Privacy can be defined as areas which are peculiar to an individual not to public or society. The concept of privacy is mentioned with the concepts of confidentiality and security of personal information and private areas. While the governments create electronic tools and environment to watch and make observation to provide the citizens more secure and an environment to live, it might cause an individual’s private area to shrink.

Today records of cameras, signals of mobile phones, records of phone calls through mobile phones, IP numbers of computers, e-mail tracking systems, satellite based systems, Google earth applications, GPS applications are the tools that comes to mind at first which can be used to violate privacy. These tools can be easily reached. When these tools are used for observation, they can constrict privacy. Some of the ethical issues that appear are as follows: Does the government open files on citizens? Do individual privacy and freedom not exist? Does watching and recording everything citizens do conform to democracy?

As Michael Faucault mentioned knowing means being strong and ruler ship keeps information to hold power. Today not only governments but also private huge corporations gather information and both of them watch citizens. As a result, individuals face social, psychological security and insecurity problems caused by these. Because of this individuals and societies should be informed about these issues and ways to protect individual freedom.

Though governments should develop sensitivity to such issues and regulations are needed to be done, it is not enough. In this study, as discussed in democracy theory, we propose that a strong government which is furnished with information might always cause a threat to individual freedom. In addition, contrary to liberal democracy that huge corporations threaten democracy by interfering individuals’ privacy will be examined. We suggest that it is necessary to establish and increase the efficiency of an independent “Information Conservation and Auditing Authority”.

**Keywords:** Electronic Government, Privacy, Information Conservation, Auditing Authority.