



S3 Conference

Screening ❖ Safety ❖ Strategy

Hosted by DISA Global Solutions

● Emerging AI Tools & Fairness



HELLO!

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Agenda

- ❖ AI is everywhere!
- ❖ AI Tools in Hiring Process and Background Checks
- ❖ Important Considerations
- ❖ State and Local laws
- ❖ Litigation (Moblely/Sirus XM)



Artificial Intelligence (AI) is a branch of computer science that enables machines to perform tasks requiring human-like intelligence, such as learning, reasoning, problem-solving, and perception.

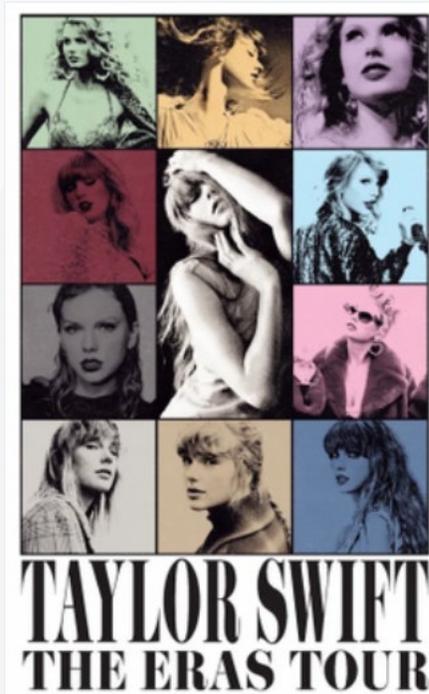
Rather than following strict, predefined rules, AI systems analyze vast amounts of data to identify patterns, make predictions, and adapt to new inputs.



Artificial Intelligence (AI) in everyday life



Sneaker bots are a sophisticated type of software designed to automatically purchase limited-edition sneakers and other high-demand items from online retailers at speeds much faster than a human can manage. This gives their operators a significant advantage in securing stock, which they often then resell at inflated prices in the secondary market.



Concert ticket bots are automated software programs used to purchase high-demand tickets faster and in larger volumes than humanly possible. While often used by scalpers to resell tickets at inflated prices, they are also a focus of significant legislative and technological crackdowns.



01

AI Tools in hiring

How HR Uses Artificial Intelligence

*Question was select all that apply. Among those who indicated their organization uses AI to support HR-related activities.

TOP 3



64%

Recruiting, interviewing and/or hiring



43%

Learning and development



25%

Performance management



10%

Productivity monitoring



6%

Succession planning



1%

Layoff and/or firing decisions



1%

Promotion decisions



“Other” areas HR uses AI

- “Administrative tasks”
- “Policy writing and communications”
- “General communication (announcements, social media posts, company emails, etc.)”
- “Forms and resource writing”
- “Drafting documents, communications, messages, and tasks lists”
- “Internal communications, policy and procedure drafting”
- “Content generation for documents, presentations, and awards.”
- “Answering FAQs”



Sourcing and Talent Discovery

- ❖ Scan massive databases for active and passive candidates

Resume Screening & Ranking

- ❖ Cuts manual review time by 70-90%

Candidate Engagement

- ❖ Chat bots can answer questions 24/7 and improves application completion rates



Interview Automation & Video interviews

- ❖ Scheduling to transcription and scoring

Scheduling & Coordination

- ❖ Eliminates back and forth emails

Best Results

- ❖ AI handling volume and human making final decisions
- ❖ Cost savings - Enterprise tools are expensive but save recruiter time



Automated Data Collection & Aggregation

- ✦ AI conducts or augments interviews

Identity Verification & Fraud Detection

- ✦ Eliminations back and forth emails

Social Media Screening

- ✦ Scan public profiles for risk signals



02

Important Considerations



EEOC: May 12, 2022

- Technical guidance on the use of AI to assess job applicants and employees under the **ADA and accommodation obligations**

EEOC: May 18, 2023

- Technical guidance on the applicability of **Title VII and disparate impact** to AI screening and assessment tools



