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QUESTION 1

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.

Correct Answer: A

QUESTION 2

SCENARIO

Please use the following to answer the next question:

Felicity is the Chief Executive Officer (CEO) of an international clothing company that does business in several countries, including the United States (U.S.), the United Kingdom (UK), and Canada. For the first five years under Felicity\\'s

leadership, the company was highly successful due its higher profile on the Internet via target advertising and the use of social media. However, business has dropped in recent months, and Felicity is looking to cut costs across all

departments.

She has prepared to meet with the Chief Information Officer (CIO), Jin, who is also head of the company\\'s privacy program.

After reviewing many of Jin\\'s decisions, Felicity firmly believes that, although well-intentioned, Jin overspends company resources. Felicity has taken several notes on ways she believes the company can spend less money trying to uphold its

privacy mission. First, Felicity intends to discuss the size of the company\\'s information security budget with Jin. Felicity proposes to streamline information security by putting it solely within the purview of the company\\'s Information Technology

(IT) experts, since personal data within the company is stored electronically.

She is also perplexed by the Privacy Impact Assessments (PIAs) Jin facilitated at some of the company\\'s locations. Jin carefully documented the approximate amount of man-hours the PIAs took to complete, and Felicity is astounded at the

amount. She cannot understand why so much time has been spent on sporadic PIAs.

Felicity has also recently received complaints from employees, including mid-level managers, about the great burden of paperwork necessary for documenting employee compliance with the company\\'s privacy policy. She hopes Jin can

propose cheaper, more efficient ways of monitoring compliance. In Felicity\\'s view, further evidence of Jin\\'s overzealousness is his insistence on monitoring third-party processors for their observance of the company\\'s privacy policy. New staff

members seem especially overwhelmed. Despite the consistent monitoring, two years ago the company had to pay remediation costs after a security breach of a processor\\'s data system. Felicity wonders whether processors can be held

contractually liable for the costs of any future breaches.

Last in Felicity\\'s notes is a reminder to discuss Jin\\'s previous praise for the company\\'s independent ethics function within the Human Resources (HR) department. Felicity believes that much company time could be saved if the Ethics Officer

position were done away with, and that any ethical concerns were simply brought directly to the executive leadership of the company.

Although Felicity questions many of Jin\\'s decisions, she hopes that their meeting will be productive and that Jin, who is widely respected throughout the company, will help the company save money. Felicity believes that austerity is the only

way forward.

Based on the scenario, Felicity is in danger of NOT exercising enough caution regarding?

A. The company\\'s acceptance of advanced technology.

B. The company\\'s ongoing relationship with outside vendors.

C. The allocation of duties to a Chief Information Officer (CIO).

D. The staff charged with assisting with Privacy Impact Assessments (PIAs).

Correct Answer: C

QUESTION 3

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.

Regarding the notification, which of the following would be the greatest concern?

A. Informing the affected individuals that data from other individuals may have also been affected.

B. Collecting more personally identifiable information than necessary to provide updates to the affected individuals.

C. Using a postcard with the logo of the vendor who make the mistake instead of your company\\'s logo.

D. Trusting a vendor to send out a notice when they already failed once by not encrypting the database.

Correct Answer: D

QUESTION 4

Which of the following indicates you have developed the right privacy framework for your organization?

A. It includes a privacy assessment of each major system.

B. It improves the consistency of the privacy program.

C. It works at a different type of organization.

D. It identifies all key stakeholders by name.

Correct Answer: A

QUESTION 5

What United States federal law requires financial institutions to declare their personal data collection practices?

A. The Kennedy-Hatch Disclosure Act of 1997.

B. The Gramm-Leach-Bliley Act of 1999.

C. SUPCLA, or the federal Superprivacy Act of 2001.

D. The Financial Portability and Accountability Act of 2006.

Correct Answer: B