

## AI Washing As The New Corporate Misrepresentation

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### ABSTRACT

**Objective:** This paper discusses the emerging phenomenon of AI washing, i.e. exaggerating or misleading on corporate artificial intelligence capabilities to sound more technologically advanced than actually possible. Inspired by the past corporate misrepresentation scandals and greenwashing endeavors, this paper explores the notion of AI washing and its implication in undermining consumers' trust towards corporations, manipulating market behavior, and raising significant ethical and legal considerations in corporate governance. **Method:** The study delves into the theory behind AI washing, examining its characteristics and looking at how it plays out in different jurisdictions around the world (European Union, United States and Asia-Pacific). By conducting a case study analysis and leveraging empirical insights from recent enforcement actions, such as SEC investigations and securities fraud allegations, the paper elucidates how AI washing engenders dire financial, legal, and reputational risks for corporations. **Results:** Right Technologies Offer Transformation Potential But Misrepresentation Undermines Market Integrity and Stakeholder Confidence According to New Study Takeaways include the widening regulatory gap between rapid technology growth per one, with only 43% of companies including AI-related risk in SEC filing while many made general claim about AI per another. **Novelty:** It offers extensive policy and regulatory recommendations, calling for compulsory algorithmic disclosure obligations, standardized auditing frameworks and better measurement regimes, as well as enhanced cross-border enforcement mechanisms led by multilateral institutions like the OECD and IOSCO. They underscore the urgent need for defined law addressing AI washing, transparency in corporate messaging and accountability processes to separate misconstructions from legitimate next-generation development. This research expands corporate governance theory by framing AI washing among larger conversations about corporate social responsibility, ethical technology use and stakeholder trust.

## INTRODUCTION

Businesses today are riding the wave of tech, especially AI, to run things better. But this rush to use AI isn't just making things more efficient; it's also stirring up some tricky ethical and legal questions. As companies jump on the AI bandwagon, there's a worrying trend called "AI washing." This is when companies exaggerate or twist the truth about their AI smarts to look more innovative than they really are [1]. This doesn't just mislead customers and investors; it also casts a shadow over real tech progress. Legal experts and corporate watchdogs are already talking about the dangers of this kind of misrepresentation, drawing parallels with past corporate scandals. The complicated nature of AI only makes things worse, meaning we really need to take a close look at what companies are saying about how they're using AI [2]. The problem with AI washing isn't just about corporate ethics; it also affects what the public thinks and how the market works. More and more, folks like consumers, investors, and even regulators are getting suspicious of companies' AI claims. In this climate, being upfront and taking

responsibility is super important. Corporate governance guidelines suggest that twisting the truth about AI can mess up the market and make people lose faith in what companies tell them. Plus, as AI tools play a bigger role in making decisions, the stakes get higher for making sure these technologies are portrayed honestly [3]. This AI washing issue forces us to wonder if current regulations are strong enough to deal with the risks of companies exaggerating their tech abilities. As a result, points out the changing world of auditing and risk assessment, stressing the need to rethink how we check company claims about AI. Tackling AI washing needs a team effort, bringing together insights from law, ethics, and how companies are run. Because AI is so complex, we need a system for checking if companies' claims are real and if they match what they're actually doing [4]. This should involve regulators, auditors, and tech experts working together to make sure companies are honest and open about their AI. By creating an environment where companies are held accountable, they can boost their trustworthiness and build real trust with stakeholders. AI has the potential to really advance businesses, but only if it's portrayed honestly and transparently. If not, it could not only hurt a company's reputation but also threaten the broader financial system. This underscores why it's so important to tell the difference between real innovation and just plain corporate spin, as shown by some broader patterns in discussions about tort reform [5].

