

## POLICING AI

# THE CONFIDENTIALITY CRISIS

Protect your confidential data by implementing an artificial intelligence policy.

By Edward Fleming



Imagine a St. Cloud clinic worker typing patient notes into an AI tool to save time — only to find those details exposed online. Or a Waite Park manufacturer's trade secrets leaking after an employee uses a chatbot to draft a supply contract. These are not hypothetical examples. Recent incidents across the U.S. show artificial intelligence (AI) turning efficiency into a confidentiality nightmare. For Central Minnesota businesses, where trust and innovation drive success, employers need

to act fast to harness AI's benefits without risking their data.

The use of AI promises a competitive edge — streamlining tasks, boosting creativity, analyzing data. But when employees enter sensitive information like customer records or proprietary plans into public AI platforms, it can become public knowledge. The stakes? Legal headaches, lost trust, and a damaged bottom line. Here's what you need to know — and do — to protect your business.

### The Risks in Action

Workplace uses for AI are growing, but so are the risks:

#### 📝 Notetaking:

AI transcription tools can leak sensitive boardroom talks to vendors or hackers, especially during merger discussions or client pitches.

#### 📄 Document Drafting:

Feeding trade secrets into AI for a privacy policy risks exposing them to the world — or at least generating generic clauses that miss your legal needs.



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🔒 **Customer Service:** Chatbots might spill confidential product plans while answering queries or mishandle personal data thanks to AI “hallucinations.”

For a region rich in healthcare, manufacturing, and retail, these risks hit close to home. A HIPAA violation from an AI slip could cripple a clinic, while a leaked production process might undo a factory’s edge.

### Crafting an AI Policy that Works

To stop these leaks before they start, you need a clear, enforceable AI policy. Here’s what it should cover:

🔒 **Restrict Tools and Data:** Ban unapproved AI platforms (think ChatGPT) and prohibit

entering sensitive inputs — customer information, trade secrets, financials — unless the tool’s security is vetted.

🔒 **Vet Vendors:** Before adopting AI, check the provider’s privacy terms. Do they resell your data? Is it encrypted? Tools like Microsoft Copilot with enterprise safeguards might beat free alternatives.

🔒 **Train and Enforce:** Educate staff on risks — show them real examples — and audit compliance. Make violations a disciplinary matter.

Regularly update this policy as AI evolves, and tie it to compliance. Healthcare firms must align with the Health Insurance Portability and Accountability Act (HIPAA).

Retailers must comply with Minnesota’s consumer data rules. Multinational firms must comply with General Data Protection Regulation (also known as GDPR, a European Union law that protects personal information). A one-size-fits-all approach won’t cut it — tailor yours to your industry and size.

### Steps to Stay Safe

You don’t need a tech overhaul to start. Test AI on low-risk tasks — like summarizing public reports — before scaling up. Keep humans in the loop to review outputs for accuracy and leaks. Above all, consult a lawyer to ensure your AI use doesn’t violate state or federal regulations. In Minnesota, a data

breach’s cost — fines, lawsuits, lost customers — far outweighs the price of prevention.

### Why It Matters Now

Central Minnesota thrives on small to medium businesses that can’t afford a confidentiality scandal. AI isn’t going away — nor should it. A St. Joseph farmer using it to analyze yields or a Sartell marketer crafting ads can gain an edge. But without guardrails, one careless click could undo years of work. The time to lock down your data is today, not after the headlines hit. 📧

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With the speed that technology is advancing, it’s hard to stay on top of the latest trends. According to a *Forbes.com* article, here are a few of the top trends to watch as we continue through 2025:

**Nuclear Power:** Innovation in nuclear power is growing as AI demands more from the energy grid.

**Extended Reality (XR):** Where virtual reality meets augmented reality, XR has the potential to immerse users in training scenarios in which they can actively engage, ultimately saving on employee education costs.

**Agentic AI:** Going beyond chatbots, agentic AI refers to “agents” that can perform tasks without human interaction, such as self-driving cars.

**Synthetic Media:** These new media platforms feature content created exclusively with the help of AI, programmed by editorial journalists.

**CENTRAL MINNESOTA BUSINESSES EMBRACE TECHNOLOGY AND INNOVATION IN MANY WAYS. READ ON TO SEE WHICH LOCAL COMPANIES ARE ON THE LEADING EDGE.**

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