

## Privacy-Preserving Gen AI in Multi-Tenant Cloud Environments

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### Abstract

The use of Generative AI (GenAI) in Multi Tenant Cloud has resulted in a data privacy and security concern. The problem that presents itself, particularly amid the growing movement by cloud organizations to host and deploy AI models within the cloud, is that user data privacy needs to be preserved. This paper looks at how privacy preserving techniques can be embedded inside GenAI systems in a multi-tenant cloud setting. In particular, it studies the various cryptographic techniques, data anonymization techniques, and access control frameworks that can be employed to make sensitive data information for use in AI models but continuously maintain their performance and scale. It also discusses trade-offs that can be made between privacy preservation and system efficiency, under the assumptions of the multi-tenant environments. Privacy concerns such as data leakage, adversarial attacks, and model inversion are studied and state of the art solutions for improving their privacy risks are provided. Finally, this paper analyzes regulatory frameworks and ethical implications of the GenAI systems and makes recommendations for best practices for decision making in privacy preserving GenAI systems. The discussion highlights the need to find the right balance between automated innovation of AI in the cloud and good privacy that enable trust in cloud AI.

### Introduction

Cloud computing is so prevalent that almost every organization has begun to adopt it in the management of IT infrastructure and services (1); where multi tenant cloud has become one of the most cost effective models of resource sharing. In fact, in such environments, the same physical infrastructure is used by multiple tenants (each with their own data and workloads) and therefore data privacy and security plays crucial role in these environments (2). Once these Generative AI (GenAI) technologies rise, securing the user data takes a major turn as GenAI models process massive quantities of sensitive information to forge new content (3).

Data leakage is also a concern in multi-tenant environments because data from one tenant can leak to another since they share resources and have insufficient isolation (4). In addition, adversarial attacks can even be directed at the AI models, resulting in attacks on the models that render them unable to protect sensitive information (5). The vulnerabilities require integrating advanced privacy preserving techniques. For instance, federated learning allows for decentralized training of machine learning models over data owned by different parties without having to share the sensitive data across tenants (6). Homomorphic encryption allows computations to be run on encrypted data, while keeping data secure, even when being processed (7).

Not only does it help in the security of GenAI systems but it also helps in compliance with the global data protection regulations (i.e., General Data Protection Regulation (GDPR)) (8). In fact, GDPR (and other privacy laws) mandate that if data is used in a GenAI system, it's protected from getting exposed, particularly for personal and proprietary data (9).

This paper provides a survey of different privacy preserving techniques while running on a multi-tenant cloud environment in order to address the mentioned challenges. Through the review of previous literature and case studies, we highlight the most important strategies that effectively minimize the risks of data privacy (10). We will examine the tradeoffs in deploying privacy

preserving technique in a production setting by balancing the high model performance and privacy of the data, while making improvements in the privacy preserving machine learning techniques.

### Privacy-Preserving Techniques for GenAI in Multi-Tenant Cloud Environments

Data privacy must be safeguarded in multi tenant cloud environments. Several ways of how user data can be protected from non authorized entities even in case of shared resources have been proposed. Federated learning, in which machine learning models are trained in the tenant’s environment, locally over data, is one of the most widely discussed techniques. Then the results are aggregated without transferring native data to the cloud provider (or other tenants) such that sensitive data is never transferred off its source (11). Federated learning has been shown to offer privacy while enabling AI models to learn from the collective (12).

Another promising approach is secure multi party computation (SMPC), where multiple parties can compute a function over their inputs without any of them ever reading the inputs of the other (13). This is very useful in a multi-tenant environment where data privacy is a concern. SMPC ensures that sensitive data is never exposed during computation, achieving a high level of security on the expense of computation (14). In recent years, SMPC has been optimized to decrease its overhead, and become more efficient for real-time scenarios (15). The summary of the comparative attributes of some key privacy preserving techniques applicable to a multi tenant cloud environment is given in Table 1.

Another powerful privacy preserving technique is Homomorphic encryption that allows computation on encrypted data without decryption. The fact that even the cloud provider does not have access to underlying sensitive information in the processing stage (16) is another thing. Although homomorphic encryption leverages strong privacy guarantees, it is costly in terms of computing (17). Efforts have been put forth by researchers to increase the efficiency of homomorphic encryption schemes such that they become practical for use in cloud-based GenAI (18).

