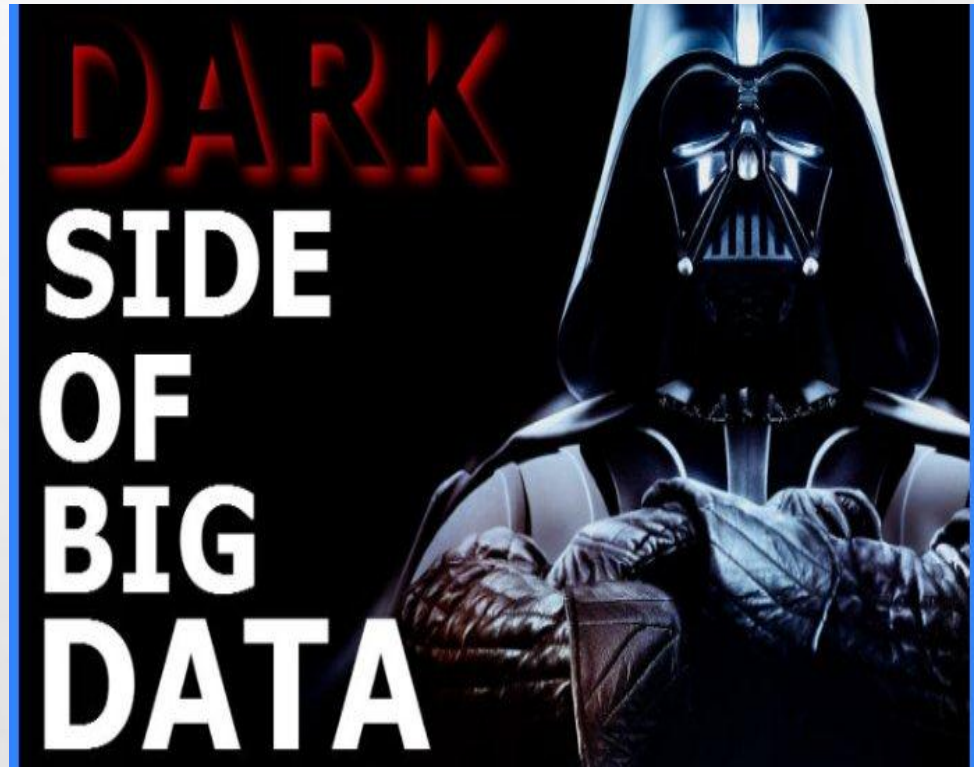
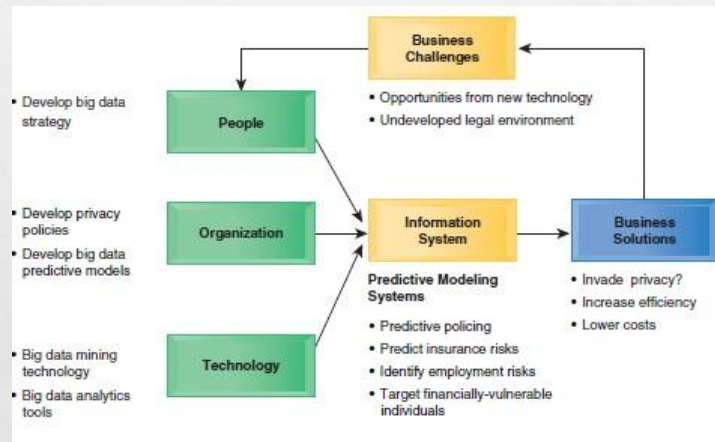


**“ Ethical and social issues  
in information systems**

- **PREDICTIVE POLICING**
- **INSURANCE RATE**
- **COMPUTERIZED HIRING**
- **TARGETING FINANCIALLY VULNERABLE INDIVIDUALS**





