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Chapter 10: Google: The Drive to Balance Privacy with Profit: 10-5c Privacy Audits

Book Title: Business Ethics: Ethical Decision Making and Cases Printed By: Kennisha Holloman (kholloman@grantham.edu) © 2019 Cengage Learning, Cengage Learning

## 10-5c Privacy Audits

Although Google has faced lawsuits from consumers claiming the company violated their privacy rights, a lack of Internet legislation enables Google to continue many of its practices. However, Google found itself in trouble with governmental authorities after allegedly violating its own privacy policies. In 2010 Google launched the failed social networking platform Google Buzz. Users with Gmail accounts received an email that gave them the option to join or decline joining the social network. However, most of those who chose to join were unaware that the identities of their frequent contacts on Gmail would be made publicly available on the Internet through Google Buzz. Although users could opt out of having this information released, they claimed the opt-out features were difficult to locate. Other accusations claimed that even those users who opted out of joining Google Buzz were still enrolled in certain features of the social network, and that those who requested to leave the network were not fully removed.

Although Google worked to fix these problems after many user complaints, the FTC launched an investigation. It found Google had acted deceptively and violated its own privacy policies. Google agreed to settle with the FTC by agreeing to never again misrepresent its privacy practices and allowing approved third-party firms to conduct privacy audits every other year regarding how the company uses information. These audits will take place for 20 years from the date of the settlement. That same year, Facebook agreed to a similar deal after allegedly violating its users' rights to privacy, and other companies have since become subject to privacy audits as well. If Google's audits reveal problems, the FTC may impose fines of \$16,000 for each violation per day.

These audits are a blow to Google's operations. As one of the first Internet companies to have this kind of audit imposed on it, the company will have to tread carefully regarding how it collects and uses information. On the other hand, Google might choose to see this as an opportunity to improve its internal controls and privacy practices to ensure user information is respected. Doing so could gain more trust from users and prevent future legislative action against the company. So far, Google's record in honoring the settlement is mixed. Its 2012 privacy audit found no issues, but that same year the FTC found Google's bypassing of the Safari browser's default privacy controls to be a violation of the agreement and fined the company for it. As one of the world's largest Internet companies, the actions Google takes in this area will significantly impact the future activities of other companies.

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