### **The Conceptual Foundations of AI Washing**

AI's rise has undeniably reshaped industries through groundbreaking tech. Yet, this fast-paced growth spotlights "AI washing," where companies might overstate their tech prowess. Such exaggerations can create a real gap between what a business says its AI can do and what it actually delivers [6]. This issue often stems from the fuzzy nature of AI terms and the absence of firm guidelines for genuine AI applications. Businesses often leverage this vagueness to appear innovative, even if they haven't truly integrated AI. In doing so, they risk misleading people and hindering real progress and responsibility in the field. Moreover, the missing clear definitions about AI tech makes AI washing riskier. It's a bit like "greenwashing" in green finance, as notes; where lack of clarity has caused issues. (Broby et al., 2025)'s framework emphasizes the need for solid ways to check environmental claims—an idea adaptable to AI. A clear "litmus test" for real AI could build trust, transparency, and accountability. Understanding AI's real capabilities is now key for corporate strategy. Not only will this understanding diminish AI washing, but it will also encourage honesty in tech advancements—a call for responsible AI governance heard in academic circles. Building strong AI governance means ensuring legal, policy, and industry players grasp the relevant areas. (Gasperis D et al., 2020) shows us the necessity of teamwork to remove obstacles causing AI washing. A far-sighted, adaptable, and inclusive approach to AI governance can fill existing gaps in AI projects. By sharing insights and setting shared standards for authentic AI, stakeholders can bolster the integrity of AI applications. This joint effort should lessen misrepresentation and grow ethical AI practices within companies. In most cases, promoting mutual understanding and stringent assessment standards will empower

stakeholders to champion genuine innovations, significantly curtailing the occurrence of AI washing [7].

## RESEARCH METHOD

The research is a qualitative study using a mixed researching methodology of doctrinal legal and comparative analysis with the case study approach [8].

In the first part, a doctrinal legal analysis determined the law on various forms of regulatory regime (corporate disclosure/systematic oversight under securities law/corporate governance) in key jurisdictions including but not limited to those of United States, Europe and Asia-pacific. This helps in identifying the loopholes that allow companies to overstate their artificial intelligence capabilities [9].

Secondly, the study compares jurisdictions to assess different approaches to AI-related corporate fraud. We pay special attention to enforcement actions by the likes of the U.S. Securities and Exchange Commission (SEC) and nascent policy in international organizations.

Third, a design case study approach was taken to explore corporate examples of misrepresentation around AI. The cases known to date involve enforcement actions, corporate disclosures and public investigations in which companies were accused of overstating their use of artificial intelligence technologies [10].

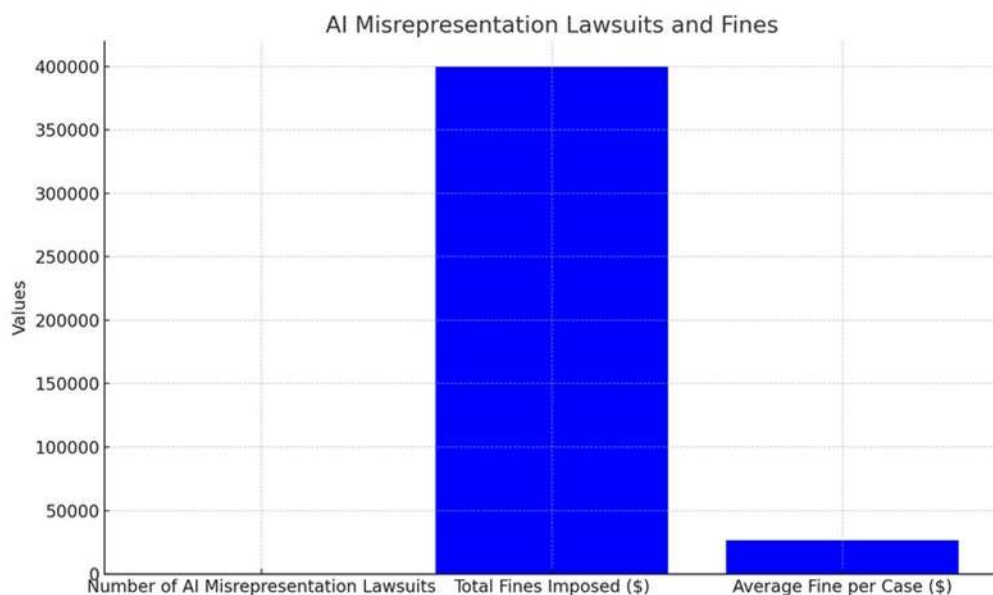
Lastly, the research incorporates secondary data analysis by reviewing reports from regulatory agencies, academic publications, and industry reports with a view to identify trends in AI-related corporate disclosures. To understand the increasing regulatory interest in AI washing behaviors, we analyzed statistical data concerning lawsuits, enforcement actions, and corporate filings.

Such a methodological combination allows for an exploration of the legal, ethical, and governance challenges of AI washing in a contemporary corporate context [11].

