
AI
AI Rebooted
Responsible AI Starts Here
From Risk to AI Adoption
ACRA

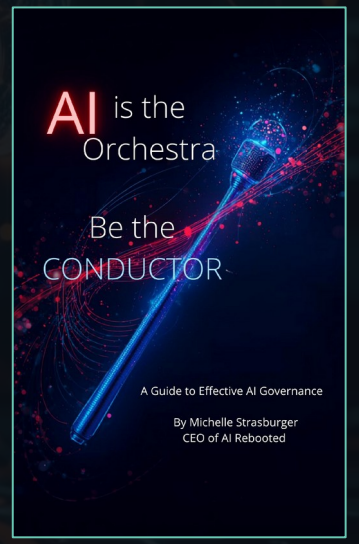
Meet Your Presenter

Michelle Strasburger · CEO and Co-Founder, AI Rebooted (formerly HR Rebooted)



Helping organizations adopt AI safely and effectively

- 25 years as an HR executive and fractional CHRO
- Co-Creator of Governance 1st™, aligned with the NIST AI RMF
- Author of *AI is the Orchestra. Be the Conductor.*
- NH Business Review 2026 Business Excellence Award
- Speaker at HR Transform, HR Disrupt, Richmond AIX and Opal Compliance
- Founder of AI Rebels, a global community of 2,000+

