and data governance
- human oversight
- conformity assessment (CE marking)

**Foundation models** (e.g. LLMs) will be a regulated category

→ **Fines** up to €30 million or, up to 6% of total global revenue for worst offenses
→ Unlikely to apply **until 2025**, at the earliest

# Privacy & AI Governance Structure

# Balancing Data Minimization & AI Model Requirements



## Data Minimization

Limit collection

- Directly relevant and necessary
- Specified purpose

Retain data only as long as necessary

## AI Models

Expansive need for data

- Web scraping
- Repurposing existing data
- Licensing data from third parties

# Questions



Do you know how long to keep data and when to dispose of it?

Do you know what regulations govern your data?

Do you know where all your data is stored?

Is personal or sensitive data being used to train AI models?

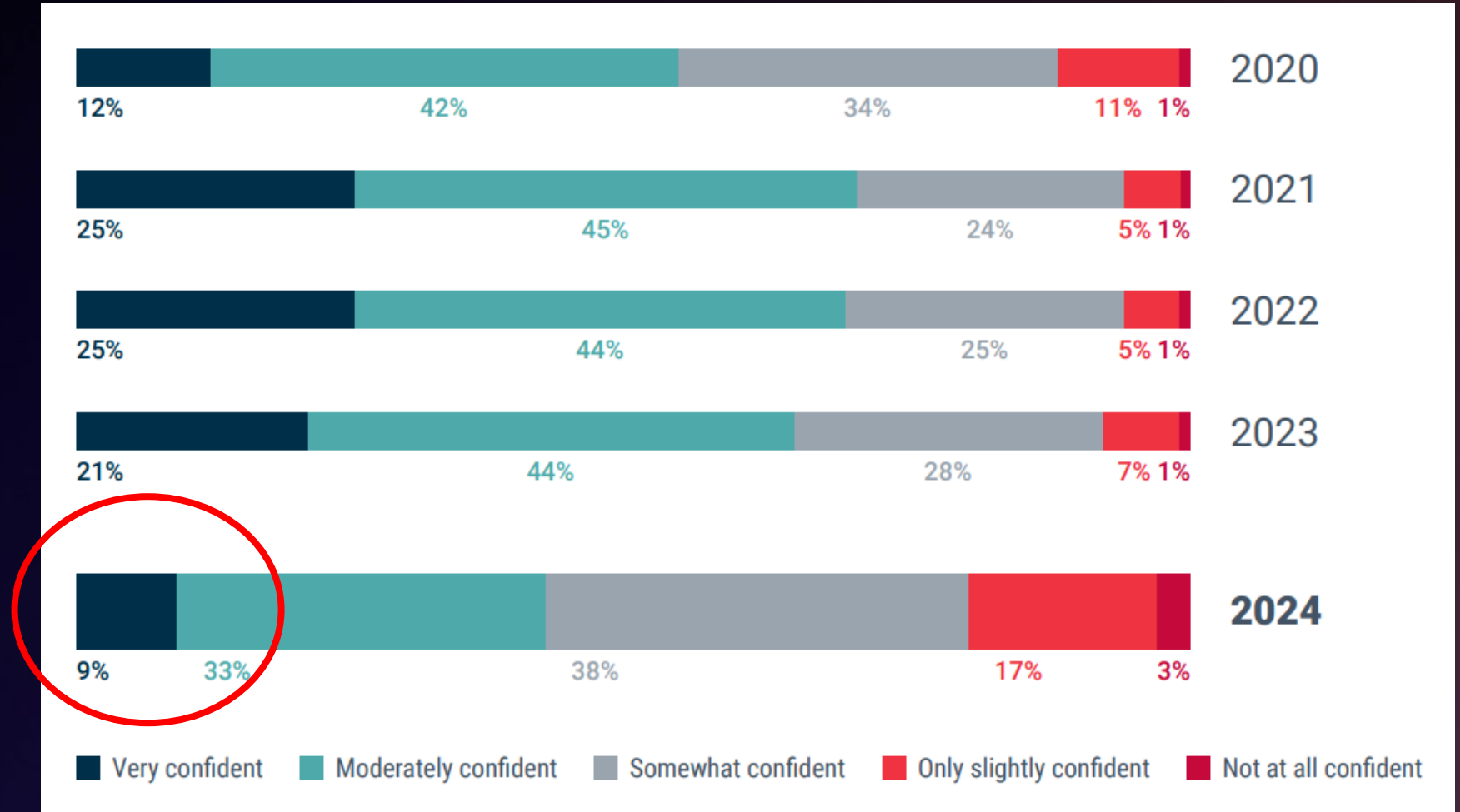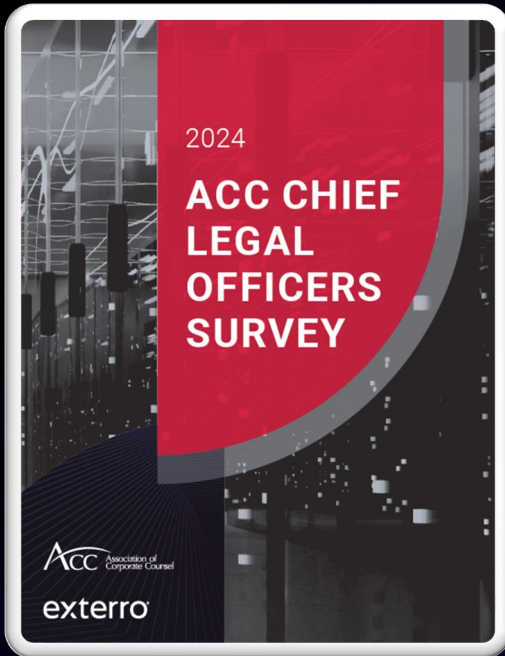What business processes are using AI?

