



**NEW YORK CITY COUNCIL
HEARING BY THE COMMITTEE OF THE WHOLE**

**WRITTEN TESTIMONY OF NADIA I SHIHATA
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OVERSIGHT – EXAMINING THE RISKS POSED BY ARTIFICIAL INTELLIGENCE

MONDAY, OCTOBER 5, 2026

My name is Nadia Shihata, I am the Commissioner of the Department of Investigation (“DOI”), and I am submitting this written testimony to provide the City Council with feedback on Introduction 2026-2604, which would amend the administrative code to clarify the whistleblower protections applicable to City employees, officers, contractors, and subcontractors who report misconduct related to the use or development of an artificial intelligence (“AI”) model. I thank Speaker Julie Menin and the rest of the City Council for inviting DOI to testify about this important matter.

These days, you cannot open a newspaper without reading stories about both the awesome benefits and serious dangers of rapidly improving artificial intelligence technologies. The adoption of AI in our lives has not been lost on the way City government functions. According to the Office of Technology and Innovation’s annual report, 86 algorithmic tools (tools that use machine learning, artificial intelligence, predictive analysis, or other similar methods of data analysis) were in use by City agencies in 2025, up from 55 in 2024 and 31 in 2022—the first year the City reported this data. These tools range in purpose from summarizing comments during neighborhood planning sessions to detecting brush fires to helping identify unknown individuals during law-enforcement investigations.

DOI is tasked by the New York City Charter and Mayoral Executive Order 16 of 1978 with conducting studies and investigations which are “in the best interests of the city,” providing oversight to all City agencies, elected officials, and contractors who do business with the City. As the City government continues to adopt new AI technologies to assist in the administration of government, DOI’s mission requires us to ensure that the adoption and use of AI by the City occurs without waste, fraud, abuse, and corruption. We appreciate that the City Council is taking the regulation of AI seriously, as evidenced by the hearing being held today.

One important aspect of DOI’s oversight power is our enforcement of the City’s whistleblower law. One of the strongest defenses against corruption, waste, and mismanagement is having individuals who are willing to step forward and report such matters. The whistleblower law protects individuals who report misconduct from retaliation, ensuring that they can come forward safely and confidentially. The whistleblower law operates by empowering, and sometimes mandating, DOI to investigate allegations that City employees and contractors were retaliated against for making a report to DOI or other enumerated City officials. The law requires DOI to report substantiated findings of retaliation against City employees to agency heads so that corrective action can be taken. In some cases, the law also permits City employees and contractors to sue in court to challenge alleged retaliation.

That brings me to one of the pieces of legislation being discussed today—Introduction 2026-2604. Intro 2026-2604 would amend the whistleblower law to make clear that its protections extend to City employees and contractors who report misconduct related to the development and use of AI. While DOI does not believe that these amendments will have a significant substantive effect on the City’s whistleblower protections, the amendments may nevertheless have a signaling effect to individuals who are considering reporting AI-related misconduct, ensuring that they can make those reports under the clear and explicit assurance of whistleblower protections. I’d like to make three points to explain my thinking.

First, because whistleblower protections are triggered by an employee or contractor making a report of misconduct, I’ll start by noting that the number of complaints DOI receives related to AI is currently quite low. For context, in Fiscal Year 2026, DOI received approximately 15,500 total complaints, including 35 claiming protection under the whistleblower law. In preparation for this testimony, my staff conducted a review to determine how often those complaints allege AI-related misconduct. With the caveat that DOI does not formally track whether allegations relate to AI, it appears that only a single-digit number of the complaints submitted to DOI in Fiscal Year 2026 related to AI and none alleged retaliation for blowing the whistle on AI-related misconduct. As AI use becomes more prevalent in City government, this could change. Currently, however, DOI rarely receives complaints of the type regulated by this bill.

Second, even without amendment, the whistleblower law’s current language is broad enough to protect individuals who report AI-related misconduct. For example, the whistleblower law already protects City employees and contractors who “mak[e] a report of information concerning conduct which he or she knows or reasonably believes to involve corruption, criminal activity, conflict of interest, gross mismanagement or abuse of authority.” This language—particularly its references to criminal activity, gross

mismanagement, and abuse of authority—likely covers many of the AI-specific reports covered by the amendments in Intro 2026-2604, which applies to City employees and contractors who “mak[e] a report of information concerning conduct related to the use or development of an artificial intelligence model that such officer or employee knows or reasonably believes to present a substantial and specific risk of harm to public health or public safety by” any City officer, employee, or contractor. In other words, most AI-related whistleblowers are likely already protected under current law. DOI will continue to ensure that those protections are honored, with or without an amendment to the whistleblower law.

Third, notwithstanding my previous two points, DOI recognizes the potential benefit of making the whistleblower law’s protection of AI whistleblowers explicit. As the City and its contractors continue to integrate AI into their work, the likelihood that City employees and contractors need to report AI-related misconduct may increase. Adopting explicit protections for AI whistleblowers may encourage whistleblowers to come forward, facilitating DOI’s work to keep the City safe from any waste, fraud, abuse, and corruption that derives from the use of AI in City programs that may occur in the future.

I will also note that Introduction 2026-2604 enacts a few amendments to the whistleblower law unrelated to artificial intelligence, like removing some duplicative references to the financial thresholds applicable to which City contractors are covered by whistleblower protections. It is DOI’s understanding that these amendments were not intended to change the whistleblower law substantively. If that is a misunderstanding, DOI would welcome the opportunity to discuss Introduction 2026-2604’s non-AI-related amendments with the Council further.

As mentioned earlier in my testimony, the whistleblower law provides important protections that strengthen DOI’s oversight of the City by allowing whistleblowers with insider knowledge to come forward with reports of corruption and misconduct without fear of reprisal. Every year, DOI publishes a letter summarizing the complaints received and investigations undertaken by DOI pursuant to the whistleblower law, which can be found here: <https://www.nyc.gov/site/doi/report/AnnualWhistleblowerLetters.page>. DOI’s next letter, summarizing whistleblower activity for fiscal year 2026, will be published later this month.

As we learn more every day about both the benefits of, and the dangers presented by, artificial intelligence, I am encouraged to see the City Council working diligently to protect our City. As New York City’s Inspector General, DOI stands ready to assist the Council in its efforts. If the Council would like to discuss Introduction 2026-2604 or other aspects of DOI’s oversight further, we would welcome the opportunity to engage in further conversations.