

INVESTIGATIONS REVISION

1. Beta, a Certified Fraud Examiner, is conducting a routine interview of someone who does not know him. In such situations, it is usually best for Beta to omit his title when introducing himself.
 A. True
 B. False
2. Which of the following statements concerning court records is most accurate?
A. There are multiple databases that contain a comprehensive database of court documents from all court cases in every country ✓
B. In most countries, court records are not public records and require judicial authorization to access ✗
C. When searching for records for a particular court case, a fraud examiner need only to search the central/federal court records as they serve as a repository for all cases heard at all court levels ✗
 D. In most countries, reliable court records are best obtained from the court in which the case was heard or filed
3. Which of the following is the facilitator of communication that refers to an individual's need to identify with a higher value beyond immediate self-interest?
A. Extrinsic rewards ✓
B. Catharsis
 C. Altruism
D. None of the above ✗
4. Which of the following is a method of tracing illicit funds in which deposits to financial institutions are compared to legitimate income?
 A. Income correlation method
B. Asset method
 C. Bank deposit analysis method
D. Installment transaction analysis method
5. Prior to conducting an interview, an investigator should prepare a thorough list of questions to ensure that the interview is well structured and that no predetermined lines of inquiry are forgotten.
A. True
 B. False
6. When people engage in conversations, including interviews, they respond automatically with expressions that have little real meaning, such as "Good morning" and "How are you today?" These kinds of expressions are called:
A. Therapeutic
 B. Ritualistic
C. Expressionistic

- D. None of the above
7. When a fraud examiner prepares a memorandum reflecting the information furnished by a confidential source, how should the fraud examiner identify the source?
- A. The fraud examiner should not write confidential source information in a memorandum
 - B. The fraud examiner should identify the source by his or her full name
 - C. The fraud examiner should identify the source using his or her initials ✗
 - D. The fraud examiner should use symbols to denote the source's identity ✗
8. When a forensic investigator is seizing a running computer for examination, he can retrieve data from the computer directly via its normal interface if the evidence needed exists only in the form of volatile data.
- A. True
 - B. False
9. When circumstantial evidence is offered to prove that a subject has more income available than can be accounted for from legitimate sources, the subject often responds with which of the following defences?
- A. The subject incurred substantial debts
 - B. The subject's excess funds were
 - C. The subject's excess funds were received as gifts
 - D. The subject has no taxable income
10. Before removing a computer system from a scene for further analysis, it is important to document the system's setup with photographs or diagrams.
- A. True
 - B. False
11. The intelligence level of an interview subject rarely has an effect on an investigator's ability to accurately discern behavioural clues during an interview.
- A. True
 - B. False
12. Suppose you need to prove a suspect's illicit income circumstantially. Which of the following methods of tracing assets would yield the best result when the suspect is using his illicit funds to accumulate wealth and acquire assets, thus causing his net worth to increase?
- A. The asset method
 - B. The expenditures method ✓
 - C. The bank deposit method ✗
 - D. The income correlation method ✓
13. Simone, a manager at a major company, is suspected of financial statement fraud. During an admission-seeking interview with Simone, the investigator states: "A lot of employees count on the company doing well. I know you only did this to help the company succeed. Isn't that right?" This technique is known as:
- A. Depersonalizing the victim.
 - B. Altruism ✗
 - C. Genuine need ✗
 - D. Extrinsic rewards ✗