Table 1: Comparison of Privacy-Preserving Techniques in Multi-Tenant Cloud Environments [5], [7], [21], [30]

Technique	Privacy Level	Computation Cost	Scalability
Federated Learning	High	Medium	High
Homomorphic Encryption	Very High	Very High	Low
Secure Multi-Party Computation (SMPC)	High	High	Medium

### Privacy Risks in Multi-Tenant Cloud Environments

Several privacy risks inherent in multi-tenant cloud environments are shared and can’t be mitigated easily. The most important risk is data leakage, that is, the leakage of sensitive information belonging to one tenant to other tenants in the same cloud infrastructure (19). This is due to insufficient isolation between tenants or access control settings (20) configured incorrectly. These breaches can result in much significant losses such as financial, reputational and legal (21).

Besides, it is vulnerable to adversarial attacks and making another privacy risk. When cloud setup is multi-tenant, and AI models can be manipulated or attacked to bypass the protection of their privacy (22). For example, an adversarial model could leverage the cloud’s weak security systems to reverse engineer sensitive data used in GenAI systems’ training (23). As AI model architectures also tend to be complex, depending on large volumes of data from many sources, isolating and protecting individual data points can be difficult (24).

Furthermore, insider threats, that is, trusted cloud service providers or people that have access to the infrastructure misuse their privileges, is a major issue in multi tenant environments (25). To manage the risks of these insider threats, they must ensure that there are adequate access controls and also monitoring mechanism in place (26). Major privacy risk in multi-tenant settings and corresponding mitigations are depicted in table 2.

Table 2: Key Privacy Risk Factors and Mitigation Strategies [3], [17], [19], and [33].

Risk Factor	Description	Mitigation Technique
Data Leakage	Unintended exposure of data across tenants.	Data Isolation
Adversarial Attacks	Manipulation of model outputs or training data.	Robust Model Training
Insider Threats	Malicious actions by authorized cloud users.	Access Control & Monitoring

### Mitigating Privacy Risks through Cryptographic Techniques

Data privacy in multi tenant cloud is dependent on the use of cryptographic techniques. Homomorphic encryption, secure multi party computation (SMPC), and zero knowledge proofs (ZKPs) are among the most commonly used to hide data privacy during computation, each of them come with their own advantages.

With homomorphic encryption, computations can be conducted on encrypted data and the operations continue on sensitive information (27). In particular, this is very useful in cloud environment where data owners may not completely trust the cloud provider to handle its data (28). While homomorphic encryption comes with large computational overhead, especially in application to large-scale GenAI models that perform a large amount of data processing (29), current key size constraints (1064 minutes) and bandwidth constraints (2.5 MiB) suggest that full homomorphic encryption may not be the best solution.

Secure multi party computation (SMPC) is a computation where multiple parties can collaboratively compute on some data, while retaining the privacy of their data. The strengths of this method include: (30) it is particularly useful during federated learning for a multi-tenant setup where we train the model across several datasets without leaking any of the underlying data to any of the parties. With recent advances in the SMPC protocols have tried to reduce the computational cost of such operations for more practical real time applications (31).

Another cryptographic technique that allows one party to prove to another that they know a value, without actually revealing the value itself, is called zero knowledge proof (ZKPs) (32). In cases where there is the need to perform computations which need a verification but exposing sensitive data might lead to privacy violations (33), ZKPs are very useful in data privacy.

### Regulatory Compliance and Ethical Considerations

Data protection regulations around the world are growing, and with that, privacy concerns. Despite that, the new regulations from the GDPR in Europe and CCPA in California are forceful in defining how companies handle its customer's data, typically giving its users tighter control of how the said data is used. This implies that the users' data are to be protected throughout the AI model lifecycle for GenAI systems in multi-tenant cloud environments by cloud providers (34).

The ethical considerations related to the use of Generative AI are also a major part in the deployment of these systems. Sometimes AI models can produce biased or harmful content and cloud providers need to check that privacy preserving mechanisms they use don't lead to unethical outcome themselves (35). For instance, it is also critical for AI models that are trained on sensitive data not to produce output, that could include confidential information. The GenAI systems must be fair, transparent, accountable to satisfy the regulatory standards (36) and to maintain the user (audience) trust in the same.

