

IAPP

Exam Questions CIPM

Certified Information Privacy Manager (CIPM)



NEW QUESTION 1**SCENARIO**

Please use the following to answer the next QUESTION:

Natalia, CFO of the Nationwide Grill restaurant chain, had never seen her fellow executives so anxious. Last week, a data processing firm used by the company reported that its system may have been hacked, and customer data such as names, addresses, and birthdays may have been compromised. Although the attempt was proven unsuccessful, the scare has prompted several Nationwide Grill executives to Question the company's privacy program at today's meeting.

Alice, a vice president, said that the incident could have opened the door to lawsuits, potentially damaging Nationwide Grill's market position. The Chief Information Officer (CIO), Brendan, tried to assure her that even if there had been an actual breach, the chances of a successful suit against the company were slim. But Alice remained unconvinced.

Spencer – a former CEO and currently a senior advisor – said that he had always warned against the use of contractors for data processing. At the very least, he argued, they should be held contractually liable for telling customers about any security incidents. In his view, Nationwide Grill should not be forced to soil the company name for a problem it did not cause.

One of the business development (BD) executives, Haley, then spoke, imploring everyone to see reason. "Breaches can happen, despite organizations' best efforts," she remarked. "Reasonable preparedness is key." She reminded everyone of the incident seven years ago when the large grocery chain Tinkerton's had its financial information compromised after a large order of Nationwide Grill frozen dinners. As a long-time BD executive with a solid understanding of Tinkerton's corporate culture, built up through many years of cultivating relationships, Haley was able to successfully manage the company's incident response.

Spencer replied that acting with reason means allowing security to be handled by the security functions within the company – not BD staff. In a similar way, he said, Human Resources (HR) needs to do a better job training employees to prevent incidents. He pointed out that Nationwide Grill employees are overwhelmed with posters, emails, and memos from both HR and the ethics department related to the company's privacy program. Both the volume and the duplication of information means that it is often ignored altogether.

Spencer said, "The company needs to dedicate itself to its privacy program and set regular in-person trainings for all staff once a month."

Alice responded that the suggestion, while well-meaning, is not practical. With many locations, local HR departments need to have flexibility with their training schedules. Silently, Natalia agreed.

How could the objection to Spencer's training suggestion be addressed?

- A. By requiring training only on an as-needed basis.
- B. By offering alternative delivery methods for trainings.
- C. By introducing a system of periodic refresher trainings.
- D. By customizing training based on length of employee tenure.

Answer: B

NEW QUESTION 2**SCENARIO**

Please use the following to answer the next QUESTION:

John is the new privacy officer at the prestigious international law firm – A&M LLP. A&M LLP is very proud of its reputation in the practice areas of Trusts & Estates and Merger & Acquisition in both U.S. and Europe.

During lunch with a colleague from the Information Technology department, John heard that the Head of IT, Derrick, is about to outsource the firm's email continuity service to their existing email security vendor – MessageSafe. Being successful as an email hygiene vendor, MessageSafe is expanding its business by leasing cloud infrastructure from Cloud Inc. to host email continuity service for A&M LLP.

John is very concerned about this initiative. He recalled that MessageSafe was in the news six months ago due to a security breach. Immediately, John did a quick research of MessageSafe's previous breach and learned that the breach was caused by an unintentional mistake by an IT administrator. He scheduled a meeting with Derrick to address his concerns.

At the meeting, Derrick emphasized that email is the primary method for the firm's lawyers to communicate with clients, thus it is critical to have the email continuity service to avoid any possible email downtime. Derrick has been using the anti-spam service provided by MessageSafe for five years and is very happy with the quality of service provided by MessageSafe. In addition to the significant discount offered by MessageSafe, Derrick emphasized that he can also speed up the onboarding process since the firm already has a service contract in place with MessageSafe. The existing on-premises email continuity solution is about to reach its end of life very soon and he doesn't have the time or resource to look for another solution. Furthermore, the off-premises email continuity service will only be turned on when the email service at A&M LLP's primary and secondary data centers are both down, and the email messages stored at MessageSafe site for continuity service will be automatically deleted after 30 days.

Which of the following is a TRUE statement about the relationship among the organizations?

- A. Cloud In
- B. must notify A&M LLP of a data breach immediately.
- C. MessageSafe is liable if Cloud In
- D. fails to protect data from A&M LLP.
- E. Cloud In
- F. should enter into a data processor agreement with A&M LLP.
- G. A&M LLP's service contract must be amended to list Cloud In
- H. as a sub-processor.

Answer: A

NEW QUESTION 3

If an organization maintains a separate ethics office, to whom would its officer typically report to in order to retain the greatest degree of independence?

- A. The Board of Directors.
- B. The Chief Financial Officer.
- C. The Human Resources Director.
- D. The organization's General Counsel.

Answer: A

NEW QUESTION 4**SCENARIO**

Please use the following to answer the next QUESTION:

Martin Briseño is the director of human resources at the Canyon City location of the U.S. hotel chain Pacific Suites. In 1998, Briseño decided to change the hotel's on-the-job mentoring model to a standardized training program for employees who were progressing from line positions into supervisory positions. He developed a

curriculum comprising a series of lessons, scenarios, and assessments, which was delivered in-person to small groups. Interest in the training increased, leading Briseño to work with corporate HR specialists and software engineers to offer the program in an online format. The online program saved the cost of a trainer and allowed participants to work through the material at their own pace.

Upon hearing about the success of Briseño's program, Pacific Suites corporate Vice President Maryanne Silva-Hayes expanded the training and offered it company-wide. Employees who completed the program received certification as a Pacific Suites Hospitality Supervisor. By 2001, the program had grown to provide industry-wide training. Personnel at hotels across the country could sign up and pay to take the course online. As the program became increasingly profitable, Pacific Suites developed an offshoot business, Pacific Hospitality Training (PHT). The sole focus of PHT was developing and marketing a variety of online courses and course progressions providing a number of professional certifications in the hospitality industry.

By setting up a user account with PHT, course participants could access an information library, sign up for courses, and take end-of-course certification tests. When a user opened a new account, all information was saved by default, including the user's name, date of birth, contact information, credit card information, employer, and job title. The registration page offered an opt-out choice that users could click to not have their credit card numbers saved. Once a user name and password were established, users could return to check their course status, review and reprint their certifications, and sign up and pay for new courses. Between 2002 and 2008, PHT issued more than 700,000 professional certifications.

PHT's profits declined in 2009 and 2010, the victim of industry downsizing and increased competition from e-learning providers. By 2011, Pacific Suites was out of the online certification business and PHT was dissolved. The training program's systems and records remained in Pacific Suites' digital archives, un-accessed and unused. Briseño and Silva-Hayes moved on to work for other companies, and there was no plan for handling the archived data after the program ended. After PHT was dissolved, Pacific Suites executives turned their attention to crucial day-to-day operations. They planned to deal with the PHT materials once resources allowed.

In 2012, the Pacific Suites computer network was hacked. Malware installed on the online reservation system exposed the credit card information of hundreds of hotel guests. While targeting the financial data on the reservation site, hackers also discovered the archived training course data and registration accounts of Pacific Hospitality Training's customers. The result of the hack was the exfiltration of the credit card numbers of recent hotel guests and the exfiltration of the PHT database with all its contents.

A Pacific Suites systems analyst discovered the information security breach in a routine scan of activity reports. Pacific Suites quickly notified credit card companies and recent hotel guests of the breach, attempting to prevent serious harm. Technical security engineers faced a challenge in dealing with the PHT data. PHT course administrators and the IT engineers did not have a system for tracking, cataloguing, and storing information. Pacific Suites has procedures in place for data access and storage, but those procedures were not implemented when PHT was formed. When the PHT database was acquired by Pacific Suites, it had no owner or oversight. By the time technical security engineers determined what private information was compromised, at least 8,000 credit card holders were potential victims of fraudulent activity.

What key mistake set the company up to be vulnerable to a security breach?

- A. Collecting too much information and keeping it for too long
- B. Overlooking the need to organize and categorize data
- C. Failing to outsource training and data management to professionals
- D. Neglecting to make a backup copy of archived electronic files

Answer: B

NEW QUESTION 5

SCENARIO

Please use the following to answer the next QUESTION:

Henry Home Furnishings has built high-end furniture for nearly forty years. However, the new owner, Anton, has found some degree of disorganization after touring the company headquarters. His uncle Henry had always focused on production – not data processing – and Anton is concerned. In several storage rooms, he has found paper files, disks, and old computers that appear to contain the personal data of current and former employees and customers. Anton knows that a single break-in could irrevocably damage the company's relationship with its loyal customers. He intends to set a goal of guaranteed zero loss of personal information. To this end, Anton originally planned to place restrictions on who was admitted to the physical premises of the company. However, Kenneth – his uncle's vice president and longtime confidante – wants to hold off on Anton's idea in favor of converting any paper records held at the company to electronic storage. Kenneth believes this process would only take one or two years. Anton likes this idea; he envisions a password-protected system that only he and Kenneth can access.