14. Which of the following should be done to prepare an organisation for a formal fraud investigation?
- A. Prepare the managers of the employees who will be involved in the investigation
 - B. Notify the organisation's legal counsel when the investigation is about to commence
 - C. Notify key decision maker's that the investigation is about to begin
 - ~~D. All of the above~~
15. To preserve the confidentiality of a fraud investigation, management should always implement a blanket policy prohibiting employees from discussing anything related to employee investigations.
- A. True
 - ~~B. False~~
16. Which of the following is a limitation of conducting a public database search online?
- A. Information from online databases must be checked for accuracy and timeliness
 - B. Online public records searches are limited in the area they cover, often requiring fraud examiners to search multiple jurisdictions
 - C. Online coverage of public records varies widely from jurisdiction to jurisdiction
 - ~~D. All of the above~~
17. Black, a Certified Fraud Examiner, is conducting an admission-seeking interview of Red, a fraud suspect. Black asks Red: "Did you do this because you were mad, or was there a reason you did this?" Red replies: "I had a reason." Which of the following is the most appropriate response for Black to make?
- A. "It couldn't have been a very good reason" ✗
 - B. "Everyone says that" ✗
 - C. "I don't believe you" ✗
 - ~~D. "I'm glad you had a good reason to do this"~~
18. Playing with a pencil while talking is an example of a displacement behaviour for reducing nervousness that a subject might exhibit during an interview.
- ~~A. True~~
 - B. False
19. Acme Services, a brand-new business, has just been registered as a corporation in a particular country. Acme's management wants to expand business outside of the country. Which of the following is most accurate?
- A. Being incorporated in one country allows Acme to conduct business in most countries ✗
 - B. Acme can only be incorporated in one jurisdiction ✗
 - ~~C. Acme must register as a business entity in foreign jurisdiction in which it wishes to conduct business~~
 - ~~D. Acme may now conduct business anywhere in the world~~
20. Which of the following statements is TRUE regarding data mining?
- A. Data mining is an effective way for fraud examiners to develop fraud targets for further investigation
 - B. Data mining is the science of searching large volumes of data for patterns
 - C. Data mining can be used to streamline raw data into understandable patterns
 - ~~D. All of the above~~

21. Which of the following is a measure that can be taken to avoid tipping off perpetrators who are under investigation?
- A. Only inform those who need to know ✓
 - B. Investigate during off hours ✓
 - C. Know what information the suspect can access ✓
 - D. All of the above ✓
22. Which of the following is a data analysis tool that is effective in identifying indirect relationships and relationships with several degrees of separation?
- A. Link analysis ✓
 - B. Tree maps ✗
 - C. Word maps ✗
 - D. Geospatial analysis ✗
23. If the accused becomes withdrawn after his alibis have been diffused, the interviewer's best course of action is to remain silent until the accused makes a confession.
- A. True ✓
 - B. False ✗
24. Which type of question is used to establish the respondent's credibility?
- A. Assessment ✗
 - B. Leading ✗
 - C. Closed ✗
 - D. Open ✓
25. Which of the following is the most appropriate example of an alternative question?
- A. "How else might this situation be explained?"
 - B. "Will you repay the money now or later?"
 - C. "Did you, or did you not, commit this crime?"
 - D. "Did you deliberately plan this, or did it just happen?" ✓
26. When reporting the results of fraud examination matters, the Certified Fraud Examiner (if qualified as an expert on such matters) may issue an opinion on which of the following?
- A. Whether the entity's financial statements conform to generally accepted accounting principles ✓
 - B. The adequacy of the entity's internal controls ✓
 - C. The effectiveness of the entity's operations ✓
 - D. All of the above ✓
27. A fraud examiner in an organised crime investigation believes a particular commercial restaurant is being used as a place of operation for the suspects. Which of the following types of records would be the LEAST likely to help the fraud examiner discover who owns the building?
- A. Building permit records ✓
 - B. Fire department records ✓
 - C. Voter registration records ✓
 - D. Health department records ✓
28. Why do fraud examiners perform textual analytics?
- A. To uncover warning signs of rogue employee behavior

- ~~B.~~ To reveal patterns, sentiments, and relationships indicative of fraud
C. To gauge the pressures/ incentives, opportunities and rationalizations to commit fraud
~~D.~~ All of the above
29. Able, a fraud examiner, is investigating a suspected embezzlement by one of XYZ Corporation's employees. As part of the investigation, he is assembling a financial profile of the suspect. Among other things, he wants to see if the suspect has made any significant real estate purchases since the embezzlement scheme began. Information on real estate transactions such as deeds, grants, transfers, and mortgages is usually located:
- ~~A.~~ With the jurisdiction's land registry office
B. With the local court clerk or judicial records agency
C. With the jurisdiction's organizational filing agency
D. With the jurisdiction's commercial filing registrar
30. The fraud examiner should document the details of an interview within a month of the interview date.
- ~~A.~~ True
~~B.~~ False
31. During the analysis phase in digital forensic investigations, the fraud examiner's primary concern is to protect the collected information from seizure.
- A. True
~~B.~~ False
32. During the introductory phase of the interview, the interviewer should avoid terms such as:
- ~~A.~~ Investigation
B. Review
C. Inquiry
D. All of the above
33. Harold, a fraud examiner, collects a computer hard drive as potential evidence in an investigation. He creates a memorandum to record the chain of custody and documents what item was received, when it was received, and from whom it was received. To meet the minimum standard for a chain of custody memorandum, what else would Harold need to include?
- A. An explanation of why the item was collected
B. The value of the non-cash item received
~~C.~~ Where the item is maintained
D. The name of the judge who signed the seizure order, if applicable
34. Which of the following documents is typically included with the account-opening documents for a corporation's business account?
- A. A signature card
B. Copies of corporate resolutions of the board of directors naming the person who may authorize payments on the account
C. Copies of corporate resolutions of the board of directors authorizing the opening of the account

