



Federal Trade Commission
Compliance Plan for OMB Memoranda M-24-10:
ON ADVANCING GOVERNANCE, INNOVATION, AND RISK MANAGEMENT FOR
AGENCY USE OF ARTIFICIAL INTELLIGENCE

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Prepared by Mark D Gray, Chief Artificial Intelligence Officer

Issued by David B Robbins, Executive Director

1. STRENGTHENING AI GOVERNANCE

General

The Federal Trade Commission (FTC) protects the public from deceptive or unfair business practices and from unfair methods of competition through law enforcement, advocacy, research, and education. This roadmap outlines the FTC's strategic approach to artificial intelligence (AI) adoption, emphasizing transparency, accountability, and a focus on public benefit. The plan explains the principles, guidelines, and policies the agency will adopt to ensure consistency with OMB Memorandum M-24-10 and its successors.

AI Governance Bodies

- Promoting responsible AI use within the FTC requires a foundation of sound policy and governance. Although OMB M-24-10 does not mandate the FTC to establish an AI governance board, the agency believes a reasonable examination of both the benefits and risks of AI as they apply to agency operations by informed cross-disciplinary professionals is prudent. The Open, Public, Electronic, and Necessary Government Data Act required all federal agencies to establish a similar cross-functional team. The agency will use its existing Data Governance Board as an AI governance board and rename it the "Data and AI Governance Board". The Chief Data and AI Officer chairs the Data and AI Governance Board (the "Board"). The Board includes members from the Office of Technology, the Office of the Chief Privacy Officer, Office of the Executive Director, Financial Management Office, Human Capital Management Office, Office of the Chief Administrative Services Officer, Office of the General Counsel, Bureau of Competition, Bureau of Consumer Protection, Bureau of Economics, Office of the Secretary, and the Office of the Chief Information Officer (including the Chief Information Security Officer).
- The FTC's Board will establish effective policies to ensure responsible and ethical use of AI within our agency. The Board will achieve this through clear guidelines, ongoing risk assessments, and collaboration with stakeholders across the agency including but not limited to leadership, labor unions, employee community resource groups, and internal experts like the Office of Technology.

AI Use Case Inventories

- The FTC uses the established annual system inventory process to poll systems owners for AI use cases that are components of existing or new systems. This annual process, which is tied to the agency's Federal Information System Modernization Act (FISMA) audit, collects comprehensive system data from system administrators and program managers. The data fields required for the AI use case inventory have been added to this annual process and are assessed as part of the annual FISMA audit. In addition to the annual inventory process, the agency uses its existing new software request process to gather relevant information to build the AI use case inventory.

Reporting on AI Use Cases Not Subject to Inventory

- The FTC does not currently have any AI use cases that meet exclusion criteria for individual inventories. As mentioned above, the agency will use the already established system inventory process to maintain an accurate list of IT systems and any associated AI components. Each new use case will be evaluated against M-24-10 section 3(a)(v) to determine if it should be included in the inventory separately or in an aggregate report.

2. ADVANCING RESPONSIBLE AI INNOVATION

Removing Barriers to the Responsible Use of AI

- The FTC will take several steps to promote responsible internal uses of AI tools. In addition to prioritizing IT modernization funds to develop and deploy additional AI-enabled systems, the FTC will seek to leverage government resources inside and outside the agency. In particular, the agency will leverage existing expertise at the OMB and the General Services Administration's (GSA) AI Center of Excellence to assist with AI adoption. Additionally, the FTC will prioritize workforce development. Training employees on AI fundamentals and ethical considerations will foster a culture of responsible use within the agency.
- The agency is adopting prudent risk management steps that will enable safe and responsible use of openly available generative AI tools. FTC policy will focus on preventing unauthorized exposure of nonpublic data to large language models. The FTC's AI risk management framework builds on guidance from the National Institute of Standards and Technology AI Risk Management Framework and is tailored to the needs of the agency. Existing agency policies prohibit unauthorized disclosure of nonpublic information. This includes exposing agency data to generative AI models that may train the AI model using user prompts that could include sensitive data. This practice is prohibited by agency policy. The FTC will allow internal use of generative AI tools that meet agency privacy and security standards that protect agency data from unauthorized disclosure.

AI Talent

- The FTC's AI Talent initiatives will leverage governmentwide initiatives and guidance to identify and hire employees with AI expertise and experience. These initiatives

include the Office of Personnel Management's (OPM) AI Talent Surge, Technology Modernization Fund, and other initiatives that may become available in the future. Additionally, when budgets and capacity are available, the FTC will maximize the use of existing and new direct hire authority, along with OPM-approved incentives and flexibilities, to recruit and retain highly sought after expertise.

- To increase knowledge and skill of current staff, the agency will encourage use of existing generalized federal workforce training content like the GSA's AI Community of Practice Stanford University Human-Centered AI lecture series, and available training within the agency's learning library. The agency will also prioritize available agency training resources to increasing agency employee understanding of AI, both as a tool to advance our mission and as a subject of mission-related activities on behalf of the American consumer.

AI Sharing and Collaboration

- The FTC does not currently use custom AI code or models. Commercially available software as a service governed by license agreements and contractor-owned intellectual property provide all the agency's AI tools. If the agency develops AI tools in the future with custom in-house developed code, the agency will share the code and models consistent with statute, regulation, and contractual agreement. The agency will use existing governance boards to adjudicate these sharing decisions.

Harmonization of Artificial Intelligence Requirements

- The agency participates in cross-agency forums like the Chief AI Officers' Council, the AI Community of Practice, and Chief Data Officers' Council. Agency staff also collaborate internally through existing collaboration platforms and forums including but not limited to the Data and AI Governance Board, Business Council, Senior Management Council, and Cybersecurity Council. Best practices for AI governance, innovation, and risk management are shared in these forums and documented in agency policies and knowledge sharing platforms.

3. MANAGING RISKS FROM THE USE OF ARTIFICIAL INTELLIGENCE

- The FTC does not currently use AI tools that impact user safety or rights. Agency policy will direct all new AI use cases to the Data and AI Governance Board to validate their potential to impact user safety or rights. If the board determines a tool poses potential safety or right-impacting risks, then agency enterprise risk management boards will approve an appropriate risk mitigation plan.