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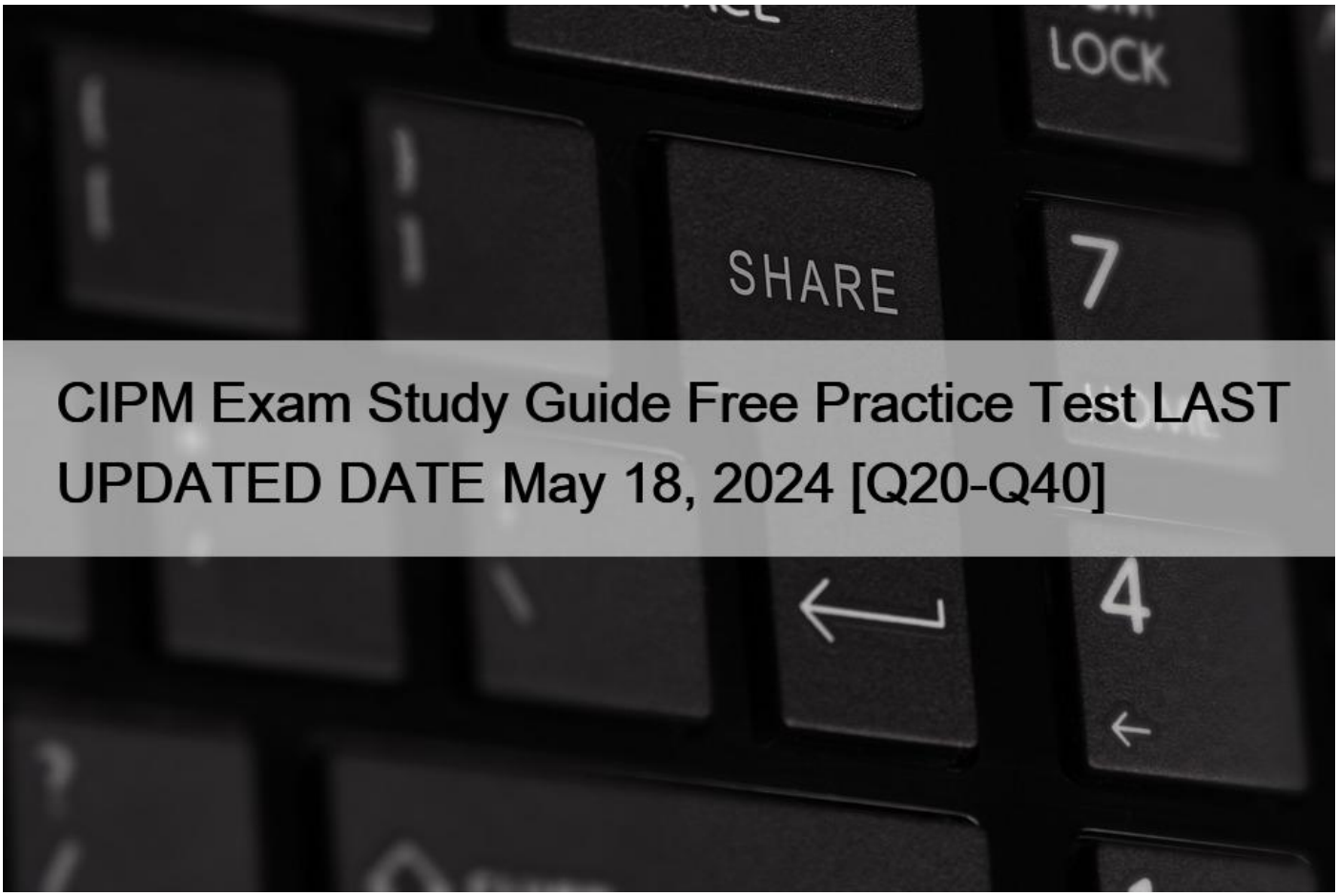

CIPM Exam Study Guide Free Practice Test LAST UPDATED DATE May 18, 2024 The New CIPM 2024 Updated Verified Study Guides & Best Courses

IAPP CIPM (Certified Information Privacy Manager) certification exam is a globally recognized certification that offers individuals the skills and knowledge to manage privacy policies and practices within an organization. Certified Information Privacy Manager (CIPM) certification is designed to help professionals develop and implement privacy programs, policies, and procedures that meet global standards and regulatory requirements.