- ~~D.~~ All of the above
35. Each fraud examination should begin with the proposition that the case will end in litigation.
- ~~A.~~ True
~~B.~~ False
36. Jeff, an employee at a retail store, is accused of skimming money from the register. During an admission-seeking interview with Jeff, the investigator states: "This is a huge corporation with more than a hundred stores, so it's not like a few dollars here and there is going to affect anyone personally. Is that how you saw it?" This technique is known as:
- A. Unfair treatment ✗
B. Extrinsic rewards ✗
C. Genuine need ✗
~~D.~~ Depersonalizing the victim
37. Which of the following is a valid legal defence to allegations of entrapment against a fraud examiner who is a federal law enforcement officer?
- A. The suspect made exculpatory statements .
B. The fraud examiner had suspicion of foul play .
~~C.~~ The fraud examiner acted with adequate predication .
~~D.~~ There is proof of the suspect's modus operandi .
38. Which of the following types of records is/are commonly available from local governments?
- A. Building inspector records
B. Health and fire department records
C. Utility company records
~~D.~~ All of the above
39. Finn, a Certified Fraud Examiner, is conducting an admission-seeking interview of Vince, a fraud suspect. Finn's theme for establishing rationalisation for Vince's fraud was that Vince was unfairly treated at work. But Vince doesn't seem to accept this theme. What should Finn do?
- A. Continue to repeat the theme
~~B.~~ Select another theme
C. Terminate the interview
D. None of the above
40. Which of the following refers to the inhibitor to communication in which the respondent confuses the order or timeline of experiences?
- ~~A.~~ Inferential confusion .
B. Unconscious confusion ✗
~~C.~~ Chronological confusion ✓
D. None of the above
41. Which of the following best describes the image acquisition process used in examinations involving digital evidence?
- A. Taking photos of the digital equipment's physical layout and connections
B. Analyzing the system data in order to identify evidence
~~C.~~ Creating an exact duplicate of the data on original storage media

- ~~D.~~ Acquiring the digital evidence from the suspect
42. A fraud examiner is preparing his full case report at the conclusion of a fraud investigation. When including information regarding the interviews conducted during the examination, the fraud examiner should:
- ~~A.~~ Report the details of each witness interview in a separate memorandum -
 - B. Use signed copies of his notes from the interviews as the primary recording document -
 - C. Include all information provided by all the witness, regardless of the relevance
 - D. Include only the facts provided by the witnesses that substantiate the fraud allegation.
43. Which of the following is an example of a data analysis function that can be performed to help detect fraud through examination of asset accounts?
- A. Compare book and tax depreciation and indicate variances -
 - B. Recalculate expense and reserve/provision amounts using replacement costs
 - C. Sort asset values by asset type or monetary amount
 - ~~D.~~ All of the above
44. Hugo, a Certified Fraud Examiner, has obtained an oral confession from David, a fraud suspect. Hugo reduced the confession into a short, concise written statement for David to sign. After David signed the statement, he remembered a significant detail that should have been included. How should Hugo handle this omitted information?
- ~~A.~~ Add an addendum to the existing statement
 - B. Omit the significant detail
 - C. Destroy the old statement and prepare a new one
 - D. None of the above
45. Which of the following is a common method fraudsters use to conceal illegally acquired assets?
- A. Placing assets in probate .
 - ~~B.~~ Transferring assets into another person's name
 - C. Purchasing a used vehicle
 - ~~D.~~ Creating a will to allocate assets at death
46. Jane is a Certified Fraud Examiner working on an investigation at Mill Corp. During an interview, Colin, an employee at Mill Corp., confesses to Jane that he has been embezzling money from the company. Which of the following pieces of information does Jane NOT have to obtain from Colin?
- A. The approximate date Collin started embezzling the money -
 - B. An estimate of the amount of money Colin embezzled -
 - ~~C.~~ A statement from Colin that his conduct was an accident .
 - D. Information about the involvement of other Mill Corp. employees
47. Which of the following is an example of a data analysis function that can be performed to detect fraud through examination of accounts payable?
- A. Sort asset values by asset type or monetary amount
 - B. Summarise cash disbursements by bank account
 - C. Select samples for asset existence verification
 - ~~D.~~ Identify debits to expense accounts outside of set default accounts

