

CHAPTER 2: ETHICS FOR IT WORKERS AND IT USERS

True/False

1. The United States has adopted labor laws and regulations that require a more precise definition of what is meant by a professional employee.
 - a. True
 - b. False

ANSWER: True

2. When the Business Software Alliance (BSA) finds cases of software piracy, it can assess heavy monetary penalties.
 - a. True
 - b. False

ANSWER: True

3. The Business Software Alliance (BSA) has a few dozen lawyers and investigators who prosecute only the 100 or so most egregious cases of software piracy each year.
 - a. True
 - b. False

ANSWER: False

4. There is a potential conflict of interest when IT consultants or auditors recommend their own products and services or those of an affiliated vendor to remedy a problem they have detected.
 - a. True
 - b. False

ANSWER: True

5. The Foreign Corrupt Practices Act is a legally binding global treaty to fight bribery and corruption.
 - a. True
 - b. False

ANSWER: False

6. The United Nations Convention Against Corruption makes it a crime to bribe a foreign official, a foreign political party official, or a candidate for foreign political office.
 - a. True
 - b. False

ANSWER: False

7. A bribe is a crime even if the payment was lawful under the laws of the foreign country in which it was paid.
 - a. True
 - b. False

ANSWER: False

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8. When it comes to distinguishing between bribes and gifts, the perceptions of the donor and recipient almost always coincide.
- True
 - False

ANSWER: False

9. To qualify legally as a bribe, the gift or payment must be made directly from donor to recipient.
- True
 - False

ANSWER: False

10. Gifts come with no expectation of a future favor for the donor.
- True
 - False

ANSWER: True

11. Currently no one IT professional organization has emerged as preeminent, so there is no universal code of ethics for IT workers.
- True
 - False

ANSWER: True

12. Laws provide a complete guide to ethical behavior.
- True
 - False

ANSWER: False

13. Certification indicates that a professional possesses a particular set of skills, knowledge, or abilities, in the opinion of the certifying organization.
- True
 - False

ANSWER: True

14. Vendor certifications require passing a written exam, which usually contains multiple-choice questions because of legal concerns about whether other types of exams can be graded objectively.
- True
 - False

ANSWER: True

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15. Government licensing is generally administered at the federal level in the United States.

- a. True
- b. False

ANSWER: False

16. There are many industry association certifications in a variety of IT-related subject areas.

- a. True
- b. False

ANSWER: True

17. The core body of knowledge for any profession outlines an agreed-upon code of ethics and practices for those who practice in that profession.

- a. True
- b. False

ANSWER: False

18. Government licensing of IT workers is common within most of the states of the United States.

- a. True
- b. False

ANSWER: False

19. From a legal perspective, there is both a reasonable person standard and a reasonable professional standard to decide whether parties owe a duty of care.

- a. True
- b. False

ANSWER: True

20. A breach of the duty of care is defined as a failure to conform to the code of ethics of a professional organization.

- a. True
- b. False

ANSWER: False

21. While no policy can stop wrongdoers, it can establish boundaries for acceptable and unacceptable behavior and enable management to punish violators.

- a. True
- b. False

ANSWER: True

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22. Compliance means to be in conformance with a profession's core body of knowledge.
- True
 - False

ANSWER: False

23. The internal audit department includes members of the board of directors who determine that the internal systems and controls of the organization are adequate and effective.
- True
 - False

ANSWER: False

24. Members of the internal audit team must be expert in detecting and investigating financial statement fraud.
- True
 - False

ANSWER: False

25. Professionals require advanced training and experience, must exercise discretion and judgment in the course of their work, and their work cannot be standardized.
- True
 - False

ANSWER: True

Multiple Choice

26. From a legal perspective, IT workers are not recognized as professionals because they are not _____ by the state or federal government.
- licensed
 - sponsored
 - associated
 - graded

ANSWER: a

27. In malpractice lawsuits, many courts have ruled that IT workers are not liable for malpractice because they _____.
- do not belong to a professional organization
 - fail to breach a duty of care
 - do not meet the legal definition of a professional
 - are not certified

ANSWER: c

28. The _____ is a trade group that represents the world's largest software and hardware manufacturers.
- Business Software Association (BSA)
 - Business Software Alliance (BSA)
 - International Business Software (IBS)
 - International Software Association (ISA)

ANSWER: b

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29. To prove fraud in a court of law, prosecutors must demonstrate that:
- a. the wrongdoer made a false representation of material fact.
 - b. the wrongdoer did not intend to deceive the innocent party.
 - c. the innocent party never relied on the misrepresentation.
 - d. the innocent party was not injured.