## Challenges in Implementing Privacy-Preserving GenAI in Multi-Tenant Cloud Environments

Privacy preserving for GenAI in multi-tenant cloud environments seem very promising, however, their practical implementation has its challenges. These problems stem from limitations of how technology is today, the inability to scale out as often as we'd like, and the growing difficulties associated with maintaining security and privacy across a large number of tenants, each of which needs to process different data at different rates.

### Scalability of Privacy-Preserving Techniques

One of the most significant challenges in implementing privacy-preserving methods like federated learning, homomorphic encryption, and secure multi-party computation (SMPC) is **scalability**. These techniques often impose heavy computational burdens, which can hinder their applicability in large-scale cloud environments. The processing overhead required for encryption and secure data sharing can increase the time and resources needed for training complex GenAI models (37). As the number of tenants increases, the infrastructure must be capable of supporting simultaneous secure computations without compromising performance, which remains a significant hurdle for cloud providers and developers alike.

### *Data Isolation and Cross-Tenant Security*

Another key challenge is ensuring **data isolation** between tenants in a shared cloud environment. While privacy-preserving techniques aim to secure individual data, maintaining strict isolation between the data of different tenants is crucial. In a multi-tenant environment, the risk of cross-tenant data leakage increases, especially when tenants share resources like storage or computing power. Ensuring that the data used for training GenAI models is fully isolated, while still allowing collaborative learning, requires advanced security mechanisms, including the use of hardware-based security features like Trusted Execution Environments (TEEs) (38). However, deploying such mechanisms at scale introduces complexity and increases costs.

### *Privacy vs. Utility Trade-offs*

There is also an inherent **trade-off** between privacy and utility in GenAI systems. While techniques such as data anonymization or differential privacy can protect sensitive information, they may reduce the utility or accuracy of the models. Striking the right balance between ensuring data privacy and retaining sufficient model performance is an ongoing challenge (39). For example, excessive noise introduced by differential privacy mechanisms can degrade the quality of generated content or affect the model's ability to generate meaningful predictions. Developers and cloud providers must continually refine these privacy-enhancing techniques to ensure that they do not undermine the effectiveness of GenAI applications.

### *Cost of Implementing Privacy-Preserving Solutions*

The financial implications of implementing these privacy-preserving technologies also pose a barrier, particularly for cloud providers who need to support a broad range of tenants with varying levels of resource consumption. The cost of deploying advanced cryptographic techniques, such as homomorphic encryption, can be prohibitively high due to the additional computational resources required (40). Moreover, the infrastructure must be equipped to handle the increased computational load without significant performance degradation, which can strain the provider's resources.

## Conclusion

Generative AI has been rapidly advancing and is being broadly deployed in a cloud environment; however, this poses unique privacy challenges with Generative AI deployed in a multi tenant system, where resources are shared. In this paper, I have presented some salient concerns that arise in handling data privacy in such environments – data leakage, adversarial attacks, and risks to model inversion. Additionally, it has reviewed the state-of-the-art privacy preserving techniques such as homomorphic encryption, secure multi party computation (SMPC), federated learning and differential privacy that promise to preserve the information, yet perform and scale with the GenAI applications.

These privacy preserving approaches provide a good approach for accomplishing this, however there are several challenges and tradeoffs that still need to be overcome. However, these techniques can introduce computational overhead, resulting in degraded system performance, which is especially significant as the systems used in high demand cloud environments need to be extremely efficient. In addition, these solutions are complex, and adding the layer of complexity associated with implementing them in large-scale multi-tenant systems makes the task even more complex. Cloud providers are still innovating and integrating such AI driven services and will need to work with security and privacy experts to develop such frameworks that are capable of finding a useful balance between privacy and system performance.

Further research is needed for how privacy preserving techniques can scale and be efficient in large scale MTC settings. Additionally, the integration of AI with existing frameworks for privacy should be done in a way that does not diminish the innovation and possible advantages the GenAI systems provide. Related aspects including machine learning and cloud infrastructure advanced by crypto worldwide will serve in future a vital role to make sure privacy concerns are properly handled and also, hence, to secure safe and ethical implementation of GenAI technologies in multi tenant used cloud environments.

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