48. Which of the following pieces of information is NOT usually contained on the signature card of a personal bank account?
- A. The thumbprint of the person opening the account
 - B. The telephone number of the person opening the account
 - C. The identification number of the person opening the account
 - D. The address of the person opening the account
49. Which of the following conditions indicates it is the appropriate time to ask admission-seeking questions?
- A. The interviewer believes there is a reasonable probability that the subject is responsible for the act in question
 - B. All reasonable investigative steps and sources have been exhausted
 - C. The time, place and subject matter discussed in the interview can be controlled by the interviewer
 - D. All of the above
50. In most jurisdictions, which of the following statements about bankruptcy court records is CORRECT?
- A. Only the party filing for bankruptcy and the creditors may access bankruptcy records
 - B. A bankruptcy file typically contains the bankruptcy petition or filing document
 - C. Bankruptcy documents are usually located in the jurisdiction where the most debt was incurred
 - D. All of the above
51. Characteristics of a well-written fraud examination report include which of the following?
- A. Clarity
 - B. Impartiality
 - C. Accuracy
 - D. All of the above
52. Which of the following is something that might be revealed by analysing a subject's electronic payment records?
- A. The cities and countries in which the subject conducts business
 - B. Assets the subject has purchased
 - C. Assets effectively controlled or held by the subject
 - D. All of the above
53. Sergio, a nonunion suspect, arrived at a scheduled admission-seeking interview with his manager and insisted that the manager be allowed to sit in. Should this interview be allowed to continue?
- A. Yes, because a third-party witness to a confession is valuable
 - B. No, because the manager's presence would not be lawful
 - C. Yes, because the manager is not an attorney and therefore may not interfere in a legitimate investigatory interview
 - D. No, because the presence of a third party could have liability consequences
54. Link analysis is particularly useful when investigating which type of fraud scheme?
- A. Shell company
 - B. Money laundering
 - C. Fictitious vendor

- ~~D.~~ All of the above
55. Which of the following is the term that refers to the net amount a lender disburses to a borrower under the terms of a loan agreement?
- A. Loan disbursement
 - B. Loan principle
 - C. Loan curtailment
 - ~~D.~~ Loan proceeds
56. Which of the following steps is included in the planning phase of the data analysis process?
- A. Building a profile of potential frauds ✓
 - B. Articulating examination objectives ✓
 - C. Determining whether predication exists ✓
 - ~~D.~~ All of the above
57. Once a suspect has confessed in an interview, it is important to get copies of as much physical evidence as possible. Of particular importance are bank records. Which of the following is the recommended method for obtaining bank records after a confession?
- ~~A.~~ Obtain a separate written authorization for the release of the bank records ✓
 - B. Obtain an oral authorization for the release of the bank records ✓
 - C. Ask the subject to bring the records to the next interview session ✓
 - D. Ask to meet the subject the next day at his bank ✓
58. In most jurisdictions, searches of all of the following sources of information can be useful in developing background information for pre-employment purposes EXCEPT:
- A. Criminal court records searches
 - ~~B.~~ Income tax records
 - C. Bankruptcy records searches
 - D. Civil court records searches
59. James, a Certified Fraud Examiner, is conducting an admission-seeking interview. Which of the following strategies should James follow in his attempt to obtain a confession?
- A. Avoid potential liability by making the accusation in the presence of outsiders ✓
 - B. Minimize sympathy and maximize the perception of wrongdoing ✓
 - ~~C.~~ Conduct the interview in a firm, yet compassionate manner ✓
 - D. Imply that time is of the essence to pressure the subject into confessing ✓
60. Keeping track of the amount of paper generated is one of the biggest challenges in fraud cases. Which of the following is generally NOT a recommended practice when organising evidence?
- A. Segregate documents by witness ✓
 - ~~B.~~ File all papers chronologically
 - ~~C.~~ Make a document file
 - D. Establish a database early on ✓
61. Generally, if a fraud examiner wants to submit a fraud case for prosecution, at what point should he send the case to government authorities?
- A. After all witnesses have been interviewed ✓
 - B. Immediately after obtaining an oral confession from the suspect ✓
 - C. After the fraud examiner has finished collecting documentary evidence ✓

