




Professional Ethics in Action

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- 
1. PARiS promised to make the hiring process more efficient. Are there other values that might also be important? What do organizations risk losing if they focus solely on efficiency?

Exercise #1 - Question #1

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Adapted from AI Ethics Case: Hiring by Machine
<https://aiethics.princeton.edu>

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- Diversity?
- Fairness?
- Creativity?
- Other values important to the mission of the organization, e.g., providing opportunity?
- “leave no one behind”

Values

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- Hiring
 - Inherently discriminatory – some get offers, others don’t based on job criteria and fit
- Strategieion
 - Had successful culture and company
 - Sought homogeneity because AI model based on comparison to successful employees
 - Succeeded because PARiS’ lists closely resembled lists that HR would have put together
 - Legal restrictions on criteria that a company may use
 - Denial based on physical disability not allowed
- Diversity
 - Research shows concrete advantages for diverse workplace

Diversity

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- Bosch Code of Ethics for AI
 - AI decisions that affect people should not be made without a human arbiter. Instead, AI should be a tool for people.
- Continental Code of Ethics for AI
 - Decisions taken by self-learning systems must be transparent and understandable.



AI Code of Ethics

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2. Biased data sets pose a problem for ensuring fairness in AI systems. Given the organization's demographics, what could Strategeion's engineers have done to counteract the skewed employee data? Whose responsibility is it to ensure good data?

Exercise #1 - Question #2

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- Compared employee data to other data and analyzed differences
- Responsibility
 - Company
 - Management
 - Engineers
 - HR
 - Everyone's!

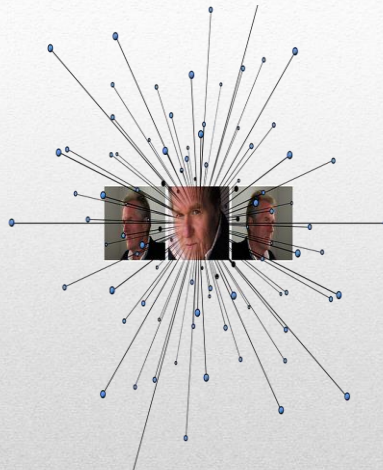
Good data

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- Interaction bias: bias due to limited dataset
- Latent bias: bias due to historical data or societal stereotypes
- Selection bias: bias due to over-representation of one subgroup



Algorithm Bias

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- IBM AI Fairness 360
 - Open source tool
 - Tests for bias in datasets
- Facebook AI
 - Marks images in datasets
 - Enables researchers to identify if model trained on those images
 - “Radioactive” data

Anti-Bias Tools

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How protected are employees who post in social media? In other words, is it OK to discipline or fire them?

- Dependent on the local government’s laws and regulations that address social media
- Dependent on the organization’s policies and regulations that address social media
- If subject to the National Labor Relations Board (NLRB) – may be considered a “protected activity”

Exercise #2 - Question #1

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- Beg. 2012 – state legislation introduced to prevent employers or colleges and universities from requesting passwords or requiring access to personal internet accounts
 - 26 states – laws that apply to employers
 - 16 states – laws that apply to educational institutions
 - 1 state - law that applies to landlords

Employee and Student Online Privacy Protection Act

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- Social media password protection legislation
 - Restricts employers' access to applicants' and employees' personal social media accounts
 - Prohibits employers from requesting or requiring provision of user name, password, or other info needed to access personal social media account
 - More narrow because doesn't include ban on "shoulder surfing" which compels acceptance of friend/connection request or requires change in privacy settings

Nevada - 2013

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- For employers who need access for legitimate business purposes
 - For example, conducting workplace investigation
- Two key limitations on law
 - No prohibition on employers accessing publicly available social media content
 - No prohibition against employer accepting social media content voluntarily provided by co-worker

Nevada - 2013

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What measures
has my
organization
taken to
manage social
media?



Exercise #2 - Question #2

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- Know and follow the rules, e.g., personnel rules
- Be respectful
- Be honest and accurate
- Post only appropriate and respectful content
- Do not use social media at work or on work time unless work-related
- Do not use work email to register on social sites or for other personal use

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work-related!!!

GovGuam – Social Media Policy - 2015

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- Original 2012; Updated 2017
- Addresses Judiciary’s social media platforms as well as employee guidelines
 - Dissemination of time-sensitive info
 - Marketing/promotion
- Prohibits employees from using sites that feature certain types of articles or comments, e.g., ballot initiatives, profane language, sexual content, illegal activity

Guam Judiciary Social Media Policy

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Social media as a tool

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- Crime Prevention and Police Assistance
 - Crime prevention tips, AMBER Alerts, wanted criminal info requests
- Emergency Alerts and Severe Weather Updates
 - Communication of important safety info quickly
- Activities and Class Registration
 - Parks and Recreation class reminders and signup
- Town Halls and Council Meetings – live or archived video
 - Info and reminders

Local government & social media

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- Public Service Announcements
 - General health, safety, and fiscal tips
 - Increase awareness of issues
- Construction Updates and Road Closings
 - Reduce frustration by posting updates about delays and alternate routes
- Job Applications
 - Posts in social media with links to full job descriptions and instructions on how to apply

Local government & social media

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What problems have we encountered in trying to manage social media for our organization?

Exercise #2 - Question #3

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Oops!

