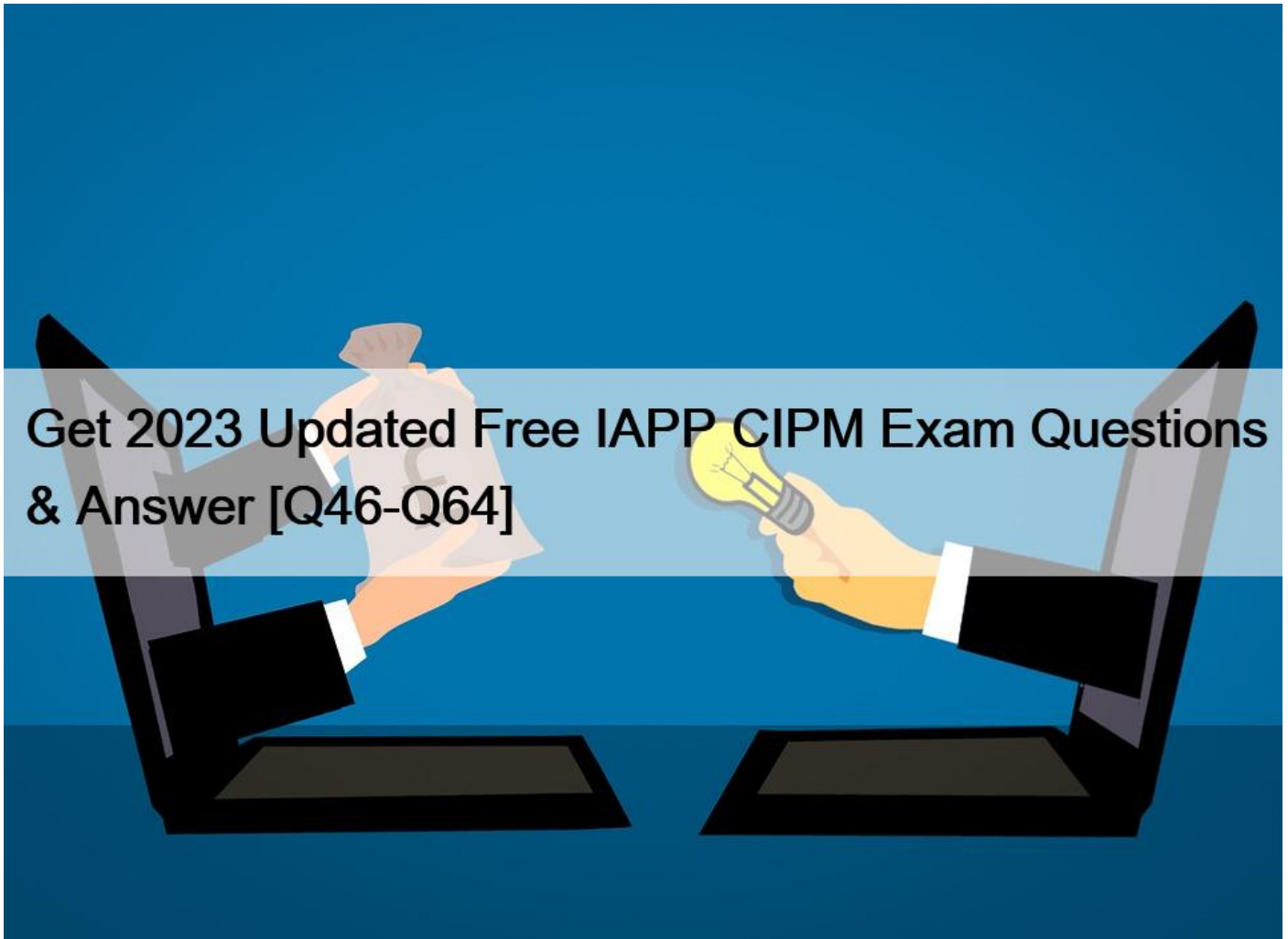


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QUESTION 46

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 supplier audit.
- * An internal audit.
- * A third-party audit.
- * A self-certification.

QUESTION 47

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.

Based on the scenario, Nationwide Grill needs to create better employee awareness of the company's privacy program by doing what?

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

QUESTION 48

Under the General Data Protection Regulation (GDPR), when would a data subject have the right to require the erasure of his or her data without undue delay?

- * When the data subject is a public authority
- * When the erasure is in the public interest
- * When the processing is carried out by automated means
- * When the data is no longer necessary for its original purpose

QUESTION 49

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?

- * Cloud Inc. must notify A&M LLP of a data breach immediately.
- * MessageSafe is liable if Cloud Inc. fails to protect data from A&M LLP.
- * Cloud Inc. should enter into a data processor agreement with A&M LLP.
- * A&M LLP's service contract must be amended to list Cloud Inc. as a sub-processor.

QUESTION 50

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 analytic can be used to track the financial viability of the program as it develops?

- * Cost basis.
- * Gap analysis.
- * Return to investment.
- * Breach impact modeling.

QUESTION 51

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

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

QUESTION 52

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 element of the Privacy by Design (PbD) framework might the Handy Helper violate?

