ACFE

Exam Questions CFE-Investigation

Certified Fraud Examiner - Investigation Exam

NEW QUESTION 1
Why do fraud examiners perform analysis on unstructured or textual data?

A. To categorize data to reveal patterns sentiments and relationships indicative of fraud
B. To find an admission of fraud in an email or other communication that can be presented m court
C. To figure out whether someone is tying or telling the truth based on context dues
D. To determine whether the footnotes to the financial statements are fatly presented

Answer: A

NEW QUESTION 2
Barnes a Certified Fraud Examiner (CFE) is using data analysis to identity anomalies that might indicate fraud In XYZ Company's accounts payable transactions. Which of the following is the most effective data analysis function that Barnes could use to look for potential fraud in accounts payable?

A. Identify paycheck amounts over a certain limit
B. Review recurring monthly expenses and compare to posted/paid invoices
C. Compare book and tax deprecation and indicate variances
D. Al of the above

Answer: D

NEW QUESTION 3
Misty, a fraud investigator is interviewing Larry, who she suspects has been embezzling company funds. Which of the following is NOT a recommended sequence in which Misty should ask Larry question?

A. Ask questions in random order to prevent Larry from knowing what question comes next
B. Ask questions seeking general information before seeking details
C. Stat with questions about known information and work toward unknown information
D. Start with general questions and move toward specific questions

Answer: B

NEW QUESTION 4
Cynthia is preparing to conduct a covert investigation Prior to conducting surveillance of her subject, she creates a memorandum outlining the basis for her operation. Which of the following pieces of information should she Include In her memorandum?

A. Her first impression regarding the subject's culpability
B. The identities of any confidential sources to be used in the operation
C. The name of the subject she will be observing
D. All of the above

Answer: D

NEW QUESTION 5
When a fraud examiner is conducting an examination and is in the process of collecting. documents the fraud examiner should:

A. A Wait until all documents have been collected before establishing a database
B. Organize all the documents obtained in chronological order
C. Avoid touching original documents any more than necessary
D. Make copies of originals and leave the originals where they were found

Answer: A

NEW QUESTION 6
Which of the following is a reason why a person or organization might engage a fraud examiner to trace illicit transactions?

A. An attorney wants to evaluate an experts financial report.
B. An employer wants to know If an employee is falsifying regulatory reports.
C. A victim of fraud wants to facilitate the recovery of criminal proceeds
D. An entity needs to find hidden relationships In big data that otherwise would not be discovered

Answer: D

NEW QUESTION 7
Talia has been hired by SBS Inc, to implement a new data analysis program to search for warning signs of potential fraud within the company. Which of the following steps should Talia conduct first to most effectively use data analysis techniques for such an initiative?

A. Build a profile of potential frauds.
B. Monitor the data.
C. Cleanse and normalize the data.
D. Identify the relevant data

Answer: A

NEW QUESTION 8
Which of the following n NOT one of the basic types of Informational questions interviewers use to gather unbiased, factual Information?

A. Open
B. Closed
C. Chronological
D. loading

Answer: C

NEW QUESTION 9
Which of the following data analysis functions is used to determine whether company policies are met by employee transactions such as verifying that traveling employees book their accommodations at approved hotels?

A. The Join function
B. The correlation analysis function
C. The compliance verification function
D. The gap testing function

Answer: C

NEW QUESTION 10
Which of the following can constitute a bribe, even if the illicit payment is never actually made?

A. Offering a payment
B. Corruption in payment
C. kickback payment
D. Overbilling in payment

Answer: A

NEW QUESTION 10
Assuming that a jurisdiction has prohibited pretexting against financial institutions which of the following actions would constitute illegal pretexting?

A. Setting up a bank account in an assumed name
B. Impersonating an account holder to access their bank records
C. Intentionally making false statements on loan applications
D. Stealing a person s mail to obtain the person s bank account number

Answer: D

NEW QUESTION 14
Which of the following is NOT a step a fraud examiner must take before seizing evidence in a digital forensic investigation?

A. Obtain and become familiar with any applicable legal orders.
B. Determine whether there ate privacy issues related to the items(s) to be searched.
C. Ensure that any software used in a forensic capacity is legitimate.
D. Assemble an investigation team comprised only of outside digital forensic experts.