EEOC Strategic Enforcement Plan for 2024-2028

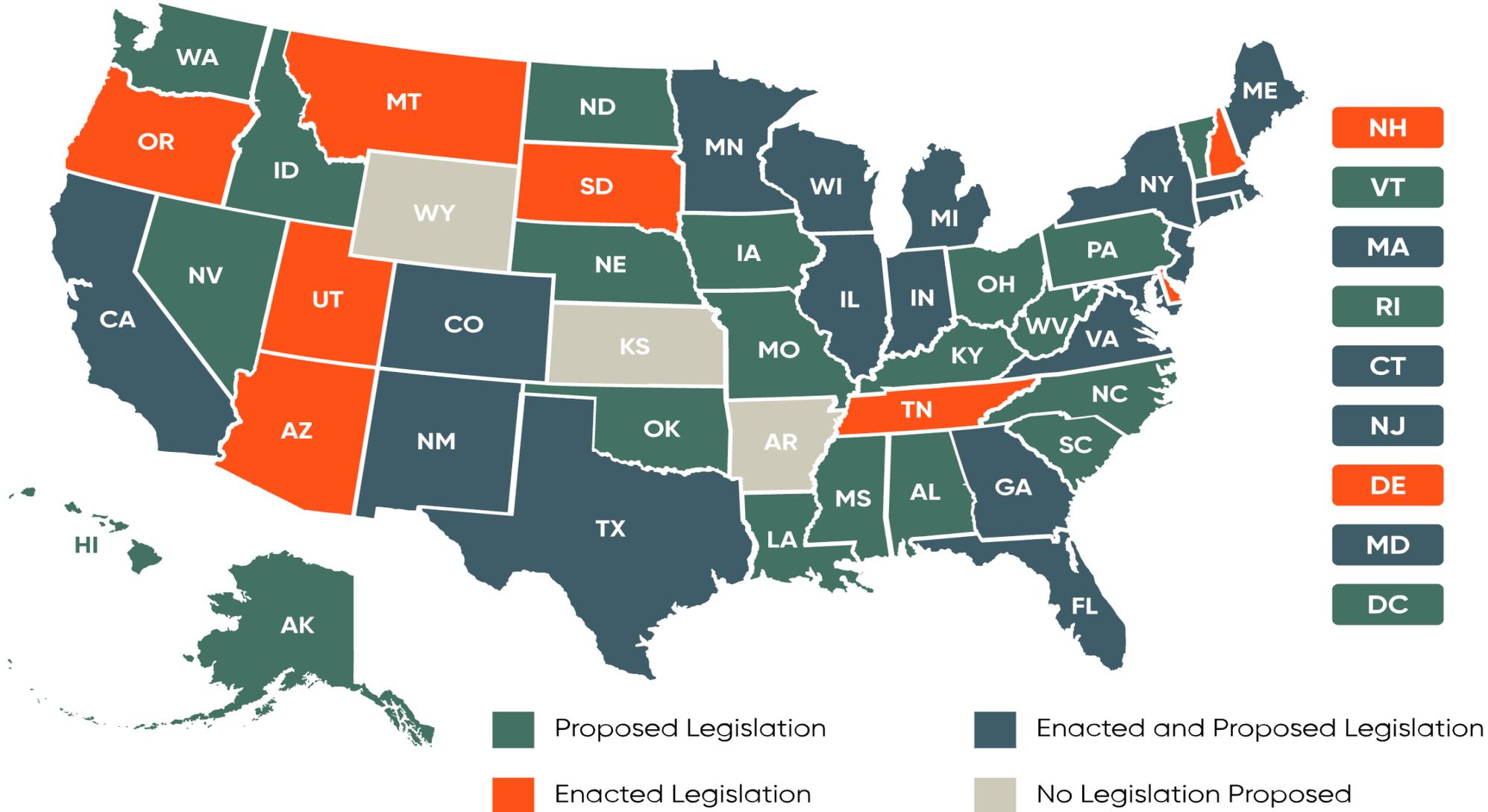
- EEOC's [Strategic Enforcement Plan for FY24-28](#) puts an emphasis on the use of any technology, and not just AI in hiring.
- EEOC's own explanation says the SEP:
 - Recognizes employers' increasing use of technology including artificial intelligence or machine learning, to target job advertisements, recruit applicants, and make or assist in hiring and other employment decisions, practices, or policies



03

State and Local AI Laws

Patchwork of 2026 State & Local AI Laws





Illinois HB 3773

- ❖ (Jan 1, 2026): Amends the Human Rights Act to explicitly cover AI in employment decisions; reinforces anti-discrimination duties and oversight.

Colorado Artificial Intelligence Act (SB 24-205)

Identity Verification & Fraud Detection

- ❖ Classifies many hiring AIs as "high-risk"; requires impact assessments, risk management policies, disclosures of discrimination risks, and opt-out/appeal rights for affected individuals.



California

- ❖ Clarifies FEHA application to AI; new CCPA regs on automated decision-making tools (ADMT) require pre-use notices, opt-out rights, and risk assessments for HR decisions.

Texas

- ❖ Transparency, risk evaluation, and governance for high-impact AI (including employment).



03

Litigation

Mobley v. Workday, Inc. is a landmark federal lawsuit challenging the use of artificial intelligence (AI) in employment screening, alleging that Workday's AI-powered tools discriminate against job applicants based on protected characteristics like age, race, and disability.

Specific examples of alleged bias include:

- Penalizing non-traditional resumes, gaps in employment (common for older workers or those with disabilities), or proxies like graduation dates that correlate with age.
- Disadvantaging applicants with accents, speech patterns, or other traits linked to race or disability in video/audio assessments.
- Systemic exclusion without transparency, leading to disparate impact.

Legal Claims

The complaint asserts violations under several federal statutes, primarily on disparate impact (unintentional but discriminatory effects) and disparate treatment (intentional discrimination) theories:

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Mobley seeks to hold Workday liable not as an "employer" but as an "employment agency" or "agent" under these laws, arguing it delegates hiring functions and materially influences outcomes.



A federal class action lawsuit filed on August 4, 2025. It alleges that Sirius XM's use of an AI-powered applicant tracking system resulted in racial discrimination against African American job applicants through disparate impact and potentially disparate treatment.



Key allegations:

Sirius XM relied on an AI-enhanced ATS to screen, score, rank, and automatically reject applications.

The AI system allegedly perpetuated historical racial biases by training on past hiring data that reflected discriminatory patterns.



04

Warp Up



AI is inevitable

Unmanaged AI is expensive

Invest in governance now to capture benefits while minimizing downside.



THANKS!

Any questions?

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