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# Case Studies on Ethical Violations

## Case Study 1: Nike and Child Labor

**Scenario:**

Nike was found to be using child labor in overseas factories in the 1990s, drawing worldwide criticism for its unethical labor practices.

**Problem Statement:**

Nike’s reliance on child labor exploited vulnerable populations and ignored basic human rights, sparking ethical concerns about worker exploitation in global manufacturing.

**Answer:**

Nike faced intense backlash, leading the company to overhaul its labor policies. They implemented strict monitoring systems to prevent future abuses, showing that ethical responsibility in supply chains is non-negotiable.

## Case Study 2: BP Deepwater Horizon Oil Spill

**Scenario:**

BP’s Deepwater Horizon oil rig explosion in 2010 caused massive environmental damage, with investigations revealing that cost-cutting led to the disaster.

**Problem Statement:**

BP’s neglect for safety standards in favor of reducing expenses showed a disregard for environmental and human welfare, a major ethical failure with devastating consequences.

**Answer:**

BP paid billions in fines and cleanup efforts. This tragedy highlighted that companies must prioritize safety and environmental care, especially in high-risk industries like oil and gas.

## Case Study 3: Equifax Data Breach

**Scenario**:

Equifax, a credit reporting agency, suffered a massive data breach in 2017, exposing the personal information of 147 million people. The company delayed informing the public.

**Problem Statement:**

Equifax’s delay in disclosing the breach violated ethical standards of transparency and accountability, leaving millions vulnerable to identity theft.

**Answer:**

Equifax faced lawsuits and implemented stricter security measures. This case showed that when handling sensitive data, companies must act quickly and transparently to protect customers.

## Case Study 4: Samsung’s Galaxy Note 7 Battery Fires

**Scenario**:

Samsung rushed the Galaxy Note 7 to market, and soon after, reports emerged of the device catching fire due to a battery defect.

**Problem Statement**:

Samsung’s rush to compete compromised product safety, endangering customers and violating ethical obligations to ensure consumer safety.

**Answer**:

Samsung recalled the product and revamped its quality control processes. The incident served as a reminder that no competitive advantage is worth risking customer well-being.

## Case Study 5: Turing Pharmaceuticals and Price Gouging

**Scenario**:

Turing Pharmaceuticals raised the price of the life-saving drug Daraprim by over 5,000%, making it inaccessible for many patients.

**Problem Statement:**

Turing’s decision to drastically increase drug prices prioritized profit over patient health, sparking outrage and ethical concerns about affordability in healthcare.

**Answer**:

The backlash led to calls for regulation of drug pricing. This case stressed the need for the healthcare industry to balance profitability with ethical obligations to patients.

## Case Study 6: Google’s Project Maven

**Scenario**:

Google partnered with the U.S. Department of Defense on Project Maven, which used AI to analyze military drone footage, causing concern among employees.

**Problem Statement:**

Many Google employees felt that contributing to military operations conflicted with the company’s “Don’t be evil” motto, raising ethical questions about the use of AI in warfare.

**Answer:**

Google eventually withdrew from the project due to employee protests, illustrating the power of an ethically-minded workforce to influence company policy.

## Case Study 7: Boeing 737 Max Crashes

**Scenario:**

Boeing’s 737 Max aircraft was rushed through development, and design flaws led to two fatal crashes, killing hundreds.

**Problem Statement**:

Boeing’s focus on speeding up production for profit compromised safety, leading to a preventable tragedy that highlighted major ethical failures in engineering.

**Answer**:

Boeing grounded the 737 Max and made design improvements, but the damage to its reputation was immense. This case emphasized the vital importance of rigorous safety standards.

## Case Study 8: McKinsey and the Opioid Crisis

**Scenario:**

Consulting firm McKinsey advised opioid manufacturers on strategies to boost sales, including how to “turbocharge” opioid prescriptions despite the ongoing opioid epidemic.

**Problem Statement:**

McKinsey’s consulting approach ignored the public health crisis, raising ethical concerns about prioritizing profit over social responsibility.

**Answer:**

After public outcry, McKinsey paid settlements and pledged reforms. This case highlighted that even consulting firms have a duty to consider the societal impact of their recommendations.

## Case Study 9: Amazon’s Worker Conditions

**Scenario:**

Reports revealed Amazon’s warehouse workers often faced extreme productivity targets, resulting in poor working conditions and high injury rates.

**Problem Statement:**

Amazon’s focus on productivity and profit led to unsafe and exploitative working conditions, raising ethical concerns about the treatment of workers in large corporations.

**Answer:**

Facing criticism, Amazon has pledged improvements in worker conditions, showing that fair treatment of employees is essential in maintaining ethical standards.

## Case Study 10: The FIFA Corruption Scandal

**Scenario:**

FIFA officials were involved in bribery and corruption, including accepting kickbacks for awarding World Cup hosting rights.

**Problem Statement**:

The actions of FIFA’s leadership damaged the integrity of the organization, highlighting a significant ethical failure in sports governance.

**Answer:**

Numerous officials were arrested, and FIFA implemented reforms. The scandal underlined the need for transparency and fairness in international sports organizations.

## Case Study 11: Facebook’s Role in Myanmar’s Ethnic Violence

**Scenario:**

Facebook was accused of allowing hate speech that fueled violence against Rohingya Muslims in Myanmar, raising concerns about the platform’s role in societal harm.

**Problem Statement**:

Facebook’s failure to control hate speech on its platform posed serious ethical issues, showing a lack of accountability for its societal impact.

**Answer:**

Facebook faced global criticism and committed to improving content moderation. The incident stressed the responsibility of tech platforms to prevent misuse of their services.

## Case Study 12: Uber’s Driver Classification

**Scenario:**

Uber classifies its drivers as independent contractors, denying them benefits like health insurance and overtime pay, sparking debates about worker rights.

**Problem Statement**:

Uber’s classification of drivers aimed to reduce costs but denied workers fair compensation, raising ethical questions about the rights of gig economy workers.

**Answer**:

Amid ongoing legal battles, some regions now require Uber to provide driver benefits. The case highlighted the need for ethical standards in emerging employment models.

## Case Study 13: Juul’s Marketing to Youth

**Scenario**:

Juul, an e-cigarette company, was found to be targeting teens in its advertising, leading to a surge in youth vaping and addiction.

**Problem Statement**:

Juul’s marketing tactics, which attracted young, impressionable audiences, violated ethical standards by prioritizing profit over youth health.

**Answer**:

Juul faced lawsuits and tightened marketing regulations. This case stressed the importance of ethical advertising practices, especially when youth health is at stake.