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Wro	a Discriminatory Algorithm agly Accused Thousands of lies of Fraud
By Gabriel Ge	
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	On Discover Make Us Preferred In Top Stories n, Prime Minister of the Netherlands Mark Rutte—along with his entire cabinet—
innocent fa	fter a year and a half of investigations revealed that since 2013, 26,000 amilies were wrongly accused of social benefits fraud partially due to a tory algorithm.
	pay back money they didn't owe, many families were driven to financial ruin, and e torn apart. Others were left with <u>lasting mental health issues;</u> people of color
were dispression	oportionately the victims. BY VICE
preceding	tless investigative reporting and a string of parliamentary hearings both and following the mass resignations, the role of algorithms and automated
level fraud compassio	the scandal became clear, revealing how an austere and punitive war on lowwas automated, leaving little room for accountability or basic human on. Even more, the automated system discriminated on the basis of nationality, eople with dual nationalities as being likely fraudsters.
The childca	are benefits scandal (kinderopvangtoeslagaffaire in Dutch) is a cautionary tale
target socional flagging be people. The	ety's most vulnerable. It's a problem that is not unique to the Netherlands: the government faced its own "robodebt" scandal when its automated system for enefits fraud stole nearly \$1 billion from hundreds of thousands of innocent at case, too, came down to a poorly-designed algorithm without human an extension of cruel austerity politics with inexpressible collateral damage.
Parents ge	v the scandal unfolded. enerally have to pay for childcare in the Netherlands. However, based on a come, the Dutch state reimburses a portion of the costs at the end of each
Netherland	f people gaming welfare systems is far from new and not particular to the ds, but the rise of xenophobic far-right populism has placed it centerstage in the plitical discourse. Anti-immigrant politics have become increasingly normalized, rants are often painted as a threat to the Dutch welfare state.
	this, a hardline stance regarding benefits fraud has become mostly politically ven among many left-wing parties) over the past decade.
	the bill?" asked Geert Wilders, leader of the anti-immigrant Dutch Party for the second largest party in the country), during a <u>speech</u> in 2008. "It's the
properly pa and Ingrid What follow	the Netherlands, the people who work hard, who properly save money and ay their taxes. The regular Dutch person does not receive money as a gift. Henk pay for Mohammed and Fatima." wed was essentially a take-no-prisoners war on benefits and welfare fraud. Like ons, the Netherlands has long automated aspects of its welfare system paired
been used supposedly oversight to	earlier), authorities <u>used algorithms</u> to create risk profiles of residents who were y more likely to commit fraud and then used automated systems with little o scan through benefits applicants and flag likely fraudsters who were then ay money they didn't owe in reality.
benefits pa assistant p governmer Now, such	increased use of automated systems, the decision to cut off a family from ayments would have to go through extensive review, said Marlies van Eck, an professor at Radboud University who researches automated decision making in agencies and who previously worked for the national benefits department. choices have increasingly been left to algorithms, or algorithms themselves as their own form of review.
"Suddenly, unprecede	with technology in reach, benefits decisions were made in a really ented manner," she said. "In the past, if you worked for the government with , you couldn't suddenly decide from one moment to the next to stop paying
these algor whether so	of denial, <u>an investigation</u> from the Dutch Data Protection Authority found that rithms were inherently discriminatory because they took variables such as omeone had a second nationality into account. ues <u>to</u>
<u>pilot disc</u> example	We & our 661 technology partners ask you to consent to the use of cookies to store and access personal data on your device. This can include the use of unique identifiers and information about your browsing patterns to create the best possible user experience on this website. The following description outlines how your data may be used by us, or by our partners. Some of our partners process personal data on the basis of legitimate interest. You can abject to push processing at any time. Please alight "Ontions" helpsut to pick your partners.
