

BLUF AI/ML Observability & Safety Teams are key to organizational health.

Executive Summary: Enterprise AI/ML Observability & Safety teams are crucial in mitigating emerging AI-specific risk in a compliant way. Solutions available in the market are immature and fail to effectively manage Cyber<sup>1</sup> & Legal<sup>2</sup> exposure. State-backed<sup>3</sup> actors are actively targeting market leaders<sup>4</sup>, while unpatchable<sup>5</sup> Gen AI vulnerabilities add to existing adversarial attacks against ML systems. Detailed below are AI-specific risks, relevant mitigations, as well as the skills necessary for these teams; core products and services are similarly annotated.

### Emerging Exposure:

- Regulatory – EU AI Act<sup>6</sup>, WH Executive Order<sup>7</sup>, and Pending Legislation
- Reputational – Negative Customer Experiences, Hallucinations<sup>8</sup>, etc
- Data Loss – Extracting Training<sup>9</sup>, Contextual<sup>10</sup>, or Decoding Encrypted Customer Data<sup>11</sup>
- External IP Theft – Decompilation<sup>12</sup> of Distributed Applications (e.g. App Stores)
- Hidden Intrusions – Difficult to Detect AI Backdoors<sup>13</sup>; Persistent Despite Safety Training

### Per-Risk Mitigations:

- Regulatory – ‘High-Risk’ Controls, Documented Process, Internal Audit
- Reputational – Real-Time Monitoring, Contextual Grounding, etc
- Data Loss – Event-Driven DLP, Customer-Managed Encryption Keys, etc
- IP Theft – AI-aware Application Architecture & Code Obfuscation
- Hidden Intrusions – Sanitized Inputs & Versioned Sources of Truth

### Core Competencies:

- External Observability - ‘Managing Alerts at-Scale by Exception’
- Internal Explainability - ‘Detailed Audit of AI Decisions’
- Per-Component Securability - ‘Minimizing Residual Risk’

### Core Products:

- Per-Application Baselines w/ Configurable Thresholds & Pre-Deployment Automation
- Real-Time Alerting via Event-Driven Interdiction Suite for Deployed Assets
- Automated Playbooks for AI Vulnerability Testing (e.g. Kill Chain & Defense Plan)
- Customizable Instrumentation via Transformer Heads using Mechanistic Interpretability

### Core Services:

- AI Software Integration & Strategic Planning
- Data Pipeline & Platform Modernization
- Cross-Domain AI Upskilling for Existing Teams
- Audit & Regulatory Support for Business

### Citations:

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| 1) <a href="#">NIST Vulnerability Report</a>                | 8) <a href="#">AI Hallucination Explained</a>            |
| 2) <a href="#">Improperly Licensed AI Training Data</a>     | 9) <a href="#">Extracting Training Data</a>              |
| 3) <a href="#">State-Backed AI-Security Efforts</a>         | 10) <a href="#">Inverting AI Embeddings</a>              |
| 4) <a href="#">Market Leaders Compromised</a>               | 11) <a href="#">Decoding Encrypted AI Messages</a>       |
| 5) <a href="#">LLM Refusal Mediated by Single Direction</a> | 12) <a href="#">Decompilation &amp; Extraction of IP</a> |
| 6) <a href="#">EU AI Act Explained</a>                      | 13) <a href="#">Sleeper Agents That Persist</a>          |
| 7) <a href="#">WH Executive Order</a>                       |  |