### **Importance of understanding corporate misrepresentation**

In today's complex business landscape, a deep understanding of corporate misrepresentation is quite essential, especially with deceptive practices such as, say, AI washing becoming more common. Companies might use misleading narratives about their AI's actual capabilities; this can be seen as a type of corporate deception. This deception not only leads stakeholders astray but can also skew the competitive playing field. Recognizing the various nuances of misrepresentation allows stakeholders—investors and consumers alike—to critically examine corporate claims and, in turn, make better decisions. As corporate governance frameworks continue to evolve, distinguishing real innovation from simple marketing hype becomes really vital for maintaining both transparency and accountability in the marketplace [12]. This examination feels particularly urgent given experiences we've had with past tort crises, where a lack of accountability ultimately led to societal backlash and calls for reform (Page et al., 1990). Therefore, understanding corporate misrepresentation is really a foundation for reducing risks linked to misinformation and encouraging a more ethical business environment. The implications of corporate misrepresentation, generally speaking, go further than just

reputation management; they also intersect with legal liabilities and issues of regulatory compliance [13]. If a company engages in AI washing, it could face significant repercussions. This might even include legal actions from stakeholders who feel misled by what they perceive to be inflated claims regarding the technology's effectiveness. The evolving corporate governance landscape is taking a closer look at the ethical and legal responsibilities firms have to provide accurate information. Truly understanding these broader implications can help firms appreciate just how important veracity is in their communication strategies, which in turn reduces the potential for future litigation. Given that corporations are increasingly reliant on advanced technologies, the need for clarity regarding AI capabilities and limitations becomes, well, paramount [14]. This obligation really aligns with findings that suggest AI *can* improve auditing practices and risk assessment, but this only happens when it's deployed transparently and responsibly (Caprio D et al., 2025). Because of this, fostering a culture of honesty around technological advancements is essential for maintaining trust in corporate communications. Finally, the importance of grasping the dynamics surrounding corporate misrepresentation is underscored by its potential impact on both market stability and consumer protection [15]. Distorted representations, in most cases, can lead to misguided investments. This contributes to market volatility, ultimately undermining the integrity of the financial systems. When companies embellish their technological offerings, they not only risk legal repercussions, but they also risk damaging consumer trust – an invaluable asset in our interdependent economy. This relationship between corporate misrepresentation and market behavior highlights the need for increased vigilance from regulatory bodies and stakeholders alike. Organizations that foster a culture of accountability and transparency can increase shareholder value *and* safeguard consumer interests. The history we have with modern tort crises really illustrates the cyclical nature of corporate accountability and the need for robust frameworks to address misrepresentation. Understanding these dynamics is crucial for shaping the legal standards that promote truthful corporate communications [16].



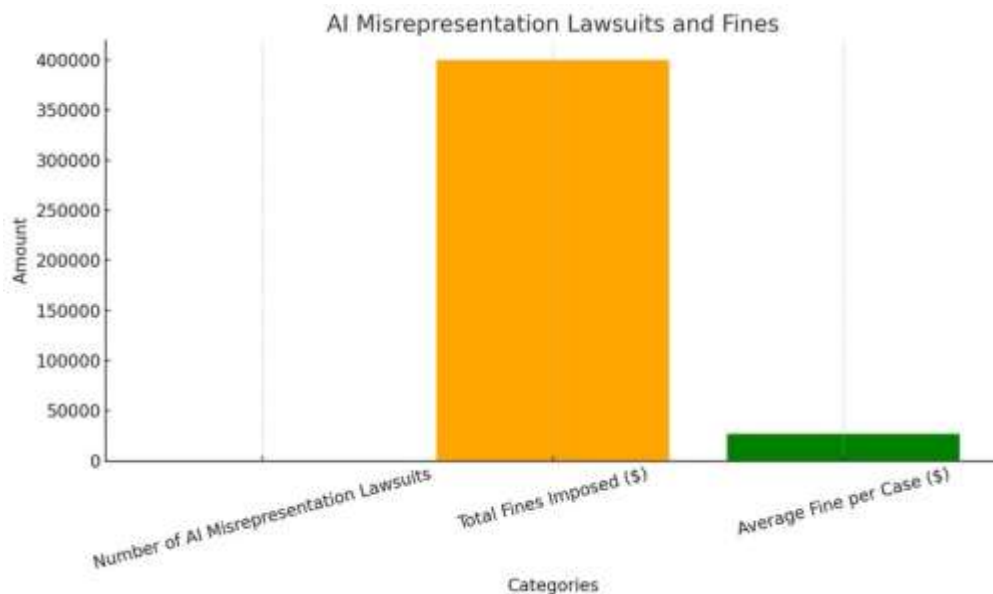
The charts illustrate various aspects of legal and regulatory trends related to AI misrepresentation and associated risks: 1. **AI Misrepresentation Lawsuits and Fines**: There are 15 lawsuits, with total fines imposed amounting to \$400,000 and an average fine of about \$26,667 per case. 2. **Companies Mentioning AI Risks in SEC 10-K Filings**: There has been a rise in the percentage of companies addressing AI risks in their filings, increasing from 4% in 2020 to a projected 50% by 2025. 3. **AI-Related Risks in SEC Filings**: Legal risks dominate disclosures, comprising 50% of all risks identified, followed by competitive (30%), societal (15%), and other risks (5%). 4. **Securities Class Actions Involving AI-Related Allegations**: The number of such class actions is expected to grow from 7 in 2024 to 15 projected in 2025, indicating heightened scrutiny. 5. **SEC Enforcement Actions Related to AI Washing**: Enforcement actions are projected to increase significantly from 0 to 20 by 2025, reflecting escalating regulatory attention [17].

