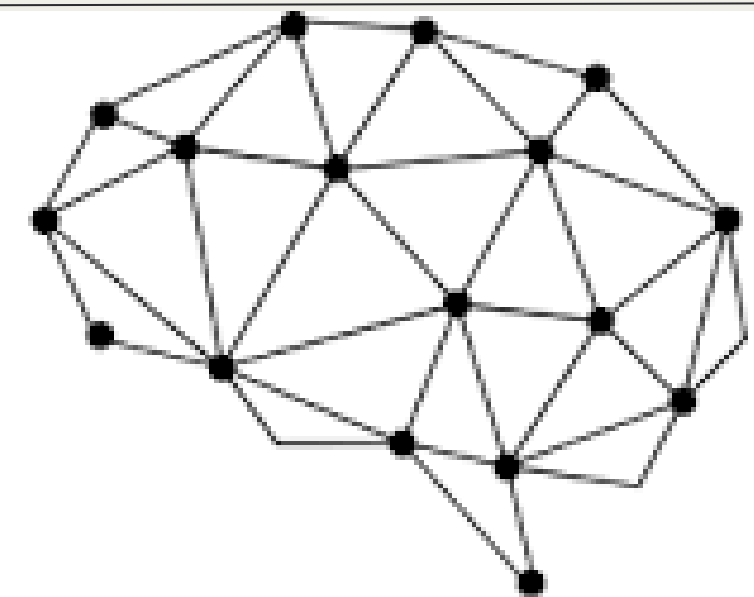


**Group: 2**

# ETHICAL ANALYSIS OF THE FACEBOOK-CAMBRIDGE ANALYTICA DATA SCANDAL

The Facebook logo, consisting of the word "facebook" in white lowercase letters on a blue rectangular background.

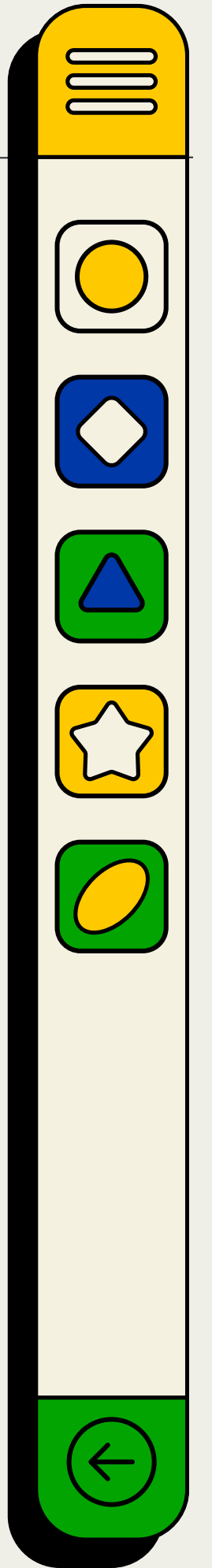
Cambridge  
Analytica

Critical Thinking for Decision  
Making at Workplace

# AGENDA

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- 1 Background of the Scandal
- 2 The 8-Step Decision-Making Process
- 3 Ethical Dilemma
- 4 Root Cause Analysis
- 5 Kohlberg's Model of Moral Development
- 6 Decision and Recommendations
- 7 Defense with Logic and Data
- 8 Conclusion and Impact



# BACKGROUND OF THE SCANDAL

2014-2015

## Data Harvesting

Cambridge Analytica collects data from millions of Facebook users through a personality quiz app, "thisisyourdigitallife," without users' consent, accessing both their own and their friends' personal information.

2016

## Political Manipulation

Cambridge Analytica uses this data to influence political campaigns, including the U.S. presidential election and the Brexit referendum, by targeting voters with tailored ads.

March 2018

The Guardian and The New York Times reveal the data breach, leading to public outrage. Facebook admits that the personal data of 87 million users was misused.