- * Failure to obtain opt-in consent to marketing.
- * Failure to observe data localization requirements.
- * Failure to implement the least privilege access standard.
- * Failure to integrate privacy throughout the system development life cycle.

QUESTION 53

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What administrative safeguards should be implemented to protect the collected data while in use by Manasa and her product management team?

- * Document the data flows for the collected data.
- * Conduct a Privacy Impact Assessment (PIA) to evaluate the risks involved.
- * Implement a policy restricting data access on a 'need to know' basis.
- * Limit data transfers to the US by keeping data collected in Europe within a local data center.

QUESTION 54

How do privacy audits differ from privacy assessments?

- * They are non-binding.
- * They are evidence-based.
- * They are based on standards.
- * They are conducted by external parties.

QUESTION 55

SCENARIO

Please use the following to answer the next question:

Penny has recently joined Ace Space, a company that sells homeware accessories online, as its new privacy officer. The company is based in California but thanks to some great publicity from a social media influencer last year, the company has received an influx of sales from the EU and has set up a regional office in Ireland to support this expansion. To become familiar with Ace Space's practices and assess what her privacy priorities will be, Penny has set up meetings with a number of colleagues to hear about the work that they have been doing and their compliance efforts.

Penny's colleague in Marketing is excited by the new sales and the company's plans, but is also concerned that Penny may curtail some of the growth opportunities he has planned. He tells her 'I heard someone in the breakroom talking about some new privacy laws but I really don't think it affects us. We're just a small company. I mean we just sell accessories online, so what's the real risk?' He has also told her that he works with a number of small companies that help him get projects completed in a hurry. 'We've got to meet our deadlines otherwise we lose money. I just sign the contracts and get Jim in finance to push through the payment. Reviewing the contracts takes time that we just don't

have. In her meeting with a member of the IT team, Penny has learned that although Ace Space has taken a number of precautions to protect its website from malicious activity, it has not taken the same level of care of its physical files or internal infrastructure. Penny's colleague in IT has told her that a former employee lost an encrypted USB key with financial data on it when he left. The company nearly lost access to their customer database last year after they fell victim to a phishing attack. Penny is told by her IT colleague that the IT team

didn't know what to do or who should do what. We hadn't been trained on it but we're a small team though, so it worked out OK in the end. Penny is concerned that these issues will compromise Ace Space's privacy and data protection.

Penny is aware that the company has solid plans to grow its international sales and will be working closely with the CEO to give the organization a data 'shake up'. Her mission is to cultivate a strong privacy culture within the company.

Penny has a meeting with Ace Space's CEO today and has been asked to give her first impressions and an overview of her next steps.

What information will be LEAST crucial from a privacy perspective in Penny's review of vendor contracts?

- * Audit rights
- * Liability for a data breach
- * Pricing for data security protections
- * The data a vendor will have access to

QUESTION 56

Why were the nongovernmental privacy organizations, Electronic Frontier Foundation (EFF) and Electronic Privacy Information Center (EPIC), established?

- * To promote consumer confidence in the Internet industry
- * To improve the user experience during online shopping
- * To protect civil liberties and raise consumer awareness
- * To promote security on the Internet through strong encryption

QUESTION 57

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 has always focused on production and 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 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?

- * Practicing data minimalism
- * Ensuring data retrievability
- * Implementing clear policies
- * Ensuring adequacy of infrastructure

QUESTION 58

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?

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

QUESTION 59

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?

- * Consult an external lawyer.
- * Regularly engage regulators.
- * Attend workshops and interact with other professionals.
- * Subscribe to email list-serves that report on regulatory changes.

QUESTION 60

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.

To determine the steps to follow, what would be the most appropriate internal guide for Ben to review?

- * Incident Response Plan.
- * Code of Business Conduct.
- * IT Systems and Operations Handbook.
- * Business Continuity and Disaster Recovery Plan.

QUESTION 61

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If this were a data breach, how is it likely to be categorized?

- * Availability Breach.
- * Authenticity Breach.
- * Confidentiality Breach.

* Integrity Breach.

QUESTION 62

Which of the following is an example of Privacy by Design (PbD)?

- * A company hires a professional to structure a privacy program that anticipates the increasing demands of new laws.
- * The human resources group develops a training program for employees to become certified in privacy policy.
- * A labor union insists that the details of employers' data protection methods be documented in a new contract.
- * The information technology group uses privacy considerations to inform the development of new networking software.

QUESTION 63

What is one obligation that the General Data Protection Regulation (GDPR) imposes on data processors?

- * To honor all data access requests from data subjects
- * To inform data subjects about the identity and contact details of the controller
- * To implement appropriate technical and organizational measures that ensure an appropriate level of security
- * To carry out data protection impact assessments in cases where processing is likely to result in high risk to the rights and freedoms of individuals

QUESTION 64

SCENARIO

Please use the following to answer the next question:

As the 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.

You are charged with making sure that privacy safeguards are in place for new products and initiatives. What is the best way to do this?

- * Hold a meeting with stakeholders to create an interdepartmental protocol for new initiatives
- * Institute Privacy by Design principles and practices across the organization
- * Develop a plan for introducing privacy protections into the product development stage
- * Conduct a gap analysis after deployment of new products, then mend any gaps that are revealed

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