

Who did the Equifax breach harm? How? Why was this harm morally bad?

In the New York Times article by Ron Lieber, what is delineated regards the 2017 Equifax Data Breach, causing the exploitation of many customers' credit score information, social security number, and other sensitive data. This is written from Lieber's perspective, as many people emailed him regarding their grievances and how they wanted Equifax's chief executive, Richard F. Smith fired. Beyond the fact that Equifax was the victim of another cyberattack, it seemed as though the individual victims had more of a problem with the fact that they can not control their own (extremely sensitive) information. Completely disregarding the Equifax breach, Lieber discussed emails he received about the fact that so many people see individuals' credit reports. "Everyone from auto dealers to home loan officers sees the grades that Equifax...". In a sense, people started to realize that this personally identifiable information defines us, but there is no meaningful informational rights to them or over them. Although it is necessary to have an accurate repository of data to check ones' credit, there is not a feasible way to escape the system. In this Case analysis on Corporate Social Responsibility, I will use Confucianism to argue that the Equifax breach more so harmed the middle class among many more members of society by immorally charging for credit freezes and not giving users authority over their sensitive information.

In the excerpt by Milton Friedman, we are able to see his take on the social responsibility of businesses and how it is to increase its own profits. Here, he delineates the corporate businessman's 'social responsibilities' as his interests would differ from the interests of the business. The difference is in how these businessmen would spend the money, and if it strays from the benefit of the business as a whole. The role that the businessman would have in this case regards spending money for the benefit of society, such as money toward pollution reduction, toward reducing unemployment, and not raising prices for customers in order to help prevent inflation. The business, however, would be against this path and instead use the money to speed up and amass production, which would in turn cause more pollution. They would also (understandably) only hire the best of the best, either not having any impact on unemployment or increasing it. For its own benefit, the business would also raise their prices, thus bringing in more revenue but also increasing the rate of inflation. As we can see from this first example, businesses do not have any social responsibility except to increase its profits.

Following under the teachings of Confucianism, this businessman mentioned above is staying on his path that – in this case – is to fulfill his societal role as a businessman. As someone who is in place to help regarding societal responsibilities, the businessman fulfills his role as a worker. Confucianism tells us how best to live our lives, not based on individual choices we make, but based on the overall path we walk. For the Confucian, it is about staying on a path (dao) that is important, rather than any individual action. The continued actions, or path of the businessman

in his position helps him to reduce pollution, unemployment, and many other blights of humanity.

Regarding the case, I believe Equifax was fulfilling its traditional role as a business, seeing as how their aim was to provide their services and make money. Selling the sensitive information to third parties on top of their actual business made them a lot of money, but people started to catch on to the dangers of data mining and selling – especially with the information that Equifax has on its customers. From the perspective of the people, the 3 credit reporting agencies did not fulfill their role in making appropriate and timely changes to account for the Equifax breach. After something like this, there is bound to be public panic as well as doubt and confusion. The people needed the officials to play their part and fulfill their responsibilities so these people could fulfill theirs in getting compensation and moving forward. Broadening the scope, Equifax was seen as only working as a business while not meeting any social responsibilities – for mistakes that the Consumer Financial Protection Bureau made, customers had to pay monitoring service fees to hopefully get it fixed. Right after the breach, a concerned customer was only able to get in touch with 2 representatives that told him they did not have any information on what happened.

Similarly in Melvin Anshen's excerpt entitled: "Changing the Social Contract: A Role for Business", we see a discussion regarding the pressures given to businesses that deviate from acts that would benefit the businesses and increase revenue. Instead, we see pressures to withhold price increases to account for inflation, giving special financial support to black ghetto properties and businesses, providing special training and jobs for unemployed, investing in equipment that would minimize their pollutions, contribute generously to charities, and the list goes on and on. These pressures challenge the businesses' entire thesis of maximizing their private profit. This relationship between businesses, individuals, the government and other organizations can be referred to as the 'social contract'. The social contract is what causes shifts in businesses' behavior. Now these shifts come quite literally with a price – this one being a raise in price to compensate for acts such as changing manufacturing techniques to reduce pollution or other socially responsible acts. A downside to this however, would include the relocation of the customer base to other corporations. To get this done, these businesses need a creative management team to help find ways to minimize cost while maximizing benefit while also fulfilling their role in their social responsibilities. Regarding change, if something happens to the company or the database of customers (or their information), Anshen explains that revising the rules after meeting public resistance only creates widespread distrust. This can be seen in the given example about the American Medical Association. This is ethically wrong as well since in a Confucian manner, they are not fulfilling their role by supplying customers with only the bare minimum, or the status quo. Morally, they only attempt to fix something because of all the public discontent, not because of the actual problem.

Equifax is charged with doing the same as the American Medical Association and this is why people had grievances beyond the breach – which was not even Equifax's first. In my opinion, the corporate social responsibility of Equifax in this case was to fulfill their role in providing support and comfort for their customer database, with information regarding steps moving

forward. Many people also wanted to fulfill their roles in keeping their (and their families') information private, although it is difficult when companies like Equifax need private and sensitive information to gain information such as a credit score. The main problem is that there is no way to opt out or manage who sees this personally identifiable information and that is what scares the people. If you are doing business with any company that provides financial services, you need information like your credit score, but instead of being able to monitor and use our information as necessary, we need to log in to a database of personally identifiable information with our own sensitive information to then give that information to said companies. That is a lot of sensitive data being thrown around when it would be so much easier to access, transmit, and manage our data as we see fit.

Now the Equifax breach mainly harmed the middle class in that they are the ones who suffer the most from having to pay for expensive credit monitoring services and dealing with payments to hopefully acquire retribution for possible stolen funds. Regarding the breach and beyond, the issue with morality had to do with Equifax's response to the breach as well as their anti-socially contractual implementations that were already in place. From both Lieber and Anshen, we see a theme of the social responsibility of businesses. Now although businesses traditionally care more about effective production and economic progression over social progression, this social contract is what binds businesses to aim for maximum revenue while fulfilling their role by accounting for their social responsibilities. Equifax did not fulfill their role or consider their social responsibilities in providing resources for customers after the breach nor providing resources for customers to be able to monitor their own data.