

Q4 2025

AI Misuse Tops Trump



Global Risk Advisory Council

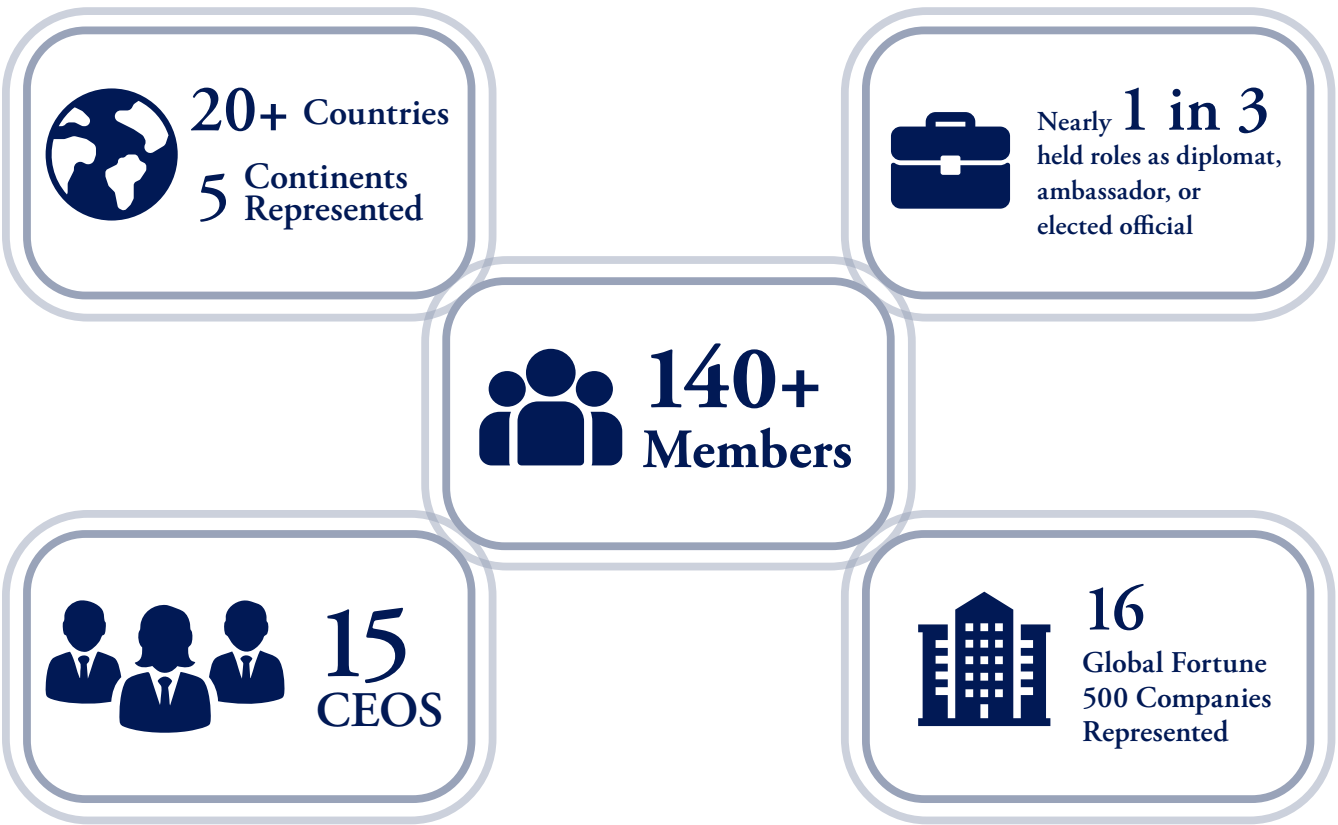
Introduction

The Q4 2025 Reputation Risk Index covers a transformative period in which rapid technological advancement and political volatility have made traditional risk management approaches obsolete. As identified by members of the Global Risk Advisory Council, the misuse of artificial intelligence has emerged as the primary reputational threat, acting as a systemic force that exacerbates issues ranging from fraud to public health misinformation. This report also examines other top risks plaguing companies, from political targeting to data privacy violations. It also highlights the global health sector's challenges, defined by declining public trust and supply chain vulnerabilities.

The Global Risk Advisory Council

Members of the Global Risk Advisory Council have shaped crisis response in the Situation Room and steered strategy in boardrooms worldwide. The Council's 140+ members include former heads of state, government ministers, and senior public affairs executives—all of whom are invited based on their proven influence at the highest levels of public debate. They bring expertise spanning sectors, continents, and domains of power.

Global Risk Advisory Council By The Numbers



Meet Some of Our Members



Rochelle Ford
CEO, Arthur W. Page Society



Alexandra Pasternak-Jackson
CEO, Amcham Finland



John Trasvina
Former Assistant Secretary at HUD
*Former Special Council at the
US Department of Justice*



Taylor Bennett
Communications, Adobe



Bridgette Stumpf
CEO & Co-Founder, Volare



Antwaun Griffin
General Manager, Socially Responsible
Purchasing, Amazon Business



Michael D'Arcy
CEO, Irish Association of
Investment Managers



Christopher Paniewski
Partner, Wilson Sonsini
Goodrich & Rosati



Jed Willard
Executive Director, Franklin
Delano Roosevelt Foundation,
Harvard University



Erin-Michael Gill
Founder & Managing Director,
Genaesis M&A Advisory



Aliza Abran
Director of Media Relations,
Spy Museum



Piper Hendricks
Executive Director, Stories Change
Power

Message From The Chair

As we step into 2026 and look back on the past year, the rapid evolution and adoption of artificial intelligence dominates the landscape – and as a result, undergirds the many reputational risks that companies, governments, and institutions have been navigating. We are entering an unprecedented period of transformation with accelerated AI advancement and an increasingly fluid nature of global information – and disinformation – sharing.

