

# Transparency, Privacy and Financial Services Reform

by [Jim Dempsey](#) [1]  
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Two of CDT's biggest goals are transparency in government and the protection of personal privacy. The Internet holds enormous potential to increase citizen awareness of -- and participation in -- government activities. That is why we have been urging government agencies to make available online as much data as possible about their actions. Moreover, we have been urging agencies to make that data available in formats that allow journalists, scholars and ordinary citizens to analyze the data in new ways, to draw new insights into the operations of government and thereby improve efficiency and effectiveness.

At the same time, disclosure of government databases could reveal personal information. Therefore, while pushing for greater transparency, CDT has also been working closely with government agencies to ensure that data sets made available online cannot be used to extract information about individuals.

Recently, a Fox News [commentator said](#) [2] (clip starts at 7:09) that he had found in the financial services reform bill a data collection and disclosure provision that intruded on personal privacy. It's great to hear new voices speaking out in defense of privacy, but in this case, the Fox analyst had it wrong. The provision at issue poses no threat to personal privacy. It focuses on the collection and publishing of information about banks and other financial institutions, not about their customers.

Indeed, it focuses on the biggest of the big: "threats to the financial stability of the United States." According to the bill, a new office in the Treasury Department shall collect data about the financial activities of banks and the financial markets in which they participate and shall "provide certain data to financial industry participants and to the general public to increase market transparency and facilitate research on the financial system." To us, that sounds like the best of open government.

It poses no greater threat to personal privacy than what already stems from data already held by the government.

There is a lot that needs to be done to ensure that the federal government respects the privacy of its citizens as it collects data. One is to explicitly require privacy protection as part of every new data collection system. We have recommended that the data collection provision in the financial services bill be amended to make it even clearer that the collection of personal information should be limited and that any personal data that is collected must not be publicly disclosed. Beyond that, what we really need is that the Privacy Act of 1974 be updated and enforced. [More on updating the Privacy Act.](#) [3]

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[2] <http://video.foxnews.com/v/4161324/rove-goes-on-the-record>

[3] <http://www.cdt.org/policy/updating-privacy-act-1974>