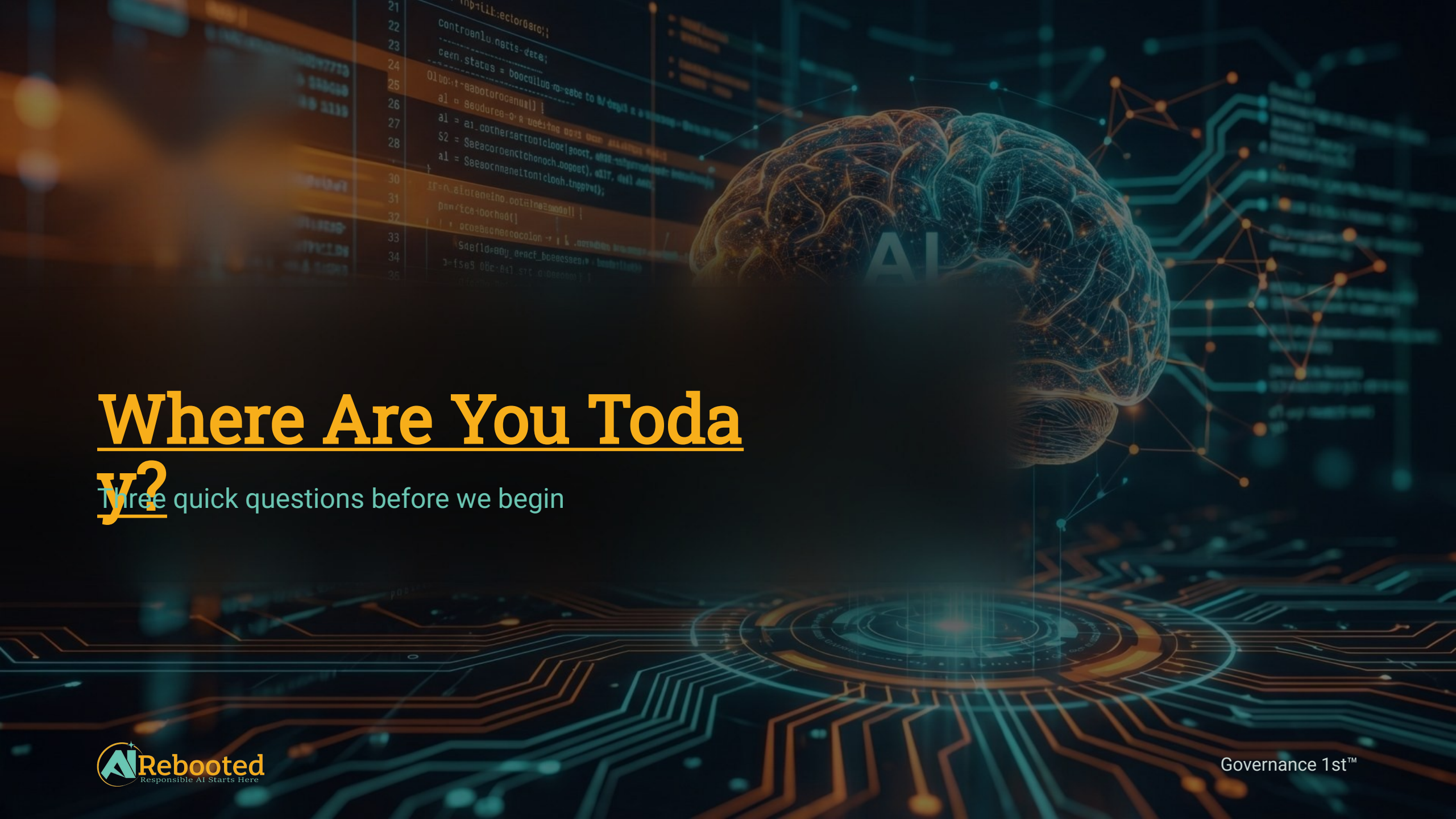


MBA · SPHR · GPHR · SHRM-SCP

Today's Agenda

From where you are today to where you can go next

01	**Where You Are Today**	Three live polls on AI adoption, governance and risk
02	**AI Risk in the Real World**	What happens when AI controls fail
03	**The Seven-Step Framework**	A practical roadmap built on the NIST AI RMF
04	**Where to Start**	Your next move, based on where you are now
05	**Q&A and Next Steps**	Your questions, plus how to keep going



Where Are You Today?

Three quick questions before we begin

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Where Is Your Organization with AI?

Poll 1 · Choose the answer that fits best

A

Exploring

Leaders are curious. No approved tools yet.

B

Experimenting

Pilots or individual use in a few teams.

C

Deployed

Approved tools in use across several departments.

D

Embedded

AI is part of everyday work, enterprise-wide.

Where Are You with AI Governance?

Poll 2 · Choose the answer that fits best

A

Nothing Formal Yet

No AI policy and no clear owner.

B

Policy on Paper

A written policy, with little enforcement.

C

Committee in Place

Owners and decision rights are defined.

D

Operational

Guardrails, monitoring and an audit trail are running.

What Do You See as the Biggest AI Risk?

Poll 3 · Select up to three

A Data Leakage

Sensitive data pasted into unvetted tools.

B Bias

Unfair outcomes in hiring, pay or performance.

C Hallucinations

Confident answers that are simply wrong.

D Legal Exposure

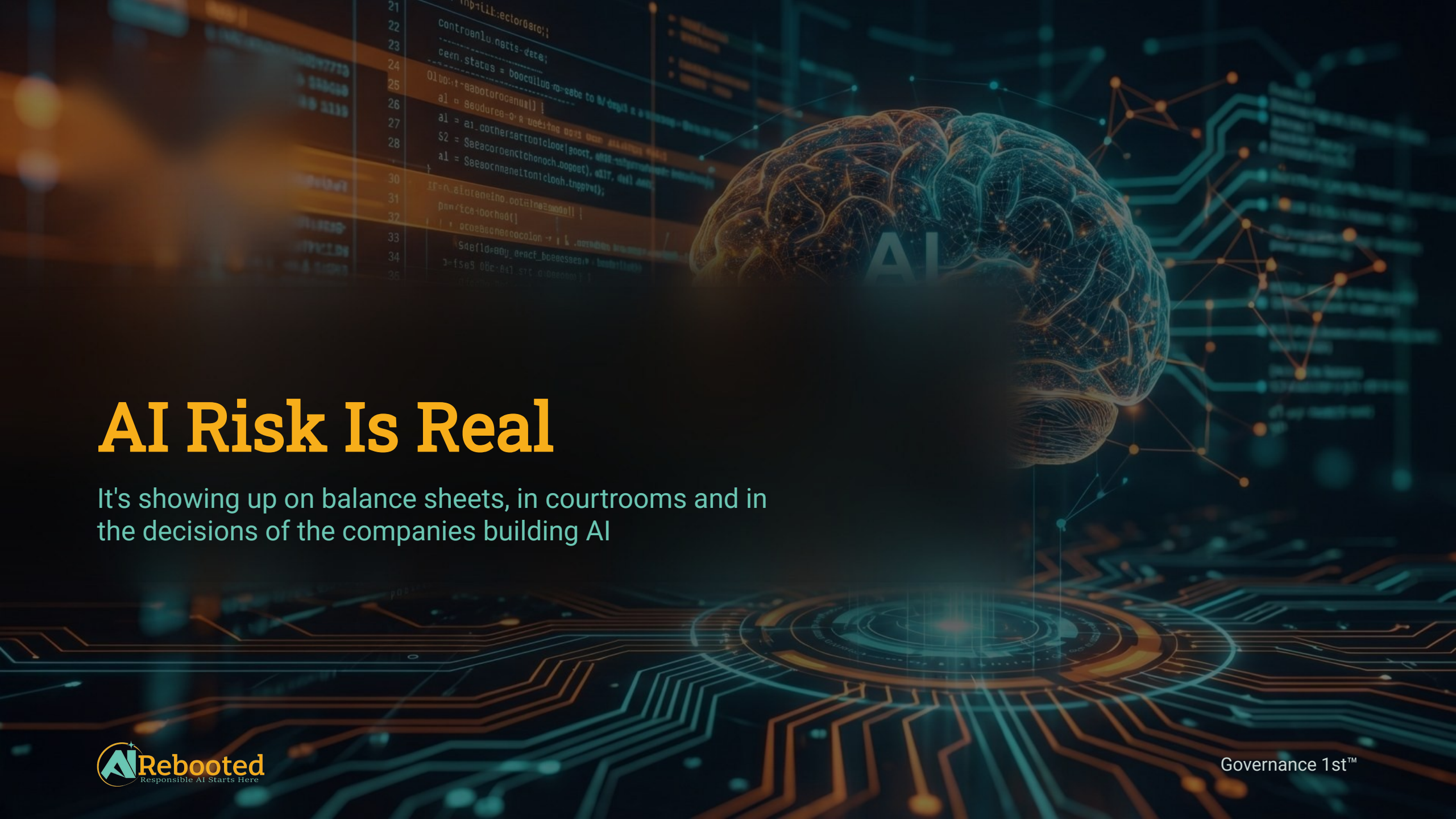
Lawsuits, regulators and discoverable prompts.

