

# Privacy + Security Forum

**Session 2.1, May 7, 2026:  
AI Companion Tech Governance**

## Speakers: AI Companion Tech Governance



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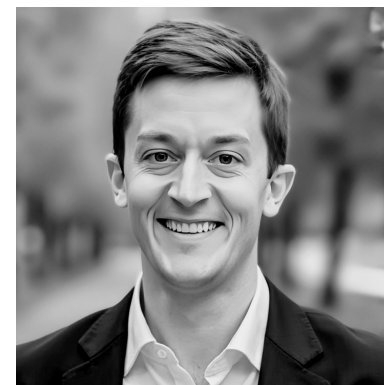
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# Why this issue?



Character AI pushes dangerous content to kids, parents and researchers say | 60 Minutes

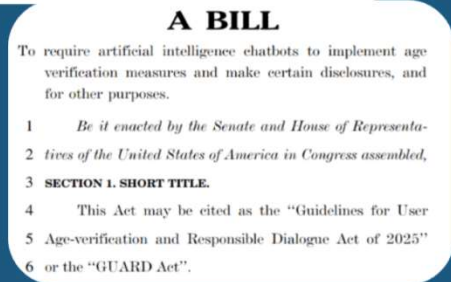


The technology is used by more than 70% of teenagers in the U.S.



## FTC Launches Inquiry into AI Chatbots Acting as Companions

Agency issues 6(b) orders to seven companies that operate consumer-facing AI chatbots



**Attorney General James and Bipartisan Coalition Urge Big Tech Companies to Address Dangerous AI Chatbot Features**

Concern from legislators, regulators, and the public who expect AI chatbot platforms to ensure their technology prioritizes the safety, privacy, and well-being of young audiences.

# AI Chatbots

## Great Benefits. Great Responsibility.

### BENEFITS

- Conversation
- Learning
- Creativity
- Entertainment
- Sounding board

### RISKS

- Encouragement of harm to self or others
- Misplaced trust
- Unhealthy emotional attachment
- Sexually explicit roleplay
- Compulsive use
- Deceptive advertising practices
- Exploitation of sensitive personal data



# Mental Health Underpinnings: A Public Health Question

Why AI companion technology warrants clinical and developmental scrutiny

## WHAT MAKES THIS DIFFERENT

- Decades of research show that **human caregiver and peer relationships** uniquely shape brain, stress-system, and social development — and predict long-term health and life outcomes
- AI companions are *frictionless, sycophantic, and anthropomorphic* by design — yet youth now report trusting AI more than parents and teachers

## KEY RESEARCH QUESTIONS

- Are chatbots *creating or exacerbating mental health risks* — suicidality, delusional thinking, posing as clinicians, romantic/sexual entanglement?
- Do chatbots *displace human interaction*, reducing peer contact and adult supervision at developmentally critical ages?
- Are there *countervailing benefits* — for whom, under what conditions, and how do they compare to human-delivered support?

# APA's Role and Policy Priorities

Treating AI companions as a public health issue — not just a tech issue

## APA'S ROLE

- Synthesizing the science on adolescent development, attachment, and digital technology — building on APA's prior *Health Advisories on social media use*
- Issuing [guidance for clinicians, parents, and platforms](#) on safe and unsafe uses of AI chatbots, including red flags for youth
- Engaging Congress, agencies, AGs, and developers — and pressing for *transparent, third-party research* on real-world chatbot use

## POLICY RECOMMENDATIONS

- Regulate as a [public health issue](#), not solely a tech or speech issue
- Pushing an *augment and amplify not replacement* message
- Safe-by-default design and *comprehensive data privacy for minors*
- No anthropomorphizing; *label AI clearly*; prohibit misrepresentation as a trained mental health professional; [fund independent research](#)

# Don't Repeat the Mistakes of Social Media

A closing caution from the science

## FROM DR. MITCH PRINSTEIN, APA SENIOR SCIENCE ADVISOR

- “We cannot repeat the mistakes made with social media, where a *lack of regulation* allowed platforms *designed for data mining* to harm our most *biologically and psychologically vulnerable* youth.”