ANSWER: a

30. _____ is an effort by an employee to attract attention to an negligent, illegal, unethical, abusive, or dangerous act by a company that threatens the public interest.
- a. Professional malpractice
 - b. Conflict of interest
 - c. Whistle-blowing
 - d. Business intelligence

ANSWER: c

31. _____ is the crime of obtaining goods, services, or property through deception or trickery.
- a. Conflict of interest
 - b. Breach of contract
 - c. Fraud
 - d. Misrepresentation

ANSWER: c

32. Penalties for violating the Foreign Corrupt Practices Act (FCPA) are severe—corporations face a fine of up to _____ per violation.
- a. \$100,000
 - b. \$500,000
 - c. \$2 million
 - d. \$5 million

ANSWER: c

33. The Foreign Corrupt Practices Act (FCPA) makes it a crime to _____.
- a. pay an official to perform some official function faster
 - b. make lawful payments to a foreign official
 - c. make facilitating payments
 - d. bribe a foreign official

ANSWER: d

34. The _____ permits facilitating payments that are made for “routine government actions,” such as obtaining permits or licenses.
- a. BSA
 - b. FCPA
 - c. Nations Convention Against Corruption
 - d. Sarbanes-Oxley Act

ANSWER: b

35. The term _____ distinguishes the person who uses a hardware or software product from the IT workers who develop, install, service, and support the product.
- a. IT professional
 - b. shareholder
 - c. IT user
 - d. stakeholder

ANSWER: c

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36. A _____ states the principles and core values that are essential to the work of a particular occupational group.
- a. work statement
 - b. mission statement
 - c. manual of style
 - d. professional code of ethics

ANSWER: d

37. The _____ is a computing society founded in 1947 with more than 97,000 student and professional members in more than 100 countries, and it publishes over 50 journals and 30 newsletters.
- a. Institute of Electrical and Electronic Engineers Computer Society
 - b. Business Software Alliance
 - c. Association for Computing Machinery
 - d. Association of Information Technology Professionals

ANSWER: c

38. Which of the following is true about certification?
- a. It guarantees the performance of an individual.
 - b. It can be applied to products.
 - c. It is the same as licensing.
 - d. It is a mandatory requirement by the law.

ANSWER: b

39. _____ refers to the obligation to protect people against any unreasonable harm or risk.
- a. Negligence
 - b. Professional malpractice
 - c. Reasonable professional standard
 - d. Duty of care

ANSWER: d

40. A(n) _____ is the failure to act as a reasonable person would act.
- a. professional malpractice
 - b. duty of care
 - c. unreasonable professional standard
 - d. breach of the duty of care

ANSWER: d

41. _____ in a corporation setting can sometimes be directly traceable to IT users—they might allow it to happen or they might actively engage in it.
- a. Professional malpractice
 - b. Breach of the duty of care
 - c. Negligence
 - d. Software piracy

ANSWER: d

42. A _____ is a hardware or software device that serves as a barrier between a company and the outside world and limits access to the company's network based on the organization's Internet usage policy.
- a. router
 - b. hub
 - c. bridge
 - d. firewall

ANSWER: d

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43. A vendor certification _____.
- a. has no effect on an IT worker's salary and career prospects
 - b. usually does not require the purchase of expensive training material and course instruction
 - c. may focus too narrowly on the technical details of the vendor's technology
 - d. requires vendors to pass lengthy essay exams

ANSWER: c

44. Which of the following statements is true about licensing of IT workers?
- a. Licensing assures and ensures the competency of individual workers.
 - b. The United States holds a large number of international licensing programs for IT workers.
 - c. There is no single administrative body to accredit professional education programs for IT.
 - d. At present, there are several universally accepted standards for licensing IT workers.