Answer: B

NEW QUESTION 15
Max The controller of XYZ Company, noticed that the company's hotel expenses increased substantially from the prior year. He wants to check to see if this is reasonable by comparing hotel expenses from both years to the number to that XYZ’s employees traveled. Which of the following date analysis function would be the most useful In helping Max analyze these two variables?

A. Benford’s Law analysts
B. Verifying mutinies of a number
C. Duplicate testing
D. Correlation analysis

Answer: D

NEW QUESTION 16
Bennett, a fraud examiner is performing textual analytics on journal entry data. He developed a list of fraud keywords to search for based on the three legs of the Fraud Triangle. Which of the following fraud keywords found In the journal entry tern is the best indicator of pressure to commit fraud?

A. Temporary
B. Override
C. Deserve
D. Quota

Answer: D

NEW QUESTION 18

Which of the following is INCORRECT with regard to locating individuals using online records?

A. Before engaging in a search, the fraud examiner should know the most powerful and useful types of searches.
B. If an individual has moved, obtaining a past address is usually of no help
C. Online records are very useful in locating subjects whose whereabouts are unknown
D. Obtaining a past address of the subject should be the first step in trying to locate a subject using online records.

Answer: B

NEW QUESTION 22
Anita is interviewing her client's employee whom she suspects committed check fraud. During the interview Anita asks if she can obtain account records from the suspect s bank. If the suspect only gives Anita oral consent. the suspect's bank is required to allow Anita access to the suspect s account records

A. True
B. False

Answer: A

NEW QUESTION 26
When planning for the interview phase of an Investigation, which of the following steps should NOT be taken by the fraud examiner?

A. Review the case Be to ensure that they have not overlooked Important information
B. Consider what the interview is intended to accomplish and state an objective.
C. Prepare a brief outline of key points to discuss during the interview
D. Ensure that the Interview is held in venue where the subject will feel uncomfortable

Answer: C

NEW QUESTION 30
Tonya, a suspect in a kickback scheme is being interviewed by Carlos, a fraud examiner As the interview progresses. Carlos notices that Tonya is exhibiting signs of stress such as repeatedly touching her face, crossing and uncrossing her legs and darting her eyes around the room. Carlos should conclude that Tonya's behavior is the result of deception.

A. True
B. False

Answer: B

NEW QUESTION 32
Mila, a Certified Fraud Examiner (CFE), needs to obtain court records and wants to be as sure as possible that the records are accurate. In most countries the most reliable way to obtain these documents is to obtain them directly from the court authorities

A. True
B. False

Answer: A

NEW QUESTION 36
Which of the following statements concerning a well-written fraud examination report is most accurate?

A. The report writer should avoid technical jargon where possible
B. Signed copies of the fraud examiner s Interview notes should be used to report interview details
C. Only relevant facts that support the fraud allegation should be included in the report
D. The report should convoy all information provided by witness

Answer: A

NEW QUESTION 39
Which of the following is a unique challenge of cloud forensics not faced in traditional forensic practices?

A. Lack at Information accessibility
B. Lack of adequate data
C. Lack of prosecutorial interest
D. Lack of trust from cloud providers

Answer: A

NEW QUESTION 41
Beta a Certified Fraud Examiner (CFE), is conducting an admission-seeking interview of Gamma a fraud suspect Alter Beta gave Gamma an appropriate rationalization for his conduct Gamma continued his denials, giving various alibis. These alibis usually can be diffused by all of the following techniques EXCEPT.

A. Discussing Gamma's prior deceptions
B. Downplaying the strength of the evidence
C. Discussing the testimony of witnesses
D. Displaying physical evidence

Answer: B

NEW QUESTION 42
Blue, a Certified Fraud Examiner (CFE) was interviewing Green a fraud suspect Although Green had a strong memory when responding to questions involving insignificant events, he began asking Blue w repeat almost every question that addressed important facts. If Green b Involved In the suspected misconduct he might be repeating the question to

A. Gain tine to frame Ns answer
B. Ensure he understood the question
C. Distrect Blue and change the subjectTest Blue's ability to ask consistent questions

Answer: A

NEW QUESTION 47
Amanda needs to know the location of the principal office and the date of incorporation of a company she is investigating. Which of the following sources would most likely contain these items of Information?