Anton also plans to divest the company of most of its subsidiaries. Not only will this make his job easier, but it will simplify the management of the stored data. The heads of subsidiaries like the art gallery and kitchenware store down the street will be responsible for their own information management. Then, any unneeded subsidiary data still in Anton's possession can be destroyed within the next few years.

After learning of a recent security incident, Anton realizes that another crucial step will be notifying customers. Kenneth insists that two lost hard drives in Question are not cause for concern; all of the data was encrypted and not sensitive in nature. Anton does not want to take any chances, however. He intends on sending notice letters to all employees and customers to be safe.

Anton must also check for compliance with all legislative, regulatory, and market requirements related to privacy protection. Kenneth oversaw the development of the company's online presence about ten years ago, but Anton is not confident about his understanding of recent online marketing laws. Anton is assigning another trusted employee with a law background the task of the compliance assessment. After a thorough analysis, Anton knows the company should be safe for another five years, at which time he can order another check.

Documentation of this analysis will show auditors due diligence.

Anton has started down a long road toward improved management of the company, but he knows the effort is worth it. Anton wants his uncle's legacy to continue for many years to come.

Which important principle of Data Lifecycle Management (DLM) will most likely be compromised if Anton executes his plan to limit data access to himself and Kenneth?

- A. Practicing data minimalism.
- B. Ensuring data retrievability.
- C. Implementing clear policies.
- D. Ensuring adequacy of infrastructure.

Answer: A

NEW QUESTION 6

SCENARIO

Please use the following to answer the next QUESTION:

For 15 years, Albert has worked at Treasure Box – a mail order company in the United States (U.S.) that used to sell decorative candles around the world, but has recently decided to limit its shipments to customers in the 48 contiguous states. Despite his years of experience, Albert is often overlooked for managerial positions. His frustration about not being promoted, coupled with his recent interest in issues of privacy protection, have motivated Albert to be an agent of positive change.

He will soon interview for a newly advertised position, and during the interview, Albert plans on making executives aware of lapses in the company's privacy program. He feels certain he will be rewarded with a promotion for preventing negative consequences resulting from the company's outdated policies and procedures.

For example, Albert has learned about the AICPA (American Institute of Certified Public Accountants)/CICA (Canadian Institute of Chartered Accountants) Privacy Maturity Model (PMM). Albert thinks the model is a useful way to measure Treasure Box's ability to protect personal data. Albert has noticed that Treasure Box fails to meet the requirements of the highest level of maturity of this model; at his interview, Albert will pledge to assist the company with meeting this level in order to provide customers with the most rigorous security available.

Albert does want to show a positive outlook during his interview. He intends to praise the company's commitment to the security of customer and employee personal data against external threats. However, Albert worries about the high turnover rate within the company, particularly in the area of direct phone marketing. He sees many unfamiliar faces every day who are hired to do the marketing, and he often hears complaints in the lunch room regarding long hours and low pay, as well as what seems to be flagrant disregard for company procedures.

In addition, Treasure Box has had two recent security incidents. The company has responded to the incidents with internal audits and updates to security safeguards. However, profits still seem to be affected and anecdotal evidence indicates that many people still harbor mistrust. Albert wants to help the company recover. He knows there is at least one incident the public is unaware of, although Albert does not know the details. He believes the company's insistence on keeping the incident a secret could be a further detriment to its reputation. One further way that Albert wants to help Treasure Box regain its stature is by creating a toll-free number for customers, as well as a more efficient procedure for responding to customer concerns by postal mail.

In addition to his suggestions for improvement, Albert believes that his knowledge of the company's recent business maneuvers will also impress the interviewers. For example, Albert is aware of the company's intention to acquire a medical supply company in the coming weeks.

With his forward thinking, Albert hopes to convince the managers who will be interviewing him that he is right for the job.

The company may start to earn back the trust of its customer base by following Albert's suggestion regarding which handling procedure?

- A. Access
- B. Correction
- C. Escalation
- D. Data Integrity

Answer: D

NEW QUESTION 7

SCENARIO

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Documentation of this analysis will show auditors due diligence.

Anton has started down a long road toward improved management of the company, but he knows the effort is worth it. Anton wants his uncle's legacy to continue for many years to come.

What would the company's legal team most likely recommend to Anton regarding his planned communication with customers?

- A. To send consistent communication.
- B. To shift to electronic communication.
- C. To delay communications until local authorities are informed.
- D. To consider under what circumstances communication is necessary.

Answer: D

NEW QUESTION 8

SCENARIO

Please use the following to answer the next QUESTION:

You lead the privacy office for a company that handles information from individuals living in several countries throughout Europe and the Americas. You begin that morning's privacy review when a contracts officer sends you a message asking for a phone call. The message lacks clarity and detail, but you presume that data was lost.

When you contact the contracts officer, he tells you that he received a letter in the mail from a vendor stating that the vendor improperly shared information about your customers. He called the vendor and confirmed that your company recently surveyed exactly 2000 individuals about their most recent healthcare experience and sent those surveys to the vendor to transcribe it into a database, but the vendor forgot to encrypt the database as promised in the contract. As a result, the vendor has lost control of the data.

The vendor is extremely apologetic and offers to take responsibility for sending out the notifications. They tell you they set aside 2000 stamped postcards because that should reduce the time it takes to get the notice in the mail. One side is limited to their logo, but the other side is blank and they will accept whatever you want to write. You put their offer on hold and begin to develop the text around the space constraints. You are content to let the vendor's logo be associated with the notification.

The notification explains that your company recently hired a vendor to store information about their most recent experience at St. Sebastian Hospital's Clinic for Infectious Diseases. The vendor did not encrypt the information and no longer has control of it. All 2000 affected individuals are invited to sign-up for email notifications about their information. They simply need to go to your company's website and watch a quick advertisement, then provide their name, email address, and month and year of birth.

You email the incident-response council for their buy-in before 9 a.m. If anything goes wrong in this situation, you want to diffuse the blame across your colleagues. Over the next eight hours, everyone emails their comments back and forth. The consultant who leads the incident-response team notes that it is his first day with the company, but he has been in other industries for 45 years and will do his best. One of the three lawyers on the council causes the conversation to veer off course, but it eventually gets back on track. At the end of the day, they vote to proceed with the notification you wrote and use the vendor's postcards. Shortly after the vendor mails the postcards, you learn the data was on a server that was stolen, and make the decision to have your company offer credit

monitoring services. A quick internet search finds a credit monitoring company with a convincing name: Credit Under Lock and Key (CRUDLOK). Your sales rep has never handled a contract for 2000 people, but develops a proposal in about a day which says CRUDLOK will:

- * 1. Send an enrollment invitation to everyone the day after the contract is signed.
- * 2. Enroll someone with just their first name and the last-4 of their national identifier.
- * 3. Monitor each enrollee's credit for two years from the date of enrollment.
- * 4. Send a monthly email with their credit rating and offers for credit-related services at market rates.
- * 5. Charge your company 20% of the cost of any credit restoration.

You execute the contract and the enrollment invitations are emailed to the 2000 individuals. Three days later you sit down and document all that went well and all that could have gone better. You put it in a file to reference the next time an incident occurs.

What is the most concerning limitation of the incident-response council?

- A. You convened it to diffuse blame
- B. The council has an overabundance of attorneys
- C. It takes eight hours of emails to come to a decision
- D. The leader just joined the company as a consultant

Answer: A

NEW QUESTION 9

SCENARIO

Please use the following to answer the next QUESTION:

Your organization, the Chicago (U.S.)-based Society for Urban Greenspace, has used the same vendor to operate all aspects of an online store for several years. As a small nonprofit, the Society cannot afford the higher-priced options, but you have been relatively satisfied with this budget vendor, Shopping Cart Saver (SCS). Yes, there have been some issues. Twice, people who purchased items from the store have had their credit card information used fraudulently subsequent to transactions on your site, but in neither case did the investigation reveal with certainty that the Society's store had been hacked. The thefts could have been employee-related.

Just as disconcerting was an incident where the organization discovered that SCS had sold information it had collected from customers to third parties. However, as Jason Roland, your SCS account representative, points out, it took only a phone call from you to clarify expectations and the "misunderstanding" has not occurred again.

As an information-technology program manager with the Society, the role of the privacy professional is only one of many you play. In all matters, however, you must consider the financial bottom line. While these problems with privacy protection have been significant, the additional revenues of sales of items such as shirts and coffee cups from the store have been significant. The Society's operating budget is slim, and all sources of revenue are essential.