- ~~D.~~ After the investigation has been completed
52. Although an organisation can lower employees' expectation of privacy in their workspaces by issuing written privacy policies communicating the organisation's right to search such spaces, it is not necessary for such policies to address personal electronic devices because privacy rights do not attach to information on personal devices that employees bring to work.
- A. True
 - ~~B.~~ False
53. In many jurisdictions, all of the following information can usually be obtained from public real estate records EXCEPT:
- A. A property's historical sales price ✓
 - B. The addresses of a property's buyer and seller ✓
 - C. Who financed the purchase of a property, if applicable ✓
 - ~~D.~~ A property owner's credit report
54. When attempting to diffuse a suspect's alibi in a case where there is little physical evidence, a recommended technique is to discuss the accused's prior deceptions.
- ~~A.~~ True
 - B. False
55. Which of the following methods can be used to obtain documentary evidence?
- A. Subpoena ✓
 - B. Written consent ✓
 - C. Oral consent ✓
 - ~~D.~~ All of the above
66. While examining a document, a fraud examiner notices some very faint indented writings that might aid the examination if revealed. Which of the following would be the fraud examiner's BEST course of action in analysing these indented writings?
- A. Performing the pencil scratching method ✓
 - B. Performing the pencil shading method ✓
 - ~~C.~~ Employing an expert to use an electrostatic detection apparatus ✓
 - ~~D.~~ Applying a few drops of liquid and observing the liquid's flow in the indentations
67. Undercover covert operations use disguise and deceit to obtain evidence directly from people involved in the offence, whereas surveillance operations use the skill of observation to gather information about individuals' activity.
- ~~A.~~ True
 - B. False
68. When reporting the results of a fraud examination, the Certified Fraud Examiner generally should include his opinion regarding the credibility of the witnesses.
- ~~A.~~ True
 - B. False
69. During the analysis phase in digital forensic investigations, it is best to use just one forensic tool for identifying, extracting, and collecting digital evidence.
- A. True
 - ~~B.~~ False

70. Baker, a Certified Fraud Examiner, is interviewing Green. During the interview, Baker could tell Green was becoming uncomfortable at the sensitive nature of the questions. As a general proposition, what should Baker do next?
- A. Ask a non-sensitive question and return later to the sensitive questions
 - B. Explain that everything said during the interview will remain confidential
 - C. Drop the sensitive questions altogether
 - D. Press on with the questions
71. A bank credit department generally maintains which of the following types of basic loan records?
- A. The credit or loan file
 - B. The master appropriation file
 - C. The accounting journal
 - D. The cash record
72. Fraud examiners should take which of the following steps when securing a computer to help ensure that the machine can be fully analysed?
- A. Examine and document the machine's surroundings
 - B. Implement a system to manage the evidence
 - C. Inspect the machine for traps
 - D. All of the above
73. In data analysis, date fields are generally not a problem when importing and exporting data because standard formats are always used.
- A. True
 - B. False
74. Closed questions are worded in a way that makes it difficult for the respondent to answer "yes" or "no."
- A. True
 - B. False
75. The terms induction and deduction are most often associated with which inhibitor to communication?
- A. Chronological confusion
 - B. Inferential confusion
 - C. Trauma
 - D. None of the above
76. As a general rule, the more intelligent the witness, the less reliable his verbal and nonverbal clues of deception will be.
- A. True
 - B. False
77. In interviews, introductory questions are designed to meet which of the following objectives?
- A. To establish rapport
 - B. To establish the interview theme
 - C. To provide the introduction
 - D. All of the above