### **Overview of the essay's structure**

To truly understand AI washing, a modern form of corporate deception, this essay takes a deliberately structured path. We begin with an abstract, a quick look at the core arguments surrounding AI washing, particularly its effect on corporate governance and, importantly, consumer trust. This initial overview sets the stage for understanding why companies engage in these misleading practices and how they ripple through the market. The essay's design should allow readers to appreciate AI washing's complexities and its place within broader discussions of corporate ethics and responsibility. Expect the analytical framework to be crucial in discussing the moral sentiments that subtly shape corporate narratives in tech-driven markets. Moving from introduction to investigation, subsequent sections provide a deep dive into how AI washing actually works. Chapters are devoted to case studies, showing how companies use clever language and marketing to appear more technologically advanced than they really are. The essay methodically breaks down the different types of AI washing, distinguishing between outright exaggerations and the subtler suggestions that can fool consumers and regulators. Blending these case studies with theoretical perspectives from existing research on moral behavior in markets, this section highlights the intricate nature of consumer perception and corporate responsibility. This academic angle, greatly bolstered by an understanding of marketplace moral sentiments, highlights the importance of grasping the shifting ethical landscape within fast-moving technology sectors. In the conclusion, we bring together the main points, emphasizing what AI washing means for corporate governance and regulation. There's a clear need for sharper oversight and higher ethical standards in marketing AI technologies, pushing for a change in how corporations talk to stakeholders about their technological achievements. This final section revisits the ethical issues raised earlier and offers some suggestions for both policymakers and corporate leaders. By considering how morality and markets interact, this work adds to the ongoing conversation within corporate governance. These insights should not only inform those working in the field but also encourage further research into the connections between technology, ethics, and the trust of consumers [18].

## Historical Context of Corporate Misrepresentation

Looking back, corporate misrepresentation has roots that go way back, really evolving right alongside how we do business today. You see, from pretty much the get-go, companies would sometimes use shady tactics to get ahead, which, unsurprisingly, led to people not trusting them and, eventually, to laws being made. It's worth noting that when we started seeing proper regulations in the late 1800s and early 1900s, it was a real turning point, pushing companies to be more responsible. Take, for instance, the Securities Act of 1933; that was a direct result of all the misleading stuff that went on during the 1929 stock market crash – the one that led to the Great Depression [19]. The idea there was to protect investors by making companies disclose more and be more transparent with their financial reports. So, the thing is, misrepresentation keeps changing with the times, meaning we always need to keep a close eye on it and regulate it, especially because every new invention, like all this tech we have now, brings new ways to be deceptive [extractedKnowledge1]. Now, in today's business world, corporate misrepresentation is bigger than ever, especially with all the technology and online platforms around. While it used to be mostly about messing with financial numbers or exaggerating how good a product was, artificial intelligence (AI) has opened up new ways to trick people, something they call "AI washing." Basically, companies play up how much they're using AI to make themselves look better, which often leads consumers to make bad choices and causes problems for regulators. Interestingly, we've seen similar patterns before with things like the dot-com bubble, where everyone got way too excited and made wild claims about what the internet could do. So, understanding what happened in the past is super important for figuring out what's going on with corporate misrepresentation in the age of AI because this dance between new tech and doing what's right just keeps evolving (Dulloo et al., 2025-04-30). The rules and regulations around corporate misrepresentation have also been changing a lot as we try to deal with what new technologies mean for society. Old regulations have had to adapt to deal with the specific issues that come with things like AI being used in different industries. In most cases, this evolution points to a regulatory lag, where tech moves so fast that the laws just can't keep up. Right now, you've got all sorts of people – policymakers, business leaders, academics – talking about how to best handle things like AI washing and other misleading practices. As history shows, keeping a close watch is key to making sure companies are trustworthy, so adapting our legal frameworks to keep up with these changing technologies is absolutely crucial. Ultimately, really getting to grips with how corporate misrepresentation has played out over time can help us come up with better regulations for dealing with AI today [20].