Now a new challenge has arisen. Jason called to say that starting in two weeks, the customer data from the store would now be stored on a data cloud. "The good news," he says, "is that we have found a low-cost provider in Finland, where the data would also be held. So, while there may be a small charge to pass through to you, it won't be exorbitant, especially considering the advantages of a cloud."

Lately, you have been hearing about cloud computing and you know it's fast becoming the new paradigm for various applications. However, you have heard mixed reviews about the potential impacts on privacy protection. You begin to research and discover that a number of the leading cloud service providers have signed a letter of intent to work together on shared conventions and technologies for privacy protection. You make a note to find out if Jason's Finnish provider is signing on.

What is the best way for your vendor to be clear about the Society's breach notification expectations?

- A. Include notification provisions in the vendor contract
- B. Arrange regular telephone check-ins reviewing expectations
- C. Send a memorandum of understanding on breach notification
- D. Email the regulations that require breach notifications

Answer: A

NEW QUESTION 10

An organization's privacy officer was just notified by the benefits manager that she accidentally sent out the retirement enrollment report of all employees to a wrong vendor.

Which of the following actions should the privacy officer take first?

- A. Perform a risk of harm analysis.
- B. Report the incident to law enforcement.
- C. Contact the recipient to delete the email.
- D. Send firm-wide email notification to employees.

Answer: A

NEW QUESTION 10

Under which circumstances would people who work in human resources be considered a secondary audience for privacy metrics?

- A. They do not receive training on privacy issues
- B. They do not interface with the financial office
- C. They do not have privacy policy as their main task
- D. They do not have frequent interactions with the public

Answer: C

NEW QUESTION 14

In a sample metric template, what does "target" mean?

- A. The suggested volume of data to collect
- B. The percentage of completion
- C. The threshold for a satisfactory rating
- D. The frequency at which the data is sampled

Answer: A

NEW QUESTION 17**SCENARIO**

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For example, Albert is aware of the company's intention to acquire a medical supply company in the coming weeks.

With his forward thinking, Albert hopes to convince the managers who will be interviewing him that he is right for the job.

On which of the following topics does Albert most likely need additional knowledge?

- A. The role of privacy in retail companies
- B. The necessary maturity level of privacy programs
- C. The possibility of delegating responsibilities related to privacy
- D. The requirements for a managerial position with privacy protection duties

Answer: C

NEW QUESTION 21**SCENARIO**

Please use the following to answer the next QUESTION:

Edufox has hosted an annual convention of users of its famous e-learning software platform, and over time, it has become a grand event. It fills one of the large downtown conference hotels and overflows into the others, with several thousand attendees enjoying three days of presentations, panel discussions and networking. The convention is the centerpiece of the company's product rollout schedule and a great training opportunity for current users. The sales force also encourages prospective clients to attend to get a better sense of the ways in which the system can be customized to meet diverse needs and understand that when they buy into this system, they are joining a community that feels like family.

This year's conference is only three weeks away, and you have just heard news of a new initiative supporting it: a smartphone app for attendees. The app will support late registration, highlight the featured presentations and provide a mobile version of the conference program. It also links to a restaurant reservation system with the best cuisine in the areas featured. "It's going to be great," the developer, Deidre Hoffman, tells you, "if, that is, we actually get it working!" She laughs nervously but explains that because of the tight time frame she'd been given to build the app, she outsourced the job to a local firm. "It's just three young people," she says, "but they do great work." She describes some of the other apps they have built. When asked how they were selected for this job, Deidre shrugs. "They do good work, so I chose them."

Deidre is a terrific employee with a strong track record. That's why she's been charged to deliver this rushed project. You're sure she has the best interests of the company at heart, and you don't doubt that she's under pressure to meet a deadline that cannot be pushed back. However, you have concerns about the app's handling of personal data and its security safeguards. Over lunch in the break room, you start to talk to her about it, but she quickly tries to reassure you, "I'm sure with your help we can fix any security issues if we have to, but I doubt there'll be any. These people build apps for a living, and they know what they're doing. You worry too much, but that's why you're so good at your job!"

What safeguard can most efficiently ensure that privacy protection is a dimension of relationships with vendors?

- A. Include appropriate language about privacy protection in vendor contracts.
- B. Perform a privacy audit on any vendor under consideration.
- C. Require that a person trained in privacy protection be part of all vendor selection teams.
- D. Do business only with vendors who are members of privacy trade associations.

Answer: C

NEW QUESTION 25

In which situation would a Privacy Impact Assessment (PIA) be the least likely to be required?

- A. If a company created a credit-scoring platform five years ago.
- B. If a health-care professional or lawyer processed personal data from a patient's file.
- C. If a social media company created a new product compiling personal data to generate user profiles.
- D. If an after-school club processed children's data to determine which children might have food allergies.

Answer: D

NEW QUESTION 26

The General Data Protection Regulation (GDPR) specifies fines that may be levied against data controllers for certain infringements. Which of the following will be subject to administrative fines of up to 10 000 000 EUR, or in the case of an undertaking, up to 2% of the total worldwide annual turnover of the preceding financial year?

- A. Failure to demonstrate that consent was given by the data subject to the processing of their personal data where it is used as the basis for processing

- B. Failure to implement technical and organizational measures to ensure data protection is enshrined by design and default
- C. Failure to process personal information in a manner compatible with its original purpose
- D. Failure to provide the means for a data subject to rectify inaccuracies in personal data

Answer: A

NEW QUESTION 31

How are individual program needs and specific organizational goals identified in privacy framework development?

- A. By employing metrics to align privacy protection with objectives.
- B. Through conversations with the privacy team.
- C. By employing an industry-standard needs analysis.
- D. Through creation of the business case.

Answer: A

NEW QUESTION 35

Which of the following is TRUE about a PIA (Privacy Impact Analysis)?

- A. Any project that involves the use of personal data requires a PIA
- B. A Data Protection Impact Analysis (DPIA) process includes a PIA
- C. The PIA must be conducted at the early stages of the project lifecycle
- D. The results from a previous information audit can be leveraged in a PIA process

Answer: A

NEW QUESTION 38

What is a key feature of the privacy metric template adapted from the National Institute of Standards and Technology (NIST)?

- A. It provides suggestions about how to collect and measure data.
- B. It can be tailored to an organization's particular needs.
- C. It is updated annually to reflect changes in government policy.
- D. It is focused on organizations that do business internationally.

Answer: A

NEW QUESTION 42

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Deidre is a terrific employee with a strong track record. That's why she's been charged to deliver this rushed project. You're sure she has the best interests of the company at heart, and you don't doubt that she's under pressure to meet a deadline that cannot be pushed back. However, you have concerns about the app's handling of personal data and its security safeguards. Over lunch in the break room, you start to talk to her about it, but she quickly tries to reassure you, "I'm sure with your help we can fix any security issues if we have to, but I doubt there'll be any. These people build apps for a living, and they know what they're doing. You worry too much, but that's why you're so good at your job!"

You want to point out that normal protocols have NOT been followed in this matter. Which process in particular has been neglected?

- A. Forensic inquiry.
- B. Data mapping.
- C. Privacy breach prevention.
- D. Vendor due diligence vetting.

Answer: D

NEW QUESTION 47

Which is TRUE about the scope and authority of data protection oversight authorities?

- A. The Office of the Privacy Commissioner (OPC) of Canada has the right to impose financial sanctions on violators.
- B. All authority in the European Union rests with the Data Protection Commission (DPC).
- C. No one agency officially oversees the enforcement of privacy regulations in the United States.
- D. The Asia-Pacific Economic Cooperation (APEC) Privacy Frameworks require all member nations to designate a national data protection authority.

Answer: A

NEW QUESTION 51

SCENARIO

Please use the following to answer the next QUESTION:

Ben works in the IT department of IgNight, Inc., a company that designs lighting solutions for its clients. Although IgNight's customer base consists primarily of offices in the US, some individuals have been so impressed by the unique aesthetic and energy-saving design of the light fixtures that they have requested IgNight's installations in their homes across the globe.

One Sunday morning, while using his work laptop to purchase tickets for an upcoming music festival, Ben happens to notice some unusual user activity on company files. From a cursory review, all the data still appears to be where it is meant to be but he can't shake off the feeling that something is not right. He knows that it is a possibility that this could be a colleague performing unscheduled maintenance, but he recalls an email from his company's security team reminding employees to be on alert for attacks from a known group of malicious actors specifically targeting the industry.

Ben is a diligent employee and wants to make sure that he protects the company but he does not want to bother his hard-working colleagues on the weekend. He is going to discuss the matter with this manager first thing in the morning but wants to be prepared so he can demonstrate his knowledge in this area and plead his case for a promotion.

Going forward, what is the best way for IgNight to prepare its IT team to manage these kind of security events?

- A. Tabletop exercises.
- B. Update its data inventory.
- C. IT security awareness training.
- D. Share communications relating to scheduled maintenance.