A. The company's income tax filings
B. The organizational fling with the government of the jurisdiction in which the company is incorporated
C. The contractual records of any real properly owned by the corporation
D. The comprehensive litigation fie in the local court in the jurisdiction in which the company is headquartered

Answer: B

NEW QUESTION 51
In response to an accusation made during an admission-seeking interview the subject Begins to voice a denial to the charge. How should the interviewer react to the first indication of a sublets denial'

A. Remind the subject of the laws against perjury
B. Interrupt the denial by using a delaying tactic
C. Argue the point directly with the subject until a confession is obtained
D. Allow the subject to continue denying the charge

Answer: A

NEW QUESTION 52
Which of the folloping terms refers to a process of resolving allegations of fraud from inception to disposition?

A. Fraud examination
B. Fraud assessment
C. Fraud theory
D. Forensic methodology

Answer: A

NEW QUESTION 55
Which of the following is TRUE about observing the reactions of interview subjects?

A. Emotive words should be used early in the interview to observe the respondent s emotional reaction.
B. The interpretation of an interview subjects reactions requires specific skills on the part of the interviewer
C. The observation of body language is much less important than observing the words used by the subject
D. To effectively observe reactions an Interviewer should alternate between sensitive and nonsensitive questions early in the Interview

Answer: A

NEW QUESTION 60
A fraud examiner contacts a witness regarding an interview. If the respondent says, ‘I'm too busy' how should the fraud examiner react?

A. Caution the witness that avoidance of the Interview will be considered suspicious
B. Explain that the respondent will be subject to discipline if they do not participate
C. Stress that the interview will be short
D. Inquire about a owe convenient time

Answer: C

NEW QUESTION 65
Which of the following is the MOST ACCURATE statement about the privacy of information shared through social media?

A. the Privacy of Social Networks Treaty is a binding international treaty that makes it illegal for law enforcement to seek social media login credentials from users.
B. To access any user-posted information on social media sites fraud examinees must obtain some type of legal order from the Jurisdiction in which the user resides.
C. A fraud examiner cannot be held liable for violating a user’s privacy rights if they hack or break into areas of a social networking site designated as private because all social media Information is public
D. Hacking or breaking into information on social media sites that is restricted as private could result in liability for fraud examiners due to violation of users privacy rights

Answer: A

NEW QUESTION 66
Tyson a fraud examiner a planning an interview with Brianna, the girlfriend of the central suspect in Tyson s investigation. Previous interviews with others have revealed that Brianna lends to be very protective of her boyfriend. How should Tyson approach the Interview with Brianna?

A. Ask Brianna when she would prefer to be interviewed in an effort to provoke cooperation.
B. Conduct the interview with as little notice as possible so Brianna will be unprepared
C. Provide Brianne with advance notice prior to the interview to inhibit resentment
D. Avoid interviewing Brianna if possible due to Brianna's potential volatility

Answer: D

NEW QUESTION 68
Tom, a Certified Fraud Examiner (CFE) was hired to trace Keeley's assets, To trace the assets, Tom uses Keeley's Books and records to analyze the relationship between the receipt and subsequent disposition of funds or assets. Which tracing method did Tom use?

A. The direct method
B. The comparative assets method
C. The indirect method
D. The asset method

Answer: B

NEW QUESTION 72
Which of the following types of information would LEAST likely be found when searching external sources without the subject’s consent or a legal order?

A. A subjects employee personnel file
B. A witness s address
C. A competitor's ownership information
D. Assets owned by a subject

Answer: B

NEW QUESTION 75
Which of the following is a reason why a subjects credit card statements can be useful in tracing investigations?

A. Credit card records can show signs of skimming.
B. Credit card statements provide insight into the subjects litigation history.
C. Credit card statements can name people or companies with whom the subject conducts business.
D. Credit card statements show the source of the funds used to pay a credit card bill.

Answer: C

NEW QUESTION 80
Which of the following is NOT a function of a fraud examination report?

