



Delete Request & Opt-out Platform (DROP) Audit Rulemaking Recommendations

California Privacy Protection Agency

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AGENDA

- I. Background on DROP Audits**
- II. Preliminary Rulemaking Activities**
- III. Staff Recommendations for Board Consideration**

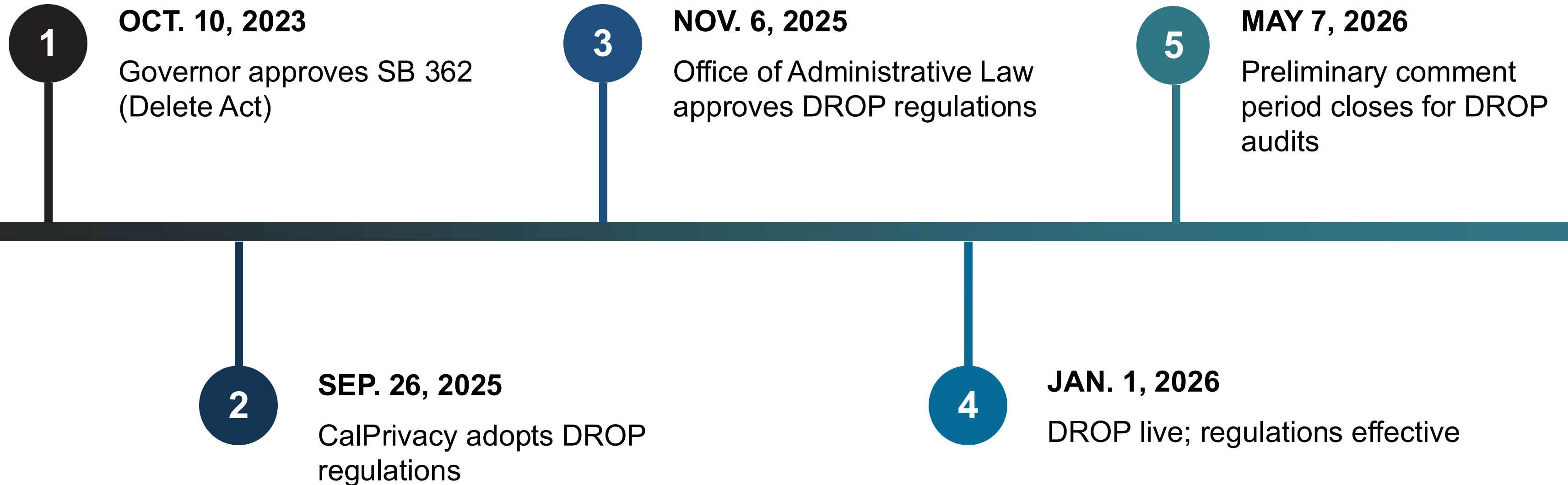
On DROP Audits

PURPOSE OF DROP AUDITS

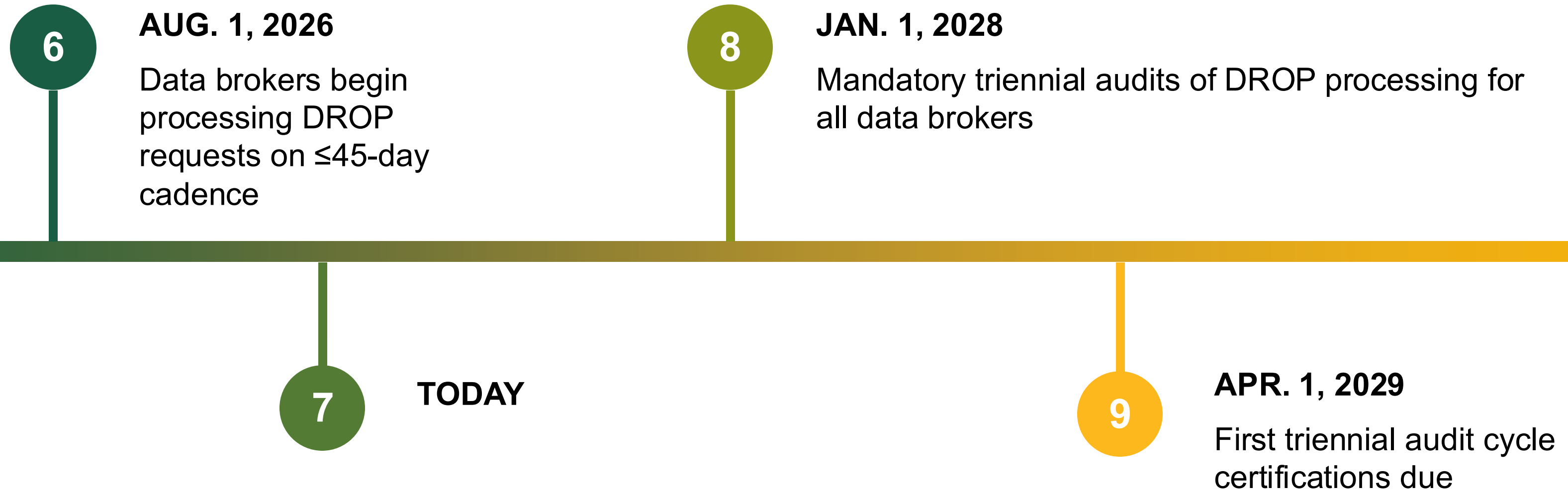
Beginning January 1, 2028, and every three years thereafter, a data broker shall undergo an audit by an independent third party to determine compliance with this section.

Cal. Civ. Code § 1798.99.86(e)(1)

HISTORY OF DROP AUDITS



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DROP Audits

Preliminary Rulemaking

PRELIMINARY RULEMAKING ACTIVITIES OVERVIEW

Background Research

Staff:

- conducted comparative research
- consulted academics
- engaged other agencies

Preliminary Public Engagement

Preliminary comment topics:

- Auditor qualifications
- Audit evidence
- AI/agent systems
- Identifiers
- Suppression lists

PRELIMINARY PUBLIC COMMENT – VOLUME, STAKEHOLDER TYPES & THEMES

Total Comments Received

- 12 (77 pages)

Stakeholder Types

- Adtech/data brokers
- Trades
- Nonprofits
- Auditors
- Small businesses

Themes & Recommendations Raised

- Auditor qualifications & independence
- Evidence over assertions
- Confidentiality
- Identifiers/match rates
- Backups/downstream deletion
- Phasing/remediation
- Scope discipline

Staff Recommendations Overview

STAFF RECOMMENDATIONS

- 1) TIMING & FREQUENCY**
- 2) AUDITOR QUALIFICATIONS & INDEPENDENCE
- 3) SCOPE & EVIDENCE STANDARD
- 4) COMPONENT COVERAGE
- 5) REPORT, CERTIFICATION & RETENTION

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STAFF RECOMMENDATIONS

Nine Elements of Compliance

- 1) Deletion list selection
- 2) DROP access
- 3) Standardization
- 4) Hashing
- 5) Matching
- 6) Actioning
- 7) Status reporting
- 8) Suppression list
- 9) Service providers/contractors

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CONFORMING UPDATES TO GENERAL DROP REGULATIONS

- Updates to DROP account & registration accuracy requirements
- Operational refinements to reflect real system-use patterns
- Clarified procedures for maintaining complete & timely broker information
- Addition of definitions to improve clarity across regulations

Questions from the Board