Can you easily and quickly respond to requests for data (DSAR, e-discovery, investigation, breach notification, etc.)?

Do we have consent to use personal data?

Do you know what 3rd Parties access or have your data?

# Fewer CLOs are Confident in their Ability to Mitigate Emerging Data Risks



**2020** — 12% | 42% | 34% | 11% | 1%

**2021** — 25% | 45% | 24% | 5% | 1%

**2022** — 25% | 44% | 25% | 5% | 1%

**2023** — 21% | 44% | 28% | 7% | 1%

**2024** — 9% | 33% | 38% | 17% | 3%

Legend: ■ Very confident   ■ Moderately confident   ■ Somewhat confident   ■ Only slightly confident   ■ Not at all confident

2024 ACC CHIEF LEGAL OFFICERS SURVEY — ACC Association of Corporate Counsel — exterro

# Over-Retaining Data is a Liability!

## KEY RISKS:

- Data Breach
- Ransomware Attack
- Enforcement Action
- Litigation
- Class Action
- Consumer Requests



Keep everything forever!

Only keep what we need.

THEN

NOW
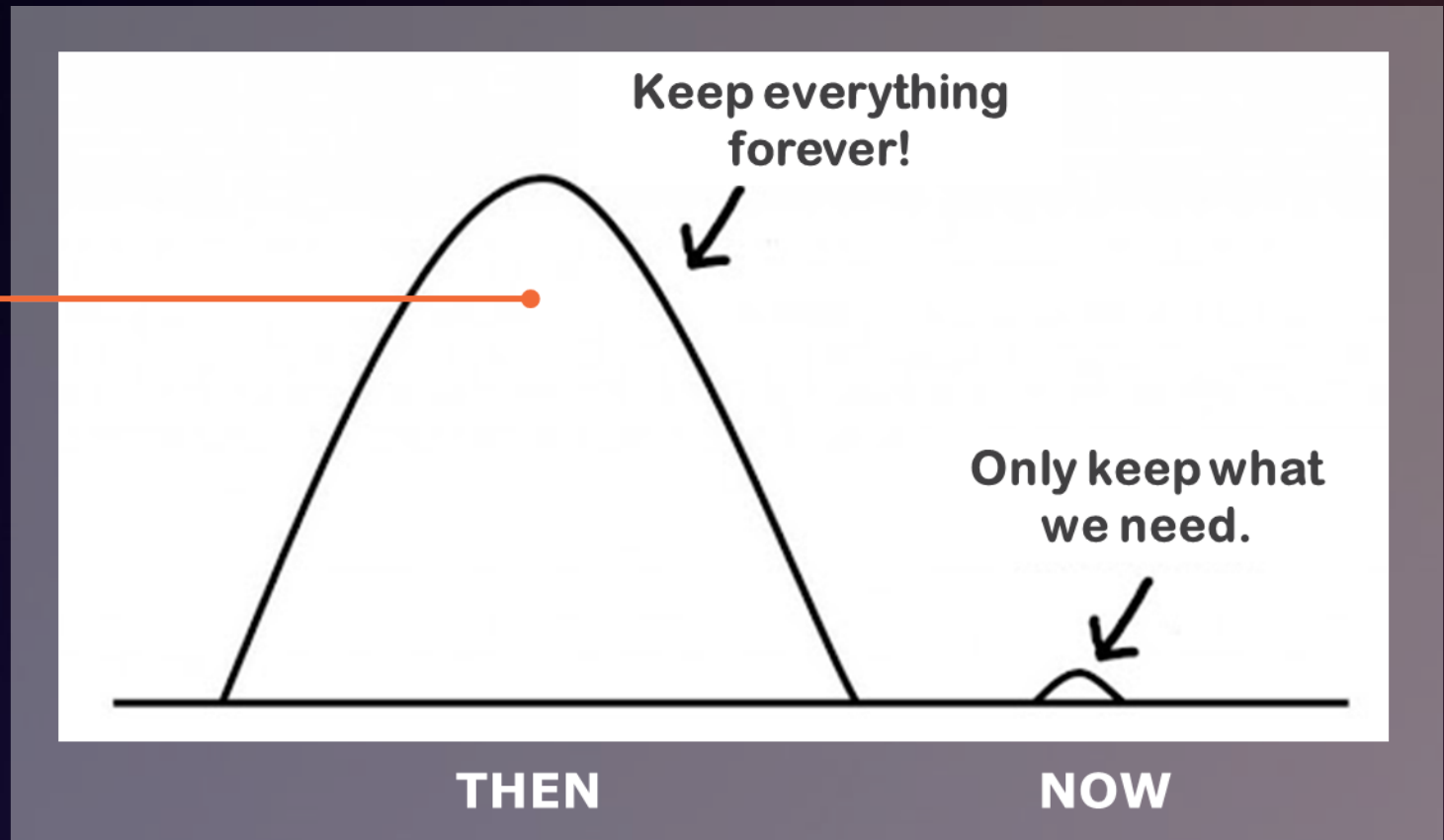
# Data Disposition Relies on Manual Processes (AKA Employees)

