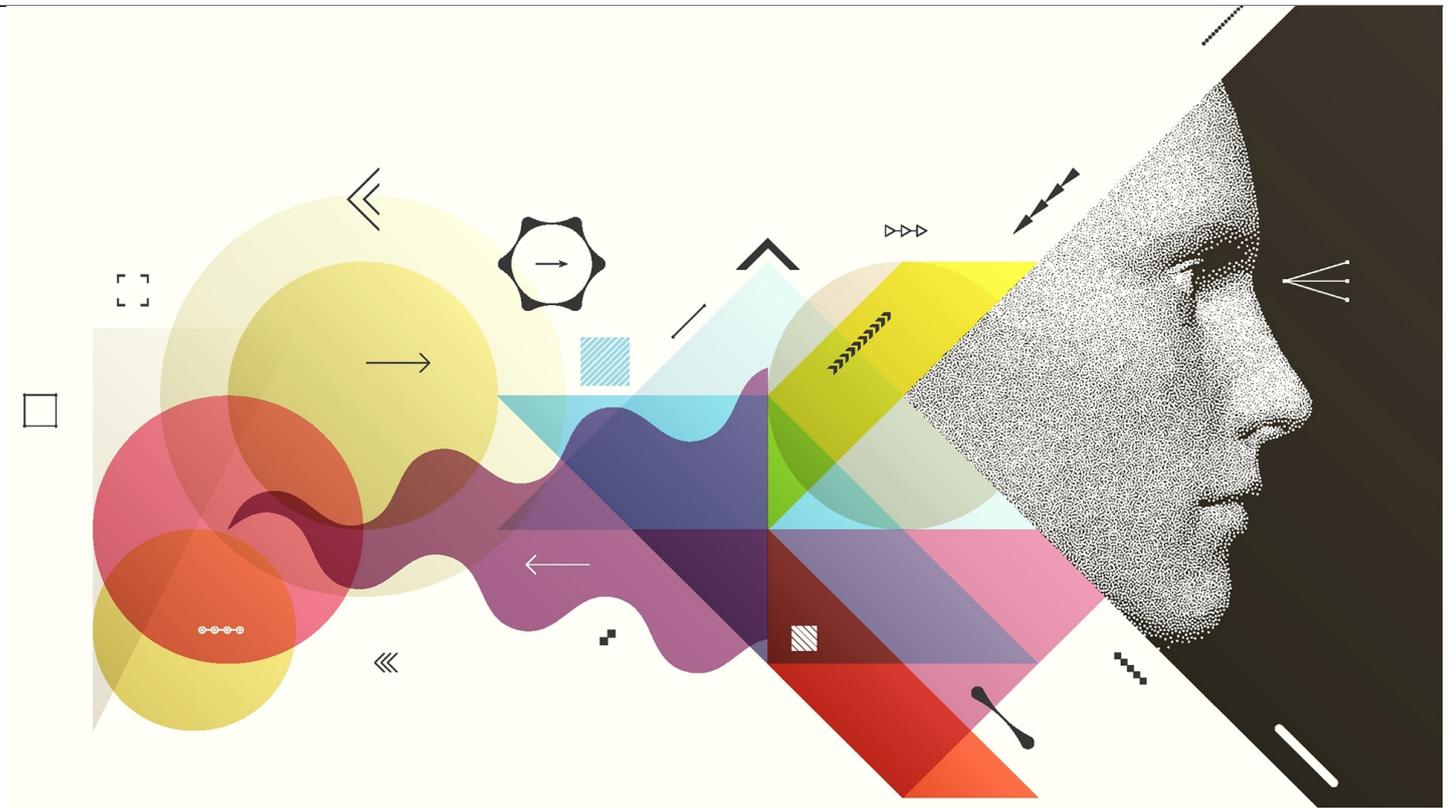




How Corporate Counsel Can Balance Innovation with Oversight in the Age of AI

Information Governance

Technology, Privacy, and eCommerce



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As artificial intelligence transforms the pace and practices of global business, in-house legal departments are being called to lead not only on risk management, but also on ethical innovation.

In a [recent virtual keynote hosted by ACC](#), author and renowned “Tech Humanist” Kate O’Neill explored how legal professionals can move from passive compliance to active strategic influence in the age of AI.