ANSWER: c

45. Professionals' liability for injuries caused by their negligence is referred to as _____.
- a. misrepresentation
 - b. professional malpractice
 - c. negligence
 - d. duty of care

ANSWER: b

46. The posting of thousands of State Department documents on the Wikileaks Website is an example of _____.
- a. inappropriate sharing of information
 - b. breach of duty of care
 - c. inappropriate use of computing resources
 - d. negligence

ANSWER: a

47. In the legal system, compliance usually refers to behavior that is in accordance with _____.
- a. personal beliefs
 - b. morality
 - c. legislation
 - d. ethical codes

ANSWER: c

48. In 1972, the _____ recommended that publicly held organizations establish audit committees.
- a. SysAdmin, Audit, Network, Security (SANS) Institute
 - b. Association of Information Technology Professionals (AITP)
 - c. Securities and Exchange Commission (SEC)
 - d. National Council of Examiners for Engineering and Surveying (NCEES)

ANSWER: c

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49. The goal of the standards set by the Foreign Corrupt Practices Act (FCPA) is to prevent companies from:

- a. creating relationships between IT workers and suppliers.
- b. making facilitating payments for obtaining permits or licenses.
- c. using slush funds or other means to disguise payments to officials.
- d. providing misrepresentations of a material fact.

ANSWER: c

50. A survey by the Fawcett Society on the use of computing resources at work found that _____.

- a. 20 percent of men admit to viewing porn while at work
- b. over 50 percent of mobile workers view porn from their Web-enabled phones
- c. 31 percent of computer users engage in software piracy
- d. nearly 75 percent of office workers spend 2 hours or more a week on Facebook while at work

ANSWER: a

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Completion

51. A(n) _____ is a calling that requires specialized knowledge and often long and intensive academic preparation.

ANSWER: profession

52. _____ is the misstatement or incomplete statement of a material fact.

ANSWER: Misrepresentation

53. The _____ is a trade group that is funded through dues based on member companies' software revenues and through settlements from companies that commit software piracy.

ANSWER: Business Software Alliance (BSA)

54. A(n) _____ is information used in a business, generally unknown to the public, that the company has taken strong measures to keep confidential.

ANSWER: trade secret

55. A(n) _____ occurs when a party fails to perform certain express or implied obligations, which impairs or destroys the essence of the contract.

ANSWER: material breach of contract

56. _____ involves providing money, property, or favor to someone in business or government to obtain a business advantage.

ANSWER: Bribery

57. One of the most common ethical problems for members of the IT profession is _____, which involves lying on a resume and claiming competence in an IT skill that is in high demand.

ANSWER: resume inflation

58. Adherence to a professional _____ means that practitioners use a common set of core values and beliefs to serve as a guideline for ethical decision making.

ANSWER: code of ethics

59. Certifications from _____ generally require a certain level of experience and a broader perspective than vendor certifications.

ANSWER: industry associations

60. Defendants who have particular expertise or competence are measured against a reasonable _____.

ANSWER: professional standard

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61. The core _____ for any profession outlines agreed-upon sets of skills and abilities that all licensed professionals must possess.

ANSWER: body of knowledge

62. _____ has been defined as not doing something that a reasonable person would do, or doing something that a reasonable person would not do.

ANSWER: Negligence

63. In the United States, a(n) _____ gives permission to engage in an activity or operate a business.

ANSWER: government license

64. The courts decide whether parties owe a duty of care by applying a(n) _____ standard to evaluate how an objective, careful, and conscientious person would have acted in the same circumstance.

ANSWER: reasonable person

65. A breach of the _____ is the failure to act as a reasonable person would act.

ANSWER: duty of care

66. _____ means to be in accordance with established policies, guidelines, specifications, or legislation.