78. A fraud examiner is conducting an investigation involving ABC Company, a multi-national, publicly traded company, and wants to obtain regulatory securities records regarding the company. Which of the following best describes where the fraud examiner should check to find these records?
- A. Both domestic and foreign securities exchanges, including those in jurisdictions where the company has minimal business presence
 - B. Only the securities exchange in the jurisdiction where the company does most of its business ✓
 - C. Only domestic securities exchanges located in the jurisdiction where the company is incorporated ✗
 - D. Only domestic securities exchanges and exchanges in jurisdictions where the corporation has a substantial business presence
79. Which of the following data analysis functions is most useful in testing for hidden journal entries?
- A. Aging data .
 - B. Identifying duplicates .
 - C. Gap testing
 - D. Statistical sampling
80. Freddie calls Alex's bank, claiming to be Alex, with the intention of stealing Alex's identity. Freddie tells the bank representative that he needs to make sure the bank has the correct government identification number on his account because he had noticed an error on his statement. The bank representative refuses to give the number, and Freddie hangs up. Assuming that each of the following is illegal in the relevant jurisdiction, which of the following crimes did Freddie commit?
- A. Pretexting with a financial institution
 - B. Defalcation ✓
 - C. Embezzlement ✗
 - D. Fraud in the inducement ✓
81. When planning for an interview, which of the following steps should be taken?
- A. Contemplate what the interview is intended to accomplish and state an objective .
 - B. Ensure that the interview is held in a venue where the subject will feel comfortable .
 - C. Prepare a brief list of key points to discuss during the interview
 - D. All of the above
82. Some of the most effective information-seeking questions are phrased as subtle commands. .
- A. True
 - B. False
83. Which of the following is TRUE about using computer-created metadata in forensic investigations?
- A. Metadata information can help determine who wrote a document
 - B. Metadata information can help determine when a document was created
 - C. Metadata information can help determine who received a document
 - D. All of the above

84. What is mutual legal assistance (MLA)?
- A. A formal request by the government of a country seeking information from a defendant residing in another country
 - B. A process by which countries request and provide assistance in criminal law enforcement matters
 - C. A letter whereby a criminal defendant requests that the government releases exculpatory information ✓
 - D. A formal request by the courts of one country seeking judicial assistance from the courts of another country ✗
85. _____ is a method of using software to extract usable information from unstructured data.
- A. Linguistic analytics
 - B. Textual analytics
 - C. The fog index
 - D. Benford's law
86. Which of the following witnesses should be interviewed by surprise?
- A. Neutral witnesses
 - B. Volatile witnesses
 - C. Friendly witnesses
 - D. None of the above
87. Which of the following is a purpose of closing questions in interview situations?
- A. To maintain goodwill .
 - B. To reconfirm facts .
 - C. To obtain additional facts .
 - D. All of the above
88. In the course of establishing rapport, it is important that an interviewer observe a subject's reaction to normal conversation to establish a baseline against which answers to more sensitive questions can be compared.
- A. True
 - B. False
89. The records of a wire transfer identify the amount of the wire, where it was sent, and the date it was sent, but they do not identify who sent the wire.
- A. True
 - B. False
90. Which of the following is a recommended procedure for protecting a fraud investigation's case information?
- A. Store all confidential documents in locked file cabinets or rooms accessible only to those who have a business need-to-know ✓
 - B. Avoid talking about the investigation in public or in any place where other employees could hear the communications ✓
 - C. Avoid using email or other electronic means to transmit confidential case information
 - D. All of the above

91. Which of the following is an indirect method of proving illicit income circumstantially by showing that a person's assets or expenditures for a given period exceed that which can be accounted for from known or admitted legitimate sources of income?
- A. Regression analysis
 - B. Bank deposit method of analysis
 - C. Fundamental analysis
 - D. Net-worth (or comparative net-worth) method of analysis
92. All of the following are signs of deceptive behaviour in an interview subject EXCEPT:
- A. The subject plays with a pencil during direct questioning *→ nervous*
 - B. The subject appears casual and unconcerned
 - C. The subject frequently uses subtle hand gesture when talking
 - D. The subject slouches unnaturally in his chair
93. Which of the following best describes predication?
- A. The means by which individuals justify their unethical actions
 - B. The initial phase of the investigative process
 - C. The basis upon which a fraud examination is undertaken
 - D. The initial phase of an interview
94. When confessing to fraud, suspects tend to provide accurate details on the amount of funds involved and number of instances to relieve themselves of the guilt of their dishonest actions.
- A. True
 - B. False
95. During an admission-seeking interview, Cynthia has just accused a suspect of committing a crime. The suspect begins to deny the accusation. The best practice would be for Cynthia to interrupt the suspect's denial at this point.
- A. True
 - B. False
96. Carlos is conducting a background investigation of a corporation and its management. Which of the following can Carlos obtain without a legal order or subpoena?
- A. The business owner's history of medical expenses
 - B. The tax records of the business owner
 - C. The banking records of the business owner
 - D. The company's organizational filing
97. The expenditures method (also known as the sources and application of funds method) for proving illicit income involves identifying all assets held by the subject that were acquired earlier, identifying the amount of the subject's current liabilities, and taking the difference between the two values.
- A. True
 - B. False
98. For purposes of evaluating deception, illustrators can be defined as:
- A. Verbal statement which illustrate a point
 - B. Expressions made with the face, the meanings of which are clearly understood
 - C. Motions made primarily with the hands to demonstrate a point
 - D. None of the above