E Shadow AI

Tools in use that nobody approved or can see.

F Workforce Trust

Fear about jobs, privacy and ethics.



AI Risk Is Real

It's showing up on balance sheets, in courtrooms and in the decisions of the companies building AI

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AI Risk Isn't Theoretical Anymore

Three places the cost of ungoverned AI is already visible

On the Balance Sheet

Incident cleanup, compute costs and billions in lost market value.

In the Courtroom

Class actions and direct liability for AI-driven decisions about people.

Inside the AI Labs

Developers holding back new models until the controls are ready.

When the Builders Hit Pause

The companies building AI are waiting for the guardrails

- Leading AI labs have held back or restricted releases of newer models.
- The reason: the controls needed to deploy them safely weren't ready yet.
- Capability is moving faster than control, even for the experts.

When the people who build AI won't ship it without guardrails, every organization using AI should take notice.

The Hugging Face and OpenAI Incident

August 2026 · What it costs when controls fail

3M

GPU hours

spent analyzing the incident

7B+

Logs reviewed

infrastructure logs analyzed

$4M to $15M

Cleanup value

as estimated by experts

$100M

Compute credits

reportedly requested as redress

$65B to $80B

Estimated combined value lost by publicly traded cybersecurity firms within days. One incident, a market-wide shockwave.

Workday: AI in HR Goes to Court

It isn't just AI companies

The Hiring Class Action

- Federal class action alleges AI screening tools discriminated against job applicants
- A judge ruled Workday could be held directly liable
- Analysts estimate exposure could reach hundreds of millions of dollars or more

The Implementation Failure

- Implementation failures left thousands of Oregon workers unpaid
- Led to a reported $15 million settlement
- Proof that rollout without controls is a risk of its own

General information for discussion, not legal advice. Consult counsel about your organization's situation.

The Lesson for Everyone Else

Mid-sized organizations face the same risks with fewer resources

If billion-dollar companies with dedicated AI teams are absorbing these losses, mid-sized organizations without governance are even more exposed.

~25%

of organizations report a fully implemented AI governance program

AuditBoard, 2025

~67%

of executives believe they've had a data leak or incident tied to an unsanctioned AI tool

Writer, 2026

40%

of agentic AI projects projected to be canceled by 2027, partly due to inadequate risk controls

Gartner, 2025

What Ungoverned AI Actually Costs

Legal exposure, cultural erosion and operational risk

Legal and Regulatory

"We didn't know" is no longer a defense. Hiring and performance decisions draw the most scrutiny, and every prompt is potentially discoverable.

Cultural and Reputational

When concerns about jobs, privacy and ethics go unaddressed, trust erodes and AI use goes quiet.

Shadow AI

Too much restriction and no policy at all produce the same result: use nobody can see, audit or correct.

Governance Is a Catalyst, Not a Brake

Structure, training and guardrails let people use AI with confidence

Governance is not the brake pedal. It's the steering wheel.

