

## FTC REQUEST FOR RESEARCH PRESENTATIONS FOR THE PRIVACYCON CONFERENCE

Researcher: Martin Abrams

The Information Accountability Foundation

[mabrams@informationaccountability.org](mailto:mabrams@informationaccountability.org)

972-955-5654

### SUMMARY

Big data creates both unprecedented opportunities to generate information-based innovation and risk to individuals and society as a whole unless effective governance is in place. Existing management processes are insufficient – they are rooted in mainframe era concepts, concerned more with compliance than governance, and generally only cover privacy rights and not the full range of human rights as articulated in The Universal Declaration of Human Rights. In order to take advantage of the benefits, and reduce the risks, of the use of big data, governance processes must go beyond compliance and understand whether big data analytics are ethical, i.e., whether they are legal, fair and just. As a result, there is a growing movement to put ethics into Privacy Impact Assessments. The Information Accountability Foundation (IAF) has been working on how to implement ethical big data assessments (EBDAs) and to make them enforceable in global markets.

### METHODOLOGY

Based on the concepts of teleological ethical decisions (ones that look at rightness or wrongness based on the results or outcomes of decisions) and deontological decisions (those that look at the moral obligations and/or duties of the decision maker based on principles and rules of behavior), the IAF Big Data Ethics Initiative sets forth a governance approach for the assessment of big data analytics. The IAF Big Data Ethics Initiative consists of four parts:

- Part A - The Unified Ethical Frame creates the basis for the EDBAs, the fundamental premise of which is assessment is facilitated by evaluating big data analytics against five values: beneficial, progressive, sustainable, respectful, and fair.
- Part B - The basic EDDBA is a worksheet which takes the decision maker through the various phases of a big data project and illuminates key issues that must be considered in determining whether such a project is legal, fair, and just.
- Part C – A white paper for regulators that discusses the mechanisms for internal and/or external enforcement of EDBAs. (Part C will be published in October 2015.)
- Part D - EDBAs customized for organizations, industries, sectors.

## FINDINGS

1. EDBAs help understand the data quality issues related to big data use.
2. In a world with less legal certainty, more data breaches, and greater penalties, EDBAs help defend the use of big data when questions arise.
3. EDBAs prepare organizations for the external big data oversight that will likely come in the United States.
4. EDBAs, as part of a more mature organizational information governance system, create a pathway to compliant big data use in markets such as Europe, Latin America, and Asia.
5. EDBAs provide the confidence that allows organizations to use big data and avoid reticence risk, the risk of not analyzing data because the organization is unclear about whether the analysis is legally or morally appropriate, and therefore foregoes beneficial use of the data.
6. As privacy increasingly becomes a competitive differentiator, EDBAs help maintain customer loyalty and develop consumer trust.

## PRACTICAL IMPLICATIONS

Big data analytics may be divided into two phases: the discovery and the application phases. The discovery phase yields new insights, and the application phase puts new insights into effect. In the United States, using data to discover new insights has very few limitations. In most every other region, permission is required for the processing and the compatibility of the data for the process. Where consent is ineffective, a balancing of the interests occurs. The basic and customized EDBAs are designed to balance interests and reconcile global differences.

## ORIGINALITY

As far as IAF is aware, no other assessment process has the range and scope of the IAF Big Data Ethics Initiative. Other efforts contain parts of the IAF Big Ethics Data Initiative (e.g. balancing benefits and risks), but none other has the theoretical foundation and the breadth and flexibility of the EDBAs. Moreover, research has been conducted and international regulators have been consulted regarding enforcement of the EDBAs globally.

## ATTACHMENTS

Unified Ethical Frame for Big Data Analysis (Part A)  
Assessment Framework (Part B)