

# Journal Prompt 1 from Module 11

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On February 6, 2017, the platform provider operating Glasswasherparts.com discovered malware had been placed on its servers, allowing access to customer payment cards and personal data. Many of which customers were not informed until after the incident. The notification emphasizes remediation steps taken and advises affected individuals to contact their banks and monitor statements, as informed by cybersecurity firm engagement and law enforcement cooperation. Some economic theories I tie into this are rational choice and Keynesian. Starting with rational choice, the company's decision to hire a cybersecurity firm and cooperate with law enforcement reflects a calculated, cost benefit evaluation. The costs of remediation and delays in customer notification are weighed against reputational damage, legal penalties, and future lost revenue. This represents a rational actor minimizing long-term loss and preserving trust. With Keynesian, while not an economic incentive, law enforcement's involvement demonstrates a public sector involvement absorbing investigative costs that would otherwise burden the private firm. This contributes to system wide stability by supporting breach response, and government involvement helps maintain consumer confidence, parallel to Keynesian policies that bolster private sector shocks. Some Social Science theories that relate to this are structural functionalism and social conflict theories. With structural functionalism, the breach letter shows engagement in roles between the company, third party provider, cybersecurity experts, and law enforcement serving the complementary functions of restoring social order after an incident. Each party plays a functional role in protecting consumers and the payment system. With social conflict theory, the incident also reflects a power struggle between the intruders exploiting technical asymmetries to extract value from consumers, and highlighting the inequalities in access to digital power. Meanwhile, law enforcement delays notification by exercising their institutional authority and prioritizing criminal investigations over immediate consumer protection. The hackers exploit, the company mitigates, and the state defers which all illustrates competing interest shaped by power dynamics.

## References

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