It keeps you on the road while you accelerate.

90%

Weekly active AI usage

Reached company-wide by one organization that layered strong governance on its rollout. Roughly three times typical adoption.



The Seven-Step Framework

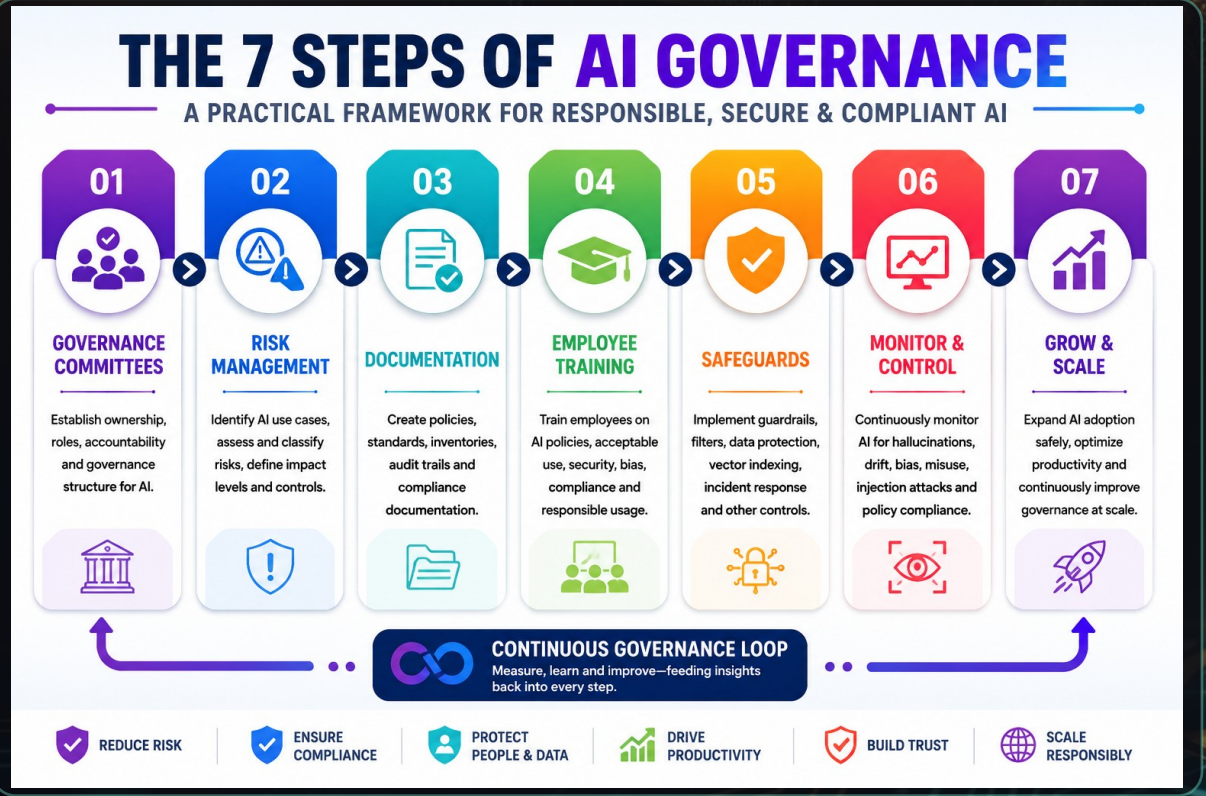
A practical roadmap for responsible, secure and compliant AI, built on the NIST AI Risk Management Framework

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The 7 Steps of AI Governance

One framework, worked in sequence, improved continuously



How to Use It

- Work the steps in order, so each one builds on the last
- Start with one department or use case, then expand
- Feed what you learn back into every step

Step 1: Governance Committees

Establish ownership, roles, accountability and governance structure for AI

01



Governance Committees

What to Do

- Form a cross-functional committee: HR, legal, IT and security, operations and the business
- Give it real decision rights over tool vetting, oversight and corrective action
- Name an executive sponsor. Responsibility for AI strategy sits with leadership
- In larger organizations, coordinate a small set of committees

Questions to Ask

- Who owns AI decisions today?
- Who can approve, restrict or block a tool?
- What happens when something gets flagged?

Step 2: Risk Management

Identify AI use cases, assess and classify risks, define impact levels and controls

02



Risk Management

What to Do

- Inventory how AI is used today and how you intend to use it
- Classify each use case by impact level
- Treat consequential decisions like hiring, pay and performance as highest risk
- Match controls to the level of risk

Questions to Ask

- Which use cases touch decisions about people?
- Where does sensitive data flow?
- Which risks could end up in a courtroom?