Answer: A

NEW QUESTION 53

What should a privacy professional keep in mind when selecting which metrics to collect?

- A. Metrics should be reported to the public.
- B. The number of metrics should be limited at first.
- C. Metrics should reveal strategies for increasing company earnings.
- D. A variety of metrics should be collected before determining their specific functions.

Answer: A

NEW QUESTION 54

SCENARIO

Please use the following to answer the next QUESTION:

Henry Home Furnishings has built high-end furniture for nearly forty years. However, the new owner, Anton, has found some degree of disorganization after touring the company headquarters. His uncle Henry had always focused on production – not data processing – and Anton is concerned. In several storage rooms, he has found paper files, disks, and old computers that appear to contain the personal data of current and former employees and customers. Anton knows that a single break-in could irrevocably damage the company's relationship with its loyal customers. He intends to set a goal of guaranteed zero loss of personal information.

To this end, Anton originally planned to place restrictions on who was admitted to the physical premises of the company. However, Kenneth – his uncle's vice president and longtime confidante – wants to hold off on Anton's idea in favor of converting any paper records held at the company to electronic storage. Kenneth believes this process would only take one or two years. Anton likes this idea; he envisions a password-protected system that only he and Kenneth can access. Anton also plans to divest the company of most of its subsidiaries. Not only will this make his job easier, but it will simplify the management of the stored data. The heads of subsidiaries like the art gallery and kitchenware store down the street will be responsible for their own information management. Then, any unneeded subsidiary data still in Anton's possession can be destroyed within the next few years.

After learning of a recent security incident, Anton realizes that another crucial step will be notifying customers. Kenneth insists that two lost hard drives in Question are not cause for concern; all of the data was encrypted and not sensitive in nature. Anton does not want to take any chances, however. He intends on sending notice letters to all employees and customers to be safe.

Anton must also check for compliance with all legislative, regulatory, and market requirements related to privacy protection. Kenneth oversaw the development of the company's online presence about ten years ago, but Anton is not confident about his understanding of recent online marketing laws. Anton is assigning another trusted employee with a law background the task of the compliance assessment. After a thorough analysis, Anton knows the company should be safe for another five years, at which time he can order another check.

Documentation of this analysis will show auditors due diligence.

Anton has started down a long road toward improved management of the company, but he knows the effort is worth it. Anton wants his uncle's legacy to continue for many years to come.

In terms of compliance with regulatory and legislative changes, Anton has a misconception regarding?

- A. The timeline for monitoring.
- B. The method of recordkeeping.
- C. The use of internal employees.
- D. The type of required qualifications.

Answer: B

NEW QUESTION 56

SCENARIO

Please use the following to answer the next QUESTION:

As they company's new chief executive officer, Thomas Goddard wants to be known as a leader in data protection. Goddard recently served as the chief financial officer of Hoopy.com, a pioneer in online video

viewing with millions of users around the world. Unfortunately, Hoopy is infamous within privacy protection circles for its ethically Questionable practices, including unauthorized sales of personal data to marketers. Hoopy also was the target of credit card data theft that made headlines around the world, as at least two million credit card numbers were thought to have been pilfered despite the company's claims that "appropriate" data protection safeguards were in place. The scandal affected the company's business as competitors were quick to market an increased level of protection while offering similar entertainment and media content. Within three weeks after the scandal broke, Hoopy founder and CEO Maxwell Martin, Goddard's mentor, was forced to step down.

Goddard, however, seems to have landed on his feet, securing the CEO position at your company, Medialite, which is just emerging from its start-up phase. He sold the company's board and investors on his vision of Medialite building its brand partly on the basis of industry-leading data protection standards and procedures. He may have been a key part of a lapsed or even rogue organization in matters of privacy but now he claims to be reformed and a true believer in privacy protection. In his first week on the job, he calls you into his office and explains that your primary work responsibility is to bring his vision for privacy to life. But you also detect some reservations. "We want Medialite to have absolutely the highest standards," he says. "In fact, I want us to be able to say that we are the clear industry leader in privacy and data protection. However, I also need to be a responsible steward of the company's finances. So, while I want the best solutions across the board, they also need to be cost effective."

You are told to report back in a week's time with your recommendations. Charged with this ambiguous mission, you depart the executive suite, already

considering your next steps.

What metric can Goddard use to assess whether costs associated with implementing new privacy protections are justified?

- A. Compliance ratio
- B. Cost-effective mean
- C. Return on investment
- D. Implementation measure

Answer: C

NEW QUESTION 59

Which of the following best demonstrates the effectiveness of a firm's privacy incident response process?

- A. The decrease of security breaches
- B. The decrease of notifiable breaches
- C. The increase of privacy incidents reported by users
- D. The decrease of mean time to resolve privacy incidents

Answer: D

NEW QUESTION 61

SCENARIO

Please use the following to answer the next QUESTION:

Natalia, CFO of the Nationwide Grill restaurant chain, had never seen her fellow executives so anxious. Last week, a data processing firm used by the company reported that its system may have been hacked, and customer data such as names, addresses, and birthdays may have been compromised. Although the attempt was proven unsuccessful, the scare has prompted several Nationwide Grill executives to Question the company's privacy program at today's meeting.

Alice, a vice president, said that the incident could have opened the door to lawsuits, potentially damaging Nationwide Grill's market position. The Chief Information Officer (CIO), Brendan, tried to assure her that even if there had been an actual breach, the chances of a successful suit against the company were slim. But Alice remained unconvinced.

Spencer – a former CEO and currently a senior advisor – said that he had always warned against the use of contractors for data processing. At the very least, he argued, they should be held contractually liable for telling customers about any security incidents. In his view, Nationwide Grill should not be forced to soil the company name for a problem it did not cause.

One of the business development (BD) executives, Haley, then spoke, imploring everyone to see reason. "Breaches can happen, despite organizations' best efforts," she remarked. "Reasonable preparedness is key."

She reminded everyone of the incident seven years ago when the large grocery chain Tinkerton's had its financial information compromised after a large order of Nationwide Grill frozen dinners. As a long-time BD executive with a solid understanding of Tinkerton's corporate culture, built up through many years of cultivating relationships, Haley was able to successfully manage the company's incident response.

Spencer replied that acting with reason means allowing security to be handled by the security functions within the company – not BD staff. In a similar way, he said, Human Resources (HR) needs to do a better job training employees to prevent incidents. He pointed out that Nationwide Grill employees are overwhelmed with posters, emails, and memos from both HR and the ethics department related to the company's privacy program. Both the volume and the duplication of information means that it is often ignored altogether.

Spencer said, "The company needs to dedicate itself to its privacy program and set regular in-person trainings for all staff once a month."

Alice responded that the suggestion, while well-meaning, is not practical. With many locations, local HR departments need to have flexibility with their training schedules. Silently, Natalia agreed.

The senior advisor, Spencer, has a misconception regarding?

- A. The amount of responsibility that a data controller retains.
- B. The appropriate role of an organization's security department.
- C. The degree to which training can lessen the number of security incidents.
- D. The role of Human Resources employees in an organization's privacy program.

Answer: C

NEW QUESTION 63

SCENARIO

Please use the following to answer the next QUESTION:

Paul Daniels, with years of experience as a CEO, is worried about his son Carlton's successful venture, Gadgo. A technological innovator in the communication industry that quickly became profitable, Gadgo has moved beyond its startup phase. While it has retained its vibrant energy, Paul fears that under Carlton's direction, the company may not be taking its risks or obligations as seriously as it needs to. Paul has hired you, a Privacy Consultant, to assess the company and report to both father and son. "Carlton won't listen to me," Paul says, "but he may pay attention to an expert."

Gadgo's workplace is a clubhouse for innovation, with games, toys, snacks, espresso machines, giant fish tanks and even an iguana who regards you with little interest. Carlton, too, seems bored as he describes to you the company's procedures and technologies for data protection. It's a loose assemblage of controls, lacking consistency and with plenty of weaknesses. "This is a technology company," Carlton says. "We create. We innovate. I don't want unnecessary measures that will only slow people down and clutter their thoughts."

The meeting lasts until early evening. Upon leaving, you walk through the office it looks as if a strong windstorm has recently blown through, with papers scattered across desks and tables and even the floor. A "cleaning crew" of one teenager is emptying the trash bins. A few computers have been left on for the night, others are missing. Carlton takes note of your attention to this: "Most of my people take their laptops home with them, or use their own tablets or phones. I want them to use whatever helps them to think and be ready day or night for that great insight. It may only come once!"

What phase in the Privacy Maturity Model (PMM) does Gadgo's privacy program best exhibit?

- A. Ad hoc.
- B. Defined.
- C. Repeatable.
- D. Managed.