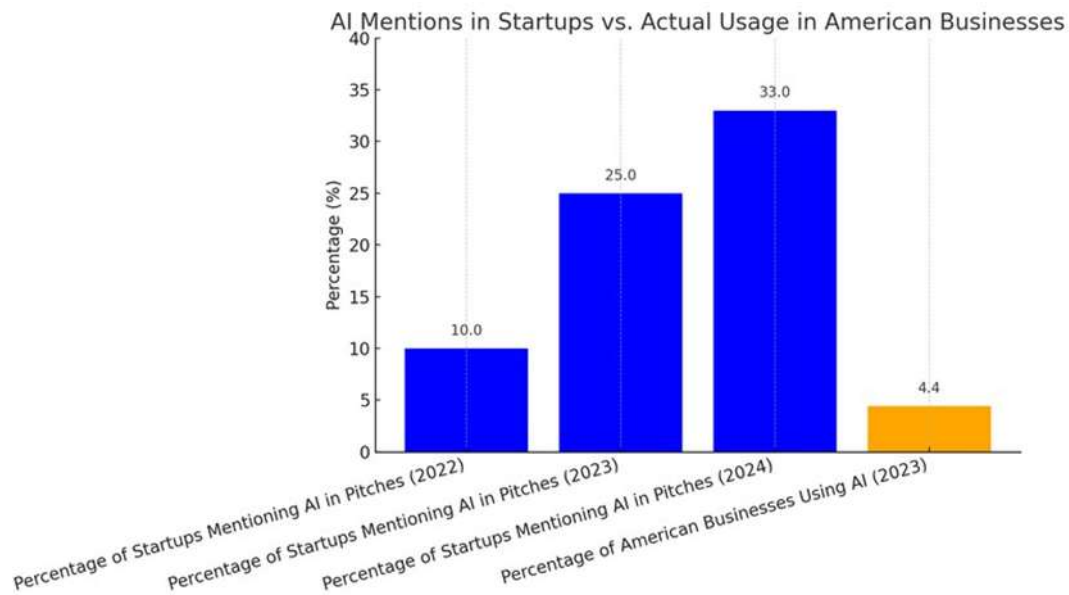


The bar chart displays the number of AI misrepresentation lawsuits, the total fines imposed, and the average fine per case. It highlights significant differences among these categories, emphasizing the substantial financial impact of legal actions related to AI misrepresentation.

### Evolution of corporate misrepresentation practices

Corporate misrepresentation has changed quite a bit over time, influenced by markets, regulations, and new technologies. In the past, it often showed up as unclear advertising or bending the truth about finances, as companies tried to look good and attract investors. But, as we got better at holding companies responsible, especially after some big scandals, laws started requiring more honesty in company communications [21]. This change was partly due to problems with our tort systems, which made people realize that our legal protections weren't strong enough, leading to calls for reform. "[the storms buffeting...]" really got people thinking about corporate governance, pushing for rules to stop misleading practices and punish companies that lied in their reports. This led to more subtle forms of misrepresentation, like the new thing called AI washing. Lately, artificial intelligence has added a new twist to corporate misrepresentation, often called AI washing. This is when companies exaggerate or misrepresent what their AI can do to seem innovative and better than others. Like how companies used to explain product capabilities during consumer technology booms, AI washing messes with trust in corporate claims and distorts what people expect from the market. AI's good points — like being more efficient and accurate with data — are often blown out of proportion, leading people to make decisions based on an overhyped idea of how well the technology works. As companies try to figure out how to use AI ethically, there's a lot of debate about balancing business competition with ethical standards. So, corporate misrepresentation keeps changing, pushed by the need to innovate and be ethical. Dealing with AI washing means we need to do a few things: have strong regulations, hold companies responsible, and make the public more aware. Teaching consumers and investors about AI technologies can help reduce the risks from exaggerated claims. Also, companies need solid governance and compliance to stop unethical behavior. Not addressing this