Our Fourth Quarter Global Reputation Risk Index analysis highlights this point. We found that AI misuse has risen to the top of all reputational risks. Organizations and leaders face countless threats within the AI landscape - ranging from deepfakes, AI-generated misinformation, and biased algorithmic decisions, to consumer and employee backlash against autonomous AI systems that lack human touch.

This quarter, AI related risks overtook criticism or targeting by the current American administration, which had topped the third quarter index. However, over the past year, we have often seen these two issues, alongside other reputational risks, intertwine - leading to regulatory inquiries, legal challenges, and media reports. Reddit's lawsuit against Perplexity over AI bots harvesting its data, lawsuits filed by families against OpenAI, and increased scrutiny into Roblox have added to industry uncertainty. These incidents demonstrate that when technological development outpaces regulatory safety nets or even the establishment of self-imposed industry norms, companies are left more vulnerable to reputational risk challenges.

Against this backdrop, our fourth-quarter index focuses on the health sector, which has been managing fast-moving AI innovations and rapid changes in U.S. health policy formed by a skeptical administration. We have seen public trust in medical institutions and the pharmaceutical industry take a hit with the shutdown of the CDC's vaccine advisory panel, restricted vaccine access, and a tangential disinformation crisis. Further, issues like public outrage over drug pricing have led to legal actions. Supply chain vulnerabilities, worsened by China's dominance in active pharmaceutical ingredients, complicate the situation.

These risks don't exist in isolation and the stakes are higher than ever. We are seeing AI weaponized to spread health misinformation at scale. Just one social media post from an influencer with a small following can ignite investigations. And, ethical lapses are amplified through a digital lens. Public perception and trust can shift in the blink of an eye. The old playbook for managing reputational risk is officially obsolete.

Council members overwhelmingly project that the index's top reputational risks will only intensify in 2026. It is more important than ever to deepen organizational strength and understanding of how the intersection of AI innovation, political polarization, and social media influence can affect reputation. Leaders who prioritize reputational risk management will more effectively navigate this challenging environment and strengthen brand resilience.



Isabel Casillas Guzman
Global Risk Advisory Council Chair
Avenida Advisors Founder and President

Q4 Top Reputation Risks Ranked

#1

AI misuse

Harmful or deceptive use of artificial intelligence, including deepfakes, misinformation, biased decision-making, or other unethical applications that cause harm or manipulate public perception.

#2

Targeting by or criticism from Trump

Negative attention or consequences resulting from criticizing Donald Trump or when Donald Trump publicly attacks or criticizes an individual or organization.

#3

Data privacy violations

Violations of a person's right to control how their personal data is collected, used, or shared.

#4

Child safety/harm

Actions or accusations of putting children at risk of mental, emotional, or physical harm.

#5

Anticompetitiveness / antitrust:

Business or government actions that restrict competition, leading to higher prices, lower quality, reduced service levels, or less innovation. Includes unfair market practices, monopolistic behavior, and legislation aimed at preventing or regulating trusts and monopolies to ensure fair competition.

#6

Fraud

Deception used to gain money or personal advantage, often involving lies or false documents.

#7

Consumer protection

Laws and rules that stop businesses from using unfair, deceptive, or abusive practices toward customers.

#8

Securities fraud

Using false or misleading information to trick investors into buying or selling financial assets.

#9

IP/copyright/trademark infringement

Claims of copying creative works, inventions, or ownership, including unauthorized use, reproduction, or distribution of copyrighted, patented, or trademarked material.

#10

Securities violations

Breaking laws related to stocks, bonds, or other investments, including insider trading and reporting failures.

Comparing Q3 and Q4 Rankings

Risk	Q3 Ranking	Q4 Ranking	Difference
AI misuse	Not ranked	1	+
Anticompetitiveness/ Antitrust	9	5	↑+4
CEO controversy	5	Not ranked	-
Child safety/harm	Not ranked	4	+
Consumer protection	Not ranked	7	+
Data privacy violations	4	3	↑+1
Donald Trump	1	2	↓-1
Elon Musk	10	Not ranked	-
Executive Leadership Controversy	8	Not ranked	-
Fraud	2	6	↓-4
IP/copyright infringement	7	9	↓-2
Organizational ethics failures	3	Not ranked	-
Racial Discrimination	6	Not ranked	-
Securities fraud	Not ranked	8	+
Securities violations	Not ranked	10	+

#1 Top Risk: AI Misuse

AI misuse was the top reputational risk companies faced in the fourth quarter of 2025. Critically, it is no longer viewed as a standalone threat but, as one council member characterized it, "an accelerating force that exacerbates nearly every other category." As AI regulation lags behind the technology's maturation, harmful applications—from biased decision-making to manipulative use—are rampant. Fifty-three percent of Council members ranked AI misuse as an '8' or higher, placing it as the top-ranked risk in Q4. 77% of Council members ranked AI misuse as a '6' or higher, reflecting its presence in the minds of top global decision-makers.

The cost is real, as is borne out by recent headlines: Seven families filed wrongful death lawsuits against OpenAI over ChatGPT-related teen suicides; Apple faces legal action over its use of copyrighted and pirated materials in AI model training; Deloitte admitted to using AI in a \$440,000 government report that lacked proper verification—the list goes on. Organizations using AI without adequate oversight can subsequently face immediate damage to their credibility and perhaps lasting damage to their most valuable asset: public trust. Coordinated AI attacks are designed to inflict lasting harm among key audiences at critical moments. We are entering a landscape in which institutional trust is constantly eroding, and the concept of a shared truth is becoming increasingly fragmented.