Answer: A

NEW QUESTION 64

SCENARIO

Please use the following to answer the next QUESTION:

It's just what you were afraid of. Without consulting you, the information technology director at your organization launched a new initiative to encourage employees to use personal devices for conducting business. The initiative made purchasing a new, high-specification laptop computer an attractive option, with discounted laptops paid for as a payroll deduction spread over a year of paychecks. The organization is also paying the sales taxes. It's a great deal, and after a month, more than half the organization's employees have signed on and acquired new laptops. Walking through the facility, you see them happily customizing and comparing notes on their new computers, and at the end of the day, most take their laptops with them, potentially carrying personal data to their homes or other unknown locations. It's enough to give you data- protection nightmares, and you've pointed out to the information technology Director and many others in the organization the potential hazards of this new practice, including the inevitability of eventual data loss or theft.

Today you have in your office a representative of the organization's marketing department who shares with you, reluctantly, a story with potentially serious consequences. The night before, straight from work, with laptop in hand, he went to the Bull and Horn Pub to play billiards with his friends. A fine night of sport and socializing began, with the laptop "safely" tucked on a bench, beneath his jacket. Later that night, when it was time to depart, he retrieved the jacket, but the laptop was gone. It was not beneath the bench or on another bench nearby. The waitstaff had not seen it. His friends were not playing a joke on him. After a sleepless night, he confirmed it this morning, stopping by the pub to talk to the cleanup crew. They had not found it. The laptop was missing. Stolen, it seems. He looks at you, embarrassed and upset.

You ask him if the laptop contains any personal data from clients, and, sadly, he nods his head, yes. He believes it contains files on about 100 clients, including names, addresses and governmental identification numbers. He sighs and places his head in his hands in despair.

Which is the best way to ensure that data on personal equipment is protected?

- A. User risk training.
- B. Biometric security.
- C. Encryption of the data.
- D. Frequent data backups.

Answer: A

NEW QUESTION 67

SCENARIO

Please use the following to answer the next QUESTION:

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You are told to report back in a week's time with your recommendations. Charged with this ambiguous mission, you depart the executive suite, already considering your next steps.

You give a presentation to your CEO about privacy program maturity. What does it mean to have a "managed" privacy program, according to the AICPA/CICA Privacy Maturity Model?

- A. Procedures or processes exist, however they are not fully documented and do not cover all relevant aspects.
- B. Procedures and processes are fully documented and implemented, and cover all relevant aspects.
- C. Reviews are conducted to assess the effectiveness of the controls in place.
- D. Regular review and feedback are used to ensure continuous improvement toward optimization of the given process.

Answer: C

NEW QUESTION 69

SCENARIO

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You ask him if the laptop contains any personal data from clients, and, sadly, he nods his head, yes. He believes it contains files on about 100 clients, including names, addresses and governmental identification numbers. He sighs and places his head in his hands in despair.

From a business standpoint, what is the most productive way to view employee use of personal equipment for work-related tasks?

- A. The use of personal equipment is a cost-effective measure that leads to no greater security risks than are always present in a modern organization.
- B. Any computer or other equipment is company property whenever it is used for company business.
- C. While the company may not own the equipment, it is required to protect the business-related data on any equipment used by its employees.
- D. The use of personal equipment must be reduced as it leads to inevitable security risks.

Answer: C

NEW QUESTION 70

Which statement is FALSE regarding the use of technical security controls?

- A. Technical security controls are part of a data governance strategy.
- B. Technical security controls deployed for one jurisdiction often satisfy another jurisdiction.
- C. Most privacy legislation lists the types of technical security controls that must be implemented.
- D. A person with security knowledge should be involved with the deployment of technical security controls.

Answer: B

NEW QUESTION 73

What is the function of the privacy operational life cycle?

- A. It establishes initial plans for privacy protection and implementation
- B. It allows the organization to respond to ever-changing privacy demands
- C. It ensures that outdated privacy policies are retired on a set schedule
- D. It allows privacy policies to mature to a fixed form

Answer: A

NEW QUESTION 78

What is the best way to understand the location, use and importance of personal data within an organization?

- A. By analyzing the data inventory.
- B. By testing the security of data systems.
- C. By evaluating methods for collecting data.
- D. By interviewing employees tasked with data entry.

Answer: C

NEW QUESTION 81

SCENARIO

Please use the following to answer the next QUESTION:

Henry Home Furnishings has built high-end furniture for nearly forty years. However, the new owner, Anton, has found some degree of disorganization after touring the company headquarters. His uncle Henry had always focused on production – not data processing – and Anton is concerned. In several storage rooms, he has found paper files, disks, and old computers that appear to contain the personal data of current and former employees and customers. Anton knows that a single break-in could irrevocably damage the company's relationship with its loyal customers. He intends to set a goal of guaranteed zero loss of personal information.

To this end, Anton originally planned to place restrictions on who was admitted to the physical premises of the company. However, Kenneth – his uncle's vice president and longtime confidante – wants to hold off on Anton's idea in favor of converting any paper records held at the company to electronic storage. Kenneth believes this process would only take one or two years. Anton likes this idea; he envisions a password-protected system that only he and Kenneth can access. Anton also plans to divest the company of most of its subsidiaries. Not only will this make his job easier, but it will simplify the management of the stored data. The heads of subsidiaries like the art gallery and kitchenware store down the street will be responsible for their own information management. Then, any unneeded subsidiary data still in Anton's possession can be destroyed within the next few years.

After learning of a recent security incident, Anton realizes that another crucial step will be notifying customers. Kenneth insists that two lost hard drives in Question are not cause for concern; all of the data was encrypted and not sensitive in nature. Anton does not want to take any chances, however. He intends on sending notice letters to all employees and customers to be safe.

Anton must also check for compliance with all legislative, regulatory, and market requirements related to privacy protection. Kenneth oversaw the development of the company's online presence about ten years ago, but Anton is not confident about his understanding of recent online marketing laws. Anton is assigning another trusted employee with a law background the task of the compliance assessment. After a thorough analysis, Anton knows the company should be safe for another five years, at which time he can order another check.

Documentation of this analysis will show auditors due diligence.

Anton has started down a long road toward improved management of the company, but he knows the effort is worth it. Anton wants his uncle's legacy to continue for many years to come.

Which of Anton's plans for improving the data management of the company is most unachievable?

- A. His initiative to achieve regulatory compliance.
- B. His intention to transition to electronic storage.
- C. His objective for zero loss of personal information.
- D. His intention to send notice letters to customers and employees.

Answer: A

NEW QUESTION 85

SCENARIO

Please use the following to answer the next QUESTION:

Edufox has hosted an annual convention of users of its famous e-learning software platform, and over time, it has become a grand event. It fills one of the large downtown conference hotels and overflows into the others, with several thousand attendees enjoying three days of presentations, panel discussions and networking. The convention is the centerpiece of the company's product rollout schedule and a great training opportunity for current users. The sales force also encourages prospective clients to attend to get a better sense of the ways in which the system can be customized to meet diverse needs and understand that when they buy into this system, they are joining a community that feels like family.

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Deidre is a terrific employee with a strong track record. That's why she's been charged to deliver this rushed project. You're sure she has the best interests of the

company at heart, and you don't doubt that she's under pressure to meet a deadline that cannot be pushed back. However, you have concerns about the app's handling of personal data and its security safeguards. Over lunch in the break room, you start to talk to her about it, but she quickly tries to reassure you, "I'm sure with your help we can fix any security issues if we have to, but I doubt there'll be any. These people build apps for a living, and they know what they're doing. You worry too much, but that's why you're so good at your job!"

You see evidence that company employees routinely circumvent the privacy officer in developing new initiatives.

How can you best draw attention to the scope of this problem?

- A. Insist upon one-on-one consultation with each person who works around the privacy officer.
- B. Develop a metric showing the number of initiatives launched without consultation and include it in reports, presentations, and consultation.
- C. Hold discussions with the department head of anyone who fails to consult with the privacy officer.
- D. Take your concerns straight to the Chief Executive Officer.

Answer: C

NEW QUESTION 86

SCENARIO

Please use the following to answer the next QUESTION:

Amira is thrilled about the sudden expansion of NatGen. As the joint Chief Executive Officer (CEO) with her long-time business partner Sadie, Amira has watched the company grow into a major competitor in the green energy market. The current line of products includes wind turbines, solar energy panels, and equipment for geothermal systems. A talented team of developers means that NatGen's line of products will only continue to grow.

With the expansion, Amira and Sadie have received advice from new senior staff members brought on to help manage the company's growth. One recent suggestion has been to combine the legal and security functions of the company to ensure observance of privacy laws and the company's own privacy policy. This sounds overly complicated to Amira, who wants departments to be able to use, collect, store, and dispose of customer data in ways that will best suit their needs.

She does not want administrative oversight and complex structuring to get in the way of people doing innovative work.

