



Inspire, Transform and Create (ITC) XXV – 2021 IT Strategy Case

Request for Information (RFI) for Consulting Services for Development of Policies Governing Content Moderation and Algorithmic Applications

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Background Information

www.INOU.com (pronounced “I Know You”) is an innovative social networking company. The social networking site was launched six years ago by two founders and has used consultants previously to address a history of issues involving security, privacy and weak governance over innovation which have presented challenges with litigation and government investigations. These prior issues have proven to be “bumps in the road” and have not affected the growth of www.INOU.com. The social networking company is privately held and could have a market capitalization greater than \$850 billion if it were to be publicly traded. A company description of www.INOU.com is presented in Attachment 1 of this Request for Information (RFI).

Problem Statement

The www.INOU.com Board of Directors had formed a working committee investigating the impact of algorithms used in the social network on people’s emotional wellbeing. This project was started in June 2020 after several Directors had watched Netflix’s The Social Dilemma, a documentary which focused on how social networks are using algorithms to maximize online engagement. The Directors noticed interviews with former executives from several leading social networks to be disturbing because several executives indicated they would not permit their own pre-teen and teenage children use these social networking platforms.

Then on January 6, 2021 a riot erupted into the Federal Capital Building interrupting the process of counting electoral votes to validate the outcome of the November 2020 Presidential Election. Five people died, many Federal Congressional members, Senators and the Vice President of the United States were threatened with violent acts and hundreds of people were arrested. Reporting indicated social networking platforms were used as a basis to organize and incite the riot. Parler, a conservative leaning social network, was taken offline by Amazon Web Services and Google/Apple removed the Parler app from their respective app stores. The www.INOU.com Board of Directors was immediately called into emergency session to discuss what impact this riot could have upon the company and directed the Data Analytics Team to prepare an analysis of discussion activity which may have been supporting the riots.

Approximately two weeks later GameStop (GME) and AMC Theaters (AMC) stocks which had been underperforming and subjects of short selling by hedge funds experienced unprecedented surges in stock prices resulting in two major hedge funds getting caught in a “short squeeze” and recorded a loss of more

than \$24 billion buying additional shares of GME and AMC to cover their short sales. The genesis of the price surge in GME and AMC stocks was linked to the online discussion forum WallStreetBets on the Reddit social network which stimulated amateur investor trading on the Robinhood Markets trading platform. While not directly stock market manipulation, the U.S. Justice Department, Commodity Futures Trading Commission (CFTC), Securities and Exchange Commission (SEC) and House Financial Services Committee are all launching investigations into the social network driven stock market trading incident. Once again, the www.INOU.com Board of Directors was called into emergency session to discuss possible business exposure from the stock market trading surge and directed the Data Analytics Team to prepare an analysis of discussion activity which may have been supporting trading in GME and AMC.

The www.INOU.com Board of Directors continued to have weekly virtual meetings to monitor the developing situation. The Data Analytics Team presented their analysis which indicated 49 percent of www.INOU.com's users were actively discussing the January 6 Washington, DC riots, but fortunately most discussion was after January 6 compared to planning and organizing the riot. Further the analysis indicated that 65 percent of users were discussing how to use Robinhood Markets and strategies for trading GME and AMC. The high level of user engagement in these events was very alarming to the Board of Directors. Specific issues discussed were the following:

- Will the Federal Government see these events as a reason that the social network industry has gained too much power and influence in the U.S. and is able to impact financial markets and people's behavior?
- Are the algorithms used by www.INOU.com to maximize its user activity too persuasive and thus cause bad user behavior or result in emotional distress?
- The "mafia style" approach demonstrated by Amazon Web Services, Google and Apple with Parler is a big concern. While www.INOU.com hosts its own processing, there is dependency and now appears to be risk associated with using mobile apps. And could there be additional risk with connectivity between our systems and the global Internet?
- Could Section 230 of the Communications Decency Act (CDA) be at risk? If the Federal Government introduced new regulations would our executives have to assume criminal liability for operating a social network business similar to criminal liability business executives experience with the Sarbanes-Oxley Act?

The www.INOU.com Board of Directors has decided to take a proactive approach to the changing social networking industry and anticipates some new regulations will be implemented and wants to put in place an initial structure to be prepared for the future. Based on the concerns about these issues the Board of Directors has directed the www.INOU.com Chief Executive Officer (CEO), Chief Technology Officer (CTO) and one Board of Director member to form a consultant selection committee and to develop a Request for Information (RFI) to solicit ideas and approaches from leading consulting firms as to how to address the following problems:

1. How can www.INOU.com best approach monitoring and moderating content in a way that is fair and does not obstruct First Amendment Free Speech rights. Is this a process (such as a workforce of content moderators), using technology (artificial intelligence, machine learning, etc.) or a combination of both?
2. Should www.INOU.com conduct a strategic study to determine what is the best approach/network architecture for www.INOU.com to secure its access to the global Internet? Are there infrastructure architectures that www.INOU.com should consider implementing to diversify its Internet connectivity?

3. Mobile apps are convenient for social network users, but at the same time they expose a liability since www.INOU.com does not control their distribution to the mobile device. Should www.INOU.com transition from the use of mobile apps to building more functionality into its website?
4. What technology and methodology might be available which www.INOU.com could use as an “early warning system” to identify emerging trends which could cause harm to www.INOU.com. Such trends could involve potential to cause violence and/or harm to targeted individuals and/or groups, property damage to individuals and/or organizations, disruption to any level of government and harm to and/or manipulation of the US economy.
5. Should www.INOU.com establish guidelines for how algorithms are used within the social network to maximize the user experience? How should this be accomplished?