*Session Slides*



SCAN ME
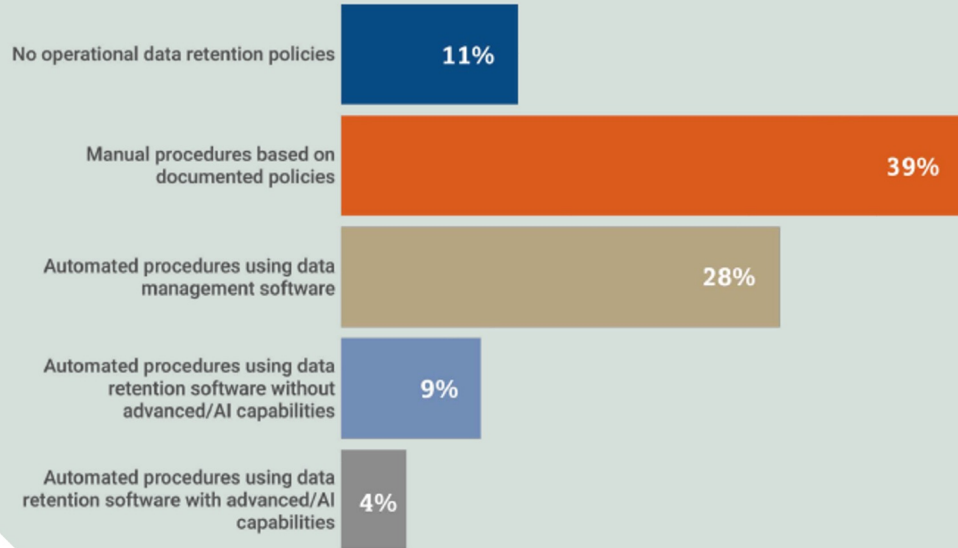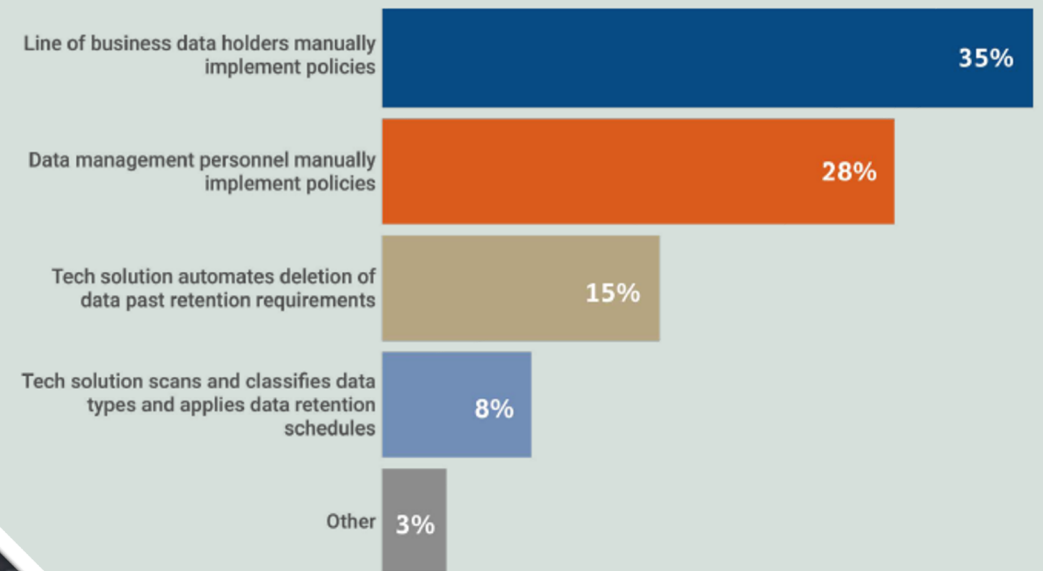
Data Risk Management Strategy

# Are You Ready for Boom?

Breach Litigation

Enforcement Action

Investigation

DSAR

Breach
Litigation
Enforcement Action
Investigation
DSAR

Slower Response

Higher Fines & Costs

Maximum Risk

Larger Financial Impact

Higher Impact & Disruption

# Impact of a Strong Data Risk Management Strategy



**Data Discovery & Mapping**

- Assess PII Processing
- Assess AI Processing
- DSAR & Privacy Rights Processes
- Notice & Consent
- Records & Data Retention Rules
- Legal Hold Processes
- Data Classification,
- Data Remediation & Disposition
- Assess Third Party Access & Risks