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argues tl political : "The toe Motherboa	Store and/or access information on a device Personalised advertising and content, advertising and content measurement, audience research and services development Options Accept old ard over Zoom. "It fits into a long tradition in the Netherlands of security policies
into this fig	esigned to make clear that the days of tolerance are over, and that we are locked that to the death with crimes such as welfare fraud. This fits into this whole notion hysteria which I discuss in my book."
	nat these policies are spoken of in terms of war, in a hysterical military —'there is a war against fraud,'" he continued. "Through this language and
For those of investigation simple as f	classified by the automated system as a fraudster, few properly-done follow-up ons meant that there was little recourse. In some cases, even something as forgetting a signature landed families with the effectively irremovable label of nmitted fraud. Once that label was there, they were forced to retroactively pay
	ment back for <i>all</i> the childcare benefits they had received, which amounted to of euros for many and in some cases <u>even tens of thousands of euros</u> .
fraud were	gation from Dutch daily newspaper Trouw also found that parents accused of given the label of "intent / gross negligence", meaning that they weren't even
Victims we	a payment scheme to gradually pay off their already false debts. ere locked out of other benefits as well, such as the housing allowance and allowance. Many were forced to file for bankruptcy. The results were ic.
homeless? we saw in the saw in th	n the States you have this saying 'you're one paycheck away from being "" van Eck told Motherboard over the phone. "Yeah, well that's basically what this affair." s two or three months of payments, especially for the child care benefits, you to quit your job," she explained. If someone quit their job to care for their
children as	a result, she said, they'd end up having financial difficulties. "There was this ball effect because everything is connected with each other in the Netherlands.
In one of th	ne more egregious examples of the lack of humanity in the authorities'
mathematic percent of	a report from Trouw <u>revealed</u> that the tax office had baselessly applied the cal <u>Pareto principle</u> to their punishments, assuming without evidence that 80 the parents investigated for fraud were guilty and 20 percent were innocent. s of the overzealous tax authorities were disproportionately people of color, g how algorithms can perpetuate <u>discriminatory structures</u> and <u>institutional</u>
<u>racism.</u>	
—, the frau	to Nadia Benaissa—a policy advisor at the digital rights group <u>Bits of Freedom</u> ud detection systems using variables like nationality can create problematic oops similar to how <u>predictive policing algorithms built on flawed assumptions</u>
Crucially, s	a self-fulfilling prophecy that leads to the over-policing of minority groups. She said, we should place blame on the human individuals behind the creation The algorithm rather than reify the technology as being the main driver.
"Systems a	and algorithms are human-made, and do exactly what they've been instructed to
do," she sa yourself. W without any you can on	Aid. "They can act as an easy and sort of cowardly way to take the blame off What's important to understand is that often algorithms can use historical data by proper interpretation of the context surrounding that data. With that pattern, ally expect social problems like institutional racism to increase. The result is a dback loop that increases social problems that already exist."
as an <u>algo</u> i	e efforts to increase algorithmic transparency have been made recently (such rithm register from the municipality of Amsterdam), many of the automated use in society remain opaque, said van Eck, even for researchers.
"Transpare	ency is certainly a major issue. As a researcher, it's difficult because these
algorithms finding a po could be th citizens, bu Beyond tra	remain invisible," van Eck said. "If I want to know something, I have trouble erson who can talk to me about it. And, if they just buy a software system, it nat nobody actually knows how it works. Transparency is important not just for ut also on the administrative level."
algorithms exists in th	are given enormous power over people's livelihoods, but as of now little of that e Netherlands. And, in the meantime, smart algorithms and automated systems take over a larger and larger share of administrative procedures.
	ne families wrongly accused of fraud <u>are waiting to be given €30,000 each in</u> tion, but that won't be enough to make up for the divorces, broken homes, and
the psycho Meanwhile largely syn and will be	tion, but that won't be enough to make up for the divorces, broken homes, and plogical toll that resulted from the affair. e, despite the gravity of scandal, the resignation of Mark Rutte and his cabinet is abolic. Though he resigned, he is still leading the government in the meantime on the ballot in the national elections scheduled for next month. Rutte's we VVD party is expected to win handily, meaning that both he and many of his
At the end but the cor automated	vill likely return to their posts. of every government scandal, the words "never again" are thrown around a lot, mbination of few strong ethical safeguards for algorithms and an increasingly government leaves those words with little meaning.
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