IAPP CIPM certification is an excellent choice for professionals who are looking to advance their careers in privacy management. Certified Information Privacy Manager (CIPM) certification provides a comprehensive understanding of global privacy laws and regulations, and prepares professionals to develop and implement effective privacy programs within their organizations. With the growing importance of data privacy in today's digital landscape, the CIPM certification is a valuable asset for anyone working in the field of privacy management.

NO.20 Which statement is FALSE regarding the use of technical security controls?
* Technical security controls are part of a data governance strategy.
* Technical security controls deployed for one jurisdiction often satisfy another jurisdiction.
* Most privacy legislation lists the types of technical security controls that must be implemented.
* A person with security knowledge should be involved with the deployment of technical security controls.

NO.21 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.

To help Penny and her CEO with their objectives, what would be the most helpful approach to address her IT concerns?
* Roll out an encryption policy
* Undertake a tabletop exercise
* Ensure inventory of IT assets is maintained
* Host a town hall discussion for all IT employees

NO.22 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 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?
* All faxes sent from the office must be documented and the phone number used must be double checked to ensure a safe arrival.
* All unused copies, prints, and faxes must be discarded in a designated recycling bin located near the work station and emptied daily.
* Before any copiers, printers, or fax machines are replaced or resold, the hard drives of these devices must be deleted before leaving the office.
* 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.

NO.23 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?

Which of the following would be most effectively used as a guide to a systems approach to implementing data protection?
* Data Life Cycle Management Standards
* United Nations Privacy Agency Standards
* International Organization for Standardization 9000 Series
* International Organization for Standardization 27000 Series
Explanation/Reference: https://www.itgovernance.co.uk/blog/what-is-the-iso-27000-series-of-standards

NO.24 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

NO.25 Which of the following is NOT a type of privacy program metric?
* Business enablement metrics.
* Data enhancement metrics.
* Value creation metrics.
* Commercial metrics.
Types of privacy program metrics include business enablement metrics, data enhancement metrics, and commercial metrics. Business enablement metrics measure the effectiveness of the privacy program in enabling the business to function without compromising privacy. Data enhancement metrics measure the effectiveness of the privacy program in enhancing data protection, such as through data minimization, access controls, and data security. Commercial metrics measure the effectiveness of the privacy program in creating value, such as through the development of new products, services, and customer experiences.

Privacy program metrics are used to assess the effectiveness of a privacy program and measure its progress. These metrics can include business enablement metrics, data enhancement metrics, and commercial metrics. Value creation metrics, however, are not typically used as privacy program metrics.

NO.26 Which of the following is NOT an important factor to consider when developing a data retention policy?
* Technology resource.
* Business requirement.
* Organizational culture.
* Compliance requirement

Explanation

Organizational culture is not an important factor to consider when developing a data retention policy. A data retention policy is a document that defines how long an organization retains personal information for various purposes and how it disposes of it securely when it is no longer needed. A data retention policy should be based on factors such as: business requirements, such as operational needs, customer expectations, contractual obligations, or industry standards; compliance requirements, such as legal obligations, regulatory mandates, or audit recommendations; and technology resources, such as storage capacity, backup systems, encryption methods, or disposal tools. Organizational culture, which refers to the values, beliefs, norms, and behaviors that shape how an organization operates and interacts with its stakeholders, is not a relevant factor for determining data retention periods or disposal methods.

References:

* CIPM Body of Knowledge (2021), Domain IV: Privacy Program Operational Life Cycle, Section B:

Protecting Personal Information, Subsection 4: Data Retention

* CIPM Study Guide (2021), Chapter 8: Protecting Personal Information, Section 8.4: Data Retention

* CIPM Textbook (2019), Chapter 8: Protecting Personal Information, Section 8.4: Data Retention

* CIPM Practice Exam (2021), Question 141

NO.27 Your marketing team wants to know why they need a check box for their SMS opt-in. You explain it is part of the consumer’s right to?
* Request correction.
* Raise complaints.
* Have access.
* Be informed.

Explanation

The marketing team needs a check box for their SMS opt-in because it is part of the consumer’s right to be informed. This right means that consumers have the right to know how their personal data is collected, used, shared, and protected by the organization. The check box allows consumers to give their consent and opt-in to receive SMS messages from the organization, and also informs them of the purpose and scope of such messages. The other rights are not relevant in this case, as they are related to other aspects of data processing, such as correction, complaints, and access. References: CIPM Body of Knowledge, Domain IV: Privacy Program Communication, Section A: Communicating to Stakeholders, Subsection 1: Consumer Rights.

NO.28 All of the following changes will likely trigger a data inventory update EXCEPT?
* Outsourcing the Customer Relationship Management (CRM) function.