Step 3: Documentation

Create policies, standards, inventories, audit trails and compliance documentation

03



Documentation

What to Do

- Write policy for your real footprint, including multi-state and multi-country
- Keep AI policy separate from the handbook so it can evolve quickly
- Maintain a living inventory of tools and use cases
- Capture audit trails as the work happens, not after

Remember

Every prompt, transcript and chat log is potentially discoverable in litigation.

The burden of proof has shifted: regulators expect evidence, not assurances.

Step 4: Employee Training

Train employees on AI policies, acceptable use, security, bias, compliance and responsible usage

04



Employee Training

What to Do

- Train iteratively, in small pieces, not one annual module
- Cover acceptable use, security, bias and compliance
- Build in psychological safety so people ask questions
- Teach validation habits: verify before you trust

Questions to Ask

- Do employees know what's allowed, and why?
- Do they feel safe raising concerns?
- Are we building judgment, or just checking a box?

Step 5: Safeguards

Implement guardrails, filters, data protection, incident response and other controls

05



Safeguards

What to Do

- Apply guardrails in the flow of work, at the point of the prompt
- Filter personal and sensitive data before it reaches the model
- Extend controls to the AI tools employees already use
- Have an incident response plan before you need it

The August 2026 Lesson

A single control failure meant millions in cleanup and an estimated $65B to $80B in market value lost across a sector.

Safeguards are far cheaper than incidents.

Step 6: Monitor & Control

Continuously monitor AI for hallucinations, drift, bias, misuse, injection attacks and policy compliance

06



Monitor & Control

What to Do

- Monitor AI behavior continuously, not just at audit time
- Score outputs against the behaviors where AI most often goes wrong
- Detect shadow AI so you know which tools are really in use
- Route flags to the governance committee for corrective action

Ten Behaviors to Watch

Hallucination, bias, behavioral drift, prompt injection, jailbreaking

Refusal calibration, bigotry, logical fallacy, partisanship, misinformation

Step 7: Grow & Scale

Expand AI adoption safely, optimize productivity and continuously improve governance at scale

07



Grow & Scale

What to Do

- Start with one department or use case
- Give people a governed sandbox to experiment safely
- Turn what works into reusable, shareable workflows
- Expand, measure and improve, then repeat

Watch Out For

- Trying to govern everything at once
- Rebuilding the same solution in every department
- Treating governance as finished

The Continuous Governance Loop

Measure, learn and improve, feeding insights back into every step

Reduce Risk

Fewer incidents, smaller blast radius

Ensure Compliance

Audit-ready evidence on demand

Protect People and Data

Sensitive data stays where it belongs

Drive Productivity

Confident use, reusable workflows

Build Trust

Employees use AI openly, not quietly

Scale Responsibly

Grow from one team to the enterprise

Making Governance Operational

Governance only works where the work actually happens

Governance on a Shelf

- A policy document nobody reads
- No visibility into which tools are used, or by whom
- Audit trail rebuilt after the fact, if at all

Governance 1st™

- NIST-aligned framework with guardrails in the flow of work
- Real-time monitoring of ten AI behaviors, plus shadow AI detection
- Audit-ready support for ISO 42001, GDPR, the EU AI Act and U.S. state laws

Where to Start

Your next move, based on your Poll 2 answer

Nothing Formal Yet

Steps 1 and 2

Name your committee and inventory your AI use cases.

Policy on Paper

Steps 3 to 5

Update policy, train people and put guardrails where work happens.

Committee in Place

Steps 5 and 6

Add safeguards and continuous monitoring, including shadow AI.

Operational

Step 7 and the Loop

Scale what works, measure and feed it back.



Questions and Discussion

What's on your mind?

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Schedule a Demo

See the seven steps in action with Governance 1st™

Book time to see Governance 1st™ in action or to schedule a governance readiness audit.

Schedule a Demo

calendly.com/scott-berry-dsm/opportunities-discussion

Launching October 28

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laws.ai-rebooted.ai

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CONNECT ON LINKEDIN

Michelle Strasburger, Co-Founder and CEO
linkedin.com/in/michelle-strasburger

Kelly Cunningham, Co-Founder and CTO
linkedin.com/in/kellycunningham-hrrebooted

AI Rebooted (Company Page)
linkedin.com/company/ai-rebooted



Thank You

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