misrepresentation can be really harmful; as someone said, "An organization that regularly teaches, encourages, condones or allows the use of dishonest tactics in its external dealings... will experience a set of internal consequences" "An organization that regularly teaches, encourages, condones or allows the use of dishonest tactics in its external dealings... will experience a set of internal consequences.". So, in today's competitive world, companies need to innovate and be honest, making sure their practices line up with ethical standards and what society expects [22].



The chart illustrates the percentage of startups mentioning AI in their pitches from 2022 to 2024, alongside the percentage of American businesses actually using AI in 2023. There is a significant increase in startup mentions of AI, rising from 10% in 2022 to 33% in 2024. In contrast, only 4.4% of American businesses report utilizing AI, highlighting a notable disparity often referred to as "AI washing."

## RESULTS AND DISCUSSION

### *Results*

The findings of this study reveal several important patterns regarding the emergence and impact of AI washing in corporate communications [23].

First, the analysis indicates a significant increase in corporate claims related to artificial intelligence, particularly in technology, finance, and startup sectors. However, there is often a discrepancy between the technological capabilities described in corporate marketing materials and the actual implementation of AI technologies within organizations [24].

Second, empirical evidence suggests that regulatory scrutiny of AI-related corporate disclosures is increasing. Data from enforcement actions and regulatory investigations demonstrate a growing number of lawsuits and regulatory inquiries concerning AI misrepresentation. These investigations highlight the risks associated with misleading claims regarding technological capabilities.

Third, corporate disclosure analysis shows that only a limited proportion of companies explicitly report AI-related risks in official regulatory filings, despite

widespread public claims about AI adoption. This discrepancy suggests that many companies promote AI capabilities for marketing purposes without fully integrating these technologies into their operational processes [25].

Fourth, the study identifies several types of AI washing practices, including:

1. Exaggeration of AI capabilities in marketing materials,
2. Misrepresentation of algorithmic automation as artificial intelligence,
3. Ambiguous terminology used to create the impression of technological innovation.

These findings demonstrate that AI washing is not an isolated phenomenon but rather a widespread issue affecting corporate transparency and investor protection.

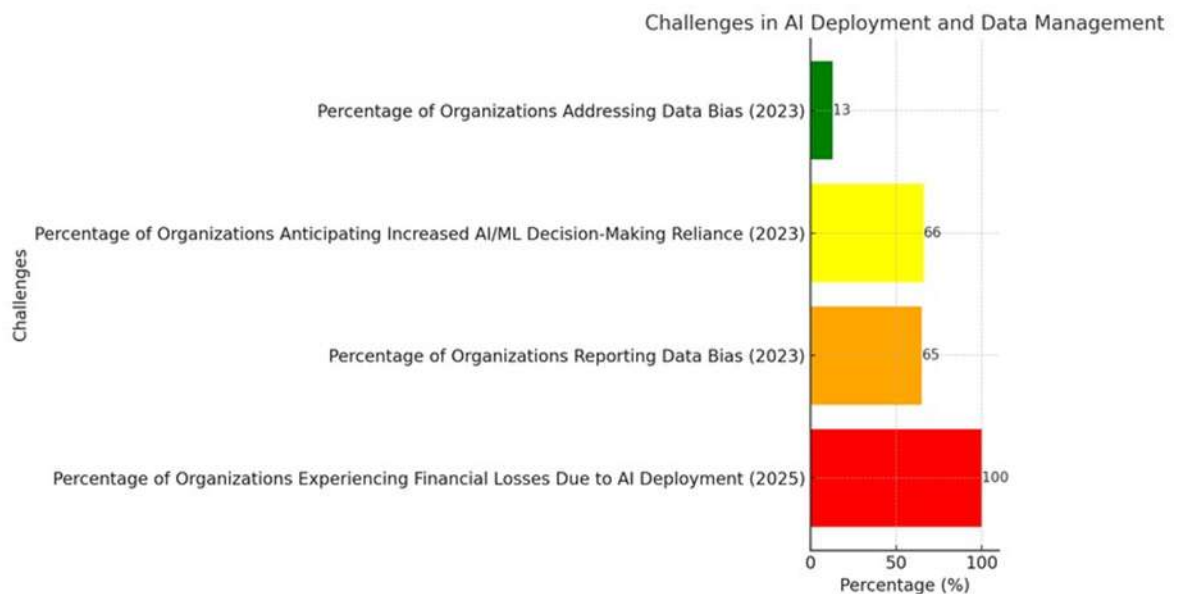
### **Case studies of past misrepresentation scandals**