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- Bullying
- Sexual harassment
- Financial loss
- Data leakage
- Discrimination
- Loss of productivity
- Potential litigation
- Electronic records retention and production

Social media risks for governments

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- Includes
 - Do not discuss confidential information
 - Do not use as sole venue for information distribution
 - Be careful what you say
- https://www.doi.gov/sites/doi.gov/files/elips/documents/470_dm_2_digital_media_policy_1.pdf

U.S. Dept. of Interior – Social Media Policy

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1. Do we have privacy rights when in public?

Exercise #3: Question #1

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- Rights to the data and how they are used
- GDPR – when personal data are processed
- CCPA – when personal data are collected



Question #1

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2. What do “personal data” include?

Exercise #3: Question #2

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- Biometric data
- Household purchase data
- Family information (e.g., how many children)
- Geolocation
- Financial information
- Sleep habits



- DNA
- Eyes (iris)
- Face
- Finger
- Hand
- Typing
- Voice

Personal information per CCPA

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§ 200.82 Protected Personally Identifiable Information (Protected PII).

- Individual's first name or first initial and last name

PLUS

- Social security number
- Passport number

- Credit card numbers
- Clearances
- Bank numbers
- Biometrics
- Date and place of birth
- Mother's maiden name
- Criminal, medical, and financial records
- Educational transcripts

Protected PII per Uniform Guidance

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3. Should we be able to control our personal data?



Exercise #3: Question #3

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Yes! Prevent identity theft



No! Protect the public



Should we be able to control our personal data?

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Training AI

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Quick Question #1

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The Audit Office of Island Government has provided services to a component unit for many years. Pablo Picasso, the senior accountant for the Airport Authority (an attest client), had to take an emergency medical leave leaving the Authority unable to review and send out its monthly billings. Pablo will be gone for one month. The Audit Office loaned a staff person to the Authority to help out. Due to the urgent nature of the assistance, a separate engagement letter was not prepared. Instead, a memo was created identifying the circumstances and the assistance provided.

Is this documentation sufficient?

Current requirements for loaned staff

- Loan is for short period of time, services discrete and one time.
- ***Agreement needs to be documented***
- Client needs to designate senior-level person to supervise, evaluate, and take responsibility
- Loaned staff can't assume management responsibilities
- Loaned staff can't be identified as employee

- Is this documentation sufficient?
 - Most likely!
- Services subject to “General Requirements for Performing Nonattest Services” interpretation
- That interpretation requires the member to document his/her understanding with the attest client.
- A specific form of documentation is not required.

- BUT memo needs to include
 - Objectives of engagement
 - Services to be performed
 - Attest client’s acceptance of responsibilities
 - Member’s responsibilities
 - Any engagement limitations
- AND memo needs to be prepared BEFORE nonattest services provided



Quick Question #2

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Martha Stewart is the CEO and owner of Martha's Homemade Delights (MHD), an attest and tax client of Snoop Dogg, CPA. Martha has a bad habit of losing important documents. She has now asked Snoop to send copies of her tax return to her bank. Previous requests involved sending her tax return to her prior lender and to possible investors.

If Dogg continually provides copies on Martha's behalf, is he violating the Code?

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- Possibly!
- It appears that Martha is relying on Snoop to maintain her records and thus is providing a de facto nonattest hosting service.
- A single request, e.g., to provide a copy to a bank to expedite loan approval, would not be viewed as hosting.
- Nonattest Service FAQ 1/30/2020

- **Effective July 1, 2019** - Hosting services interpretation
- CPA controls data or records needed for **attest** client operations
- Management responsibility
- Independence impaired

Hosting services

Nonattest services where member accepts responsibility for:

- 1) Acting as the sole host of a financial or non-financial information system of an attest client
- 2) Taking custody of or storing an attest client's data/records so that data/records are available only to the attest client from the member and attest client's data/records are otherwise incomplete
- 3) Providing electronic security or back-up services for an attest client's data or records

Definition: Hosting services

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Quick Question #3

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The Audit Office of Island Government has provided attest services to a component unit, the Airport Authority, for many years. JJ Villagomez has been the lead auditor on the engagement since the attest services began. ***Does an independence problem exist?***

- Possibly!
- A familiarity threat exists when senior personnel have a long association with a client.
- Familiarity threat - The threat that, due to a long or close relationship with a client, a member will become too sympathetic to the client's interests or too accepting of the client's work or product.

- What does JJ need to do?
 - Evaluate the familiarity threat to see if it is significant
 - Identify safeguards to address the threat
 - Change JJ's role on the audit team or change the work done by JJ on the audit
 - Have JJ's work reviewed by a professional accountant not on the audit team
 - Have an independent internal or an external quality review of the audit
 - Rotate JJ off the audit for an appropriate period of time

- What does JJ need to do?
 - Document!!!
 - When the member applies safeguards to eliminate or reduce significant threats to an acceptable level, the member should document the identified threats and safeguards applied.



Quick Question #4

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- JJ Villagomez, CPA and Audit Director in the Audit Office of Island Government , was very proud of his son, Lane, a full-time broker with Island Properties. Earlier in the year, Lane had earned one of the largest commissions on record by securing a new location for the Airport Authority, a component unit.
- ***Is there a problem? Is JJ still independent?***

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- No specific guidance for nondependent children
 - Guidance for spouse only (activities separate & not involved in spouse's business)
- Conceptual framework
- Conclusion:
 - No threats identified
 - Commission already received by son
 - Son not involved in audit entity
 - Disclosure of parental relationship to client just in case (possible conflict of interest)