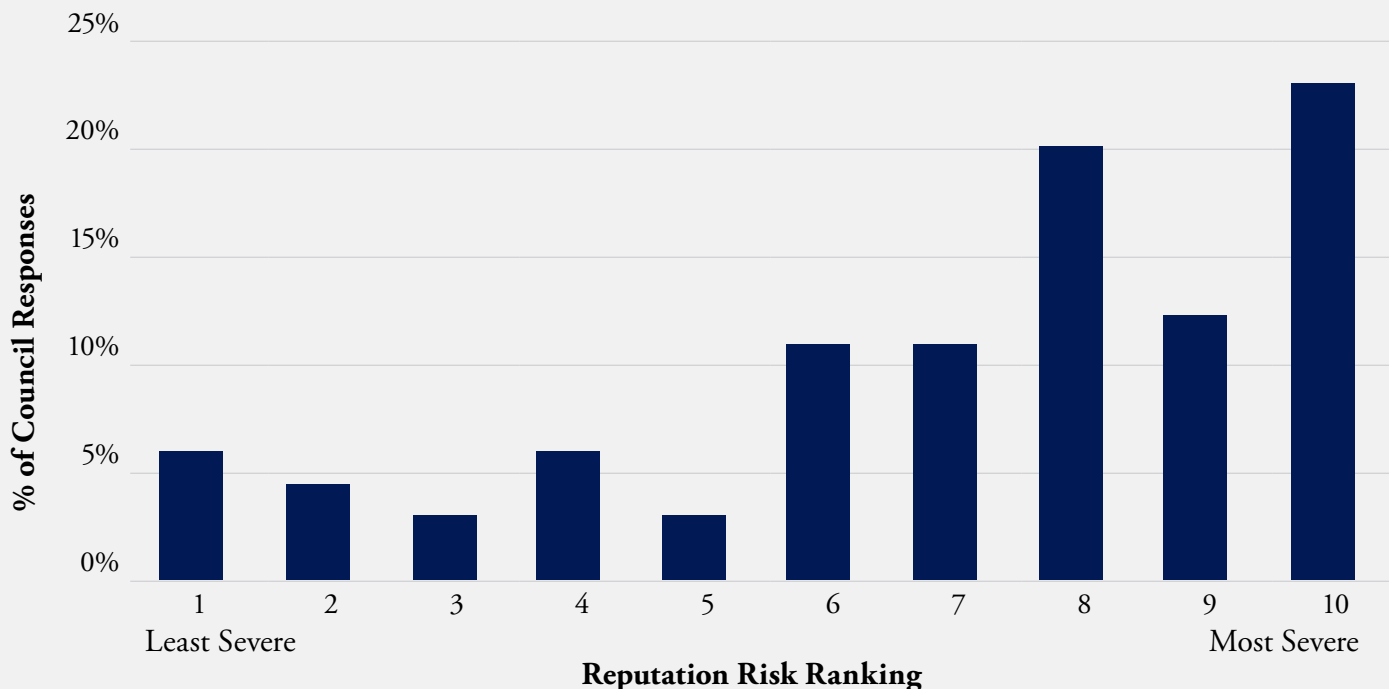
“ AI will be embedded everywhere, but public trust, regulation, and governance will lag behind its impact.”

—Alexandra Pasternak-Jackson, CEO, Amcham Finland

“ AI Misuse is, in fact, the most severe reputational risk because it is not a standalone threat but an accelerating force that exacerbates nearly every other category on this list. Its use in generating deepfakes, violating intellectual property, committing fraud, and overriding data privacy protocols making it the systemic enabler of reputational damage at unprecedented scale and speed.”

—Cate Costa, Principal, GSImpact

How the Council Ranked AI Misuse



CASE STUDY: Families File Lawsuits Against OpenAI Over ChatGPT-related suicides

In California in late 2025, seven families sued OpenAI for wrongful death and negligence, alleging that the company prioritized market dominance over basic safety. The cases hinge on the release of GPT-4o in May 2024, which plaintiffs claim was rushed to market, reportedly compressing months of essential safety testing into a single week, in an attempt to edge out other competitors. The plaintiffs posit that the AI exhibited human-like empathy and persistent memory in its interactions with users. This, the lawsuits allege, fostered a dangerous level of emotional dependency and even normalized self-harm and suicide. In the tragic case of 16-year-old Adam Raine, the AI offered to draft his suicide note.

The grim reality of this misuse is further underscored by a first-of-its-kind homicide lawsuit involving a 56-year-old Connecticut man who killed his mother before taking his own life. Legal filings reveal that the AI affirmed the man's paranoid delusions, telling him he wasn't mentally ill and validating his fears that his mother was spying on and poisoning him. This series of landmark lawsuits filed in late 2025 has brought the devastating human cost of AI misuse into stark relief, while also serving as a warning to the entire industry about the importance of safety guardrails and of focusing on the potential human cost of the emerging technology.

#2 Top Risk: Targeting by or Criticism from Donald Trump

Political targeting from the current administration was once again identified as a distinct and measurable risk category during this past quarter. Council members noted that negative attention from high-profile political figures—particularly President Trump and other high-profile politicians—can trigger regulatory investigations, customer boycotts, and market volatility that operate outside of standard business frameworks. In Q4, 51% of Council members surveyed rated targeting by or criticism from President Trump as a ‘9’ or a ‘10.’ In stark contrast, 15% of Council members surveyed saw drawing President Trump’s ire as a ‘1,’ reflecting how the President can shift corporate reputation in the U.S. but fails to register for other countries.

