

The Role of the Privacy Officer

- Roles of the CPO
- The CPO's Top 10 Challenges
- 10 Action Items for the Privacy Officer
- 10 Time-Saving/Cost-Saving Suggestions
- Cost of a Privacy Blowout

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*"He that prieth into every cloud...
may be struck with a thunderbolt."*

- English proverb

Privacy Officer Has Internal/External Roles

- Internal Role

- Company-wide Strategy
- Business Development
- Product Development & Implementation
- Operations
- Security & Fraud
- Corporate Culture
- Facilitator:
 - with senior management support, forge long-term cross-disciplinary privacy model
 - problem solve for team members
 - assure cross disciplinary training

- External Role

- Industry Relations
- Government Relations
- Media and PR
- Privacy Community
- Consumer Relations

The Privacy Officer's Top Ten Challenges

1. Data = corporate “family jewels,” but value = use
2. Contractual protections helpful, but not enough
 - breach, leakage
3. Security threats: hackers & the marketing dept.
4. New products/services requiring review of data policies
5. New partnerships/alliances requiring coordination of policies
6. Data “bumps” (combining databases, augmenting data)
7. M&A issues (merging differing policies), Bankruptcy
8. Monitoring for compliance in fast-moving organizations
9. Consumer fears are as high as ever, media enjoys feeding fear
10. Legislators/regulators eager to turn that fear to their advantage

10 Privacy Officer Action Items

- Three areas:
 - “Know what you do.”
 - “Say what you do.”
 - “Do what you say.”



“Know what you do.”

1. Assess your data gathering practices
 - Database Administrator is your friend
 - Division level, department level databases?
 - Business development deals? Marketing plans? (“data bump”)
2. Understand your level of “permission”
 - “Legacy” databases and past practices
 - Past performance v. future expectations
3. Assess your defensive measures against outsiders
 - Network security audits (e.g., TruSecure)
4. Assess your defensive measures against insiders
 - Consider centralized policies if not centralized control
 - Access restrictions

“Say what you do.”

(a/k/a Drafting/Revising your Privacy Policy)

5. Clearly disclose all relevant practices

- Notice, choice, access, security, redress

6. Plan for changes in practices that are consistent with today’s policy

- Balancing “weasel wording” with true flexibility

7. If you diverge from today’s policy, *make the changes loud and clear, and move on!*

- State your case plainly, proudly, and let consumers make their choices

“Do what you say.”

8. Get a Chief Privacy Officer and build a privacy team

- designate point person in departments
 - Business Development
 - Product Management/Development
 - Operations
- designate point person for major issues
 - Compliance (regulatory & industry)
 - Legal and Regulatory

9. Implement ongoing security and data audits

10. Integrate privacy into your corporate message

- Internally (education)
- Externally (consumer message, industry, regulators)

10 Time-saving/Cost-saving Steps

1. Invest in a good data audit (self or 3rd party).
 - Identifies current practices, uncovers flaws, sets baseline.
2. Invest in a good security audit.
 - Cheaper before trouble occurs v. after trouble occurs
3. Once practices are assessed and problem areas resolved, get certified.* (e.g., TRUSTe, BBBOnline).
 - * know the limitations of certification programs
4. Keep an eye on the political/regulatory scene: AIM, DMA, ITAA, OPA, HHS, FDA, etc.
 - Easiest way to stay ahead of the curve, alerted to data practices that are in media, privacy advocate cross-hairs.
5. No team? Recruit “clueful” staff.

10 Time-saving/Cost-saving Steps

6. Build privacy policies & audit rights into agreements
 - Partners are a weak link; privacy problems spread
7. Don't be shy about bringing in help.
 - Think of auditors, consultants as insurance.
 - When in Rome... get local counsel!
 - Recruit company executives (internal or external) for “Privacy Board” to share responsibility, blame.
8. Plan for disaster.
9. Participate in the legislative process.
 - Prevention is cheaper than cure (ask kids sites).
 - Do us all a favor: if you have a good story, tell it!
10. Join the IAPO: We're all in this together.

Cost of “A Privacy Blowout”

Small.com, Inc.			BigCompany, Inc.		
Action	Time (hours)	Cost	Action	Time (hours)	Cost
• CEO/president time	86	\$7,100	• CEO/president time	48	\$8,100
• Management time	95	\$5,544	• Management time	620	\$38,889
• PR meetings and calls	40	\$1,067	• PR meetings and calls	800	\$21,333
• Management press calls	26	\$1,778	• Management press calls	76	\$5,456
• Management review of privacy practices	15	\$833	• Management review of privacy practices	250	\$13,889
• Customer service calls and emails	88	\$1,944	• Customer service calls and emails	18,750	\$416,667
• Employee communications and training	1	\$1,333	• Employee communications and training	18,770	\$335,889
• External consultants		\$22,500	• External consultants		\$181,250
• Travel		\$2,000	• Travel		\$16,500
Grand total		\$44,099	Grand total		\$1,037,973