# STEP 1 – IDENTIFY THE PROBLEM

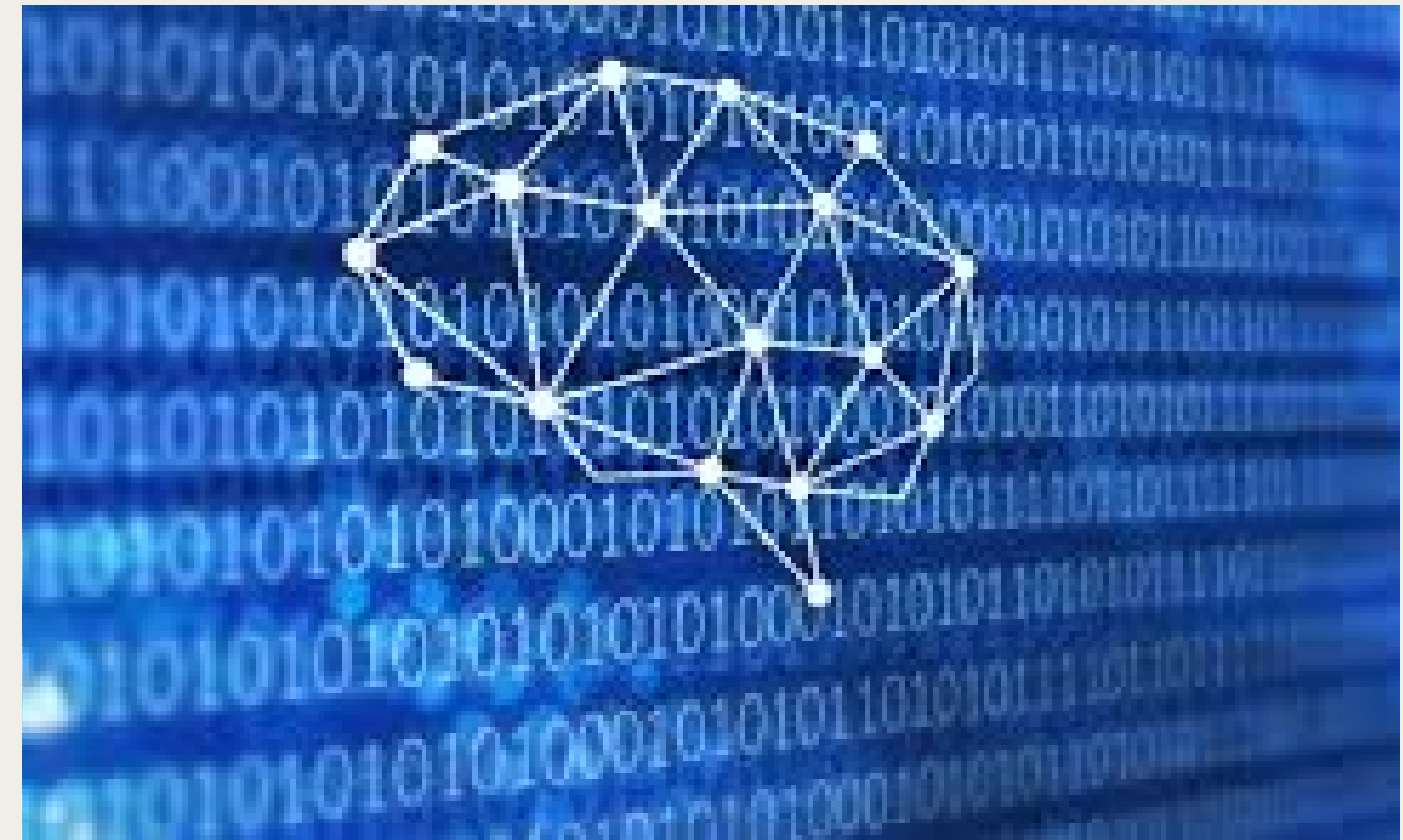
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## Core Issue:

- Misuse of personal data by Cambridge Analytica via Facebook's platform.

## Consequences:

- Breach of user trust and privacy, leading to reputational and financial fallout.



# STEP 2 – GATHER INFORMATION

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## Key Facts:

- In 2014, a researcher developed an app that collected data not only from users but also from their friends.
- Cambridge Analytica acquired this data and used it for political micro-targeting.
- In 2018, whistleblower Christopher Wylie exposed the misuse of data.
- Facebook failed to notify users until years later.
- Facebook's stock value dropped, and CEO Mark Zuckerberg faced congressional hearings.

## Stakeholders Involved:

- Facebook users,
- Facebook as a company,
- Cambridge Analytica,
- Political organizations,
- Regulatory authorities,
- The general public.

# STEP 3 – DECIDE ON SPECIFIC GOALS AND OUTCOMES

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01

## Restore Trust

*Rebuild user confidence in data privacy.*

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02

## Enhance Privacy Protection

*Ensure robust data security and clear user consent mechanisms.*

---

03

## Compliance and Transparency

*Align practices with ethical standards and regulatory requirements.*

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# STEP 4 – DEVELOP CLEAR DECISION-MAKING CRITERIA

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●	●	●	●	●
<i>Privacy and Security</i>	<i>User Consent and Transparency</i>	<i>Operational Feasibility</i>	<i>Regulatory Alignment</i>	<i>Stakeholder Impact</i>
How well does the option protect user data?	Does it ensure clear, explicit consent and open communication?	Can it be implemented without significantly harming user experience or revenue?	Will it meet or exceed current and future legal requirements?	How does it affect users, Facebook’s reputation, and overall public trust?

