

Exam Questions CIPM

Certified Information Privacy Manager (CIPM)

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NEW QUESTION 1

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He feels certain he will be rewarded with a promotion for preventing negative consequences resulting from the company's outdated policies and procedures.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.

In consideration of the company's new initiatives, which of the following laws and regulations would be most appropriate for Albert to mention at the interview as a priority concern for the privacy team?

- A. Gramm-Leach-Bliley Act (GLBA)
- B. The General Data Protection Regulation (GDPR)
- C. The Telephone Consumer Protection Act (TCPA)
- D. Health Insurance Portability and Accountability Act (HIPAA)

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 Inc.
- B. must notify A&M LLP of a data breach immediately.
- C. MessageSafe is liable if Cloud Inc.
- D. fails to protect data from A&M LLP.
- E. Cloud Inc.
- 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 Inc.
- H. as a sub-processor.

Answer: A

NEW QUESTION 3

SCENARIO

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What is one important factor that Albert fails to consider regarding Treasure Box's response to their recent security incident?

- A. Who has access to the data
- B. What the nature of the data is
- C. How data at the company is collected
- D. How long data at the company is kept

Answer: D

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

What have experts identified as an important trend in privacy program development?

- A. The narrowing of regulatory definitions of personal information.
- B. The rollback of ambitious programs due to budgetary restraints.
- C. The movement beyond crisis management to proactive prevention.
- D. The stabilization of programs as the pace of new legal mandates slows.

Answer: C

NEW QUESTION 6

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. What Data Lifecycle Management (DLM) principle should the company follow if they end up allowing departments to interpret the privacy policy differently?

- A. Prove the authenticity of the company's records.
- B. Arrange for official credentials for staff members.
- C. Adequately document reasons for inconsistencies.
- D. Create categories to reflect degrees of data importance.

Answer: C

NEW QUESTION 7

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

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

Answer: C

NEW QUESTION 8

Which of the following privacy frameworks are legally binding?

- A. Binding Corporate Rules (BCRs).
- B. Generally Accepted Privacy Principles (GAPP).
- C. Asia-Pacific Economic Cooperation (APEC) Privacy Framework.
- D. Organization for Economic Co-Operation and Development (OECD) Guidelines.

Answer: A

NEW QUESTION 9

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 practice would afford the Director the most rigorous way to check on the program's compliance with laws, regulations and industry best practices?

- A. Auditing.
- B. Monitoring.
- C. Assessment.
- D. Forensics.

Answer: B

NEW QUESTION 10

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 10

In addition to regulatory requirements and business practices, what important factors must a global privacy strategy consider?

- A. Monetary exchange.
- B. Geographic features.
- C. Political history.
- D. Cultural norms.

Answer: B

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 15

Which of the following controls does the PCI DSS framework NOT require?

- A. Implement strong asset control protocols.

- B. Implement strong access control measures.
- C. Maintain an information security policy.
- D. Maintain a vulnerability management program.

Answer: A

NEW QUESTION 18

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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.

Based on Albert's observations regarding recent security incidents, which of the following should he suggest as a priority for Treasure Box?

- A. Appointing an internal ombudsman to address employee complaints regarding hours and pay.
- B. Using a third-party auditor to address privacy protection issues not recognized by the prior internal audits.
- C. Working with the Human Resources department to make screening procedures for potential employees more rigorous.
- D. Evaluating the company's ability to handle personal health information if the plan to acquire the medical supply company goes forward

Answer: D

NEW QUESTION 21

What is the main purpose of a privacy program audit?

- A. To mitigate the effects of a privacy breach.
- B. To justify a privacy department budget increase.
- C. To make decisions on privacy staff roles and responsibilities.
- D. To ensure the adequacy of data protection procedures.

Answer: D

NEW QUESTION 26

SCENARIO

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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.

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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 must Pacific Suite's primary focus be as it manages this security breach?

- A. Minimizing the amount of harm to the affected individuals
- B. Investigating the cause and assigning responsibility
- C. Determining whether the affected individuals should be notified
- D. Maintaining operations and preventing publicity

Answer: A

NEW QUESTION 31

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 35

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 37

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 is the best way for Penny to understand the location, classification and processing purpose of the personal data Ace Space has?

- A. Analyze the data inventory to map data flows
- B. Audit all vendors' privacy practices and safeguards
- C. Conduct a Privacy Impact Assessment for the company
- D. Review all cloud contracts to identify the location of data servers used

Answer: B

NEW QUESTION 40

Which of the following is NOT typically a function of a Privacy Officer?

- A. Managing an organization's information security infrastructure.
- B. Serving as an interdepartmental liaison for privacy concerns.
- C. Monitoring an organization's compliance with privacy laws.
- D. Responding to information access requests from the public.

Answer: D

NEW QUESTION 43

Rationalizing requirements in order to comply with the various privacy requirements required by applicable law and regulation does NOT include which of the following?

