

A hand is shown hovering just above a tablet screen. The background is a soft-focus green and blue, suggesting an office or natural setting. A red vertical bar is on the left side of the page.

DATA ETHICS

Part 1: California and Beyond

Companies around the world are finding it more difficult than ever to use consumer and personal data to solely grow their business. It's now a matter of using that data in an ethical manner, which is better known as data ethics – the most recent and emerging branch of applied ethics.

The first in this two-part series provides ethical guidance around data protection and privacy, and also helps to formulate the components required to implement a holistic data ethics program. We'll also tackle strategies to minimize data, clearly defining its value, providing consumer transparency, and defining the context in which information is used (the why, where, and when).

THE IMPACT OF BIG DATA ON CONSUMERS

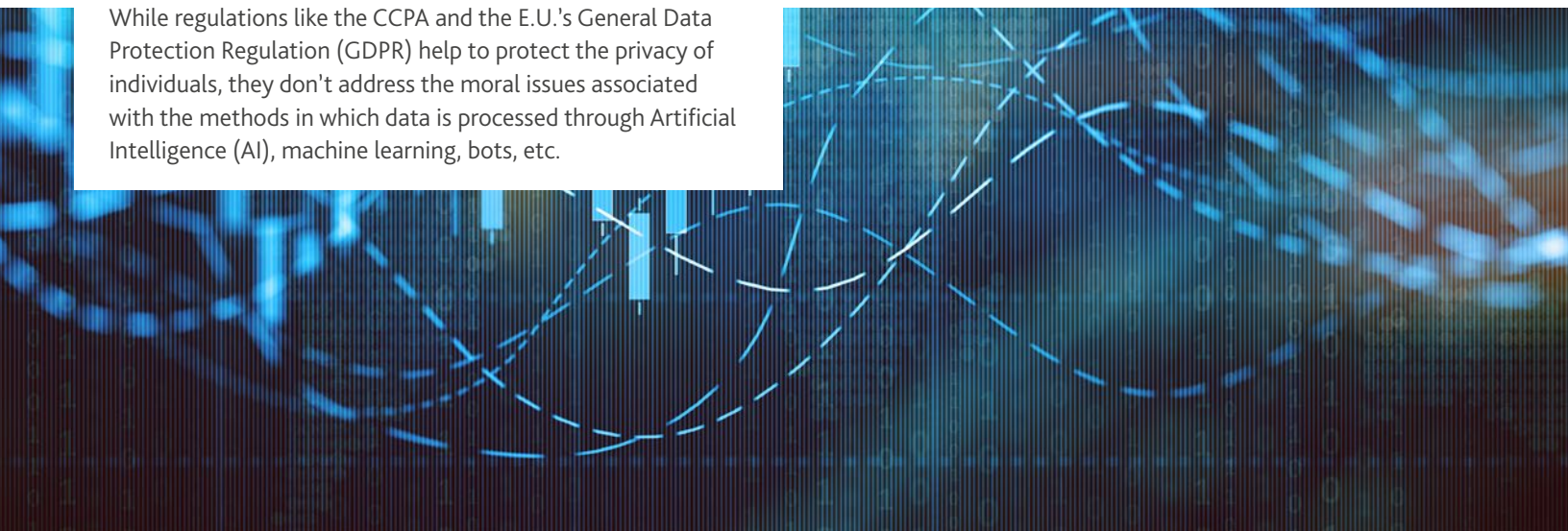
The increasing use of large amounts of data to innovate provides the opportunity to develop new services and products. As an example, the automotive industry has developed (with the help of technology) self-driving cars; while facial recognition companies use technology to spot a suspect in a large crowd of people. Others, like search engine companies, customize your results based on information they gather from you or the computer; and companies that specialize in the Internet of Things (like digital thermostats) are constantly learning about your heating and cooling preferences to acclimate temperatures based on an individual.

These types of innovations benefit companies and consumers alike, however the methods in which data is collected, managed, processed, used, retained, and shared creates a new level of risk for companies. Companies sharing their customers' personal information without consent can negatively impact the level of trust between the consumer and company. Consumers want to know when their information is shared with another company; and they want to know when their data will be sent beyond its original destination. For too long, unbeknownst to consumers, companies have been able to use their data. Emerging privacy regulations like the California Consumer Privacy Act (CCPA) are designed to better protect the interests of the consumer.