## STEP 5 – GENERATE VIABLE OPTIONS

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**01**

Implement stricter data access controls to limit third-party app access.

**02**

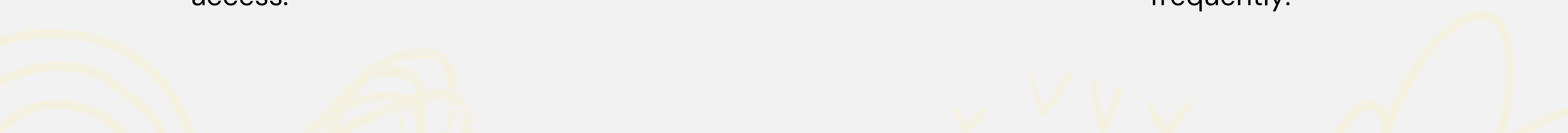
Introduce explicit, detailed user consent processes before data sharing.

**03**

Establish regular, independent audits of third-party apps and data flows.

**04**

Enhance transparency by communicating data practices clearly and frequently.





# STEP 6 – WEIGH YOUR OPTIONS AND PICK THE BEST ONE

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## Minimal Changes

Least disruptive but fails to address ethical issues or restore trust.

## Regular Audits

Boost accountability but come with increased operational costs.

## Stricter Data Controls & Explicit Consent

Ethically sound and improve privacy but may impact user experience and revenue moderately.



# STEP 7 – IMPLEMENT THE OPTION YOU SELECTED

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## Roll Out Stricter Controls

Limit third-party app data access immediately.

## Consent Mechanism

Revamp the user consent process for clarity and explicit permission

## Audit Program

Establish an independent, regular audit schedule for third-party apps.

## Regulatory Implementation

Enact and enforce new data privacy laws, with mandatory breach reporting and substantial fines.

# STEP 8 – EVALUATE IMPLEMENTATION AND REVISE AS NEEDED

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## Monitoring and Evaluation

- Use user feedback, internal audits, and compliance reviews as key performance indicators (KPIs).
- Regularly assess the effectiveness of data protection measures.

## Continuous Improvement

- Be prepared to revise policies based on performance metrics and emerging threats.
- Stay adaptable to changes in technology and regulation.

## Feedback Loop

- Establish mechanisms for ongoing stakeholder input to ensure reforms remain effective and responsive.
-

01.

**Why did the scandal occur?**

– Facebook's API allowed extensive data harvesting

02.

**Why did the API allow this?**

– Lax third-party access controls

03.

**Why were these controls lax?**

– Prioritization of rapid growth and data monetization

# 5 Whys

Root Cause Analysis

04.

**Why was data monetization prioritized?**

– Business model heavily reliant on targeted advertising

05.

**Why was the business model structured this way?**

– Emphasis on short-term revenue over long-term ethical data use



**Root Cause:** An overemphasis on data monetization at the expense of user privacy and ethical data practices.

# Kohlberg's Model of Moral Development

Implication: Facebook's actions indicate a need to shift from a conventional to a post-conventional approach in data ethics.

## Pre-conventional Level:

Early focus on self-interest (data used to drive revenue)

## Conventional Level:

Reaction to external pressures (public backlash, regulatory scrutiny)

## Post-conventional Level:

Ideal ethical conduct requires prioritizing user privacy and transparency over profit

# ETHICAL THEORIES APPLIED TO THE SCANDAL

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## Virtue Ethics

Considers character and integrity — were leaders acting with honesty and transparency?

## Conduct & Rights Based Ethics

Are there inherent rights (privacy, autonomy) that were violated by the actions taken?

## Deontological Ethics

Emphasizes obligations — did Facebook fulfill its duty to protect user data?

## Utilitarianism, Hedonism, and Egoism

Balancing self-interest against collective welfare: did the pursuit of profit and personal gain lead to ethical compromises?

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# CONCLUSION AND LESSONS LEARNED

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## Key Takeaways

- Ethical decision-making is not optional — it is essential for sustainable success.
- Robust decision-making frameworks, when combined with ethical oversight and stakeholder engagement, can prevent crises.

## Future Implications

Recommendations for enhanced data governance, transparent policies, and continual ethical training.

## Final Thought

The Facebook–Cambridge Analytica scandal serves as a crucial lesson for all organizations handling sensitive data.

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# Thank you!

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