

ACFE

Exam Questions CFE-Investigation

Certified Fraud Examiner - Investigation Exam



NEW QUESTION 1

Arnold a Certified Fraud Examiner (CFE) for Integra Wealth, learns that Elizabeth an accounts payable clerk, recently purchased an expensive ski boat. Arnold also knows that Elizabeth recently purchased a vacation home on a nearby lake Arnold has sufficient predication to:

- A. Conduct discreet inquiries into Elizabeth's responsibilities as an accounts payable clerk.
- B. Accuse Elizabeth directly of having committed fraud
- C. Notify management of that Elizabeth has committed fraudulent acts.
- D. Search Elizabeth's mobile phone for evidence of misconduct

Answer: A

NEW QUESTION 2

Barnes a Certified Fraud Examiner (CFE) is using data analysis to identify 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 depreciation and indicate variances
- D. All of the above

Answer: D

NEW QUESTION 3

Lisa a fraud examinee at a private company receives an anonymous call from a potential whistleblower. The whistleblower s hesitant to reveal their identity but will do so if it can be kept fully confidential Which of the following statements is most accurate?

- A. Lisa should explain that she will try her best to keep the whisneblower's identity confidential
- B. Lisa should state that she will not be able to keep the whistleblower s identity confidential because all information must be disclosed to management
- C. Lisa may offer the whistleblower full confidentiality because they are not a suspect.
- D. Lisa may promise the whistieblower full confidentiality even if she knows net statement is untrue, because the lie is ultimately beneficial to her employer.

Answer: A

NEW QUESTION 4

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 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

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 7

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 8

Which of the following is NOT a common method that fraudsters use to hide their ill-gotten gains?

- A. Prepaying a home mortgage
- B. Transferring assets into another person's name
- C. Purchasing a used vehicle
- D. Purchasing a life Insurance policy

Answer: B

NEW QUESTION 9

Which of the following is the MOST ACCURATE statement concerning the volatility, of digital evidence?

- A. Digital evidence a more volatile than tangible evidence because digital evidence is subject to claims of spoliation, whereas tangible evidence is not.
- B. Digital evidence is more volatile than tangible evidence because digital data can be altered or destroyed more easily than tangible information
- C. The failure to preserve the integrity of digital evidence will not affect its admissibility in a legal proceeding
- D. If the integrity of digital evidence is violated It can be easily restored using widely available data restoration programs

Answer: C

NEW QUESTION 10

Which of the following is the LEAST accurate statement about seeing a computer for examination?

- A. When taking a computer for examination it the computer is off should remain off when It is removed.
- B. When seizing a computer that is running, it is acceptable to review the files contained on the machine prior to seizing it.
- C. When seizing a computer for examination the seizing party should look around the area for passwords because many people leave passwords near their computers.
- D. Before removing a computer system from a scene for further analysi
- E. It is important to document, the system's setup with photographs or diagrams

Answer: D

NEW QUESTION 10

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 14

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 16

Tahlia a Certified Fraud Examiner (CFE) was interviewing Gamma, a frud suspect During the interview Gamma seemed unconcerned he slouched in his chair and laughed out loud during the portion of the Interview when Tahlia asked if he knew any lads about the fraud From this conduct. Tahlia is likely to conclude that Gamma:

- A. Does not know the answers to Tahlia's questions
- B. Is letting the truth
- C. Is feeing bored by the interview process
- D. Is being deceptive

Answer: D

NEW QUESTION 17

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 19

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 term is the best indicator of pressure to commit fraud?

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

Answer: D

NEW QUESTION 22

An investigator is preparing to administer what is likely to be an intense and extended interview with a fraud suspect. To organize their thoughts prior to the interview the fraud examiner should:

- A. Develop a list of Questions ranked in order of importance
- B. Make a list of key points to go over with the respondent
- C. Provide the suspect with a list of questions to ensure detailed responses
- D. Memorize a detailed list of questions but avoid bringing a written list to the interview

Answer: B

NEW QUESTION 27

Which counts sometimes can give rise to inventory theft detection?

- A. Perpetual inventory counts
- B. Physical inventory counts
- C. Concealment inventory counts
- D. None of the above

Answer: B

NEW QUESTION 30

Which of the following statements about the process of obtaining a verbal confession is TRUE?

- A. If the subject lies about an aspect of the offense in the process of confessing it is best to coned the records immediately before proceed.
- B. The only acceptable approaches to obtaining a verbal confession are chronologically or by transaction
- C. The transition from the accusation to the confession should occur when the accused supplies the first detailed information about the offense.
- D. Fraudsters tend to overestimate the amount of kinds involved in the offense to relieve themselves of the guff, of their dishonest actions

Answer: C

NEW QUESTION 34

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 37

Beta, a Certified Fraud Examiner (CFE) is conducting an admission-seeking interview of Delta, a fraud suspect. In establishing a rationalization, Beta said to Delta "I know you didn't do this for yourself; It was for your family. " This technique seeks to establish rationalization by:

- A. Establishing that Delta's family was being treated unfairly
- B. Reducing Delta's perception of the legal seriousness of the matter
- C. Reducing Delta's stress about possibly being fired
- D. Claiming Delta's action was for altruistic reasons

Answer: B

NEW QUESTION 39

Which of the following should be done to prepare an organization for a formal fraud investigation?

