3.4. Case Analysis on CSR

The Equifax security breach allowed hackers to access sensitive personal data information. Equifax is one of the three significant credit report companies which indirectly makes everyone in the United States consumer of their product unless you can live off the grid where credit reports are not required, but if you want to buy a car or home loan. You must consent to a credit check to get your report through Equifax or one of the other two agencies, sometimes all three. Equifax was aware of a vulnerability in its system but did not attempt to correct it until approximately 146 days after being aware it existed. Equifax violated its social obligations to protect personal information. Additionally, there was no justification for not acting swiftly to correct the system's vulnerability. In this Case Analysis, I will argue that Deontology shows us that the Equifax breach harmed millions of people by unauthorized access to their personal information by their inactions and that this was morally bad.

Melvin Anshen's article addresses that business managers need to change their mindset on the social contract to include the expected other than making profits. Like deontology, they have a moral responsibility to do what is suitable for the community and not just the organization. Deontological reasoning state that you can do good things and still have bad results. In the Equifax case, they knew there was a system vulnerability and made no effort to fix the liability, but it took almost five months to repair the issue. You can have good intentions that lead to erroneous results, which happened with Equifax, which caused the data breach of several millions of people across the country. Anshen identifies the social contract issues of his article, but he also identifies some deontological issues like the issues of Equifax's actions. First, the managers need to know that the desire for more of increasing the Gross National Product for the economy can be good. However, if there were a moral law to help people in the community, that would make their choice wrong. It was stated that until the cataclysm of the 1930s, there was no public demand that private firms take in any part of the costs of unemployment or retired workers and no demands that private firms carry any share of the cost of environmental contamination. The mindset was that the businesses were not responsible for those costs.

In both cases, Equifax and the manager were blind to the moral law regarding both issues. Equifax should have immediately repaired the system weakness to prevent the breach from occurring. The management should not just be concerned with profit but be open and consent to accept more responsibility to aid in the issues of the public interest. Because it does not fall into the parameter of their bottom line, they feel it is not on them to fix. The article stated, "When there were evidenced in the form of extreme personal hardship for individuals and groups, they were met by private charity, or they were not met at all." That is the wrong mindset regarding deontology, and it shows that the maxim of their actions was not focused on the people's confidential information.

The categorical imperative is the ultimate reason we should always act to be moral. The managers were not acting in a way that would align with the categorical imperative. They don't make exceptions for themselves, but they make them for the business by leaving the responsibility of hardship, unemployment, and environmental damage to others because it's not profitable, and this conflicts with the categorical imperative. They put the business over the community, and as a deontological concept, they should treat people like they want to be treated. Their mentality was not to show respect to the people and community that they deserved and be moral. Instead, they had more respect for the business and making money than for people and the community. This is not good when it comes to the categorical imperative.

Equifax set a bad example when it comes to the categoric imperative; they totally disregarded the ideal of 'being moral" because there they were not thinking about the millions of people that were affected by the vulnerability. To them, it was a system error that needed to be fixed. There was no focus on ensuring they were doing everything to secure people's private information because they didn't look at it from the perspective of, "how would you feel if your personal information was in that system?" Then it would have been more humanizing, and I think some priority would have been taken to fix the system and show that they respected other people's privacy.

Milton Friedman's article also looks at the social contract from the business enterprise perspective. Still, he looks at the business executive as an employee of the owners of the business, and his responsibility is to conduct the company in accordance with their desires, which generally will be to make as much money as possible. Similarly, to Equifax, the deontology ethical choice is toward the business to ensure that it is profitable. Still, it is the wrong choice because anything to aid in other ventures that are not in the profit-making process, then the executive is to be considered as conducting those activities on his own. Friedman stated there is only one social obligation of a business, to use its assets and engage in actions to increase its profits if it is within the rules of the game, which is to say, engages in open and accessible competition without deception or fraud. I agree with his statement to the point that executives should be able to operate their businesses to make profits. Still, in some cases, like Equifax, you can't keep making profits when there is a significant vulnerability you have not addressed. They showed their consumers what their absolute worth was to them by not instantly repairing that vulnerability.

As Friedman stated above, lying and deception are never of ok. If an executive who contributes to community efforts in the name of the company in the aftermath of any event may look suitable for the company or a reciprocal return is wrong and deceitful, especially if it was something they just started doing. For example, if Equifax held some free credit-improving seminars and a major hotel to improve their image of the security breach, but in return, they offer discounts on hotel rooms when you sign up for Equifax credit report. Manipulating people's trust for the company's gain is morally wrong and goes against deontology ethics.

Additionally, the executive would violate the categorical imperative because their actions would not be moral. Their actions are based on what to business wants, whether they want to be involved in the community or not. Those who don't want to be involved because it's not profitable. That type of message is wrong under the categorical imperative because they should want to do unto others as they would have them do unto you. Furthermore, businesses that lie and use deception to gain favor for their actions are violating the categorical imperative as well. They are using people as a mere means, like the example of the free seminar for signing people up for Equifax reports. That is about image boosting and a back door deal to make money for them and the hotel. There is no genuine sense of the categorical imperative that shows they care or have respect for others, and it is unethical and goes against deontology.

Equifax's data breach was a clear violation of their social contract, with the 143 million people potentially affected by the breach. Still, their actions, or lack thereof, show the deontological violation associated with it as well. Equifax violated the categorical imperative to treat others how they would want them to be treated by having the knowledge of the vulnerability in the system, and it took almost five months to repair the damage. The maxim of the actions was not focused on the system; as Friedman and Anshen stated, the business's priority was making a profit. There was no recognition of humanity to ensure that they could repair this situation as quickly as possible to provide people's private information remained secure.

Multiple errors on Equifax caused this breach, including a failure to renew a security certificate that would have allowed their internal audit to catch the violation. This breach harms Equifax's reputation, bottom dollar, and future earnings, but it also hurts the 143 million people whose information was released due to negligence. It is safe to say the majority of the 143 million people are not even customers of Equifax but personnel like you and me trying to buy a house or car or get a loan and have been unwillingly caught in this. It is like being an accessory to a crime you didn't know anything about. Your friend called you to give him a ride home, and you pick him up and drop him off, and later you get arrested and charged as an accomplice to a crime that he just committed, all because you gave him a ride.