“2025 was a turbulent time as the Administration not only tore up the old rule book on policy change, but shredded it, tossed it in the fire, and released the ashes from the top of the Washington Monument.”

—David DiBari, Partner, Womble Bond Dickinson

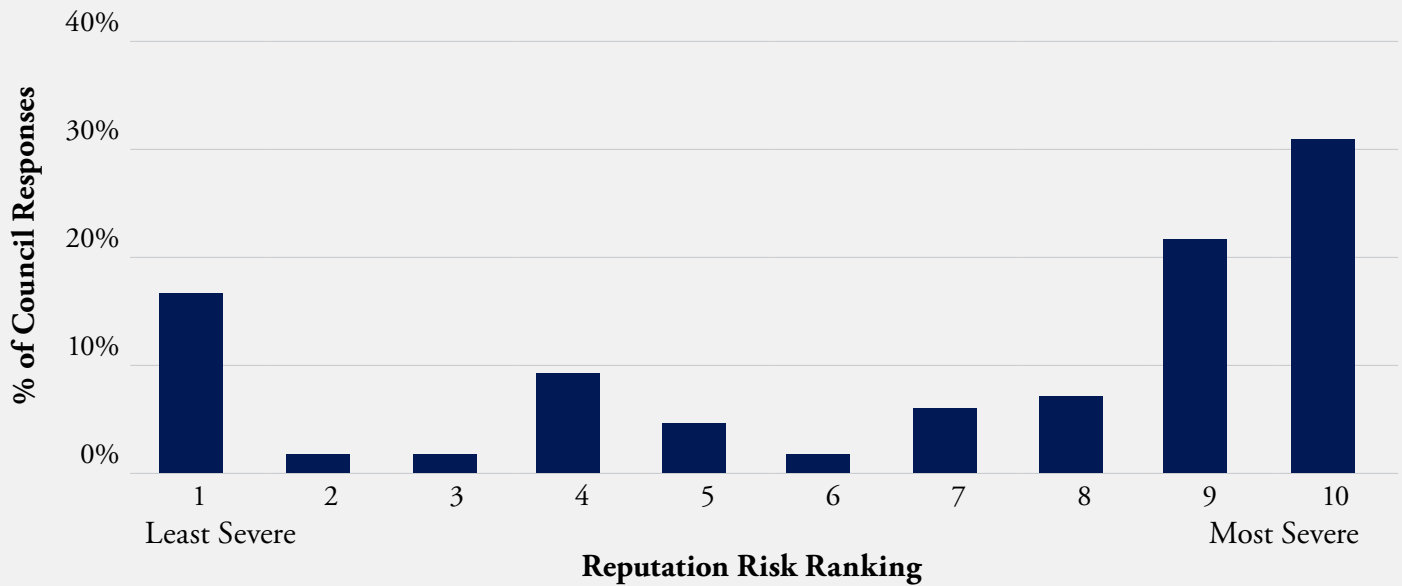
Organizations now face consequences not only from direct presidential criticism, but from running afoul of administration priorities, as demonstrated by the FTC probe into Media Matters. The probe was launched following accusations from an influential individual that the liberal advocacy group coordinated advertiser boycotts. Likewise, the administration has sued *The New York Times* for defamation to the tune of \$15 billion, alleging that the paper caused massive economic damage to President Trump’s brand value. This lawsuit certainly exemplifies how political criticism can rapidly translate into formal legal action, with significant financial exposure.

“Engagement with the Trump administration -- whether by aligned action (Silicon Valley) or by attack (law firms) -- certainly created the most reputation churn. It's unclear to me that the impact of the churn has been as acute as expected. Instead, I wonder about the overall decline in trust in brands and reputation in this era of Trump, AI, and media segmentation.”

—Lauren Strayer, Managing Director of Communications & Network, Democracy Fund

The chilling effect extends far beyond immediate targets: companies across industries now monitor political sentiment and social media feeds for signs they may become the next focus of administration attention, fundamentally altering strategic decision-making processes and resource allocation as organizations must factor political positioning into their risk calculus alongside traditional operational concerns.

How the Council Targeting by Trump



CASE STUDY: Trump Sues The New York Times

In October 2025, Donald Trump refiled his \$15 billion lawsuit against The New York Times, making it a defining test case of his confrontational approach to corporate America. The lawsuit represents something more calculated than his familiar social media broadsides—it's litigation as leverage. Filed in the U.S. District Court for the Middle District of Florida, the case targets investigative reporting from the book *Lucky Loser: How Donald Trump Squandered His Father's Fortune and Created the Illusion of Success*, co-authored by Times reporters Susanne Craig and Russ Buettner. His attorneys framed the Times' journalism as "industrial-scale" libel and accused the paper of functioning as a "mouthpiece" for the Democratic Party, seeking to destroy his brand.

The lawsuit was initially tossed in September 2025 when Judge Steven Merryday called it "decidedly improper and impermissible"—essentially, too long and too much like a political rally speech. Trump's legal team refiled within 28 days. The Times has consistently called the claims meritless and an attempt to intimidate independent reporting. The Times noted in its recent motion to dismiss that the case relies on "implausible allegations" that can't overcome First Amendment protections.