Sadie has a similar outlook. The new Chief Information Officer (CIO) has proposed what Sadie believes is an unnecessarily long timetable for designing a new privacy program. She has assured him that NatGen will use the best possible equipment for electronic storage of customer and employee data. She simply needs a list of equipment and an estimate of its cost. But the CIO insists that many issues are necessary to consider before the company gets to that stage.

Regardless, Sadie and Amira insist on giving employees space to do their jobs. Both CEOs want to entrust the monitoring of employee policy compliance to low-level managers. Amira and Sadie believe these managers can adjust the company privacy policy according to what works best for their particular departments.

NatGen's CEOs know that flexible interpretations of the privacy policy in the name of promoting green energy would be highly unlikely to raise any concerns with their customer base, as long as the data is always used in course of normal business activities.

Perhaps what has been most perplexing to Sadie and Amira has been the CIO's recommendation to institute a privacy compliance hotline. Sadie and Amira have relented on this point, but they hope to compromise by allowing employees to take turns handling reports of privacy policy violations. The implementation will be easy because the employees need no special preparation. They will simply have to document any concerns they hear.

Sadie and Amira are aware that it will be challenging to stay true to their principles and guard against corporate culture strangling creativity and employee morale. They hope that all senior staff will see the benefit of trying a unique approach.

If Amira and Sadie's ideas about adherence to the company's privacy policy go unchecked, the Federal Communications Commission (FCC) could potentially take action against NatGen for what?

- A. Deceptive practices.
- B. Failing to institute the hotline.
- C. Failure to notify of processing.
- D. Negligence in consistent training.

Answer: A

NEW QUESTION 91

SCENARIO

Please use the following to answer the next QUESTION:

Richard McAdams recently graduated law school and decided to return to the small town of Lexington, Virginia to help run his aging grandfather's law practice. The elder McAdams desired a limited, lighter role in the practice, with the hope that his grandson would eventually take over when he fully retires. In addition to hiring Richard, Mr. McAdams employs two paralegals, an administrative assistant, and a part-time IT specialist who handles all of their basic networking needs. He plans to hire more employees once Richard gets settled and assesses the office's strategies for growth.

Immediately upon arrival, Richard was amazed at the amount of work that needed to be done in order to modernize the office, mostly in regard to the handling of clients' personal data. His first goal is to digitize all the records kept in file cabinets, as many of the documents contain personally identifiable financial and medical data. Also, Richard has noticed the massive amount of copying by the administrative assistant throughout the day, a practice that not only adds daily to the number of files in the file cabinets, but may create security issues unless a formal policy is firmly in place. Richard is also concerned with the overuse of the communal copier/ printer located in plain view of clients who frequent the building. Yet another area of concern is the use of the same fax machine by all of the employees. Richard hopes to reduce its use dramatically in order to ensure that personal data receives the utmost security and protection, and eventually move toward a strict Internet faxing policy by the year's end.

Richard expressed his concerns to his grandfather, who agreed, that updating data storage, data security, and an overall approach to increasing the protection of personal data in all facets is necessary. Mr. McAdams granted him the freedom and authority to do so. Now Richard is not only beginning a career as an attorney, but also functioning as the privacy officer of the small firm. Richard plans to meet with the IT employee the following day, to get insight into how the office computer system is currently set-up and managed.

Which of the following policy statements needs additional instructions in order to further protect the personal data of their clients?

- A. All faxes sent from the office must be documented and the phone number used must be double checked to ensure a safe arrival.
- B. All unused copies, prints, and faxes must be discarded in a designated recycling bin located near the work station and emptied daily.
- C. Before any copiers, printers, or fax machines are replaced or resold, the hard drives of these devices must be deleted before leaving the office.
- D. When sending a print job containing personal data, the user must not leave the information visible on the computer screen following the print command and must retrieve the printed document immediately.

Answer: D

NEW QUESTION 92

As a Data Protection Officer, one of your roles entails monitoring changes in laws and regulations and updating policies accordingly.

How would you most effectively execute this responsibility?

- A. Consult an external lawyer.
- B. Regularly engage regulators.

- C. Attend workshops and interact with other professionals.
- D. Subscribe to email list-serves that report on regulatory changes.

Answer: D

NEW QUESTION 94

For an organization that has just experienced a data breach, what might be the least relevant metric for a company's privacy and governance team?

- A. The number of security patches applied to company devices.
- B. The number of privacy rights requests that have been exercised.
- C. The number of Privacy Impact Assessments that have been completed.
- D. The number of employees who have completed data awareness training.

Answer: A

NEW QUESTION 96

What is the main reason to begin with 3-5 key metrics during the program development process?

- A. To avoid undue financial costs.
- B. To keep the focus on the main organizational objectives.
- C. To minimize selective data use.
- D. To keep the process limited to as few people as possible.

Answer: C

NEW QUESTION 100

SCENARIO

Please use the following to answer the next QUESTION.

Manasa is a product manager at Omnipresent Omnimedia, where she is responsible for leading the development of the company's flagship product, the Handy Helper. The Handy Helper is an application that can be used in the home to manage family calendars, do online shopping, and schedule doctor appointments. After having had a successful launch in the United States, the Handy Helper is about to be made available for purchase worldwide.

The packaging and user guide for the Handy Helper indicate that it is a "privacy friendly" product suitable for the whole family, including children, but does not provide any further detail or privacy notice. In order to use the application, a family creates a single account, and the primary user has access to all information about the other users. Upon start up, the primary user must check a box consenting to receive marketing emails from Omnipresent Omnimedia and selected marketing partners in order to be able to use the application.

Sanjay, the head of privacy at Omnipresent Omnimedia, was working on an agreement with a European distributor of Handy Helper when he fielded many Questions about the product from the distributor. Sanjay needed to look more closely at the product in order to be able to answer the Questions as he was not involved in the product development process.

In speaking with the product team, he learned that the Handy Helper collected and stored all of a user's sensitive medical information for the medical appointment scheduler. In fact, all of the user's information is stored by Handy Helper for the additional purpose of creating additional products and to analyze usage of the product. This data is all stored in the cloud and is encrypted both during transmission and at rest.

Consistent with the CEO's philosophy that great new product ideas can come from anyone, all Omnipresent Omnimedia employees have access to user data under a program called "Eureka." Omnipresent Omnimedia is hoping that at some point in the future, the data will reveal insights that could be used to create a fully automated application that runs on artificial intelligence, but as of yet, Eureka is not well-defined and is considered a long-term goal.

What security controls are missing from the Eureka program?

- A. Storage of medical data in the cloud is not permissible under the General Data Protection Regulation (GDPR)
- B. Data access is not limited to those who "need to know" for their role
- C. Collection of data without a defined purpose might violate the fairness principle
- D. Encryption of the data at rest prevents European users from having the right of access and the right of portability of their data

Answer: B

NEW QUESTION 102

Which of the following is TRUE about the Data Protection Impact Assessment (DPIA) process as required under the General Data Protection Regulation (GDPR)?

- A. The DPIA result must be reported to the corresponding supervisory authority.
- B. The DPIA report must be published to demonstrate the transparency of the data processing.
- C. The DPIA must include a description of the proposed processing operation and its purpose.
- D. The DPIA is required if the processing activity entails risk to the rights and freedoms of an EU individual.

Answer: D

NEW QUESTION 105

SCENARIO

Please use the following to answer the next QUESTION:

Natalia, CFO of the Nationwide Grill restaurant chain, had never seen her fellow executives so anxious. Last week, a data processing firm used by the company reported that its system may have been hacked, and customer data such as names, addresses, and birthdays may have been compromised. Although the attempt was proven unsuccessful, the scare has prompted several Nationwide Grill executives to Question the company's privacy program at today's meeting.

Alice, a vice president, said that the incident could have opened the door to lawsuits, potentially damaging Nationwide Grill's market position. The Chief Information Officer (CIO), Brendan, tried to assure her that even if there had been an actual breach, the chances of a successful suit against the company were slim. But Alice remained unconvinced.

Spencer – a former CEO and currently a senior advisor – said that he had always warned against the use of contractors for data processing. At the very least, he argued, they should be held contractually liable for telling customers about any security incidents. In his view, Nationwide Grill should not be forced to soil the company name for a problem it did not cause.