ANSWER: Compliance

67. Many organizations have created a new position, the _____, to deal with demonstrating compliance to multiple government and industry regulations.

ANSWER: chief compliance officer

68. The _____ of a board of directors provides assistance to the board in fulfilling its responsibilities with respect to the oversight of the quality and integrity of the organization's accounting and reporting practices and controls, including financial statements and reports.

ANSWER: audit committee

69. Most organizations have a(n) _____ department whose primary responsibilities include determining that internal systems and controls are adequate and effective.

ANSWER: internal audit

70. The business transactions of an organization must be recorded in accordance with GAAP which stands for _____.

ANSWER: generally accepted accounting principles

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Essay

71. Discuss the issue of whistle-blowing in the IT context.

ANSWER: An issue that can create friction between employers and IT professionals is whistle-blowing. Whistle-blowing is an effort by an employee to attract attention to an negligent, illegal, unethical, abusive, or dangerous act by a company that threatens the public interest. Whistle-blowers often have special information based on their expertise or position within the offending organization. For example, an employee of a chip manufacturing company may know that the chemical process used to make the chips is dangerous to employees and the general public. A conscientious employee would call the problem to management's attention and try to correct it by working with appropriate resources within the company. But what if the employee's attempt to correct the problem through internal channels was thwarted or ignored? The employee could then consider becoming a whistle-blower and reporting the problem to people outside the company, including state or federal agencies that have jurisdiction. Obviously, such actions could have negative consequences on the employee's job, and could even result in retaliation and firing.

72. List reasons for there being few international or national licensing programs for IT professionals.

ANSWER: There are few international or national licensing programs for IT professionals, for many reasons:

- There is no universally accepted core body of knowledge
- It is unclear who should manage the content and administration of licensing exams
- There is no administrative body to accredit professional education programs
- There is no administrative body to assess and ensure competence of individual professionals

73. What is a professional code of ethics?

ANSWER:

A professional code of ethics states the principles and core values that are essential to the work of a particular occupational group. Practitioners in many professions subscribe to a code of ethics that governs their behavior. For example, doctors adhere to varying versions of the 2000-year-old Hippocratic oath, which medical schools offer as an affirmation to their graduating classes. Most codes of ethics created by professional organizations have two main parts: The first outlines what the professional organization aspires to become, and the second typically lists rules and principles by which members of the organization are expected to abide. Many codes also include a commitment to continuing education for those who practice the profession.

74. Define the term conflict of interest and provide an IT-related example of this.

ANSWER:

A conflict of interest is a situation where there is a conflict between the IT worker's (or IT firm's) self-interest and the interest of clients. For example, an IT consulting firm might be hired to assess a firm's IT strategic plan. After a few weeks of analysis, the consulting firm might provide a poor rating for the existing strategy and insist that its proprietary products and services are required to develop a new strategic plan. Such findings would raise questions about the vendor's objectivity and whether its recommendations can be trusted.

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75. Clarify the difference between an organization's audit committee and its internal audit department.

ANSWER:

The audit committee of a board of directors provides assistance to the board in fulfilling its responsibilities with respect to the oversight of the following areas of activity:

- The quality and integrity of the organization's accounting and reporting practices and controls, including the financial statements and reports
- The organization's compliance with legal and regulatory requirements
- The qualifications, independence, and performance of the company's independent auditor (a certified public accountant who provides a company with an accountant's opinion but who is not otherwise associated with the company)
- The performance of the company's internal audit team

In addition to an audit committee, most organizations also have an internal audit department whose primary responsibilities are to

- Determine that internal systems and controls are adequate and effective
- Verify the existence of company assets and maintain proper safeguards over their protection
- Measure the organization's compliance with its own policies and procedures
- Insure that institutional policies and procedures, appropriate laws, and good practices are followed
- Evaluate the adequacy and reliability of information available for management decision making

Although the members of the internal audit team are not typically experts in detecting and investigating financial statement fraud, they can offer advice on how to develop and test policies and procedures that result in transactions being recorded in accordance with generally accepted accounting principles (GAAP).