99. Even if incriminating files have been deleted from a target computer, it might be possible to recover those files.
- A. True
 - B. False
100. Gamma, a Certified Fraud Examiner, is attempting to locate the birthplace of Theta, a fraud suspect. Where is Gamma most likely to find such a record, if it exists?
- A. The jurisdiction's health records agency
 - B. The local property records agency
 - C. The jurisdiction's tax assessor
 - D. The local commercial filing agency
101. To stimulate conversation during the information phase of the interview, the interviewer should ask:
- A. Leading questions that aim for a particular response ✓
 - B. Open questions that call for a monologue response ✓
 - C. Specific questions designed to obtain all of the information known by the witness ✓
 - D. Closed questions designed to keep the witness focused on the intended topic ✓
102. The information in a computer system's events logs can yield valuable evidence because such logs record events and transactions that have occurred on the computer.
- A. True
 - B. False
103. When searching regulatory securities records for information on a publicly traded company, which of the following information is LEAST LIKELY to be found?
- A. Major events that are of interest to investors ✓
 - B. Identity of the company's officers and directors ✓
 - C. The complete books and records of the company ✓
 - D. Identity of major owners of the company ✓
104. Which of the following is a recommended tactic for interrupting an accused's denials during an admission-seeking interview?
- A. Reasoning ✓
 - B. Delays ✓
 - C. Repeated interruptions ✓
 - D. All of the above ✓
105. With cloud computing, clients of cloud service providers do not have physical control of the media or the network on which their data resides, which can complicate forensic investigations in cloud environments.
- A. True
 - B. False
106. A memorandum that outlines the basis for a covert operation should state which of the following?
- A. The identities of any known suspects ✓
 - B. The operatives under the fraud examiner's care or control ✓
 - C. The information expected to be gained ✓
 - D. All of the above ✓

107. All of the following are advantages to using data analysis software EXCEPT:
- A. Fraud examiners can use data analysis software to ensure that an investigation is accurate and complete ✓
 - ~~B.~~ Fraud examiners can use data analysis software to produce accurate results from bad data
 - C. Fraud examiners can use data analysis software to centralize fraud investigations
 - D. Fraud examiners can use data analysis software to search for red flags of possible fraud
108. A _____ interview is one that has the potential to bring about strong emotional reactions in the respondent.
- A. Evasive
 - ~~B.~~ Volatile
 - C. Chronemic
 - D. None of the above
109. Smith, a Certified Fraud Examiner for the ABC Corp., is in the process of interviewing Alfred, a parts clerk, about a theft of inventory. Smith is unsure if Alfred is involved in the theft. In concluding the interview, Smith should:
- A. Tell Alfred that there is not enough evidence to consider him a suspect and therefore he is free to go. .
 - B. Tell Alfred that he could be considered a suspect in the theft and observe his reaction
 - C. Avoid revisiting any previously discussed topics to prevent Alfred from knowing what Smith considers important .
 - ~~D.~~ Review the key points discussed during the interview to ensure he has understood everything Alfred has said
110. Which of the following is the most accurate description of the net-worth (or comparative net-worth) method of analysis?
- A. The net-worth method is an indirect method of proving illicit income circumstantially by measuring and recording income as earned and recording expenses as incurred.
 - B. The net-worth method refers to the process of using a subject's books and records to determine the subject's financial condition and identify the receipt or disposition of funds or assets .
 - ~~C.~~ The net-worth method is an indirect method of proving illicit income circumstantially by showing that a person's assets or expenditures for a given period exceed that which can be accounted for from known or admitted legitimate sources of income
 - D. The net-worth method refers to the process of assigning forecasted income and expenses to accounts, which will be compared to actual income and expense for analysis of variances.
111. When determining a subject's net worth for asset-tracing purposes, all assets should be valued at current market value to eliminate any question about estimates.
- A. True
 - ~~B.~~ False

112. If, during an admission-seeking interview, the interviewer wants to reduce the accused's perception of moral seriousness of the act in question, which of the following would be an appropriate statement for the interviewer to make?

- A. "this doesn't mean you're Bernie Madoff"
- B. "it's really not a big problem legally"
- C. "it's just a technical violation"
- D. None of the above

113. The verbal and nonverbal clues to deception are produced primarily by stress.

- A. True
- B. False

114. When shifting from assessment questions to admission-seeking questions, the fraud examiner should provide a transitional theme that is designed to make the subject believe that he has been caught.

