

Big Data and Security

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Finding Wrongdoing in Enron Email Data

What is “Wrongdoing?”

You may define this yourself.

One option: breaking a law.

- 3 related laws:
 - Insider trading - it's illegal to trade based upon knowledge which is not public, so executives can't make deals related to performance on SPEs
 - Wire fraud - if you knowingly misrepresent the situation to take money at someone else's expense.
 - Securities Fraud - inducing someone to purchase securities based on false information

Another option: subverting a control process

- Before releasing public financial reports, there is some kind of quality control process (where different people/teams check each other's inputs and work)
- A person might knowingly mislead this process.

Bottom line: you choose, you define, and you stay clear/consistent

Lesson Summary

You may define wrongdoing, but be clear and consistent!