What makes this case significant isn't the legal merits—it's the signal it sends in the context of a broader pattern. Trump has extracted settlements from ABC News (\$15 million, December 2024) and CBS/Paramount (\$16 million, July 2025), despite legal experts considering both cases weak. The ABC settlement came after anchor George Stephanopoulos said Trump was found "liable for rape" when the jury verdict technically said "sexual abuse." CBS settled over standard interview editing that Trump called "election interference"—but the settlement came suspiciously as Paramount awaited FCC approval for its \$8 billion merger with Skydance Media, with Trump-appointed FCC Chairman Brendan Carr explicitly linking the lawsuit to the license transfer review.

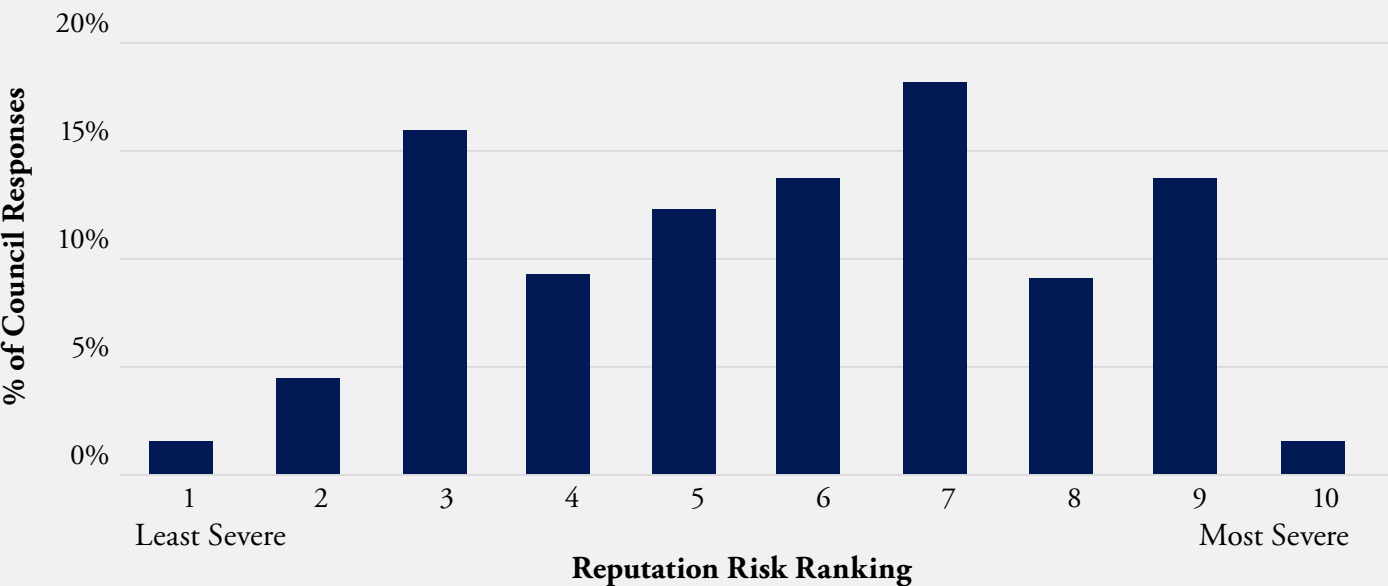
Companies watching this blueprint understand they're looking at a systematic strategy, not isolated disputes. The administration has weaponized regulatory leverage—particularly FCC oversight—to pressure media companies with business before the government. This isn't a temporary adjustment to a combative news cycle. Boardrooms now treat regulatory volatility not as a communications challenge but as a persistent legal threat requiring a constant defensive posture.

#3 Top Risk: Data Privacy Violations

Council members identified data privacy as a top risk in the fourth quarter, noting that violations have escalated as AI systems consume vast datasets without clear consent frameworks. While a select few Council members ranked it as their top reputational risk, the majority of the Council considered data privacy violations a pressing risk. 69% of Council members surveyed ranked data privacy violations as ‘5’ or greater. As AI technology and use have evolved and escalated, with AI systems consuming increasingly vast data sets, so too have data privacy violations. The broad lack of clear consent frameworks across these platforms foments legal exposure from regulators, users, and competing platforms.

An example of this emerging battleground is Reddit’s lawsuit against Perplexity and several specialized scraping firms. It is seen as a key test in regulating companies that systematically scrape user-generated content to fuel commercial AI models without permission or compensation. It also underscores a broader shift where traditional data collection practices are being retroactively challenged through litigation. It is another example of regulation lagging behind AI development, leaving organizations to navigate an uncertain landscape in which users’ fundamental right to control their personal data remains a central point of contention.

How the Council Ranked Data Privacy Violations



CASE STUDY: **European Commission Accuses Meta + TikTok of Breaching Digital Regulations**

The European Commission issued a sharp warning to Big Tech in October 2025, when it released preliminary findings alleging that Meta and TikTok breached the Digital Services Act (DSA). The move didn't simply amount to another regulatory hurdle for the companies to overcome, but a direct challenge to how these platforms address and confront user safety, as they provide data access to independent researchers.

At the core of the issue is transparency. Regulators found that both companies reportedly hampered the efforts of outside experts to study systemic risks, around topics such as how algorithms can affect mental health and whether these companies are doing enough to protect minors from harmful content. The European Commission argued that, through obfuscation and omission, these platforms shield the actual impact of their services from scrutiny.

Meta is facing additional heat for its "Notice and Action" systems. The EU claims Facebook and Instagram are using confusing "dark patterns"—deceptive design choices that effectively trick users into giving up when they try to report illegal material, such as child abuse content or terrorist activity. On top of that, the EU characterized the platforms' appeals process as a one-way street that prevents users from actually providing evidence or explaining their side when their content is taken down. If these findings are confirmed, the EU can impose fines of up to 6% of each company's total global annual revenue.