Request for Information (RFI) Terms and Conditions

www.iNOU.com is requesting RFIs from qualified consulting teams to assess the practicality of obtaining consulting services to assist with developing policies governing content moderation and algorithmic applications. In order to evaluate RFIs and to rank consulting teams the company has formed a Consultant Selection Committee composed of prominent IT and business executives from industry. The Consultant Selection Committee will review all RFIs submitted and rank the consulting teams based on RFIs and oral presentations/interviews. ***The request for information should describe ideas and approaches for how privacy policies governing information of the deceased would be developed and implemented.***

It is recommended each RFI submitted contain at a minimum the following sections:

1. **Background Observations** – The consultants’ interpretation and understanding of www.iNOU.com’s problem (problem statement) and proposed assignment. Identify any special issues the consulting team believes the proposed consulting assignment should address as well as any potential risks.
2. **Scope and Objectives** – What are the objectives of the consultant team’s assistance to www.iNOU.com in order to develop policies governing content moderation and algorithmic applications? What are the boundaries of the consultant team’s services, what areas won’t be covered and which issues may not be addressed?
3. **Proposed Policy Development Process and Implementation Plan** – What areas of content governance and algorithmic application should be addressed by the new policies? How will the new policies allow content to be fairly moderated and algorithms to be applied in a moderated way. A high-level outline of the implementation steps (not too much detail) which will be completed by www.iNOU.com personnel and consultants together to develop and implement the new policies.
4. **Proposed Consulting Team** – Present the consultants to be assigned, identify their roles in the project and provide information on their past experiences as it relates to completing the consulting assignment.
5. **Timetable and Cost** – What is the schedule for developing and implementing the new policies governing content moderation and algorithmic applications, how long will it take to complete and what might the this project cost? www.iNOU.com is only interested in a very general estimate for cost and schedule, specific detail is not required at this time.

6. **Benefits to www.iNOU.com** – What business benefits (value) will www.iNOU.com receive in exchange for the fees spent to develop and implement new policies governing content moderation and algorithmic applications?

Care should be taken with preparing the contents of the written RFI since it will be incorporated as part of a future contract between www.iNOU.com and the selected consulting team. All RFIs submitted become the property of www.iNOU.com and the company will not be responsible for any costs associated for preparation of RFIs or for attending the oral presentation/interview.

Oral Presentation and Interview

The indigenous www.iNOU.com company culture does not have a tolerance for meetings longer than 30 minutes. Therefore, Consulting Teams will be given 20 minutes to deliver their presentations and then the Consultant Selection Committee will limit questions and answers to 10 minutes. In order for the Consultant Selection Committee to properly understand and evaluate your RFI, it will be very important for the entire oral presentation to be completed within the 20 minute presentation period.

Submission of RFIs

It is the policy of www.iNOU.com to accept RFIs in electronic form only (Adobe Acrobat .pdf format). Proposing consulting teams are responsible for ensuring their RFIs are received by www.iNOU.com's Consultant Selection Committee by the date and time indicated below. Completed proposals shall be emailed to cindy.pham@calpolymissa.org and proposing consulting teams will receive an email confirming successful receipt by the Consultant Selection Committee.

Important Dates

Prospective consulting teams should be aware of the following important dates. Failure to complete submissions or attendance at these dates will result in disqualification from being considered for final ranking:

- **April 3, 2021 – Proposals in electronic form due to www.iNOU.com by 5:00 P.M. Pacific Time**
- **April 10, 2021 – Oral Presentation and Interview to www.iNOU.com Consultant Selection Committee**

www.iNOU.com's Consultant Selection Committee is looking forward to receiving your RFI and attending your oral presentation and interview.

Attachment 1 – Client Background and Description

www.iNOU.com (pronounced “I Know You”) is a social networking company. The social networking site was launched six years ago by two founders, a former law enforcement detective division commander and a former chief technology officer who specialized in financial services industry software. Both founders have more than 30 years of experience in their respective fields.

These two founders created a social networking site that achieves the synergy of their collective knowledge of understanding human behavior/relationships and leading edge financial services technologies. Unlike other social networking sites www.iNOU.com focuses on users creating private social networks of individuals they personally know and trust. www.iNOU.com has proprietary tools and capabilities that include a special “relationship discovery engine” which automates identification of known contacts via assimilation of disparate information sources and personal relationships. Additional unique features include the following:

- Single profile supporting professional/public and personal/private relationships to enhance personal privacy.
- Automated import of personal information from other social networking websites via web based interfaces which allow information capture when either data exchange protocols don’t exist and/or information exchange is discouraged.
- Personal communications methodology with messaging limitations/budgets which reduce the amount of time required to update and communicate with contacts.
- Targeted advertising integrated into the overall user experience which allows advertisers to pay for advertisements only on a positive outcome basis. Payment of optional annual membership fee allows users to opt out of advertising.
- Extensible software architecture which facilitates continuous introduction of new features and capabilities users can easily follow and understand. Scalable hardware architecture supports rapid growth in users and activity.

These innovative features and capabilities have resulted in www.iNOU.com becoming one of the most valuable social networks. In just under 3 years www.iNOU.com grew to more than 150 million US users. During the last two years average revenue realized per user grew to \$56.79 with 45 percent of users paying the annual fee to opt out of advertising. Annual revenue is forecast to grow to \$6 billion with approximately 3,500 employees. Unlike other social networks www.iNOU.com has been able to lower its dependency on being an ad supported network and has almost tripled its revenue during the past two years. The company continues to grow and fund itself organically and thus does not have any outside angel funding or venture capital and publicly stated it intends to remain private. A recent article in *The Wall Street Journal* speculated that if www.iNOU.com were to go public its market capitalization could be greater than \$850 billion.