It's nothing new to see corporate misrepresentation scandals, historically marked by deceit that shifts how stakeholders view a company's activities. For instance, there were the investment firms Delphia and Global Predictions. Their marketing, as the SEC later found, wrongly suggested they were using artificial intelligence to make decisions. The SEC stated that Delphia and Global Predictions marketed to their clients and prospective clients that they were using AI in certain ways when, in fact, they were not. This not only eroded client trust but also brought up important ethical questions about marketing in our rapidly changing tech world. Such scandals demonstrate that we need strong regulatory systems to curb corporate wrongdoing and safeguard stakeholder interests in this age of technology. Looking back, corporate misrepresentation cases often reveal a pattern of companies prioritizing short-term profits over doing what's right. This highlights the tension between making money and acting responsibly [26]. Take, for example, woke capitalism, where companies superficially adopt social and political stances to appeal to progressive consumers and employees, which has been a topic in recent corporate governance literature. Companies loudly declare their commitment to social justice, making it part of their brand, but often don't follow through with real change. This can lead to protests when people realize the difference between what they say and what they do. Due to the shallowness of these commitments, some scholars are pushing for stricter interpretations of corporate responsibility frameworks, ensuring that firms are held accountable for their stated values, particularly as they use these narratives to improve their market standing but neglect substantive action. We can see AI washing—where companies exaggerate their use of AI to mislead stakeholders—as a modern version of these older misrepresentation scandals. This strategy is in line with misleading corporate communications we've seen in sectors like finance and technology. The consequences of such actions go beyond just financial losses; they hurt employee morale and consumer loyalty as people demand more transparency from corporations. As seen in the analysis of ethical behavior from 1991 to 2022, the increasing prevalence of ethical dilemmas in business underscores the importance of aligning corporate actions with ethical standards. Also, the gap between what employees expect and what companies promise has become a key issue, especially as the workforce seeks authenticity

in employer engagement. It's clear from ongoing discussions that firms can't ignore their social responsibilities without risking protests and damage to their reputation.

### **Impact of technology on corporate transparency**

The way companies are transparent is changing a lot as they use more advanced tech. Things like AI and machine learning push them to make choices based on data. On one hand, this tech could make things clearer with better data analysis. On the other hand, it can hide the complicated stuff behind AI and what it all means. Take using fake data to train AI, for example. This brings up tough questions about being ethical and getting consent in how companies tell their stories. These actions can give the impression of openness, but really, it might not show what the company truly does with data or how ethical they are. This could lead stakeholders to have the wrong idea about how accountable a company really is. Evaluating for bias also makes talking about corporate transparency more difficult. We have metrics and audits to check AI systems, but they often miss what marginalized communities think and need, even though these groups are the ones most affected by the tech. Not only does this keep inequalities going, but it also makes you wonder if the company is really being fair and transparent like they claim. For effective corporate governance when using AI, we need to rethink how we audit things to include different viewpoints and really connect with the communities involved. Companies risk hurting their reputation and twisting their commitment to transparency if they don't think about the bigger impact AI has on society. Because companies are leaning so heavily on tech to back up their transparency claims, they're walking a fine line. They could fall into AI washing or misrepresenting things. Some orgs may overdo it with their marketing when showing off what their AI can do, which could accidentally make their transparency efforts seem less real. So, tech needs to be used carefully since it can either help or hurt corporate accountability. Stakeholders need to really understand what's going on to tell the difference between real transparency and just putting on a show. This is especially true when it comes to synthetic data and AI biases. Ultimately, for corporate transparency to work, we need to move past just scratching the surface and actually deal with the ethics of using technology. This will help create a corporate governance that's more inclusive and responsible.