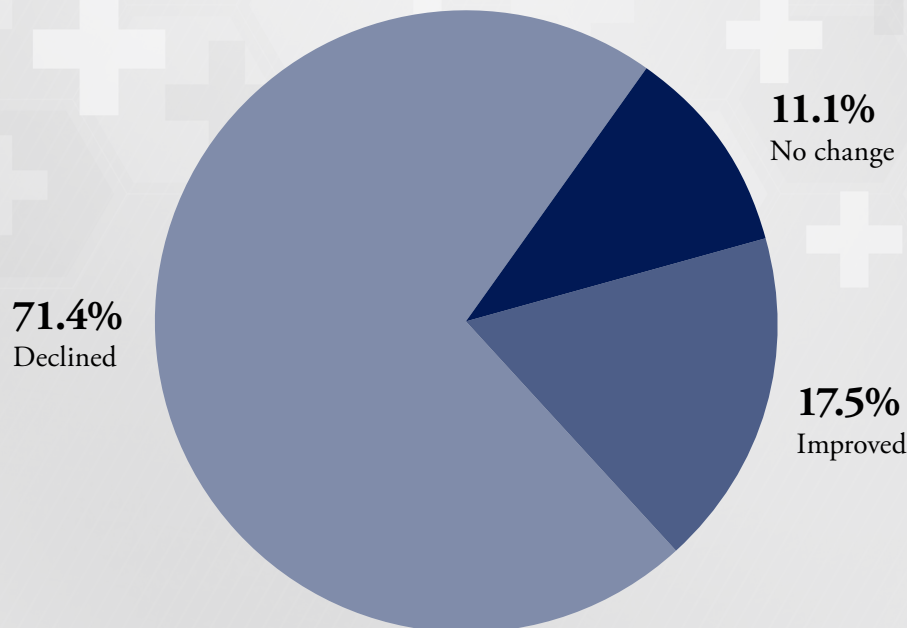
SPOTLIGHT ON HEALTH: The Reputation of the Global Health Industry is Under Attack

In Q4, we spotlight the global health sector. Scrutiny of the global health industry increased in Donald Trump's second term, alongside the appointment of Robert F. Kennedy Jr. as U.S. Health and Human Services Secretary. Under the new American administration, the CDC's vaccine advisory panel was dissolved, access to the COVID-19 vaccine was limited, and medical research suffered steep funding cuts. The result of these changes will reverberate throughout the world for decades to come. The Global Risk Advisory Council warns that changes at the top levels of the U.S. government have eroded public trust in medical guidance, exacerbating a growing disinformation crisis.

The global health industry was forced to navigate a minefield of reputational challenges in the fourth quarter. Council members laid out what amounts to a fundamental crisis of trust facing the industry. This is particularly acute for the pharmaceutical sector, which one Council member explained is plagued by the perception of a "profits over people" approach to business, at the core of which sits the drug pricing crisis. This is particularly prevalent in the United States, where consumers pay sky-high prices for medications domestically that sell overseas at deep discounts. Council members warn that this anger over domestic price gouging will intensify as economic pressures mount and access to health insurance declines.

This coincides with pharmaceutical companies navigating mounting legal challenges at the state level over issues such as drug pricing and allegations of corporate collusion. For example, Michigan's Supreme Court is currently weighing whether to allow a state investigation into Eli Lilly's insulin pricing. At the same time, Sprouts Farmers Market recently sued major insulin manufacturers and PBMs for allegedly inflating costs by up to 1,000%. Perhaps most damaging are allegations of industry giants actively stifling innovation to protect market share. Pfizer recently filed a \$7.3 billion lawsuit against Novo Nordisk, accusing the rival of an anticompetitive plot to block Pfizer's acquisition of the obesity biotech Metsera.

Since the Beginning of 2025, the Reputation of the Pharmaceutical Industry Has





The biggest reputational risk facing the pharmaceutical industry is greed. As the price of healthcare in general increases, most people lump every entity associated with health together without recognizing the individual reasons for overall cost. Further, there's increasing awareness of the discrepancies in costs to consumers in different countries, leaving many in the United States feeling taken advantage of."

–**Piper Hendricks**, Executive Director, Stories Change Power

Donald Trump's decision to appoint Robert F. Kennedy Jr. as Health and Human Services Secretary has compounded these concerns, given the Secretary's skepticism toward regulatory agencies such as the FDA and institutional science. Coupled with the rate at which information—and specifically misinformation—travels in the current environment, it has created what one Council member describes as "the systemic weaponization of non-scientific narratives and anecdotes by political actors, successfully masquerading as credible data."



If a company is seen as collaborating with the current administration in some way that appears to be to the harm of the consumer, that will most certainly put their reputations at risk."

