



SCHOOL OF
PROFESSIONAL
STUDIES

Ethics in Organization: Assignment

MS DSP 485 - Data Governance, Ethics & Law

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Subject Organization: Facebook

Facebook is a global social media and technology corporation owned by the American technology conglomerate Meta founded in 2004 by Mark Zuckerberg and four other Harvard students. Its name derives from the face book directories often given to American university students. Initially launched as a platform for college students to connect and share content, Facebook rapidly expanded into a major social networking site with a diverse user base spanning billions of individuals worldwide and can be accessed from devices with Internet connectivity, such as personal computers, tablets and smartphones.

Subject Organization: Cambridge Analytica

Cambridge Analytica was a British political consulting firm founded in 2013 as a subsidiary of the private intelligence company SCL Group by long-time SCL executives, with Nix as CEO. During its early days, it targeted Facebook and other social media platforms to run advertisements based on user profiles, including ads for political campaigns, to build detailed psychographic profiles of individuals. In 2018, the company became the subject of widespread criticism following reports that it purchased data from a British academic concerning the personal psychological profile of roughly 270,000 Facebook users. These profiles were used to influence voter behavior through targeted advertising and personalized political messaging, particularly in high-profile electoral campaigns worldwide.

Ethical issues:

1. Lack of transparency and consent in data collection: The crux of the Cambridge Analytica scandal was the unauthorized collection, use, and sale of personal data from millions of Facebook users, which was a major ethical breach and violated users' privacy. While data may provide valuable insights, the privacy of individuals needs to be respected and companies need to ensure that there are adequate controls in place to mitigate this risk.^{5,7}

2. Misuse of personal data to manipulate behavior: The most concerning outcome of the scandal is that individuals were targeted with political advertisements and messaging to influence political views and voting behavior which undermined the integrity of the democratic process. By using personality profiling, Cambridge Analytica could identify users' personality traits, values, and biases and sway their political opinions and choice.^{6,8}

3. Insufficient data protection and oversight: Facebook faced intense scrutiny for its lack of effective security and monitoring measures of the third-party app and failed to sufficiently enforce their own data policies. This raises the need for broader regulation and oversight in the data science field since regulatory frameworks have not kept up at the same pace as data science technologies.^{5,6,7}

4. Ethical business practices and company culture: Cambridge Analytica placed their lucrative political consulting contracts over the privacy and consent of user's personal information – in short, the company prioritized their profits over ethics. Data science companies must broaden their focus beyond their technological capabilities and financial sustainability and consider a holistic, ethical approach.^{5,7}

Addressing these shortfalls will improve public and corporate trust in data science as a profession and industry, for the greater good of society.

Social Reactions to Facebook's Ethical Violation.

The scandal triggered widespread public outrage in March 2018, leading to a Facebook boycott movement “#DeleteFacebook”, urging users to delete their Facebook accounts in protests¹². Governments and regulatory bodies investigated and took significant actions against Cambridge Analytica and Facebook. In July 2019, the U.S Federal Trade Commission (FTC) fined Facebook with a hefty penalty of \$5 billion for its privacy violations, some dating back to 2012. It also implemented a 20-year oversight and compliance program to monitor Facebook's privacy practices. On similar grounds, the UK Information Commissioner's Office (ICO) fined £500,000 for failing to protect user data. Following this, the U.S Securities and Exchange Commission (SEC) penalized Facebook with \$100 million for misleading investors about the risks associated with data misuse. The media also extensively covered this scandal from court proceedings to the interviews of the key people involved, raising serious questions on the fairness of the U.S. presidential elections (2016) and the Brexit referendum. The issue received further attention through the Netflix documentary - The Great Hack - covering the scandal and experiences of whistleblowers like Brittany Kaiser¹³

Facebook's Responses

In response to the backlash and allegations, Facebook agreed to the \$100 million settlement with the U.S. SEC and the £500,000 fine charged by ICO, UK for data protection violations. CEO Mark Zuckerberg issued multiple public apologies, acknowledging the company's failure to protect user data. He testified before Congress and published letters in various newspapers to express regret and outline steps being taken to address the issue¹. Facebook responded with several policy changes like adopting the EU's General Data Protection Regulation (GDPR) standards globally, tightening data access restrictions for third-party apps, and increasing transparency of data collection and usage. Later, Facebook established the 'Social Science One' initiative to provide researchers with access to data for academic studies without compromising on the privacy standards^{10,11}.

Arguments in Favor of Facebook	Strengths	Weaknesses
1. Unintentional Misuse	- Proactive policy improvements. - Increased security investments.	- Doesn't absolve responsibility. - Scale of breach implications.
2. User Consent	- Technically accurate consent under terms.	- Users' understanding of data use. - Questions about informed consent.
3. Policy Changes and Improvements	- Demonstrated proactive approach. - Enhanced transparency and data access controls.	- Doesn't address initial breach. - Limited impact on existing breaches.
4. Legal Compliance	- Compliance with existing laws.	- Limited protection for data privacy and protection.
5. Security Investments	- Improved security infrastructure and practices.	- Further breaches in the future.

Arguments Against Facebook	Strengths	Weaknesses
1. Negligence in Data Protection	- Demonstrated negligence.	- The need for effective protection.
2. Lack of Transparency	- Communication of data usage.	- Confusion about usage policies.
3. Inadequate Oversight of Third-Party Apps	- Emphasizing issues with third-party apps.	- The need for effective management.
4. Violation of User Trust	- Data protection.	- The need for ethical standards.
5. Legal and Ethical Accountability	- Policy and data protection.	- The need for legal obligations.

Objective Overview

The Cambridge Analytica scandal highlighted significant flaws in Facebook's data governance and user data protection practices. On one side, Facebook argues that they operated within the bounds of the law and user consent, taking steps to rectify and improve their policies post-scandal. On the other side, critics emphasize Facebook's negligence, lack of transparency, and failure to protect user data, which led to severe breaches of trust and legal repercussions. Both sides present valid points. Facebook's post-scandal efforts and technical compliance with user agreements are important considerations. However, the critics' emphasis on ethical lapses and systemic issues within Facebook's data practices underline the need for more robust data protection and ethical standards in handling user information.

Opinion

While both sides raise valid points, the weight of the argument falls on Facebook bearing significant responsibility for the Cambridge Analytica scandal. Here's why:

Social Responsibility of a Platform: Facebook, with its vast user base, has a social responsibility to safeguard user data. Historical precedents exist, such as data protection laws in the European Union (General Data Protection Regulation) that highlight this responsibility. Vague Terms of Service and User Control Limitations: Facebook's claims about user control and limited responsibility fall short. Complex privacy settings and a lack of clear communication empower Facebook more than users. Historically, social media platforms have been criticized for vague terms of service that absolve them of responsibility.

Potential for Harm: The potential misuse of data for voter manipulation and discrimination is a serious threat to democratic processes. The Cambridge Analytica scandal exemplifies this risk. Historical examples of unethical data use, like Cambridge Analytica, highlight the urgent need for stricter regulations. Therefore, a compromise or a legislative solution is necessary. Facebook must strengthen its data security and implement clear, user-friendly privacy controls. Additionally, legal frameworks requiring stricter data governance and user consent, similar to the GDPR, are essential. These measures will help prevent similar breaches and protect user privacy in the digital age.

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