



Vendor: IAPP

Exam Code: CIPM

Exam Name: Certified Information Privacy Manager (CIPM)

Version: DEMO

QUESTION 1

As a Data Protection Officer (DPO), one of your roles entails monitoring changes in laws and regulations and updating policies accordingly.

How would you most effectively execute this responsibility?

- A. Consult an external lawyer.
- B. Regularly engage regulators.
- C. Attend workshops and interact with other professionals.
- D. Subscribe to email list-serves that report on regulatory changes.

Answer: D

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 the most effective control to enforce MessageSafe's implementation of appropriate technical countermeasures to protect the personal data received from A&M LLP?

- A. MessageSafe must apply due diligence before trusting Cloud Inc. with the personal data received from A&M LLP.
- B. MessageSafe must flow-down its data protection contract terms with A&M LLP to Cloud Inc.
- C. MessageSafe must apply appropriate security controls on the cloud infrastructure.
- D. MessageSafe must notify A&M LLP of a data breach.

Answer: D

QUESTION 3

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Which of the following is a TRUE statement about the relationship among the organizations?

- A. Cloud Inc. must notify A&M LLP of a data breach immediately.
- B. MessageSafe is liable if Cloud Inc. fails to protect data from A&M LLP.
- C. Cloud Inc. should enter into a data processor agreement with A&M LLP.
- D. A&M LLP's service contract must be amended to list Cloud Inc. as a sub-processor.

Answer: A

QUESTION 4 **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.

As Richard begins to research more about Data Lifecycle Management (DLM), he discovers that the law office can lower the risk of a data breach by doing what?

- A. Prioritizing the data by order of importance.
- B. Minimizing the time it takes to retrieve the sensitive data.
- C. Reducing the volume and the type of data that is stored in its system.
- D. Increasing the number of experienced staff to code and categorize the incoming data.

Answer: C

QUESTION 5

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Which of the following policy statements needs additional instructions in order to further protect the personal data of their clients?

- A. All faxes sent from the office must be documented and the phone number used must be double checked to ensure a safe arrival.
- B. All unused copies, prints, and faxes must be discarded in a designated recycling bin located near the work station and emptied daily.
- C. Before any copiers, printers, or fax machines are replaced or resold, the hard drives of these devices must be deleted before leaving the office.
- D. When sending a print job containing personal data, the user must not leave the information visible on the computer screen following the print command and must retrieve the printed document immediately.

Answer: D

QUESTION 6

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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

QUESTION 7

What should be the first major goal of a company developing a new privacy program?

- A. To survey potential funding sources for privacy team resources.
- B. To schedule conversations with executives of affected departments.
- C. To identify potential third-party processors of the organization's information.
- D. To create Data Lifecycle Management policies and procedures to limit data collection.

Answer: D

QUESTION 8

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

QUESTION 9

What should a privacy professional keep in mind when selecting which metrics to collect?

- A. Metrics should be reported to the public.
- B. The number of metrics should be limited at first.
- C. Metrics should reveal strategies for increasing company earnings.
- D. A variety of metrics should be collected before determining their specific functions.

Answer: A

QUESTION 10

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

QUESTION 11

SCENARIO

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What is the most likely reason the Chief Information Officer (CIO) believes that generating a list of needed IT equipment is NOT adequate?

- A. The company needs to have policies and procedures in place to guide the purchasing decisions.
- B. The privacy notice for customers and the Business Continuity Plan (BCP) still need to be reviewed.
- C. Staff members across departments need time to review technical information concerning any new databases.
- D. Senior staff members need to first commit to adopting a minimum number of Privacy Enhancing Technologies (PETs).

Answer: A

QUESTION 12

SCENARIO

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If Amira and Sadie's ideas about adherence to the company's privacy policy go unchecked, the Federal Communications Commission (FCC) could potentially take action against NatGen for what?

- A. Deceptive practices.
- B. Failing to institute the hotline.
- C. Failure to notify of processing.
- D. Negligence in consistent training.

Answer: A

QUESTION 13

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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

QUESTION 14

If an organization maintains a separate ethics office, to whom would its officer typically report to in order to retain the greatest degree of independence?

- A. The Board of Directors.
- B. The Chief Financial Officer (CFO).
- C. The Human Resources (HR) Director.
- D. The organization's General Counsel.

Answer: A

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