PHIL 1404-01 Ethics and Social Responsibility

Instructor: Professor John Parker

Name: Anonymos

Written Assignment Unit 1

I respond to each question.

**1. Which elements of this case might involve issues of legal compliance? Which elements illustrate acting legally but not ethically? What would acting ethically and with personal integrity in this situation look like?**

First, let's consider the two issues related to the actions in question.

- Compliance Issues:

Selling stocks when only Equifax executives are aware of the hacking incident could potentially violate insider trading regulations. Executives trading stocks using information not available to the general investors is regulated by law.

- Ethical Issues:

Prioritizing personal interests over providing sufficient information to general investors is an unethical behavior by Equifax executives. Additionally, the delay in disclosing the hacking incident raises ethical concerns. To act ethically, it is necessary to provide honest responses to all stakeholders related to the company.

Considering the identified issues, to act ethically and with personal integrity, the following actions may be necessary:

- Swiftly disclose accurate information when the hacking incident is discovered and share it with shareholders and victims.

- Avoid actions that prioritize individual executive interests.

- Implement appropriate measures and provide sincere responses to the victims.

**2. How do you think this breach will affect Equifax’s position relative to those of its competitors? How might it affect the future success of the company?**

The hacking incident is likely to have a significant impact on Equifax's trust and reputation regarding data security. It is difficult for users to trust a company that has not managed their data properly. Additionally, investors are unlikely to invest in a company with clear concerns.

On the other hand, competitors may emphasize reliable data protection measures in response to the Equifax incident.

**3. Was it sufficient for Equifax to offer online privacy protection to those whose personal information was hacked? What else might it have done?**

While online privacy protection is an important measure, it is considered insufficient. There is a need to further strengthen the response to victims and improve trustworthiness.

- Response to Victims:

Equifax has not adequately responded to the victims. Guarantees and compensation should be provided to those who have actually suffered damage. Proactive measures, such as monitoring credit information, are necessary.

- Improving Trustworthiness:

Insufficient measures have been taken to prevent similar security incidents in the future. For example, establishing a specialized security department and implementing transparent responses with the involvement of external experts are necessary.

**References**

Byars, S. M., & Stanberry, K. (2022). *Business ethics.* OpenStax College and Rice University.