While regulations like the CCPA and the E.U.'s General Data Protection Regulation (GDPR) help to protect the privacy of individuals, they don't address the moral issues associated with the methods in which data is processed through Artificial Intelligence (AI), machine learning, bots, etc.

The GDPR regulates automated decision making and prohibits it when it is based solely on automated processing, unless one of several exceptions are met (e.g., consent, contract performance, member state laws allow it, etc.). Separately, but related, the GDPR's transparency principle also presents the dilemma of how to explain the process of AI without revealing companies' proprietary information. In the US, some federal legislation is pending but the various versions only govern certain technology such as AI and the safety of self-driving technology.

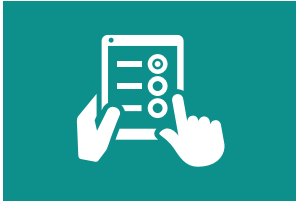
On the other hand, the CCPA offers some similarities to the GDPR including: (1) individuals have the right to request that a business discloses the categories and specific personal information that is collected about them; and, (2) mandates that organizations maintain policies and procedures for obtaining valid consent to use that data. However, the CCPA does not differentiate between human and automated processes. It defines processing as "any operations or set of operations that are performed on personal data...whether or not by automated means." The CCPA also forbids the selling of consumer data. Since the CCPA is so new and has yet to take effect, future revisions to this law could impact AI, machine learning, and data ethics.



DATA ETHICS DEFINITION AND CONSIDERATIONS

Privacy and data protection go beyond compliance and the law, it should also consider the ethical use of data to bridge the use of data for maintaining operations and providing the consumer with reasonable expectations as to how their data is used, processed, and shared. Data ethics is most concerned with ownership, transparency, consent, privacy, its financial value, and openness.¹ To implement a data ethics program, it is helpful to start with the development of a Data Ethics Framework - a tool to guide a company through the appropriate generation and use of data before a new project begins, a new process is introduced, or a new technology is released.

The Data Ethics Framework should include clear principles², and some key considerations are outlined below:



Clearly define the project and its benefits

Before collecting data or using it, be clear about what you're trying to achieve, what issues you're trying to solve, and for whom you are trying to solve it. Match the values of this project to the individuals benefiting from this solution. The questions the stakeholders answer should demonstrate the potential risks or negative consequences in not proceeding with the project.



Develop a transparent program that holds the company accountable for the use of data

As outlined in the GDPR and CCPA, companies should be transparent about the use of personal data, and should take accountability to protect it. These principles provide a clear transition to instituting a Data Ethics Framework by providing consumers with the knowledge of the data that is being collected about them, how it will be used, and allowing consumers to request data removal. It is also important to be transparent about the use of repurposed data, and ensure that the company is able to provide clear interpretations about how the approach was designed.



Use data proportionate to the project

The company should only use the minimum amount of relevant data necessary to achieve specific results. Consider whether you can accomplish the same thing by using the minimal amount of data. Before you start the project, determine the types of data (personal and non-personal) you need, the source of the data, and how you will receive it. The stakeholders should also assess whether the data collected is appropriate for the project.



Understand the limitations of the data

It is imperative that a company and its project stakeholders understand the source of data being used for the project. It is also important to understand metadata; what processes are in place to maintain the integrity of the data and consider whether caveats will be necessary to future policies or procedures.

¹ https://en.wikipedia.org/wiki/Big_data_ethics

² <https://www.gov.uk/government/publications/data-ethics-framework/data-ethics-framework>

CONCLUSION

In addition to minimizing data misuse, a data ethics program reduces the risks to individuals' privacy, and decreases the human and institutional biases in data sets. By being transparent and collecting only the data the project requires, consumers will have a better understanding of how their data will be used. As your organization leverages data and technology to tap into valuable opportunities, investing in a personalized data ethics program will help move the company forward with minimal impact to consumers.

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