



Federal Trade Commission

Compliance Plan for OMB Memoranda M-25-21:

September 2025

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1. Driving 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 leverage government resources inside and outside the agency. In particular, the agency will leverage existing expertise at the Office of Management and Budget (OMB) and the General Services Administration's (GSA) AI Center of Excellence to assist with AI adoption. The FTC will also prioritize workforce development. Training employees on AI fundamentals and ethical considerations will foster a culture of responsible use.
- The agency is adopting prudent risk management steps that will enable safe and responsible use of available generative AI tools. FTC policy will focus on preventing unauthorized exposure of nonpublic data while also addressing output accuracy concerns including AI hallucinations, potential plagiarism risks, and compliance with the professional responsibility obligations of agency attorneys. 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 on 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 for nonpublic information.

Sharing and Reuse

- The FTC does not currently use custom AI code or models. Licensed commercial software and contractor-owned intellectual property provide all the agency's AI tools. The Office of the Chief Information Officer (OCIO) and the Office of Technology in consultation with the Data and AI Governance Board will coordinate on AI tool evaluation and implementation decisions to promote consistency and knowledge sharing across the agency. If the agency develops AI tools in-house, the agency will share the code and models consistent with the law. The agency will use existing governance boards to adjudicate these sharing decisions. To build internal AI development and sharing capability, the agency would require additional resources including AI-assisted coding tools, additional technical staff, and appropriate infrastructure for secure collaborative development and testing.

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. Whenever possible, the FTC will use existing direct hire authority, OPM-approved incentives and flexibilities, and whatever new resources become available 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 prioritize training that increases employee understanding of AI, both as a tool to advance our mission and as a subject of that mission.

2. Improving AI Governance

AI Governance Board

- Promoting responsible AI use within the FTC requires a foundation of sound policy and governance. Although OMB M-25-21 does not mandate the FTC establish an AI governance board, the agency believes a reasonable examination of AI’s benefits and challenges for agency operations by informed cross-disciplinary professionals is prudent. The Open, Public, Electronic, and Necessary Government Data Act requires all federal agencies to establish a similar cross-functional team. The agency’s existing Data Governance Board will take on this responsibility and be renamed 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 Board will establish effective policies to ensure responsible and ethical use of AI within our agency through clear guidelines, ongoing risk assessments, and collaboration with stakeholders across the agency.

Agency Policies

- The agency will develop a generative AI use policy that complies with the requirements in OMB Memo M 25-21. This will include safeguards and oversight of any generative AI tools and their use for agency work.

AI Use Case Inventory

- The agency uses the established system inventory process to maintain an accurate list of IT systems and associated AI components. The established annual system inventory polls 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 and are assessed as part of the annual FISMA audit. The agency also uses its existing new software request process to gather relevant information to build the AI use case inventory. System owners are required to attest to the completeness of their inventory.

3. Fostering Public Trust in Federal Use of AI

Determinations of Presumed High-Impact AI and Implementation of Risk Management Practices and Termination of Non-Compliant AI

- 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 impact using criteria in OMB Memo M 25-21. 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. The Board will take appropriate action to terminate use of any AI tool it deems non-compliant.