[Register now to watch the full keynote and download the free guide: Human-Centered AI Transformation Guide](#)

Legal’s expanding role

In-house counsel are no longer back-office risk managers; they are now strategic advisors at the intersection of technology, law, and business.

“59 percent of in-house professionals are enthusiastic about what AI could do for their careers. But only 42 percent feel prepared for the impact of that,” O’Neill said, citing [ACC’s survey of US in-house legal professionals](#). The rise of AI, especially generative tools like ChatGPT, has revealed not only

new opportunities but also heightened concerns around governance, bias, privacy, and accountability. This dual challenge — innovation and integrity — places legal professionals in a pivotal role.

Cybersecurity and data privacy

One third of corporate legal departments now have dedicated in-house cybersecurity lawyers — a trend that reflects how legal is being embedded into data governance structures.

Recognize the shifting regulatory context — especially as state-level AI and privacy laws begin to outpace federal guidance. “The legal concept of a ‘reasonable expectation of privacy’ underpins much of American privacy law, and that shapes how AI and surveillance technologies are regulated in many cases,” O’Neill said. Legal must help redefine the boundaries to move from reactive to strategic.

[ACC Members: Download the AI Toolkit for In-house Lawyers](#)

Transparency, explainability, and human oversight

Key to ethical AI use is ensuring that decision-making processes are transparent and reviewable:

- Avoid “black box” algorithms.
- Disclose AI use in consumer-facing decisions (e.g., insurance, hiring, credit).
- Ensure human-in-the-loop decision-making — particularly for high-risk applications.

“We also want to be designing for human augmentation and not replacement,” O’Neill said. “So, let’s make sure we’re framing to AI as a tool that enhances human judgment and doesn’t replace it.”

The algorithm can help process vast data, but a human must bring context and judgment —especially where ethics, strategy, or lives are concerned.

Bias, fairness, and auditable AI

AI systems must be audited regularly for bias, particularly when they influence areas governed by anti-discrimination law:

- Work with third-party auditors and external experts.
- Test for demographic skews, systemic exclusion, and unfair patterning in decision outputs.
- Use diverse and representative datasets.

Let’s make sure we’re framing to AI as a tool that enhances human judgment and doesn’t replace it.

Kate O’Neill

AI and attorney-client privilege

O'Neill warned that in-house counsel should proceed with caution. Over half of legal professionals surveyed believe AI tools could compromise privilege:

- Clarify internal guidelines around AI use for legal work.
- Vet vendors and AI platforms for data retention policies.
- Be cautious when inputting sensitive or confidential information into public-facing models.

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Quantifying ROI in AI-enabled legal work

AI isn't replacing attorneys; it's enhancing their efficiency. AI can surface broad legal research quickly, but human specialists provide context and nuance. For legal ops, ROI may be framed around:

- Time saved in research
- Faster turnaround for internal clients
- Improved decision support

Guiding principles for ethical legal leadership

1. **Transparency:** Ensure stakeholders can see and understand how AI decisions are made.
2. **Respect and privacy:** Be particularly cautious about attorney-client privilege.
3. **Accountability:** Don't allow "the algorithm made me do it" as a justification. Responsibility must be traceable.
4. **Human-centricity:** AI should augment, not replace, human judgment — especially in high-consequence settings.
5. **Continuous improvement:** Create feedback loops for monitoring AI performance and adjust based on new data or bias indicators.
6. **Future-readiness:** Stay ahead of evolving regulation (e.g., EU AI Act, state-level AI bills). Flexibility and foresight are legal assets.

Ethical innovation in a deregulated era

"The current US deregulatory environment doesn't mean fewer responsibilities. What it means is that the responsibilities and the accountability now land squarely on organizations to determine for themselves and figure out," O'Neill shared.

In-house counsel should champion ethical standards that go beyond minimum compliance, especially in jurisdictions with looser laws. Voluntary frameworks must be applied with rigor, not as a shield for ethical compromise.

Final reflections — what matters next

1. **Your role is unique and essential.** You sit at the junction of legal, ethical, and strategic decision-making. Own that influence.
2. **Build value-aligned systems and processes.** Ensure technology serves people, not the other way around.
3. **Shape the future intentionally.** The AI systems we build today will define the society of tomorrow. Legal must help ensure those systems are inclusive, just, and aligned with our collective values.

“The future isn’t as much uncertain as it is undecided. And making good decisions is going to take us into a much brighter future,” O’Neill said.

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