

instrumental in many of these frauds. In many cases, the perpetrators of these crimes artfully used financial reporting information systems to bury their decisions from public scrutiny. We deal with the issue of control in information systems in Chapter 8. In this chapter, we will talk about the ethical dimensions of these and other actions based on the use of information systems. Ethics refers to the principles of right and wrong that individuals, acting as free moral agents, use to make choices to guide their behavior. Information systems raise new ethical questions for both individuals and societies because they create opportunities for intense social change and, thus, threaten existing distributions of power, money, rights, and obligations. Like other technologies, such as steam engines, electricity, and the telephone, information technology can be used to achieve social progress, but it can also be used to commit crimes and threaten cherished social values. The development of information technology will produce benefits for many and costs for others. Ethical issues in information systems have been given new urgency by the rise of the Internet and e-commerce. Internet and digital technologies make it easier than ever to assemble, integrate, and distribute information, unleashing new concerns about the appropriate use of customer information, the protection of personal privacy, and the protection of intellectual property. Other pressing ethical issues that information systems raise include establishing accountability for the consequences of information systems, setting standards to safeguard system quality that protects the safety of the individual and society, and preserving values and institutions considered essential to the quality of life in an information society.