# ETHICAL, SOCIAL, AND POLITICAL

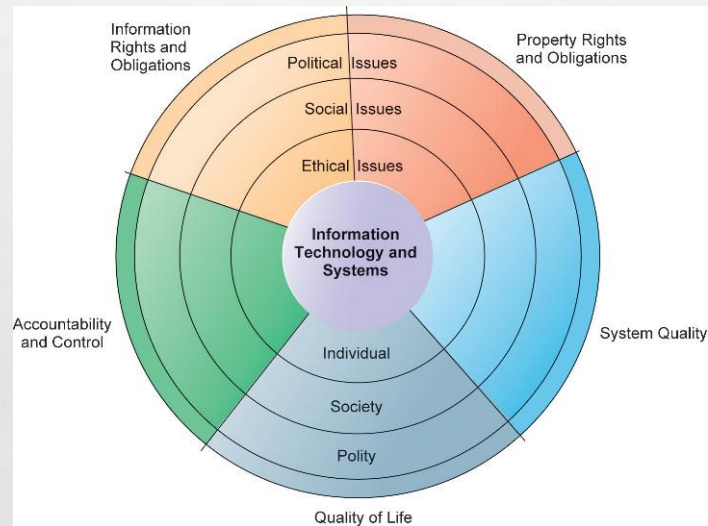
ISSUES RAISED BY INFORMATION SYSTEMS



**TABLE 4.1**  
Recent Examples of  
Failed Ethical Judgment by  
Senior Managers

General Motors Inc. (2015)	General Motors CEO admits the firm covered up faulty ignition switches for more than a decade, resulting in the deaths of at least 114 customers. The firm has recalled 8.4 million cars in North America.
Takata Corporation (2015)	Takata executives admit they covered up faulty airbags used in millions of cars over many years. To date, 34 million cars have been recalled.
Citigroup, JPMorgan Chase, Barclays, UBS (2012)	Four of the largest money center banks in the world plead guilty to criminal charges that they manipulated the LIBOR interest rate used to establish loan rates throughout the world.
SAC Capital (2013)	SAC Capital, a hedge fund led by founder Steven Cohen, pleads guilty to insider trading charges and agrees to pay a record \$1.2 billion penalty. The firm was also forced to leave the money management business. Individual traders for SAC were found guilty of criminal charges and were sentenced to prison.
GlaxoSmithKline LLC (2012)	The global health care giant admitted to unlawful and criminal promotion of certain prescription drugs, its failure to report certain safety data, and its civil liability for alleged false price reporting practices. Fined \$3 billion, the largest health care fraud settlement in U.S. history and the largest payment ever by a drug company.
McKinsey & Company (2012)	CEO Rajat Gupta heard on tapes leaking insider information. The former CEO of prestigious management consulting firm McKinsey & Company was found guilty in 2012 and sentenced to two years in prison.
Bank of America (2012)	Federal prosecutors accused Bank of America and its affiliate, Countrywide Financial, of defrauding government-backed mortgage agencies by churning out loans at a rapid pace without proper controls. Prosecutors sought \$1 billion in penalties from the bank as compensation for the behavior that they say forced taxpayers to guarantee billions in bad loans.

# THE RELATIONSHIP BETWEEN ETHICAL, SOCIAL, AND POLITICAL ISSUES IN AN INFORMATION SOCIETY



# FIVE MORAL DIMENSIONS OF THE INFORMATION

- 1. *INFORMATION RIGHTS AND OBLIGATIONS* WHAT INFORMATION RIGHTS DO INDIVIDUALS AND ORGANIZATIONS POSSESS WITH RESPECT TO THEMSELVES? WHAT CAN THEY PROTECT?**
- 2. *PROPERTY RIGHTS AND OBLIGATIONS* HOW WILL TRADITIONAL INTELLECTUAL PROPERTY RIGHTS BE PROTECTED IN A DIGITAL SOCIETY IN WHICH TRACING AND ACCOUNTING FOR OWNERSHIP ARE DIFFICULT AND IGNORING SUCH PROPERTY RIGHTS IS SO EASY?**
- 3. *ACCOUNTABILITY AND CONTROL* WHO CAN AND WILL BE HELD ACCOUNTABLE AND LIABLE FOR THE HARM DONE TO INDIVIDUAL AND COLLECTIVE INFORMATION AND PROPERTY RIGHTS?**
- 4. *SYSTEM QUALITY* WHAT STANDARDS OF DATA AND SYSTEM QUALITY SHOULD WE DEMAND TO PROTECT INDIVIDUAL RIGHTS AND THE SAFETY OF SOCIETY?**
- 5. *QUALITY OF LIFE* WHAT VALUES SHOULD BE PRESERVED IN AN INFORMATION- AND KNOWLEDGE-BASED SOCIETY? WHICH INSTITUTIONS SHOULD WE PROTECT FROM VIOLATION? WHICH CULTURAL VALUES AND PRACTICES DOES THE NEW INFORMATION TECHNOLOGY SUPPORT?**