- A. Harmonizing shared obligations and privacy rights across varying legislation and/or regulators.
- B. Implementing a solution that significantly addresses shared obligations and privacy rights.
- C. Applying the strictest standard for obligations and privacy rights that doesn't violate privacy laws elsewhere.
- D. Addressing requirements that fall outside the common obligations and rights (outliers) on a case-by-case basis.

Answer: C

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 50

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

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

Answer: A

NEW QUESTION 51

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.

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 52

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.

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

- A. Availability Breach.
- B. Authenticity Breach.
- C. Confidentiality Breach.
- D. Integrity Breach.

Answer: C

NEW QUESTION 57

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 61

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. Based on the scenario, what additional change will increase the effectiveness of the privacy compliance hotline?

- A. Outsourcing the hotline.
- B. A system for staff education.
- C. Strict communication channels.
- D. An ethics complaint department.

Answer: B

NEW QUESTION 62

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?

- 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 65

Formosa International operates in 20 different countries including the United States and France. What organizational approach would make complying with a number of different regulations easier?

- A. Data mapping.
- B. Fair Information Practices.
- C. Rationalizing requirements.
- D. Decentralized privacy management.

Answer: B

NEW QUESTION 67

An executive for a multinational online retail company in the United States is looking for guidance in developing her company's privacy program beyond what is specifically required by law.

What would be the most effective resource for the executive to consult?

- A. Internal auditors.
- B. Industry frameworks.
- C. Oversight organizations.
- D. Breach notifications from competitors.

Answer: B

NEW QUESTION 70

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 needs to closely monitor the vendor in charge of creating the firm's database mainly because of what?

- A. The vendor will be required to report any privacy violations to the appropriate authorities.
- B. The vendor may not be aware of the privacy implications involved in the project.
- C. The vendor may not be forthcoming about the vulnerabilities of the database.
- D. The vendor will be in direct contact with all of the law firm's personal data.

Answer: B

NEW QUESTION 72

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.

After conducting research, you discover a primary data protection issue with cloud computing. Which of the following should be your biggest concern?

- A. An open programming model that results in easy access
- B. An unwillingness of cloud providers to provide security information
- C. A lack of vendors in the cloud computing market
- D. A reduced resilience of data structures that may lead to data loss.

Answer: B

NEW QUESTION 75

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 80

A Human Resources director at a company reported that a laptop containing employee payroll data was lost on the train. Which action should the company take IMMEDIATELY?

- A. Report the theft to law enforcement
- B. Wipe the hard drive remotely
- C. Report the theft to the senior management
- D. Perform a multi-factor risk analysis

Answer: D

NEW QUESTION 85

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 86

You would like your organization to be independently audited to demonstrate compliance with international privacy standards and to identify gaps for remediation.

Which type of audit would help you achieve this objective?

- A. First-party audit.
- B. Second-party audit.
- C. Third-party audit.
- D. Fourth-party audit.

Answer: C

NEW QUESTION 87

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 92

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 94

What are you doing if you succumb to "overgeneralization" when analyzing data from metrics?

- A. Using data that is too broad to capture specific meanings.
- B. Possessing too many types of data to perform a valid analysis.
- C. Using limited data in an attempt to support broad conclusions.
- D. Trying to use several measurements to gauge one aspect of a program.

Answer: A

NEW QUESTION 97

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.

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even if there had been an actual breach, the chances of a successful suit against the company were slim. But Alice remained unconvinced.

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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.

What is the most realistic step the organization can take to help diminish liability in the event of another incident?

- A. Requiring the vendor to perform periodic internal audits.
- B. Specifying mandatory data protection practices in vendor contracts.
- C. Keeping the majority of processing activities within the organization.
- D. Obtaining customer consent for any third-party processing of personal data.

Answer: B

NEW QUESTION 100

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 102

Under the General Data Protection Regulation (GDPR), which of the following situations would LEAST likely require a controller to notify a data subject?

- A. An encrypted USB key with sensitive personal data is stolen
- B. A direct marketing email is sent with recipients visible in the 'cc' field
- C. Personal data of a group of individuals is erroneously sent to the wrong mailing list
- D. A hacker publishes usernames, phone numbers and purchase history online after a cyber-attack

Answer: B

NEW QUESTION 103

Which of the following best describes proper compliance for an international organization using Binding Corporate Rules (BCRs) as a controller or processor?

- A. Employees must sign an ad hoc contractual agreement each time personal data is exported.
- B. All employees are subject to the rules in their entirety, regardless of where the work is taking place.
- C. All employees must follow the privacy regulations of the jurisdictions where the current scope of their work is established.
- D. Employees who control personal data must complete a rigorous certification procedure, as they are exempt from legal enforcement.

Answer: A

NEW QUESTION 107

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