- A. Notify MI managers about the investigation explaining why it is happening and who is involved
- B. Notify key decision-makers when the investigation is about to begin
- C. Send an email to all employees explaining the investigation's purpose
- D. Inform the subject that they are under investigation.

Answer: B

NEW QUESTION 41

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 convey all information provided by witness

Answer: A

NEW QUESTION 45

Which of the following statements concerning access to nonpublic records is MOST ACCURATE?

- A. Once a criminal case is filed all records obtained by the government are considered public records
- B. In most jurisdictions, banks are allowed to turn over a suspect's account information directly to a fraud victim when there is adequate evidence of wrongdoing.
- C. Nonpublic records cannot be obtained by subpoena or legal order in a civil action
- D. Thai government usually will not share nonpublic records with a fraud victim during an investigation into the underlying fraud.

Answer: B

NEW QUESTION 49

Which of the following is an example of a leading question?

- A. "Was anyone from your team absent from the meeting that week?"
- B. "When did you realize that the records had been manipulated?"
- C. "How well do you know your coworker Stacy, and have you ever socialized outside of work?"
- D. "Weren't you aware of the missing inventory several weeks before notifying your boss?"

Answer: C

NEW QUESTION 53

Beta a Certified Fraud Examiner (CFE), is conducting an admission-seeking interview of Gamma a fraud suspect. After 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 55

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 to repeat almost every question that addressed important facts. If Green had been involved in the suspected misconduct he might be repeating the question to

- A. Gain time to formulate his answer
- B. Ensure he understood the question
- C. Distract Blue and change the subject to test Blue's ability to ask consistent questions

Answer: A

NEW QUESTION 59

Which of the following is NOT true with regard to tracing the disposition of loan proceeds?

- A. Tracing loan proceeds can identify the presence of internal control weaknesses
- B. Tracing loan proceeds can determine if the proceeds were deposited into hidden accounts
- C. Tracing loan proceeds can determine if hidden accounts were used for loan payments
- D. Tracing loan proceeds can uncover previously hidden assets

Answer: D

NEW QUESTION 62

Which of the following 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 64

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 more convenient time

Answer: C

NEW QUESTION 66

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 69

Which of the following is a reason why a subject's 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 subject's 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 74

Which of the following is a method of tracing assets that would yield the best result when several of the subject's assets or liabilities have changed during the period under examination and the subject's financial records are not available?

- A. Bank deposit method
- B. Regression analysis
- C. Net worth method
- D. Benford's Law analysis

Answer: C

NEW QUESTION 78

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, Marilyn should be reasonably sure of all of the following EXCEPT.

- A. That the interview's time and location can be controlled
- B. That no other person was involved 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 80

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

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

Answer: B

NEW QUESTION 84

Which of the following is the most appropriate measure when seeking to avoid alerting suspected perpetrators who are under investigation?

- A. Investigate during nonbusiness hours.
- B. Disclose the investigation to all employees.
- C. Terminate the suspected employee
- D. Delay taking any action

Answer: A

NEW QUESTION 85

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 87

Which of the following is TRUE of a follow-up/recommendations section in a written fraud examination report?

- A. follow-up/recommendations section calculates the amount of fraud-related loss sustained by the organization
- B. A follow-up/recommendations section is a required part of every written fraud examination report.
- C. A follow-up/recommendations section should state remedial measures for the organization to undertake
- D. All of the above

Answer: C

NEW QUESTION 88

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 92

If you are seizing a computer for forensic analysis why is it generally necessary to seize any copiers connected to it?

- A. Most copiers today are nonimpact copiers meaning that they store copied pages indefinitely
- B. Most copiers store, process and transmit data in a cloud environment
- C. Many copiers connect via parallel cables, which store and transmit copy job data.
- D. Many copiers have internal hard drives that might contain information relevant to a fraud examination.

Answer: D

NEW QUESTION 94

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 best 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 98

Which of the following is NOT one of the main limitations of conducting a search for public records using online databases?

- A. Public records database companies are difficult to find
- B. Online public records searches are limited in the jurisdictions they cover
- C. Online coverage of public records varies widely from jurisdiction to jurisdiction
- D. The timeliness and accuracy of information in online databases must be validated

Answer: A

NEW QUESTION 101

Which of the following questions would be most effective when starting the calibration process during an interview?

- A. 'Do you know who might have defrauded the company?'
- B. 'How many jobs have you had before this one?'
- C. 'Do you know what the punishment is for violations like this?'
- D. 'Did you commit any misconduct against the company?'

Answer: C

NEW QUESTION 106

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 107

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