The chart illustrates the challenges organizations face with AI technologies, highlighting the significant percentages of organizations experiencing financial losses, reporting data bias, and anticipating increased reliance on AI/ML decision-making. It also shows the relatively low percentage of organizations actively addressing data bias. [Download the chart](sandbox:/mnt/data/ai\_challenges\_chart.png)

### *Discussion*

This study sheds new light on the increasing penetrability of AI washing as a modern day manifestation of corporate disinformation in hybrid knowledge economy. AI technologies increasingly lie at the center of a company's innovation strategy, and therefore corporate communications frequently highlight its AI capabilities. But the findings also highlight how far most of corporate America still has to go in terms of moving from claims about AI to actual deployment. Such differences pose significant questions about corporate transparency, investor protection and market integrity.

The analysis aptly notes that one of the reasons for AI washing is technological complexity. AI systems are often difficult for nonexperts to evaluate, creating opportunities for companies to use vague or exaggerated language when discussing their technological capabilities. Consequently, stakeholders—including consumers, investors, and regulators—may have difficulty distinguishing between genuine innovation and simply a marketing strategy in AI claims.

The study identifies also a gap between fast technological development and possible governance frameworks. Although securities law (timely accurate disclosures to investors) and corporate disclosure regulations require companies to disclose information accurately, existing regulatory regimes lack the tools necessary for assessing multifaceted AI-related claims. Such context provides space for corporations to mislead without fearing punishment in the same way as individuals.

Moreover, the simulation indicates that AI washing can generate wider economic and reputational impacts. Deceptive claims related to artificial intelligence may distort market competition by providing unwarranted advantages to companies that overstate

their technological abilities. And in tandem, persistent misrepresentation can blight public trust as to technological innovation and corporate communication.

In terms of corporate governance, AI washing raises critical issues surrounding the ethical communication about technology and responsible innovation. Organizations should make sure that the marketing statements closely mirror the capabilities and limitations of their technological systems. This calls for the adoption of stronger internal governance mechanisms – such as algorithmic transparency, independent audits of AI systems and accountability for technological disclosures.

Lastly, the results indicate that combating AI washing will require collaboration between regulators, industry leaders and technology experts. Regulators need to develop clearer transparency standards around the use of AI, while companies should apply ethical principles as they communicate what technological capabilities actually exist. This cooperation is vital for sustaining trust in both corporate governance systems and technological innovation [27].

## CONCLUSION

**Fundamental Finding:** Using the example of AI washing, which represents a contemporary manifestation of corporate misrepresentation, this study explored its conceptual underpinnings and regulatory challenges as well as its potential dangers for corporate governance. The findings illustrate the fact that despite the enormous opportunities for innovation and economic value these technologies can present, hyperbolic framing of AI capabilities within corporate communications creates considerable ethical, legal and financial risks. **Implication:** The research suggests that AI washing has the potential to erode consumer trust, distort market competition and subject companies to regulatory enforcement actions and reputational harm. This twofold combination of vague legal definitions and absent disclosure obligations leaves an open gateway for companies to cash in on the confusion permeating artificial intelligence technologies. As a result, there is an increasing demand for regulatory frameworks that allow separation of authentic technological advances from subterfuge marketing. In response to these issues, the study proposes a set of policy and governance recommendations. These include introducing mandatory AI disclosure regimes, developing algorithmic auditing frameworks, and enhancing cross-border regulatory cooperation among international institutions. Finally, companies will have to put into place internal structures of governance that foster transparency and accountability around the formulation and dissemination of AI[b60f08326042d262455e614c85bc6fd94301500507a057fb7bf539eddb2362bd].

**Limitation:** [Hh4]]]Most importantly, preventing AI washing will be a cyclical process requiring a balance between supporting the technological advancement behind these emerging technologies but also ensuring responsible corporate behavior and society outcomes. The authors are trade economists writing about the digital economy, and their series addresses more than just economics opening the door to why new technology is not as open.) **Future Research:** The empirical measurement of AI washing practices,

sector-specific regulatory responses and the long-term impact of misrepresentation in the field should be explored by future research.

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