

# Latest Version: 10.0

## Question: 1

What would be an example of an organization transferring the risks associated with a data breach?

- A. Using a third-party service to process credit card transactions.
- B. Encrypting sensitive personal data during collection and storage
- C. Purchasing insurance to cover the organization in case of a breach.
- D. Applying industry standard data handling practices to the organization' practices.

**Answer: C**

Reference: <http://www.hpsoc.com/Documents/pdfs/newsletters/firm09-rehabv1.pdf>

## Question: 2

Which of the following is considered a client-side IT risk?

- A. Security policies focus solely on internal corporate obligations.
- B. An organization increases the number of applications on its server.
- C. An employee stores his personal information on his company laptop.
- D. IDs used to avoid the use of personal data map to personal data in another database.

**Answer: C**

## Question: 3

### SCENARIO

Carol was a U.S.-based glassmaker who sold her work at art festivals. She kept things simple by only accepting cash and personal checks.

As business grew, Carol couldn't keep up with demand, and traveling to festivals became burdensome. Carol opened a small boutique and hired Sam to run it while she worked in the studio. Sam was a natural salesperson, and business doubled. Carol told Sam, "I don't know what you are doing, but keep doing it!"

But months later, the gift shop was in chaos. Carol realized that Sam needed help so she hired Jane, who had business expertise and could handle the back-office tasks. Sam would continue to focus on sales.

Carol gave Jane a few weeks to get acquainted with the artisan craft business, and then scheduled a meeting for the three of them to discuss Jane's first impressions.

At the meeting, Carol could not wait to hear Jane's thoughts, but she was unprepared for what Jane had to say. "Carol, I know that he doesn't realize it, but some of Sam's efforts to increase sales have put you

in a vulnerable position. You are not protecting customers' personal information like you should." Sam said, "I am protecting our information. I keep it in the safe with our bank deposit. It's only a list of customers' names, addresses and phone numbers that I get from their checks before I deposit them. I contact them when you finish a piece that I think they would like. That's the only information I have! The only other thing I do is post photos and information about your work on the photo sharing site that I use with family and friends. I provide my email address and people send me their information if they want to see more of your work. Posting online really helps sales, Carol. In fact, the only complaint I hear is about having to come into the shop to make a purchase."

Carol replied, "Jane, that doesn't sound so bad. Could you just fix things and help us to post even more online?"

'I can," said Jane. "But it's not quite that simple. I need to set up a new program to make sure that we follow the best practices in data management. And I am concerned for our customers. They should be able to manage how we use their personal information. We also should develop a social media strategy."

Sam and Jane worked hard during the following year. One of the decisions they made was to contract with an outside vendor to manage online sales. At the end of the year, Carol shared some exciting news. "Sam and Jane, you have done such a great job that one of the biggest names in the glass business wants to buy us out! And Jane, they want to talk to you about merging all of our customer and vendor information with theirs beforehand."

What type of principles would be the best guide for Jane's ideas regarding a new data management program?

- A. Collection limitation principles.
- B. Vendor management principles.
- C. Incident preparedness principles.
- D. Fair Information Practice Principles

**Answer: D**

Reference: <https://www.worldprivacyforum.org/2008/01/report-a-brief-introduction-to-fairinformation-practices/>

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Which regulator has jurisdiction over the shop's data management practices?

- A. The Federal Trade Commission.
- B. The Department of Commerce.
- C. The Data Protection Authority.
- D. The Federal Communications Commission.

**Answer: A**

Reference: <https://fas.org/sgp/crs/misc/R45631.pdf>

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When initially collecting personal information from customers, what should Jane be guided by?

- A. Onward transfer rules.
- B. Digital rights management.
- C. Data minimization principles.
- D. Vendor management principles

**Answer: B**