# TECHNOLOGY TRENDS THAT RAISE ETHICAL ISSUES

**TABLE 4.2**

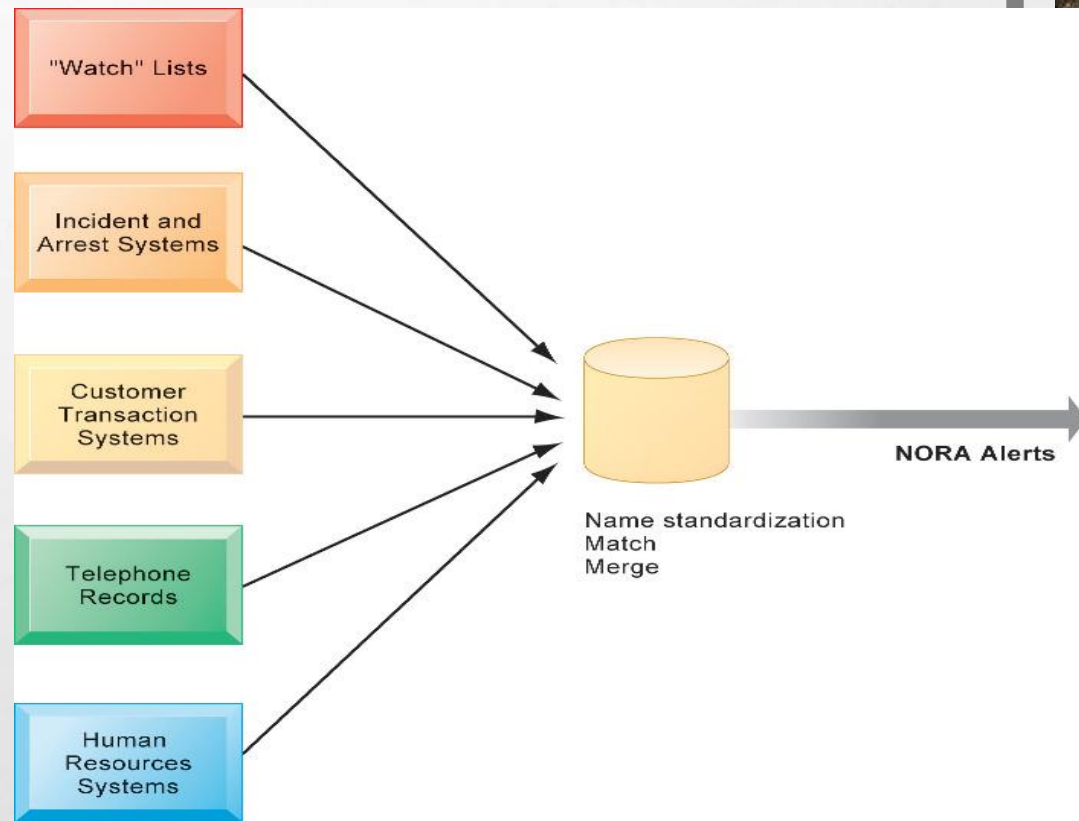
Technology Trends That Raise Ethical Issues

<b>Trend</b>	<b>Impact</b>
Computing power doubles every 18 months	More organizations depend on computer systems for critical operations and become more vulnerable to system failures.
Data storage costs rapidly decline	Organizations can easily maintain detailed databases on individuals. There are no limits on the data collected about you.
Data analysis advances	Companies can analyze vast quantities of data gathered on individuals to develop detailed profiles of individual behavior. Large-scale population surveillance is enabled.
Networking advances	The cost of moving data and making it accessible from anywhere falls exponentially. Access to data becomes more difficult to control.
Mobile device growth impact	Individual cell phones may be tracked without user consent or knowledge. The always-on device becomes a tether.



# NORA

**NONOBVIOUS RELATIONSHIP AWARENESS**



# SPECIFIC PRINCIPLES FOR CONDUCT CAN BE USED TO GUIDE ETHICAL DECISIONS?

- ***RESPONSIBILITY*** IS A KEY ELEMENT OF ETHICAL ACTION. RESPONSIBILITY MEANS THAT YOU ACCEPT THE POTENTIAL COSTS, DUTIES, AND OBLIGATIONS FOR THE DECISIONS YOU MAKE.
- ***ACCOUNTABILITY*** IS A FEATURE OF SYSTEMS AND SOCIAL INSTITUTIONS; IT MEANS THAT MECHANISMS ARE IN PLACE TO DETERMINE WHO TOOK ACTION, AND WHO IS RESPONSIBLE. SYSTEMS AND INSTITUTIONS IN WHICH IT IS IMPOSSIBLE TO FIND OUT WHO TOOK WHAT ACTION ARE INHERENTLY INCAPABLE OF ETHICAL ANALYSIS OR ETHICAL ACTION.
- ***LIABILITY*** EXTENDS THE CONCEPT OF RESPONSIBILITY FURTHER TO THE AREA OF LAWS. LIABILITY IS A FEATURE OF POLITICAL SYSTEMS IN WHICH A BODY OF LAWS IS IN PLACE THAT PERMITS INDIVIDUALS TO RECOVER THE DAMAGES DONE TO THEM BY OTHER ACTORS, SYSTEMS, OR ORGANIZATIONS.
- ***DUE PROCESS*** IS A RELATED FEATURE OF LAW-GOVERNED SOCIETIES AND IS A PROCESS IN WHICH LAWS ARE KNOWN AND UNDERSTOOD, AND ABILITY EXISTS TO APPEAL TO HIGHER AUTHORITIES TO ENSURE THAT THE LAWS ARE APPLIED CORRECTLY.