Minimize Risks

Minimize Impact & Disruption

Defensible Position

Reduce Fines, Costs & Resources

Respond Faster

Recover Faster

Less Data and Individuals Impacted

Less Data and Individuals Impacted

Protect Legal & Financial Interests

Less Data and Individuals Impacted
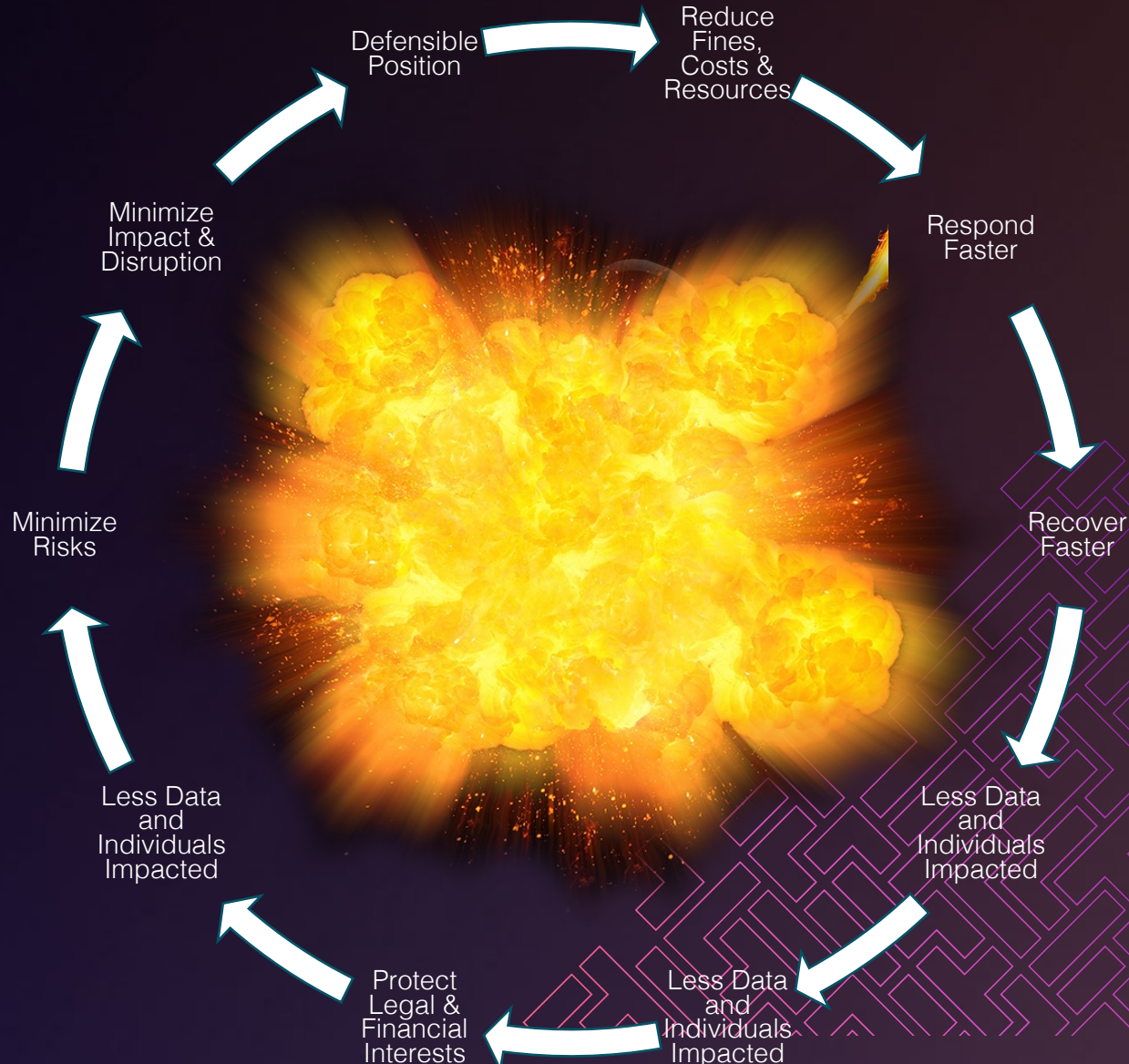
# Unleashing The Power of Data Discovery

**Your SaaS Apps**

Metadata  Metadata  Metadata  Metadata  Metadata

**Your Cloud/VPC**

Sensor 1  Sensor 2

Metadata

**Your Data Center**

Sensor 1  Sensor 2

Metadata

## AI-Powered Data Discovery Technology

| Data Inventory / Catalog | Policy & Rules Engine | Reporting | APIs |
| --- | --- | --- | --- |