## THE OPPORTUNITY

- We have **early warning signs** — from clinical case reports, litigation, and emerging research — before AI companion technology is fully entrenched in youth life
- Acting now means **evidence-informed safeguards**, not retrofitted ones — and a chance for clinicians, regulators, and industry to align on what “good” and “safe” look like

# Regulatory Overview on Chatbots and Mental Health

Legislation abounds, with sound and fury, signifying what?

## FEDERAL LANDSCAPE

- Via its [National Policy Framework for AI](#), the White House now seeks legislation addressing AI-related harms to children, and relevant bills have been introduced in Congress, but no clear path to passage exists
- The [FTC's child-focused market study](#) on chatbots continues (likely meaning no enforcement soon), and agency leadership has consistently said it will not be an AI regulator
- The FDA does not appear to be active in this area

## STATE LANDSCAPE

- At least [9 state laws](#) now address chatbots and mental health, with more on the way
- These laws apply either to companion bots or mental health bots and focus on *misrepresentations, disclosures, and protocols for suicidal and self-harm ideation*, with [heightened protections for children](#)
- More recent laws (WA, OR, ID) add requirements to avoid *manipulative engagement techniques*, provide *privacy controls to parents*, or base protocols on “*clinical best practices and expertise*”

# Public and Private Litigation over Chatbots and Mental Health

State AGs Move from Warnings to Investigations and Cases, with 25+ Private Cases Filed

## STATE ATTORNEYS GENERAL

- *Kentucky v. Character Technologies Inc., et al.* (filed Jan. 2026) (consumer protection, privacy)
- Florida AG announces [criminal investigation](#) of chatbot role in FSU shooting incident (April 2026)
- Texas AG announces investigation of companies marketing chatbots as mental health tools (August 2025)

## PRIVATE LITIGATION

- In more than 25 cases, some of them now [consolidated](#), plaintiffs allege that chatbot companies are liable for mental health-related harms, including murder and suicide, caused proximately via chatbot interactions
- The cases share similar legal theories, including [product liability and consumer protection](#), and are often brought by the same attorneys in the same courts (mostly California state and federal)
- In two cases (*Garcia* and *First County Bank*), plaintiffs named [upstream companies](#) that provided computing resources or funding to the chatbot operators, with an unsuccessful motion to dismiss in *Garcia*



Center for Industry  
Self-Regulation



Center for Industry  
Self-Regulation

Where does that leave us?

- Mounting harms and product liability claims
- Growing patchwork of state laws
- Federal government seeking to preempt
- Unclear if legislative solutions survive First Amendment scrutiny
  - Court rulings on social media laws do not bode well



Center for Industry  
Self-Regulation

# The AI Chatbot Accountability Initiative

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## Building Safeguards for Youth

# The Participants: A Multi-Stakeholder Approach

- AI chatbot developers, platforms, and other deployers of the technology
- Consumer packaged goods (CPG), gaming, streaming, and adtech companies who are using chatbot technologies
- Mental and developmental health professionals, child psychologists, experts in AI safety and human-computer interaction
- NGOs representing both industry and consumer interests and the voices of children and teens

## Proposed: **Phase I**

Convene a cross-section of stakeholders to reach consensus on a set of deployment safeguards for AI chatbots used by children and teens.

### **DRAFT SAFEGUARDS**

- Bring together platforms and experts in AI safety, child development, and human-computer interaction who are working on this issue to collate and expand on existing taxonomy of harms and chatbot behaviors; general principles for chatbot safety; evaluations for measuring prevalence of harm; and normative standards for chatbot behavior.

### **THOUGHT LEADERSHIP**

- Educate policymakers and regulators who are drafting legislation and seek collaboration on compliance and accountability mechanisms.

## Proposed: **Phase 2**

Publish and garner adoption of safeguards. Establish a third-party accountability structure.

- Solicit adoption of **Deployment Safeguards**.
- Develop and launch appropriate third-party accountability structure.
- Publish best practice toolkits & compliance checklists.
- Explore how to address advertising- and privacy-related concerns unique to AI companion technology.

Stay in touch: **Continue the conversation with us**

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