



Facebook and the Cambridge Analytica Data Scandal

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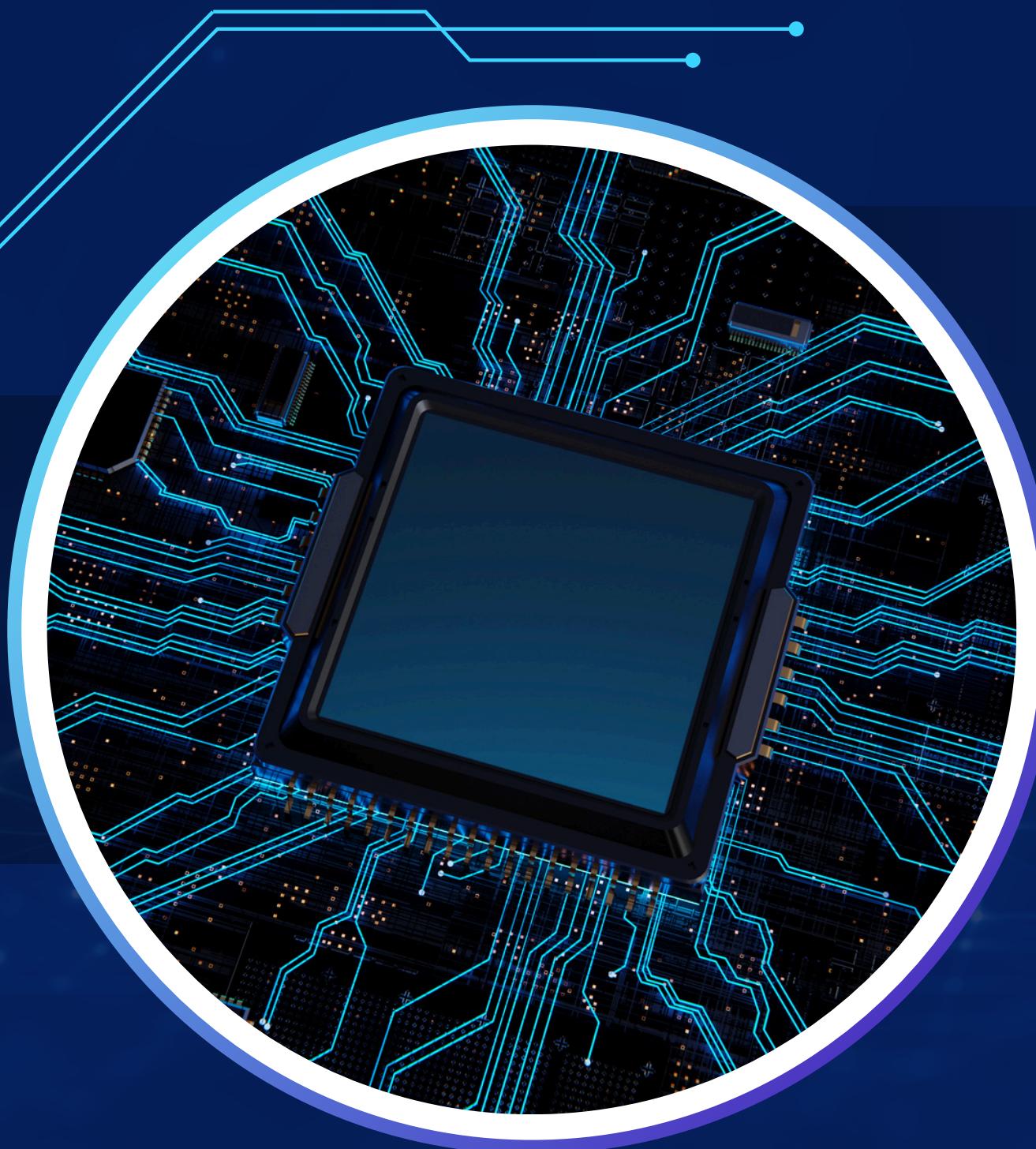


CASE STATEMENT

In 2018, Facebook faced a monumental crisis when it was revealed that Cambridge Analytica had harvested the personal data of 87 million users without their explicit consent

This scandal exposed the vulnerabilities in Facebook's data-sharing practices and sparked a global debate on digital privacy, corporate responsibility, and the power of social media platforms in shaping public opinion

The incident not only led to widespread user outrage and regulatory scrutiny but also raised critical questions about the ethical use of personal data in the age of big tech.



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The Facebook Experience: More Than Just a Platform



WHAT IS THE BUSINESS OF FACEBOOK ?

Facebook's core business being platform for targeting advertisements by leveraging its vast trove of user data to provide advertisers with highly specific audience segments and connects the world.

