

Facebook rocked by data breach scandal as investigations loom (Update)

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Facebook's chief of security Alex Stamos is said to be leaving the social network after internal clashes over how to respond to Russian disinformation

Facebook shares plunged Monday as the social media giant was pounded by criticism at home and abroad over revelations that a firm working for Donald Trump's presidential campaign harvested and

misused data on 50 million members.

Calls for investigations came on both sides of the Atlantic after Facebook responded to explosive reports of misuse of its data by suspending the account of Cambridge Analytica, a British firm hired by Trump's 2016 campaign.

Democratic Senator Amy Klobuchar and Republican John Kennedy called for Facebook chief Mark Zuckerberg to appear before Congress, along with Google and Twitter's CEOs.

The lawmakers said the companies "have amassed unprecedented amounts of personal data" and that the lack of oversight "raises concerns about the integrity of American elections as well as privacy rights."

Facebook's chief of security Alex Stamos said his role has shifted to focusing on emerging risks and election security at the global social network.

Stamos revealed the change after The New York Times reported that he was leaving Facebook in the wake of internal clashes over how to deal with the platform being used to spread misinformation.

"Despite the rumors, I'm still fully engaged with my work at Facebook," Stamos said in a message posted on his verified Twitter account.

"It's true that my role did change. I'm currently spending more time exploring emerging security risks and working on election security."

Stamos advocated investigating and revealing manipulation of news at the social network by Russian entities, to the chagrin of other top executives, the Times reported, citing unnamed current and former employees.

Profiles weaponized?

Senator Ron Wyden asked Facebook to provide more information on what he called a "troubling" misuse of private data that could have been used to sway voters.

Wyden said he wants to know how Cambridge Analytica used Facebook tools "to weaponize detailed psychological profiles against tens of millions of Americans."

In Europe, officials voiced similar outrage.

Vera Jourova, the European commissioner for justice, consumers and gender equality, called the revelations "horrifying, if confirmed," and vowed to address concerns in the United States this week.

According to a joint investigation by The New York Times and Britain's Observer, Cambridge Analytica was able to create psychological profiles on 50 million Facebook users through the use of a personality prediction app that was downloaded by 270,000 people, but also scooped up data from friends.

Cambridge Analytica denied misusing Facebook data for the Trump campaign.

Elizabeth Denham, Britain's Information Commissioner who regulates the sector in the country, announced her office would seek a court warrant on Tuesday to search Cambridge Analytica's computer servers.

She said the company had been "uncooperative" to requests for access to its records and missed a Monday deadline stipulated.

Meanwhile, Facebook said it has hired a digital forensics firm to

examine how the data leak occurred and to ensure that any data collected had been destroyed.

Facebook shares skidded 6.8 percent by the close of the Nasdaq on concerns about pressure for new regulations that could hurt its business model.

Shares slipped another percent or so to \$170 in after-market trades.

The sell-off spread to other technology giants on Wall Street including Apple, Google-parent Alphabet and Netflix. Asian markets extended the losses, with Tokyo-listed Sony down, Samsung falling in Seoul and Tencent retreating in Hong Kong.

'Self-regulation not working'

Jennifer Grygiel, a Syracuse University professor who studies social media, said the disclosures will increase pressure to regulate Facebook and other social media firms, already under scrutiny for allowing disinformation from Russian-directed sources to propagate.

"Self-regulation is not working," Grygiel said.

Daniel Kreiss, a professor of media and communications at the University of North Carolina, said Facebook failed to live up to its responsibilities on election ads.

"The fact that Facebook seems to make no distinction between selling sneakers and selling a presidential platform is a deep problem," Kreiss said.

Brian Wieser at Pivotal Research maintained that the revelations highlight "systemic problems at Facebook," but that they won't

immediately impact the social network's revenues.

David Carroll, a media professor at the Parsons School of Design, said Facebook and others will soon be forced to live with new privacy rules such as those set to take effect in the European Union.

"Facebook and Google will have to ask users a lot more permission to track them," Carroll said. "Most people are going to say no, so I think it's going to have a huge impact on these companies."

Carroll has filed a legal action in Britain calling on Cambridge Analytica to disclose what data was gathered and used on him.

An undercover investigation of Cambridge Analytica by Britain's Channel 4 said executives boasted they could entrap politicians in compromising situations with bribes and Ukrainian sex workers, and spread misinformation online.

The executives claimed to have worked in more 200 elections across the world, including Argentina, the Czech Republic, India, Kenya and Nigeria.

The British firm said it "strongly denies" the claims from Channel 4 as well as reports on misuse of Facebook data.

"Facebook data was not used by Cambridge Analytica as part of the services it provided to the Donald Trump presidential campaign," a statement read.

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