One of the business development (BD) executives, Haley, then spoke, imploring everyone to see reason. "Breaches can happen, despite organizations' best efforts," she remarked. "Reasonable preparedness is key." She reminded everyone of the incident seven years ago when the large grocery chain Tinkerton's had its financial information compromised after a large order of Nationwide Grill frozen dinners. As a long-time BD executive with a solid understanding of Tinkerton's's

corporate culture, built up through many years of cultivating relationships, Haley was able to successfully manage the company's incident response. Spencer replied that acting with reason means allowing security to be handled by the security functions within the company – not BD staff. In a similar way, he said, Human Resources (HR) needs to do a better job training employees to prevent incidents. He pointed out that Nationwide Grill employees are overwhelmed with posters, emails, and memos from both HR and the ethics department related to the company's privacy program. Both the volume and the duplication of information means that it is often ignored altogether. Spencer said, "The company needs to dedicate itself to its privacy program and set regular in-person trainings for all staff once a month." Alice responded that the suggestion, while well-meaning, is not practical. With many locations, local HR departments need to have flexibility with their training schedules. Silently, Natalia agreed. Based on the scenario, Nationwide Grill needs to create better employee awareness of the company's privacy program by doing what?

- A. Varying the modes of communication.
- B. Communicating to the staff more often.
- C. Improving inter-departmental cooperation.
- D. Requiring acknowledgment of company memos.

Answer: D

NEW QUESTION 109

Read the following steps:

- Perform frequent data back-ups.
- Perform test restorations to verify integrity of backed-up data.
- Maintain backed-up data offline or on separate servers.

These steps can help an organization recover from what?

- A. Phishing attacks
- B. Authorization errors
- C. Ransomware attacks
- D. Stolen encryption keys

Answer: C

NEW QUESTION 112

SCENARIO

Please use the following to answer the next QUESTION:

As the Director of data protection for Consolidated Records Corporation, you are justifiably pleased with your accomplishments so far. Your hiring was precipitated by warnings from regulatory agencies following a series of relatively minor data breaches that could easily have been worse. However, you have not had a reportable incident for the three years that you have been with the company. In fact, you consider your program a model that others in the data storage industry may note in their own program development.

You started the program at Consolidated from a jumbled mix of policies and procedures and worked toward coherence across departments and throughout operations. You were aided along the way by the program's sponsor, the vice president of operations, as well as by a Privacy Team that started from a clear understanding of the need for change.

Initially, your work was greeted with little confidence or enthusiasm by the company's "old guard" among both the executive team and frontline personnel working with data and interfacing with clients. Through the use of metrics that showed the costs not only of the breaches that had occurred, but also projections of the costs that easily could occur given the current state of operations, you soon had the leaders and key decision-makers largely on your side. Many of the other employees were more resistant, but face-to-face meetings with each department and the development of a baseline privacy training program achieved sufficient "buy-in" to begin putting the proper procedures into place.

Now, privacy protection is an accepted component of all current operations involving personal or protected data and must be part of the end product of any process of technological development. While your approach is not systematic, it is fairly effective.

You are left contemplating:

What must be done to maintain the program and develop it beyond just a data breach prevention program? How can you build on your success?

What are the next action steps?

What stage of the privacy operational life cycle best describes Consolidated's current privacy program?

- A. Assess.
- B. Protect.
- C. Respond.
- D. Sustain.

Answer: D

NEW QUESTION 115

SCENARIO

Please use the following to answer the next QUESTION:

Paul Daniels, with years of experience as a CEO, is worried about his son Carlton's successful venture, Gadgo. A technological innovator in the communication industry that quickly became profitable, Gadgo has moved beyond its startup phase. While it has retained its vibrant energy, Paul fears that under Carlton's direction, the company may not be taking its risks or obligations as seriously as it needs to. Paul has hired you, a Privacy Consultant, to assess the company and report to both father and son. "Carlton won't listen to me," Paul says, "but he may pay attention to an expert."

Gadgo's workplace is a clubhouse for innovation, with games, toys, snacks, espresso machines, giant fish tanks and even an iguana who regards you with little interest. Carlton, too, seems bored as he describes to you the company's procedures and technologies for data protection. It's a loose assemblage of controls, lacking consistency and with plenty of weaknesses. "This is a technology company," Carlton says. "We create. We innovate. I don't want unnecessary measures that will only slow people down and clutter their thoughts."

The meeting lasts until early evening. Upon leaving, you walk through the office it looks as if a strong windstorm has recently blown through, with papers scattered across desks and tables and even the floor. A "cleaning crew" of one teenager is emptying the trash bins. A few computers have been left on for the night, others are missing. Carlton takes note of your attention to this: "Most of my people take their laptops home with them, or use their own tablets or phones. I want them to use whatever helps them to think and be ready day or night for that great insight. It may only come once!"

What would be the best kind of audit to recommend for Gadgo?

- A. A supplier audit.
- B. An internal audit.

- C. A third-party audit.
- D. A self-certification.

Answer: C

NEW QUESTION 117

What is one reason the European Union has enacted more comprehensive privacy laws than the United States?

- A. To ensure adequate enforcement of existing laws.
- B. To ensure there is adequate funding for enforcement.
- C. To allow separate industries to set privacy standards.
- D. To allow the free movement of data between member countries.

Answer: D

NEW QUESTION 121

In regards to the collection of personal data conducted by an organization, what must the data subject be allowed to do?

- A. Evaluate the qualifications of a third-party processor before any data is transferred to that processor.
- B. Obtain a guarantee of prompt notification in instances involving unauthorized access of the data.
- C. Set a time-limit as to how long the personal data may be stored by the organization.
- D. Challenge the authenticity of the personal data and have it corrected if needed.

Answer: C

NEW QUESTION 126

What is the key factor that lays the foundation for all other elements of a privacy program?

- A. The applicable privacy regulations
- B. The structure of a privacy team
- C. A privacy mission statement
- D. A responsible internal stakeholder

Answer: A

NEW QUESTION 129

SCENARIO

Please use the following to answer the next QUESTION:

Richard McAdams recently graduated law school and decided to return to the small town of Lexington, Virginia to help run his aging grandfather's law practice. The elder McAdams desired a limited, lighter role in the practice, with the hope that his grandson would eventually take over when he fully retires. In addition to hiring Richard, Mr. McAdams employs two paralegals, an administrative assistant, and a part-time IT specialist who handles all of their basic networking needs. He plans to hire more employees once Richard gets settled and assesses the office's strategies for growth.

Immediately upon arrival, Richard was amazed at the amount of work that needed to be done in order to modernize the office, mostly in regard to the handling of clients' personal data. His first goal is to digitize all the records kept in file cabinets, as many of the documents contain personally identifiable financial and medical data. Also, Richard has noticed the massive amount of copying by the administrative assistant throughout the day, a practice that not only adds daily to the number of files in the file cabinets, but may create security issues unless a formal policy is firmly in place. Richard is also concerned with the overuse of the communal copier/ printer located in plain view of clients who frequent the building. Yet another area of concern is the use of the same fax machine by all of the employees. Richard hopes to reduce its use dramatically in order to ensure that personal data receives the utmost security and protection, and eventually move toward a strict Internet faxing policy by the year's end.

Richard expressed his concerns to his grandfather, who agreed, that updating data storage, data security, and an overall approach to increasing the protection of personal data in all facets is necessary. Mr. McAdams granted him the freedom and authority to do so. Now Richard is not only beginning a career as an attorney, but also functioning as the privacy officer of the small firm. Richard plans to meet with the IT employee the following day, to get insight into how the office computer system is currently set-up and managed.

Richard believes that a transition from the use of fax machine to Internet faxing provides all of the following security benefits EXCEPT?

- A. Greater accessibility to the faxes at an off-site location.
- B. The ability to encrypt the transmitted faxes through a secure server.
- C. Reduction of the risk of data being seen or copied by unauthorized personnel.
- D. The ability to store faxes electronically, either on the user's PC or a password-protected network server.

Answer: A

NEW QUESTION 130

SCENARIO

Please use the following to answer the next QUESTION:

Perhaps Jack Kelly should have stayed in the U.S. He enjoys a formidable reputation inside the company, Special Handling Shipping, for his work in reforming certain "rogue" offices. Last year, news broke that a police sting operation had revealed a drug ring operating in the Providence, Rhode Island office in the United States. Video from the office's video surveillance cameras leaked to news operations showed a drug exchange between Special Handling staff and undercover officers.

In the wake of this incident, Kelly had been sent to Providence to change the "hands off" culture that upper management believed had let the criminal elements conduct their illicit transactions. After a few weeks under Kelly's direction, the office became a model of efficiency and customer service. Kelly monitored his workers' activities using the same cameras that had recorded the illegal conduct of their former co-workers.

Now Kelly has been charged with turning around the office in Cork, Ireland, another trouble spot. The company has received numerous reports of the staff leaving the office unattended. When Kelly arrived, he found that even when present, the staff often spent their days socializing or conducting personal business on their mobile phones. Again, he observed their behaviors using surveillance cameras. He issued written reprimands to six staff members based on the first day of video alone.

Much to Kelly's surprise and chagrin, he and the company are now under investigation by the Data Protection Commissioner of Ireland for allegedly violating the privacy rights of employees. Kelly was told that the company's license for the cameras listed facility security as their main use, but he does not know why this

matters. He has pointed out to his superiors that the company's training programs on privacy protection and data collection mention nothing about surveillance video.

