Subject: ITE302x

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Answer to Assignment 1

*1. Which issue is more disconcerting - a board member leaked confidential information about the firm or the tactics used to investigate the leak? Discuss about your opinion and defense it by the knowledge obtained.*

In my opinion, the fact that some inner member of a company leaked confidential information to the public is legally unacceptable. However, the unethical tactics used by some other inner member to find out the criminal seem more disconcerting.

Speaking of information leaking, I believe this action lies on top of the not-to-do lists for any company employees and most companies nowadays even have a contract regarding information protection. This is to say how important it is to keep internal information secure. The impact of leaking is immense especially as the information concerns “the long-term strategy at HP, the company ranked No. 11 in the Fortune 500”, quoted Newsweek. The motive for this action is unknown, but the consequences are obvious. HP may need to readjust its business strategy as its competitors may copy or take advantage while its board of directors and customers may lose faith in the management staff. It takes a lot of time, money and human efforts to regain trust and build a new long-term plan for the company.

As regards the tactics Dunn used to find out the information leaker, she is undoubtedly violating the privacy right of other directors, not to mention she acted without informing the rest of the board. The fact that it is not necessarily her responsibility to find out who the offender is (or at least not mentioned in the document) is also worth noting. Finding out who spilled the beans is crucial, but I believe more transparent approaches can be taken rather than choosing to spy on directors’ personal calls. A visible effect of this is the resignation of a loyal and key person, Mr Perkin and the mistrust among company leaders as well as following lawsuits.

Judging from a Consequentialist point of view, the act of leaking brought less damage compared to the illegal and unethical tactics of pretexting, which later became an infamous criminal corporate scandal.

*2. Can the use of pretexting to gain information ever be justified? Is it considered legal under any circumstances?*

Pretexting, as I understand it, is a way to obtain confidential or privileged information of someone by pretending to be that person. For example, you may call to a phone center and tell the service staff there that you are someone else just by providing basic public information and then walk away with non-public information such as bank account, social security number, etc of that person. I think that in some special case, such as when a relative or family member needs your help with some bank or complicated registration procedures that they cannot do on their own, pretexting can be considered legal. However, all kinds of pretexting can be justified only if the impersonator is given permission by the real person.

Personally, I have myself experienced a case related to pretexting in the past. I was using my cousin’s bank account (with his permission for total control of the account) to transfer money to and from my parents at home at the time. While I was registering for a certain service on the internet, I was asked to verify my identity given the bank account number I provided. They called me and I unknowingly said I was the account owner and that account was mine. However, as the account name was still my cousin’s name, they said I was lying and did not allow me to continue using the service unless the real account owner verified and confirmed it. My action was unintentional, but it made me think about how easy it is for someone advantage of our public information for unethical purposes. What if the bank staff does not check identify carefully? Ethically, I should not have claimed to be the account owner and instead asked my cousin to do the confirming.