A. To convey all the evidence necessary for other parties to thoroughly evaluate the case
B. To add credibility to the fraud examiner‘s work
C. To communicate the fraud examiner s qualifications for providing opinions about the case
D. To corroborate previously known facts

Answer: C

NEW QUESTION 82
Which of the following is NOT a common use of public sources of information?

A. Obtaining an individual’s credit records
B. Finding out about a person’s lifestyle
C. Developing background information on a subject
D. Corroborating or refuting witness statements

Answer: A

NEW QUESTION 84
Marilyn a Certified Fraud Examiner (CFE) is reasonably sure that Shelly, her primary suspect committed the fraud in question. Before scheduling an admission-seeking interview with Shelly. Marllyn should be reasonably sure of all of the following EXCEPT.

A. That the interview's time and location can be consoled
B. That no other person was invoked in the fraud in question
C. That the interview's subject matter can be controlled
D. That all reasonable investigative steps have been taken

Answer: B

NEW QUESTION 89
Which of the following is a common characteristic that asset hiders look for in the financial vehicles they use to conceal their assets?

A. Traceability
B. Liquidity
C. Transparency
D. Inaccessibility

Answer: B

NEW QUESTION 94
Foster a Certified Fraud Examiner (CFE), needs to obtain a copy of a picture that a former employee of Friendly Interior an interior design studio posted on the company's website three years ago. Unfortunately because the website has since been updated the picture is no longer available on the website. Which of the following resources should Foster consult to find an earlier version of the Web page he needs?

A. The deep Web
B. The internet archives
C. The invisible Web
D. The Library of Congress

Answer: B

NEW QUESTION 95
Which of the following is the MOST ACCURATE statement about imaging suspect computers hard drives?

A. Imaging allows for the analysis of data from a suspect computer without altering or damaging the original data in any way
B. Imaging creates pictures of the suspect computer system and its wires and cables
C. Imaging prohibits access to the suspect computer s hard drive by individuals not professionally trained in forensic analysis
D. Imaging enables the retrieval of data from the suspect computer directly via its operating system.

Answer: A

NEW QUESTION 100
Which of the following is NOT a best practice for obtaining a signed statement?

A. Have two individuals witness the signing of the document when possible.
B. Have the suspect write out the entire statement in their own handwriting
C. Prepare separate statements for unrelated offenses.
D. Add subsequent facts to the statement as an addendum

Answer: B

NEW QUESTION 101
A fraud examiner suspects that an employee who is tasked with meeting new customers over business dinners to discuss their accounts is using those meetings to proposition the customers and steal business from the employee's company. If the fraud examiner wanted to pose as a new customer and meet with the employee, which of the following would beet describe the fraud examiner's method?

A. An undercover operation
B. An entrapment operation
C. A surveillance operation
D. A source operation

Answer: B

NEW QUESTION 105
Which of the following sets of numbers could a fraud examiner most likely benefit from running a Benford's Law analysis on?

A. Employee identification numbers
B. Telephone numbers
C. Vendor invoice amounts
D. Bank account numbers

Answer: A

NEW QUESTION 109
When a Certified Fraud Examiner (CFE) conducts a fraud examination the fraud examiner must proceed as though:

A. The matter will be resolved completely internally
B. The suspect is gully
C. The case will end in ligation
D. The case will end after the suspect IB terminated

Answer: C

NEW QUESTION 113

Which of the following is NOT one of the purposes of closing questions in a routine interview?

A. To close the interview positively and maintain goodwill
B. To gather additional facts
C. To reconfirm facts
D. To reduce testimony to a signed written statement

Answer: B

NEW QUESTION 115
If your suspect is investing alleged illicit funds in items that will increase their net worth and you need to prove their illicit income circumstantially. which of the following methods of tracing assets would yield the best result?

A. The income method
B. The application of funds method
C. The expenditures method
D. The asset method

Answer: C

NEW QUESTION 120
Which at the following is the most accurate statement about fraud response plans?

A. A fraud response plan should specify how every fraud examination should be conducted regardless of the type of fraud
B. A fraud response plan should be complex and extremely detailed to most effectively protect against fraud
C. A fraud response plan should create an environment to maximize risk and minimize the potential for success
D. A fraud response plan outlines the actions an organization will take when suspicions of fraud have arisen

Answer: A

NEW QUESTION 122
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