**Data Retention & Deletion**

**Legal Holds**

**Data Mapping & RoPA**

**Privacy Rights Requests**
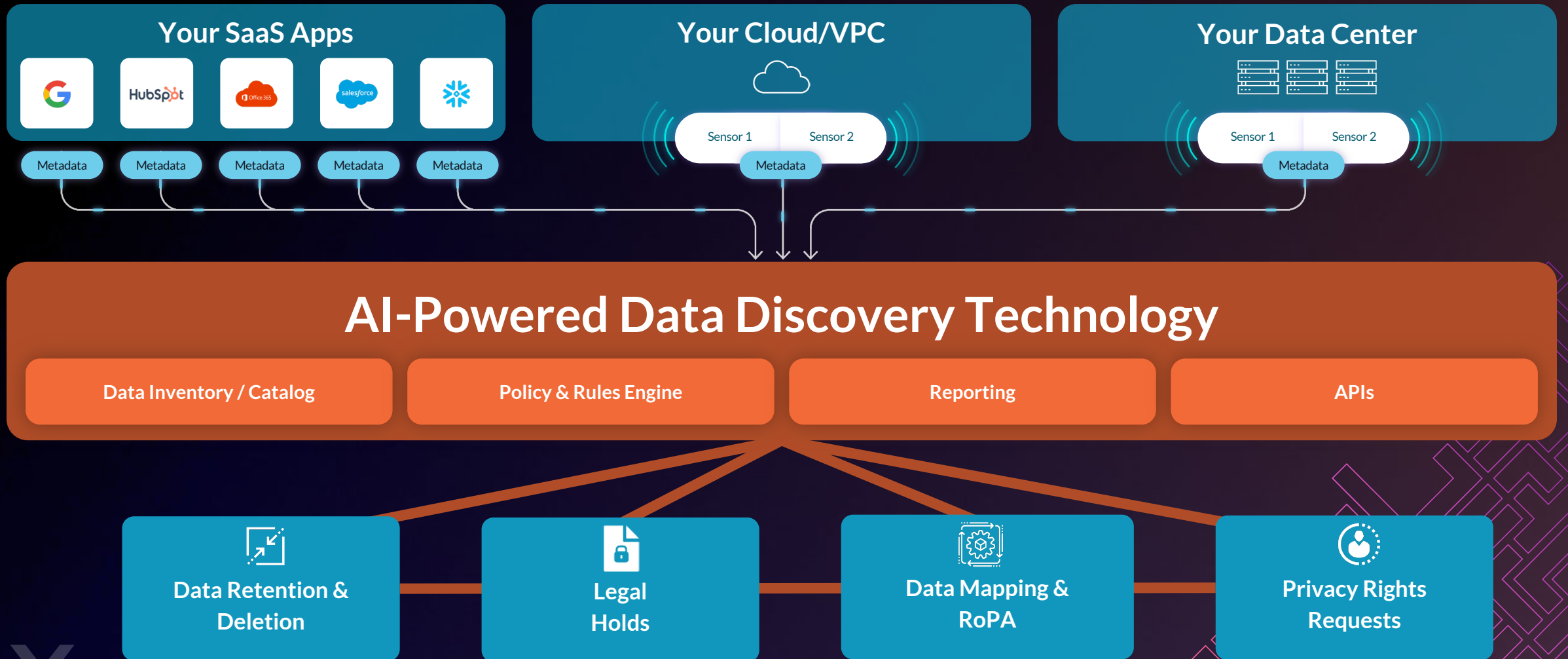
# A Complete Orchestrated Solution

## DATA RISK MANAGEMENT

E-DISCOVERY

DATA PRIVACY

DIGITAL FORENSICS

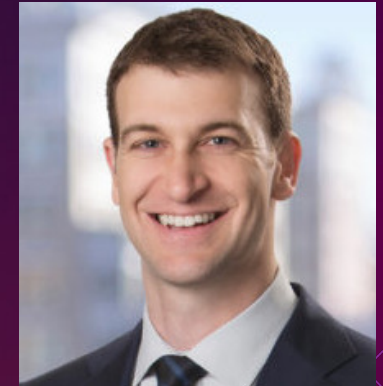CYBERSECURITY COMPLIANCE

# Questions?

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# Thank You!