You are a privacy protection consultant, hired by the company to assess this incident, report on the legal and compliance issues, and recommend next steps. What does this example best illustrate about training requirements for privacy protection?

- A. Training needs must be weighed against financial costs.
- B. Training on local laws must be implemented for all personnel.
- C. Training must be repeated frequently to respond to new legislation.
- D. Training must include assessments to verify that the material is mastered.

Answer: B

NEW QUESTION 134

SCENARIO

Please use the following to answer the next QUESTION:

Henry Home Furnishings has built high-end furniture for nearly forty years. However, the new owner, Anton, has found some degree of disorganization after touring the company headquarters. His uncle Henry had always focused on production – not data processing – and Anton is concerned. In several storage rooms, he has found paper files, disks, and old computers that appear to contain the personal data of current and former employees and customers. Anton knows that a single break-in could irrevocably damage the company's relationship with its loyal customers. He intends to set a goal of guaranteed zero loss of personal information.

To this end, Anton originally planned to place restrictions on who was admitted to the physical premises of the company. However, Kenneth – his uncle's vice president and longtime confidante – wants to hold off on Anton's idea in favor of converting any paper records held at the company to electronic storage. Kenneth believes this process would only take one or two years. Anton likes this idea; he envisions a password-protected system that only he and Kenneth can access. Anton also plans to divest the company of most of its subsidiaries. Not only will this make his job easier, but it will simplify the management of the stored data. The heads of subsidiaries like the art gallery and kitchenware store down the street will be responsible for their own information management. Then, any unneeded subsidiary data still in Anton's possession can be destroyed within the next few years.

After learning of a recent security incident, Anton realizes that another crucial step will be notifying customers. Kenneth insists that two lost hard drives in Question are not cause for concern; all of the data was encrypted and not sensitive in nature. Anton does not want to take any chances, however. He intends on sending notice letters to all employees and customers to be safe.

Anton must also check for compliance with all legislative, regulatory, and market requirements related to privacy protection. Kenneth oversaw the development of the company's online presence about ten years ago, but Anton is not confident about his understanding of recent online marketing laws. Anton is assigning another trusted employee with a law background the task of the compliance assessment. After a thorough analysis, Anton knows the company should be safe for another five years, at which time he can order another check.

Documentation of this analysis will show auditors due diligence.

Anton has started down a long road toward improved management of the company, but he knows the effort is worth it. Anton wants his uncle's legacy to continue for many years to come.

To improve the facility's system of data security, Anton should consider following through with the plan for which of the following?

- A. Customer communication.
- B. Employee access to electronic storage.
- C. Employee advisement regarding legal matters.
- D. Controlled access at the company headquarters.

Answer: D

NEW QUESTION 136

SCENARIO

Please use the following to answer the next QUESTION:

John is the new privacy officer at the prestigious international law firm – A&M LLP. A&M LLP is very proud of its reputation in the practice areas of Trusts & Estates and Merger & Acquisition in both U.S. and Europe.

During lunch with a colleague from the Information Technology department, John heard that the Head of IT, Derrick, is about to outsource the firm's email continuity service to their existing email security vendor – MessageSafe. Being successful as an email hygiene vendor, MessageSafe is expanding its business by leasing cloud infrastructure from Cloud Inc. to host email continuity service for A&M LLP.

John is very concerned about this initiative. He recalled that MessageSafe was in the news six months ago due to a security breach. Immediately, John did a quick research of MessageSafe's previous breach and learned that the breach was caused by an unintentional mistake by an IT administrator. He scheduled a meeting with Derrick to address his concerns.

At the meeting, Derrick emphasized that email is the primary method for the firm's lawyers to communicate with clients, thus it is critical to have the email continuity service to avoid any possible email downtime. Derrick has been using the anti-spam service provided by MessageSafe for five years and is very happy with the quality of service provided by MessageSafe. In addition to the significant discount offered by MessageSafe, Derrick emphasized that he can also speed up the onboarding process since the firm already has a service contract in place with MessageSafe. The existing on-premises email continuity solution is about to reach its end of life very soon and he doesn't have the time or resource to look for another solution. Furthermore, the off-premises email continuity service will only be turned on when the email service at A&M LLP's primary and secondary data centers are both down, and the email messages stored at MessageSafe site for continuity service will be automatically deleted after 30 days.

Which of the following is NOT an obligation of MessageSafe as the email continuity service provider for A&M LLP?

- A. Privacy compliance.
- B. Security commitment.
- C. Certifications to relevant frameworks.
- D. Data breach notification to A&M LLP.

Answer: C

NEW QUESTION 140

What is the main purpose in notifying data subjects of a data breach?

- A. To avoid financial penalties and legal liability
- B. To enable regulators to understand trends and developments that may shape the law
- C. To ensure organizations have accountability for the sufficiency of their security measures
- D. To allow individuals to take any actions required to protect themselves from possible consequences

Answer: C

NEW QUESTION 143

An organization is establishing a mission statement for its privacy program. Which of the following statements would be the best to use?

- A. This privacy program encourages cross-organizational collaboration which will stop all data breaches
- B. Our organization was founded in 2054 to reduce the chance of a future disaster like the one that occurred ten years ago
- C. All individuals from our area of the country should be concerned about a future disaster
- D. However, with our privacy program, they should not be concerned about the misuse of their information.
- E. The goal of the privacy program is to protect the privacy of all individuals who support our organization
- F. To meet this goal, we must work to comply with all applicable privacy laws.
- G. In the next 20 years, our privacy program should be able to eliminate 80% of our current breaches
- H. To do this, everyone in our organization must complete our annual privacy training course and all personally identifiable information must be inventoried.

Answer: C

NEW QUESTION 147

SCENARIO

Please use the following to answer the next QUESTION:

You lead the privacy office for a company that handles information from individuals living in several countries throughout Europe and the Americas. You begin that morning's privacy review when a contracts officer sends you a message asking for a phone call. The message lacks clarity and detail, but you presume that data was lost.

When you contact the contracts officer, he tells you that he received a letter in the mail from a vendor stating that the vendor improperly shared information about your customers. He called the vendor and confirmed that your company recently surveyed exactly 2000 individuals about their most recent healthcare experience and sent those surveys to the vendor to transcribe it into a database, but the vendor forgot to encrypt the database as promised in the contract. As a result, the vendor has lost control of the data.

The vendor is extremely apologetic and offers to take responsibility for sending out the notifications. They tell you they set aside 2000 stamped postcards because that should reduce the time it takes to get the notice in the mail. One side is limited to their logo, but the other side is blank and they will accept whatever you want to write. You put their offer on hold and begin to develop the text around the space constraints. You are content to let the vendor's logo be associated with the notification.

The notification explains that your company recently hired a vendor to store information about their most recent experience at St. Sebastian Hospital's Clinic for Infectious Diseases. The vendor did not encrypt the information and no longer has control of it. All 2000 affected individuals are invited to sign-up for email notifications about their information. They simply need to go to your company's website and watch a quick advertisement, then provide their name, email address, and month and year of birth.

You email the incident-response council for their buy-in before 9 a.m. If anything goes wrong in this situation, you want to diffuse the blame across your colleagues. Over the next eight hours, everyone emails their comments back and forth. The consultant who leads the incident-response team notes that it is his first day with the company, but he has been in other industries for 45 years and will do his best. One of the three lawyers on the council causes the conversation to veer off course, but it eventually gets back on track. At the end of the day, they vote to proceed with the notification you wrote and use the vendor's postcards. Shortly after the vendor mails the postcards, you learn the data was on a server that was stolen, and make the decision to have your company offer credit monitoring services. A quick internet search finds a credit monitoring company with a convincing name: Credit Under Lock and Key (CRUDLOK). Your sales rep has never handled a contract for 2000 people, but develops a proposal in about a day which says CRUDLOK will:

- * 1. Send an enrollment invitation to everyone the day after the contract is signed.
- * 2. Enroll someone with just their first name and the last-4 of their national identifier.
- * 3. Monitor each enrollee's credit for two years from the date of enrollment.
- * 4. Send a monthly email with their credit rating and offers for credit-related services at market rates.
- * 5. Charge your company 20% of the cost of any credit restoration.

You execute the contract and the enrollment invitations are emailed to the 2000 individuals. Three days later you sit down and document all that went well and all that could have gone better. You put it in a file to reference the next time an incident occurs.

Which of the following was done CORRECTLY during the above incident?

- A. The process by which affected individuals sign up for email notifications
- B. Your assessment of which credit monitoring company you should hire
- C. The speed at which you sat down to reflect and document the incident
- D. Finding a vendor who will offer the affected individuals additional services

Answer: C

NEW QUESTION 151

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