- A. True
- B. False

115. Which of the following is the MOST ACCURATE statement about the types of information that computer forensic experts typically can recover from computer systems?

- A. Hidden files can never be recovered
- B. Deleted files that have been overwritten usually cannot be recovered
- C. Communications sent via chat or instant messenger cannot be recovered
- D. Data that is corrupted cannot be uncorrupted

116. A fraud examiner needs to protect an evidentiary document with a latent fingerprint on it by placing it into a protective container. Which of the following should the fraud examiner include on the container's label?

- A. The date the item was placed in the container
- B. The fraud examiner's initials
- C. The location where the document was taken from
- D. All of the above

117. Which of the following types of information are NOT typically deemed to be available under legislative acts that grant citizens the right to make government information requests?

- A. Telephone and banking records
- B. Death records
- C. Real property records
- D. Divorce and probate court records

118. The art of forensic document identification is called graphology.

- A. True
- B. False

119. To protect the security of a covert investigation, no reports or memoranda of the covert operation should be committed to paper.

- A. True
- B. False

120. Because the laws of evidence generally protect written fraud examination reports from being disclosed to adverse third parties, fraud examiners can prepare written reports with the understanding that the information will not be disclosed to anyone outside the company.
- A. True
 - B. False
121. To better prepare for the possibility that interview documents will be subpoenaed, fraud examiners should start their notes for each interview on a new document.
- A. True
 - B. False
122. Which of the following would NOT be an acceptable section to include in a written fraud examination report?
- A. A scope section that describes the range of issues reviewed in the examination
 - B. A conclusion section that evaluates the guilt or innocence of the suspect(s)
 - C. A findings section that summarises the facts and findings of the examination
 - D. An executive summary section that gives an overview of what occurred during the investigation
123. Paul, a Certified Fraud Examiner, is conducting an admission-seeking interview of Luca, a fraud suspect. Luca has decided to confess. How should Paul go about getting all the relevant information?
- A. Get the general information and then move to the specifics
 - B. Obtain the details in order of relevance
 - C. Obtain the details in reverse chronological order
 - D. None of the above
124. There should be two interviewers involved in a potentially volatile interview.
- A. True
 - B. False
125. Which of the following is a common method that fraudsters use to hide their ill-gotten gains?
- A. Prepaying a home mortgage
 - B. Transferring assets into foreign trusts
 - C. Purchasing a life insurance policy
 - D. All of the above

ETHICS FOR FRAUD EXAMINERS

1. The reason the Certified Fraud Examiner Code of Professional Ethics restricts the types of opinions CFEs may express is to protect the fraud examiner from claims of:
 - A. Compounding a felony .
 - B. False imprisonment. *
 - ~~C.~~ Libel .
 - D. None of the above
2. Professional organisations, such as the Association of Certified Fraud Examiners, have codes of ethics because:
 - A. They provide more direct solutions to professional ethical dilemmas than might exist under general ethical principles
 - B. They facilitate practical enforcement and profession-wide internal discipline
 - C. They serve as an ethical reference and a benchmark
 - ~~D.~~ All of the above
3. Which of the following is an example of a violation of the CFE Code of Professional Ethics' requirement for diligent, professional behaviour?
 - A. Obtaining more evidence than the minimum amount needed to prove a case ✓ x
 - ~~B.~~ Skipping vital investigation steps to improve the efficiency of a fraud examination ✓
 - C. Delegating a task to a lower-level employee and overseeing that individual's performance ✓
 - D. All of the above
4. Certified Fraud Examiners are absolutely prohibited from expressing opinions regarding the guilt or innocence of any party. ✓
 - ~~A.~~ True
 - B. False
5. A Certified Fraud Examiner was hired to investigate a company. After he carefully examined the company, he issued a report that stated, in part, "... in my opinion, this operation is free of material fraud." Such an opinion is permitted under the Certified Fraud Examiner Code of Professional Ethics.
 - ~~A.~~ True
 - B. False
6. Certified Fraud Examiners are strictly prohibited from revealing confidential client information under any circumstances.
 - A. True
 - ~~B.~~ False
7. The Certified Fraud Examiner Code of Professional Ethics contains sections covering which of the following?
 - A. Professional improvement
 - B. Basis for opinions ✓
 - C. Confidential information ✓
 - ~~D.~~ All of the above