–**Melissa Brown**, Assistant Professor, Santa Clara University

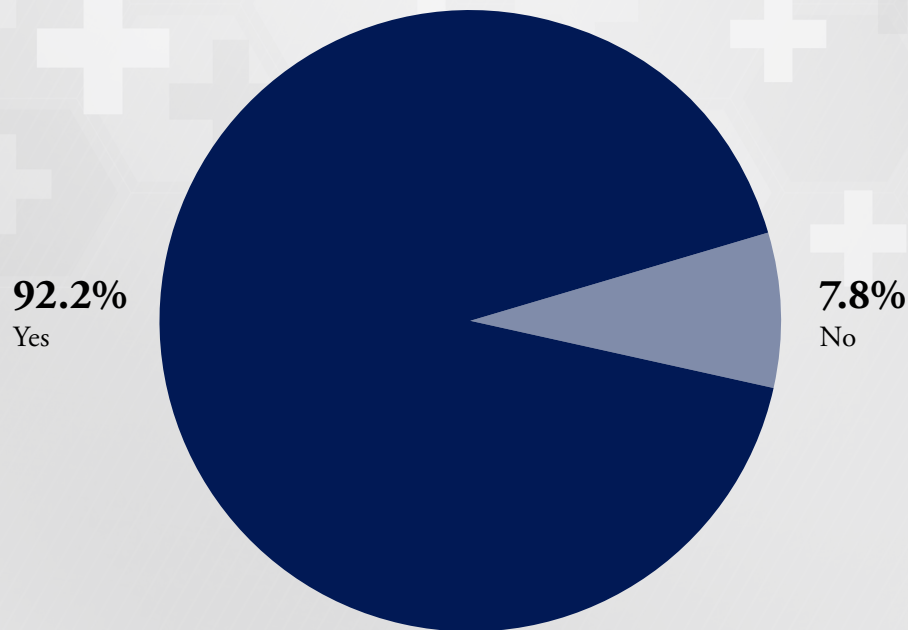
Meanwhile, this political environment intersects dangerously with structural vulnerabilities, as China's grip on active pharmaceutical ingredients continues to threaten supply chain stability amid rising geopolitical tensions.



China has a near monopoly of active ingredients and key starting materials and auxiliaries. Over the next year, control of so many of the pharma components will rise as a risk as U.S. China geo-political strife rises. Big Pharma will have to explain shortage risks and supply chain issues."

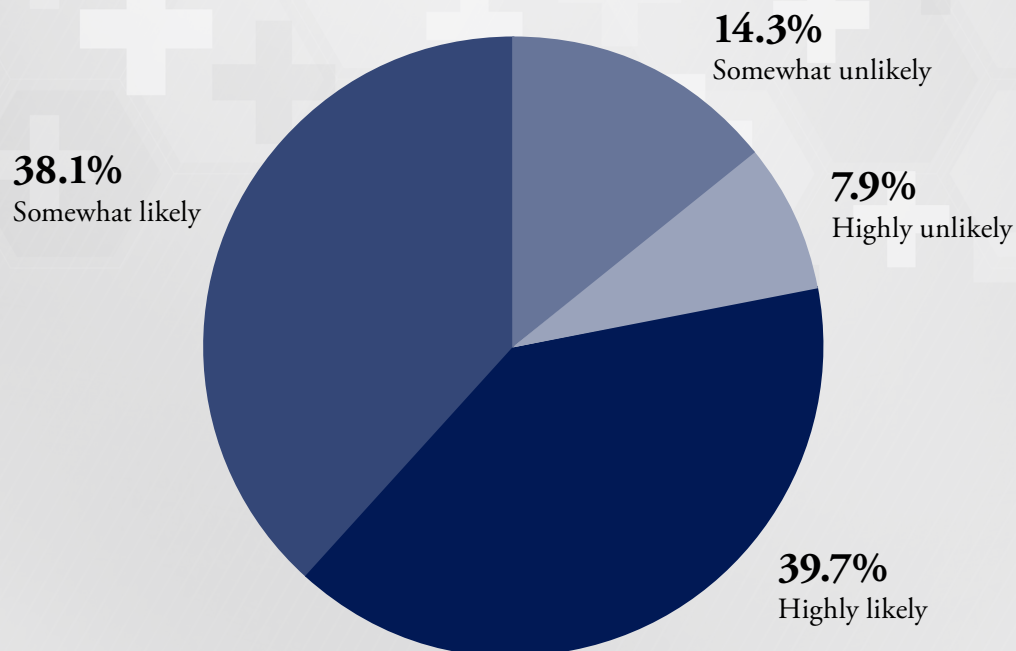
–**Francois Baird**, Founder and Chairman, Baird's US

Do You Think Political Attacks on Medicines and Vaccines Will Increase in 2026?



These factors leave pharmaceutical companies facing what one Council member characterized as an "impossible challenge" where they must defend against politically charged claims that spread virally and outpace factual correction. Oftentimes, this requires investment in restoring public confidence. Further complicating this is when companies appear to collaborate with an administration seen as removing consumer safety protections and abandoning scientific information.

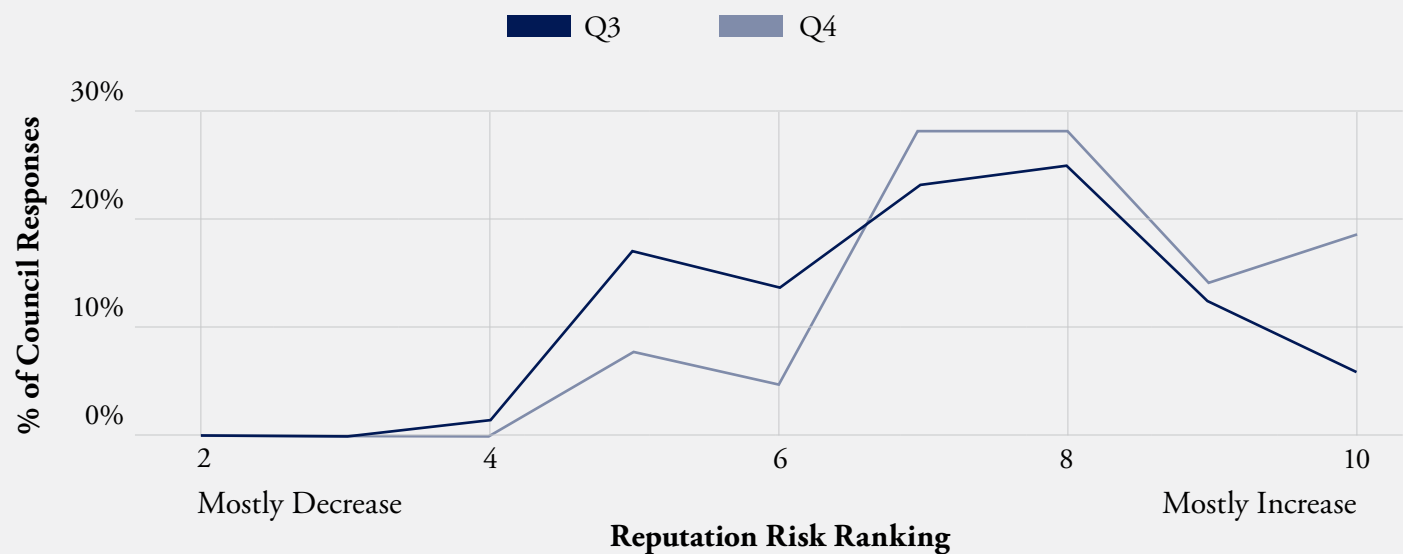
Is It Likely That Anti-Vaccine Policies Pushed by the Trump Administration Could Spread To Other Countries?



