

Case 1: The Algorithmic Defendant

The Michigan Department of Public Assistance recently implemented a new artificial intelligence system called CIVIS, designed to streamline decisions about eligibility for emergency housing benefits. The system analyzes large amounts of data—income history, employment records, prior applications, and even patterns in utility payments—to determine whether applicants qualify. State officials praise CIVIS for reducing processing times from weeks to hours and for improving consistency across cases.

Maria Lopez, a single mother of two living in Ann Arbor, applied for emergency housing assistance after losing her job. Within hours, CIVIS denied her application, citing “risk indicators inconsistent with eligibility requirements.” The notice included no further explanation.

Maria appealed the decision. At her hearing, the caseworker explained that the system had flagged irregularities in her income history and utility payments. Maria insisted that the discrepancies were due to temporary financial instability following her job loss. The caseworker admitted that she did not fully understand how CIVIS reached its conclusions but stated that overturning the system’s decision would require strong justification.

Meanwhile, a local advocacy group obtained internal documents suggesting that CIVIS had a higher denial rate for applicants from certain zip codes, including Maria’s neighborhood. Critics argued that the system might be replicating or amplifying existing socioeconomic biases embedded in historical data. They demanded greater transparency and human oversight.

The company that developed CIVIS defended the system, arguing that it is more accurate and less biased than human decision-makers, who may be influenced by personal prejudices or inconsistent standards. The company also emphasized that CIVIS does not “intend” to discriminate and operates purely on statistical correlations.

In response to growing controversy, a state legislator proposed a new bill that would recognize advanced AI systems like CIVIS as limited legal entities for purposes of liability. Under the proposal, if an AI system caused harm—such as wrongly denying critical benefits—it could be held legally responsible, with damages paid from a fund established by its developers. Supporters argued that this approach would simplify accountability and encourage innovation by providing clear rules for emerging technologies.

Opponents disagreed. They argued that assigning responsibility to an AI system would obscure the role of the humans and institutions that designed, deployed, and relied on it. “A machine cannot explain its reasoning, cannot be punished in any meaningful sense, and cannot

change its behavior in response to moral criticism,” one critic said. “If we treat AI as the responsible party, we risk letting everyone else off the hook.”

As Maria waits for a final decision on her appeal, the broader debate continues. Should the state prioritize efficiency and consistency in administering public benefits, even if it relies on opaque systems? Or should it ensure that every decision affecting individuals’ lives remains subject to meaningful human judgment and accountability?

Discussion Questions

1. Who should be held morally responsible for decisions made by systems like CIVIS—the developers, the government agency, the individual caseworkers, or the system itself?
2. Is it ethically acceptable for governments to rely on decision-making systems that are not fully understandable to the humans who use them?
3. Would granting AI systems a form of legal personhood improve accountability, or would it undermine it?
4. How should we balance efficiency and consistency against transparency and individualized judgment in decisions that significantly affect people’s lives?

Sources

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