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### Case Analysis 3.4

Equifax is one of the largest credit reporting companies in the world. A credit reporting company uses data that is given to them by banks and credit card companies to do calculations to figure out the credit scores of people, which can be used as valid proof of someone's ability to pay off debt, such as car payments or a mortgage. In 2017, Equifax had a massive data breach, which released their customers' finance data, which to most is the most important type of data about us, things like credit scores, purchase records, and even social security numbers were stolen by hackers looking for websites that failed to update their software to a version that fixed the backdoor that was exploited, something that Equifax did not do. In turn, 147 million people had their data stolen from Equifax's system. Unfortunately, the worst was not over, as after the breach Equifax left many of their customers out to dry, as they did not answer phone calls, and they essentially extorted money from people to be able to freeze their credit data. In this case analysis, I will be using the deontological tool I will argue that the Equifax breach harmed their customers by being ignorant to the possibility of a cyber-attack and that this was morally bad.

In 1970, Milton Friedman wrote an article for *The New York Times Magazine* which stated that a business does not have a social obligation to society, but that its only purpose and responsibility is to make a profit for the owners and employees of the company. And that was true in 1970, but as time went on, new types of businesses emerged, especially with the advancement of technology. Types of businesses that promised to hold our most important information for us, and to send it to where it needs to go so that a normal person may not have to. This is what companies like Equifax do, they communicate with the banks and hold onto things like our financial information and social security numbers and send it to the right people. When someone is buying a car a credit check, so it is Equifax's job to take the data that the dealership needs, calculate it into a credit score, and send it to the right people. The data that Equifax holds are some of if not the most important pieces of information that someone can have since it all works in tandem to access their money. But Equifax got lazy and showed to everyone that they cared more about profits than the wellbeing of their customers by working to protect their bottom line first before working to repair the breach as quickly as possible.

It took 76 days for Equifax to finally detect the breach, in those 76 days over 9000 scans were conducted by the hackers with the possibility of thousands of data transfers to be able to get the amount of data they got off of Equifax's servers. After the timeline of the breach was determined, it was found that executives of the company had sold large amounts of stock before the breach was discovered. It is not proven if the executives knew about the breach earlier than reported, but it was enough to convince people that Equifax could not be trusted at their word. If we look at this from a deontological standpoint, we can see that if Equifax wanted to act morally,

they would have updated their website's framework when Apache sent out the alert of the vulnerability, but they did not. There is no good reason that they could give for ignoring the call to update their framework that could be considered morally good in any way. Because updating their framework would have closed the backdoor and made it so that the breach would not have happened in the first place. The attack was not targeted to Equifax, it was a group of hackers scouring the internet for people who neglected to update their framework. Equifax had over 2 months to update before the breach occurred, but if they wanted any chance to be morally good, they would have updated as quickly as possible, because of the value of the information that they had in their hands. A social security number in the wrong hands can destroy a person's entire plan for retirement, because it would take the money that they had for retirement. Deontologically, Equifax had every chance to have good morals, but they decided not to be because they were negligent to the risks. Equifax should have followed the message that was also being argued in 1970 by Melvin Anshen.

Melvin Anshen argued in his 1970 paper, *Changing the Social Contract: A Role for Business*, that businesses should work as an "organ to society," that businesses are just one of the pillars keeping a free market society from crumbling. He also states that without a society around it, businesses cannot make a profit, therefore businesses should do their best to support the society around them so that society does not replace them. In a perfect world, companies should have to show their worth to us, the consumers. That is what Equifax should have done, moving past the breach itself, Equifax should have picked up and ran when it came to the clean up of the situation, but again they did not do that, they showed society just how pitiful their value as a company is, with how poorly they handled the breach and its aftermath. After the breach, people rushed to the Equifax website to freeze their credit accounts, so that if the hackers were to try and use the stolen information, they would not be able to. But instead of having it just be a button to stop all account activities, there was a fee that was said to range from 3 to 10 dollars.

This is exactly the thing that Anshen was arguing against, Equifax essentially holding the ability to make a simple change to an account hostage and extorting people of the money that the company itself put at risk. This is not a case of a business working for society like it should, it is a case of a business only looking out for itself. And to make it worse, the people trying so hard to get some type of answers for their completely valid questions, could not find any phone number for a customer service department that would connect them to a real person. This is the complete opposite of what Anshen argued, not a case of Equifax being an organ to society, but more so being a parasite to the actual people trying to make a difference. It does not matter if Equifax was trying to clean up the mess they made on the breach side, being able to give peace of mind to the customers they betrayed is just as if not more important than cleaning up the breach itself. If Equifax was truly working for society instead of trying to save their own skin, they would have set up a customer service hotline that would be able to explain to tech wary people what happened and how they are fixing it. They also should have quickly removed the fee to freeze an account, instead of announcing that they would remove fees while also charging those same fees for days after the announcement.

Looking at this from a deontological point of view and considering if Equifax had any form of good morality, they would have made some type of change to actually help their customers. They went completely against the Categorical Imperative created by Immanuel Kant, which at its very roots, forbids lying for any reason, even if you did something horrible. It seems like options were given to them left and right for them to help them with the cleanup of the mess they made, or to prevent the breach from ever occurring in the first place, or to even just make it so that their customers are taken care of. But it seems like with every step they took, they could have chosen to have good morals, but they chose bad morals to retain money in the short term, even though if they updated their framework or made the aftermath of the breach more bearable for the customers, they would have made more profits in the long run, but once again, they took the route that was easy for them, and harmed their customers.

If we look at this entire situation from a deontological point of view, we can see that Equifax made every wrong decision they could make. They lied, they held their customers' money and control over their accounts hostage, and they broke every form of trust they could have possibly had from their users and going against any good morals that they could have been seen as having. Even if Equifax did eventually make the changes to help their customers, it was too late, the risk of theft of their users' money and dignity was the last straw. The amount of time it took for them to enact these changes sealed the deal with how they are seen. Because how they acted with this breach leaves no faith in me for how they will react to the next one. Throughout the whole ordeal, Equifax showed time and time again that in the event of a company wide problem, they will choose the wrong solution at every step of the way.