- Digital Dopamine: A constant stream of likes, comments, and notifications that trigger feel-good chemicals in your brain
- FOMO Antidote: Stay connected 24/7, never miss out on what your friends are doing
- Memory Curator: Your life's highlight reel, neatly packaged and ready to revisit
- Identity Crafting: The power to present your ideal self to the world

Global Village: Shrink the world into your pocket, connect with anyone, anywhere

- Reality Augmentation: Filter your world through rose-colored lenses and carefully curated content





LEGALITY OF FACEBOOK

Legal Aspects

- Data Protection Violation: Facebook was fined £500,000 by the UK's Information Commissioner for breaking data protection laws
- FTC Investigation: The U.S. Federal Trade Commission investigated Facebook for possible violations of its 2011 agreement, which could result in fines up to \$40,000 per violation
- Potential \$5 Billion Fine: In July 2019, the FTC approved a fine estimated at about \$5 billion, pending approval from the U.S. Justice Department
- Class-Action Lawsuit: Facebook faced a class-action suit filed by UK residents whose data was collected by Cambridge Analytica

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FACEBOOK'S ETHICS

Ethical Aspects

- Data Gatekeeper Failure: Facebook's Open Graph software allowed external developers to access vast amounts of user data, including friends' data, without adequate safeguards
- Delayed Response: Facebook changed its rules in 2014 to limit developer access to user data, but these changes were not retroactive and did not address previously collected data
- Lack of Transparency: Facebook failed to be transparent about how users' personal data were being used by third parties
- Inadequate Monitoring: Facebook did not sufficiently monitor how third-party developers were using and storing user data after accessing it
- Slow Reaction to Misuse: When Facebook learned about the data leaks, they attempted to ban Kogan's app and pressured for data deletion, but did not inform users or regulators promptly



CAMBRIDGE ANALYTICA'S LEGALITY

Data Protection Violation: CA faced legal consequences for improperly acquiring and using personal data of Facebook users.

- **Insolvency Proceedings:** CA and its parent company SCL Elections Ltd. initiated insolvency proceedings and closed down in March 2018
- **Criminal Prosecution:** The UK announced its intent to bring a criminal prosecution against SCL Elections Ltd. for failing to adequately respond to an enforcement notice
- **Non-Compliance:** SCL Elections Ltd. faced legal consequences for non-compliance with enforcement notices.



■ Ethical aspects of Cambridge Analytica (CA)

- Deceptive Data Collection: CA developed a personality-quiz app that collected user data under false pretenses, violating user trust.
- Unauthorized Data Usage: The company used the collected data to develop 30 million "psychographic" profiles about voters without user consent
- Data Retention: CA failed to delete improperly acquired data as they had certified to Facebook
- Political Manipulation: CA used the harvested data for targeted political advertising, potentially influencing democratic processes
- Lack of Transparency: The company was not transparent about its data collection methods or how it used the acquired information.
- Exploitation of Vulnerabilities: CA exploited Facebook's lax data protection policies to gain access to millions of users' data.





ETHICS TENETS APPLIED

■ Facebook

Facebook

- **Responsibility:** Failed to adequately safeguard user data and monitor third-party app developers
- **Accountability:** Initially downplayed the incident, later faced FTC investigation and potential \$5 billion fine
- **Liability:** Subjected to legal action in the UK and potential class-action lawsuits

■ Cambridge Analytica

Responsibility: Misused data for political profiling without user consent

- **Accountability:** Faced closure and criminal prosecution for data misuse
- **Liability:** Parent company SCL Elections Ltd. faced legal consequences for non-compliance with enforcement notices





■ Planning

Facebook's initial planning for user data protection was flawed, allowing third-party apps to access vast amounts of user information

■ Preparation

Cambridge Analytica meticulously prepared to exploit Facebook's vulnerabilities, developing a seemingly innocuous app to harvest user data

■ Practice

The repeated practice of data collection and analysis enabled Cambridge Analytica to refine their techniques, ultimately affecting millions of users

■ Performance

The scandal's revelation showcased a stark contrast in performance: Cambridge Analytica's effective data manipulation versus Facebook's inadequate safeguards

■ Passion

The passionate public outcry and subsequent investigations demonstrated the intense emotions surrounding data privacy and ethical tech practices

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HOW CAN WE AVOID THIS IN THE FUTURE?



■ Regulatory Measures

Strengthened Data Privacy Laws: Governments should implement robust data privacy laws that clearly define the rights of individuals and the responsibilities of data controllers.

Increased Enforcement: Regulatory bodies should have sufficient resources and authority to enforce data privacy laws effectively.

■ Technological Measures

Increased Enforcement: Regulatory bodies should have sufficient resources and authority to enforce data privacy laws effectively.

Transparency and Accountability: Companies should be transparent about their data collection and usage practices





All in All

■ conclusion

The Facebook-Cambridge Analytica scandal was a watershed moment that reshaped public understanding of data privacy and accelerated efforts to regulate and improve data protection practices in the digital age.

■ Element of insight

The key element of insight in the Facebook-Cambridge Analytica case study is the revelation of how personal data can be harvested, analyzed, and exploited on a massive scale for political purposes without users' knowledge or explicit consent.

■ Recommendation

We would recommend being more vigilant about what data we share online, especially on platforms like Facebook. We would regularly review app permissions, be selective about the quizzes and apps we use, and stay informed about how companies handle my data to better protect my privacy.



**THANK YOU
HAPPY TO HEAR FROM YOU**