

Facebook's widening crisis over user data

March 23 2018, by Alexandra Olson



This Jan. 17, 2017, file photo shows a Facebook logo being displayed in a start-up companies gathering at Paris' Station F, in Paris. Facebook is taking baby steps for now to address the latest privacy scandal after news broke Friday, March 16, 2018, that Cambridge Analytica may have used data improperly obtained from roughly 50 million Facebook users to try to sway elections. (AP Photo/Thibault Camus, File)

Facebook is facing the most serious crisis in its 14-year history as it deals with fallout from a major leak of user data to political consultants associated with the 2016 Trump campaign.

Here's a look at the scandal and what it means.

WHAT'S GOING ON?

The U.K.-based data-mining firm Cambridge Analytica has been accused of lifting the Facebook profiles of more than 50 million users without their permission in order to manipulate elections. A former employee of the firm, Christopher Wylie, played a role in that action, and later told his story to journalists.

The crisis has renewed questions about Facebook's ability to protect the privacy of its users while also exploiting their personal details to fuel its lucrative advertising business. It has also deepened concerns about the social media network's ability to avoid being exploited to spread propaganda and sway elections.

Authorities in both the U.S. and the U.K. are investigating both Facebook and Cambridge Analytica. Facebook shares have fallen and some users are contemplating deleting their accounts.

WHAT DID CAMBRIDGE ANALYTICA DO?

Wylie says the firm sought Facebook information in order to build psychological profiles on a large portion of the U.S. electorate. He said the company was able to amass the database quickly with the help of an academic, Aleksander Kogan, who developed a Facebook app called "This is Your Digital Life" that appeared to be a personality test.

That app vacuumed up information from users who gave the app permission to access their accounts ... as well as additional data from their Facebook friends,

Kogan paid about 200,000 people to take part; tens of millions of their friends were also caught in the data dragnet.

HOW DID CAMBRIDGE ANALYTICA RESPOND?

Cambridge Analytica has denied wrongdoing, and the firm said it deleted any data it received from Kogan and denied using any Facebook data in its political work. Facebook, however, said it recently learned from journalists that Cambridge Analytica may have kept some of the data, spurring an investigation.

Kogan said he has been scapegoated by both Cambridge and Facebook. He says the data firm approached him for the project and assured him that everything he did was legal.

WHAT'S THE CONNECTION TO THE TRUMP CAMPAIGN?

Federal election records show that the Trump campaign paid Cambridge Analytica roughly \$6 million. But the campaign has denied using the firm's data, saying it relied on the Republican National Committee for its voter information.

Cambridge Analytica was backed by the conservative billionaire Richard Mercer, a hedge fund manager who supported the Trump campaign. At one point, the firm's vice president was Stephen Bannon, who later became Trump's campaign chairman and White House adviser.

Trump's former national security adviser, Michael Flynn, disclosed an advisory role with Cambridge Analytica last August. But the firm's

parent company, Strategic Communication Laboratories, later said that position never materialized. The company has surfaced in the U.S. probes into Russian interference in the 2016 presidential election. Special counsel Robert Mueller has requested that the firm turn over the emails of any employees who worked on the campaign, according to a Wall Street Journal report.

Wylie, the whistleblower who worked for Cambridge from 2013 to 2015, said his team spoke to Americans in focus groups to identify deep-seated concerns and tested ways to tap into those fears through social media. He claims the slogans they developed later became the catchphrases of the Trump campaign, including "drain the swamp" and "build the wall."

Cambridge Analytica CEO Alexander Nix was caught bragging about the firm's pivotal role in the Trump campaign on a sting video from the U.K.'s Channel 4. He said Cambridge handled "all the data, all the analytics, all the targeting" for the campaign.

WHY ARE PEOPLE MAD AT FACEBOOK?

The Cambridge Analytics fiasco appears to have crystallized the anxiety many people feel about Facebook's enormous sway over daily life and its massive data trove.

A sell-off in Facebook shares reflects fear that the social network may face new regulations that could hurt profits—or that advertisers and users will sour on it.

A U.K. parliamentary media committee is investigating how Facebook uses data, and has summoned CEO Mark Zuckerberg to testify. Various

U.S. congressional committees are also seeking answers, although Democrats and Republicans have disagreed on what steps to take. Privacy advocates have asked the Federal Trade Commission to investigate as well.

The hashtag #deletefacebook has been trending. Brian Acton, the co-founder of WhatsApp, which was acquired by Facebook four years ago for \$19 billion, has joined the cause. But there are no signs, so far, that users—or advertisers—are abandoning Facebook in droves.

HOW IS FACEBOOK ADDRESSING THE CRISIS?

After five days of silence, Zuckerberg released a Facebook post admitting mistakes and outlining steps to protect user data. He followed up with rare media appearances where he apologized for a breach of trust.

Facebook's response, however, is limited to a narrow range of technical changes that will further limit the data apps can collect and lead to audits of apps that exhibit troubling behavior.

Zuckerberg also emphasized steps the company has already taken, including reducing access outside apps had to user data in 2014. That came too late to stop Cambridge. The company said nothing about overhauling its data collection policies or taking steps to prevent the unauthorized political use of Facebook data.

Facebook suspended Cambridge over allegations that it kept the improperly obtained [user data](#). It has also suspended the access of Kogan and Wylie, as well as Cambridge's parent company, SCL.

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