Reputational Risks Leaders Are Watching Closely

Council members have forecasted that Reputational Risks will increase on some level next quarter, with a majority of Council members ranking risks over the next three months as a ‘7’ or higher on a scale of ‘1’ being a significant decrease and ‘10’ being a significant increase.

How much do you think Reputational Risks will increase or decrease in severity over the next 3 months?



Council members predict similar risks will continue in 2026. Some members fear that the tense political climate and ensuing politically motivated violence will continue as governments around the world hold elections next year. The declining trust in public institutions and the global mistrust of scientific authorities risks creating a cloud of misinformation that isolates the public into separate reality spheres. And without agreed-upon guardrails for AI, the technology risks exacerbating IP theft and misinformation pose a significant risk to the population by upending the global workforce and further exacerbating a youth mental health crisis.

Here’s what members of the Council will be watching closely moving forward:

U.S. Political Volatility

Spread of Misinformation

Distrust in Science

Erosion of Public Trust

Price Gouging

Deglobalization

Child Harm

AI Misuse

Decline of Global Competition

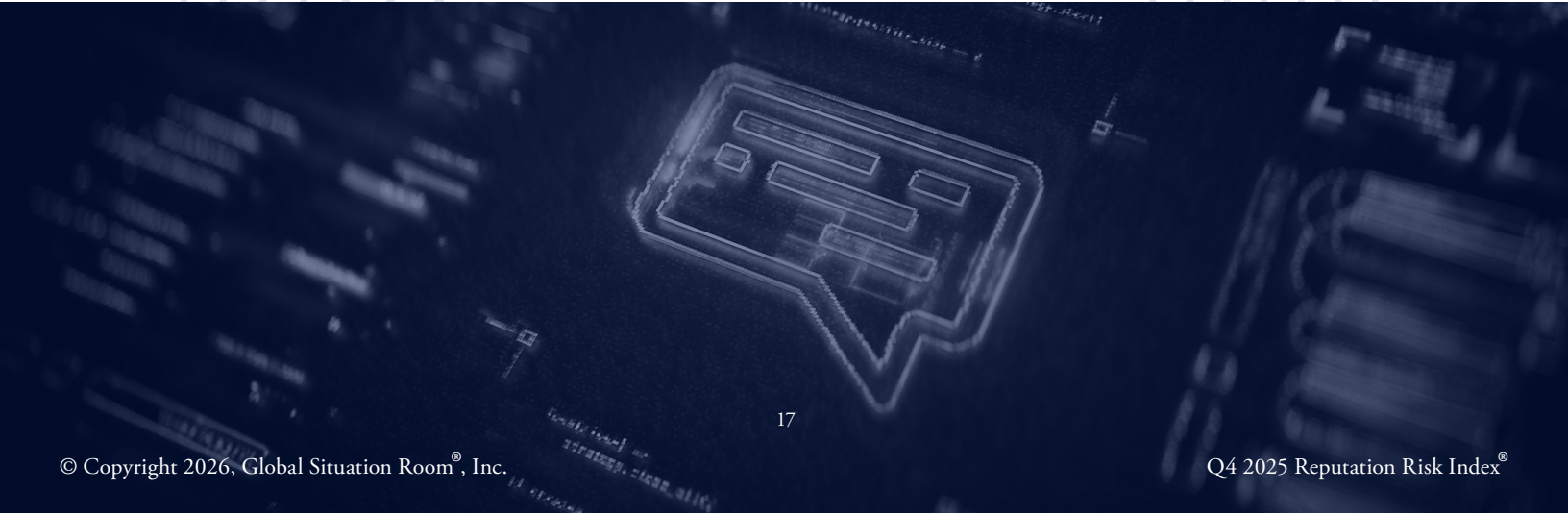
"This narrative coming from the US government is making third-party (academic) research and discovery harder to fund and produce. It is destroying trust in health and wellness information. Which perspective about medicines and disease is correct: Government, Pharma, Doctors, Insurance, my neighbor? What becomes the source of fact and truth?"

–**Rochelle Ford**, CEO, Arthur W. Page Society



While cybersecurity remains a significant technical risk, the public backlash and systemic damage caused by poorly governed AI is rising dramatically to become the primary reputational challenge. This risk is multifaceted and impacts a company's image in several ways."

–**Taylor Bennett**, Communications, Adobe





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