

In the Equifax data breach, approximately 147 million people were affected. This breach included the data of those users' (and non-users) social security numbers, birth dates, addresses, and even driver's license numbers in some cases. The data breach was not the only thing that caused the fear, but rather the completely inadequate response by Equifax caused an outcry for some level of control. Equifax in response essentially charged users for protection money in order to freeze credit in response to their own data breach. Treating the situation as a "Cause the problem, sell the solution", Equifax managed to practically extort those affected and breach the social contract society had with Equifax in regards to trusting them with that data. In my case analysis, I will argue that the data breach from Equifax was not only harmful to the majority of users utilizing the platform, but looking through the lens of contractarianism (*again*) will demonstrate that Equifax reacted in possibly one of the least ethical ways to regain the trust of the public and put their minds at ease.

The Equifax data breach stands to date as one of the worst examples of how a company should react to a major incident where *millions* of people are affected. Equifax's response also shined a light on the true nature of the control users have over their own data. The corporate nature and lack of accountability showed when they began charging users for credit freezes, and any attempt to contact some form of authority led to red tape and dead ends. To understand the role of businesses and the social pressure they face when making decisions, comparisons can be drawn from Milton Friedman's paper "The Social Responsibility of Business is to Increase its Profits."

Friedman's paper emphasizes the role companies play in furthering their own profits. However, he also notes that these choices must be made within legal AND ethical boundaries dictated by society. According to Friedman, businesses must act in accordance with "the rules of the game". These rules are legal frameworks put in place to limit the control these large businesses have, as well as the ethical norms of what is expected by the users whose data they possess.

The primary argument driven in the paper states that businesses, while primarily driven by profit, must maintain the trust of their stakeholders and customers by acting ethically. This aligns with the pillars of contractarianism, where society forms social, unwritten contracts where an ethical norm is expected. When that contract is broken, an act could be considered unethical. Contractarianism suggests that this ethical behavior stems from the interaction and dictation of general society or "the average person" In the corporate scope, contractarianism implies the businesses operate within an implicit contract where they are granted legitimacy and trust in exchange for ethical behavior, consumer protection, and adhering to normalcy expected.

Equifax acted unethically according to these standards in multiple ways according to these guidelines. For starters, the trust from society was broken due to the negligence in preventing the breach in the first place. The breach occurred due to Equifax's failure to patch a KNOWN security vulnerability in a timely manner. In a way, Equifax neglected its duty to protect and safeguard the data they hold. Additionally, there were reports that several Equifax executives sold shares prior to the breach being announced. This insider trading conflicts directly with Friedmans point of businesses aiming for profits while maintaining ethical integrity. The support and remediation also breaks that trust between business and customer. There was virtually no channel for direct assistance and accountability was not held for any of the higher ups. Rather, an extortion fee was charged to "ensure" that data would be protected and credit would be frozen. When grading the response of Equifax against the standard expected with contractarianism and responsibility of businesses laid out by Friedman, Equifax acted completely unethically, aiming for profits in a time where there was little to no trust with the company from the very people they were charging to "protect". This blatant disregard for ethical responsibility highlights how Equifax prioritized financial gain over the well-being of its customers.

In the article "Changing the Social Contract: A Role for Business", an opposite view of corporate social responsibility is brought up. In this argument against Friedman's view, Melvin Anshen claims businesses are an "Organ" of society. They play a crucial role in society that generally improves the quality of life for the general public. This is the contract that businesses have with society. It's the delivery of goods and services that society wants, and in return, society will give its trust and business to them. Anshen also makes a claim that businesses will change their contract over time. In today's digital society, one could argue that the contract would now include the protection of one's data if a company holds it. Society would also generally agree that control over your own data would be crucial in maintaining that trust and abiding by the social contract.

Many of the central concepts in Anshen's paper align with the fundamentals of contractarianism. For instance, when Anshen talks about needing to change the social contract between a business and society, it's not so much of an abrupt change, but rather an evolution. As societies' needs grow and change over time, there is an adaptation taken by businesses to meet those new needs. I specifically think the analogy of businesses being an "organ" is surprisingly accurate. The way that they are integral components of society and must evolve with the "body" or society itself holds true. It describes businesses as these entities that meet needs, not just drive themselves for profits. Additionally, the long-term trust and reliance of society on these entities mimics the way that organs function in the body. You can rarely have one

without the other, and the body must rely and trust that the organ will fulfill its role properly.

The ethical decision making by Equifax reflects a major failure of the company as its role as the organ in society. Having been entrusted with such sensitive data, they had the social responsibility to protect that data. However, the delayed response, monetization, failure to disclose, and lack of communication was a breach in that contract. These actions reflect that of an organ failing in the body, not providing the proper function and leaving the body to suffer as a result. Viewing the actions taken by Equifax aligns with both Anshen's view of the responsibility companies hold and the ethical guidelines of contractarianism. The company failed to uphold their end of the bargain and in turn, lost the trust of the public. The fact that most of the people affected were not even Equifax customers, exemplifies the fact that Equifax had a major implicit contract with millions of people to prevent their data from being exposed. Not only did this harm the majority of users affected, but their solutions were to capitalize on the situation and look to financially gain from an overall negative situation. Not only did Equifax not adapt and evolve its social expectations, it outright ignored them, and in some cases, made the opposite decisions. These examples can easily be labeled as unethical using many philosophical ideologies, but especially contractarianism.

In conclusion, the Equifax data breach serves as a clear example of how a company can fail to uphold its social contract with society. Outlined by both Friedman and Anshen, as well as the pillars of contractarianism. Equifax's negligence in preventing the breach and their unethical response afterward demonstrated a blatant disregard for ethical responsibility. The public trust was almost completely dissolved, and trust is needed for businesses to complete its function as the "organ" of society. By failing to uphold the standards set in place by society, it broke the implicit contract with its customers and even the non-customers whose data they held. For those affected that were not previous customers, this further violated that implicit contract held by those who were unaware of their participation in the breach. Through analysis of this situation using contractarianism, it should serve as an example for businesses going forward on how to adhere to that contract, and act in the most ethical way possible while remaining profitable as a business.