* Acquisition of a new subsidiary.
* Onboarding of a new vendor.
* Passage of a new privacy regulation.

NO.29 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?
* Tabletop exercises.
* Update its data inventory.
* IT security awareness training.
* Share communications relating to scheduled maintenance.

NO.30 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.

How could the objection to Spencer’s training suggestion be addressed?
* By requiring training only on an as-needed basis.
* By offering alternative delivery methods for trainings.
* By introducing a system of periodic refresher trainings.
* By customizing training based on length of employee tenure.

NO.31 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 Accountans)/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 in 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.

On which of the following topics does Albert most likely need additional knowledge?
* The role of privacy in retail companies
* The necessary maturity level of privacy programs
* The possibility of delegating responsibilities related to privacy
* The requirements for a managerial position with privacy protection duties

NO.32 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.

To establish the current baseline of Ace Space’s privacy maturity, Penny should consider all of the following factors EXCEPT?

* Ace Space’s documented procedures
* Ace Space’s employee training program
* Ace Space’s vendor engagement protocols
* Ace Space’s content sharing practices on social media

NO.33 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.

Knowing that the regulator is now investigating, what would be the best step to take?
* Consult an attorney experienced in privacy law and litigation.
* Use your background and knowledge to set a course of action.
* If you know the organization is guilty, advise it to accept the punishment.
* Negotiate the terms of a settlement before formal legal action takes place.

NO.34 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!” You want to point out that normal protocols have NOT been followed in this matter.

Which process in particular has been neglected?
* Forensic inquiry.
* Data mapping.
* Privacy breach prevention.
* Vendor due diligence vetting.

NO.35 Your company provides a SaaS tool for B2B services and does not interact with individual consumers. A client’s current employee reaches out with a right to delete request. what is the most appropriate response?
* Forward the request to the contact on file for the client asking them how they would like you to proceed.
* Redirect the individual back to their employer to understand their rights and how this might impact access to company tools.
* Process the request assuming that the individual understands the implications to their organization if their information is deleted.
* Explain you are unable to process the request because business contact information and associated data is not covered under privacy rights laws.

Explanation

If your organization provides a SaaS tool for B2B services and does not interact with individual consumers, and a client’s current employee reaches out with a right to delete request, the most appropriate response is to redirect the individual back to their employer to understand their rights and how this might impact access to company tools. This is because your organization is acting as a processor for the client, who is the controller of the employee’s personal data. The controller is responsible for determining the purposes and means of processing personal data, as well as responding to data subject requests. The processor should only process personal data on behalf of and in accordance with the instructions of the controller. Therefore, you should not forward the request to the client, process the request without consulting the client, or deny the request based on business contact information being exempt from privacy rights laws1, 2. References: CIPM – International Association of Privacy Professionals, Free CIPM Study Guide – International Association of Privacy Professionals

NO.36 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.

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

NO.37 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 credit monitoring, which of the following would be the greatest concern?
* The vendor’s representative does not have enough experience
* Signing a contract with CRUDLOK which lasts longer than one year
* The company did not collect enough identifiers to monitor one’s credit
* You are going to notify affected individuals via a letter followed by an email

NO.38 Which of the following indicates you have developed the right privacy framework for your organization?
* It includes a privacy assessment of each major system
* It improves the consistency of the privacy program
* It works at a different type of organization
* It identifies all key stakeholders by name

Explanation/Reference:

NO.39 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.

From a business standpoint, what is the most productive way to view employee use of personal equipment for work-related tasks?
* 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.
* Any computer or other equipment is company property whenever it is used for company business.
* While the company may not own the equipment, it is required to protect the business-related data on any equipment used by its employees.
* The use of personal equipment must be reduced as it leads to inevitable security risks.
Explanation

This answer reflects the principle of accountability, which states that the company is responsible for ensuring that personal data is processed in compliance with applicable laws and regulations, regardless of who owns or controls the equipment that stores or processes the data. The company should establish policies and procedures for managing the use of personal equipment for work-related tasks, such as requiring encryption, authentication, remote wipe, backup and reporting of incidents. The company should also provide training and awareness to the employees on how to protect the data on their personal equipment and what are their obligations and liabilities. References: IAPP CIPM Study Guide, page 841; ISO/IEC 27002:2013, section

6.2.1

NO.40 Which of the following controls does the PCI DSS framework NOT require?
* Implement strong asset control protocols.
* Implement strong access control measures.
* Maintain an information security policy.
* Maintain a vulnerability management program.