ACFE CFE-Investigation Practice Questions

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Question 1

Question Type: MultipleChoice

Nathaniel, a Certified Fraud Examiner (CFE). is investigating an alleged inventory theft scheme. While interviewing a subject, he asks, "When were you promoted to manager of the department?" This can BEST be described as a(n):

Options:

A- Leading question
B- Open question
C- Complex question
D- Closed question

Answer:

A

Explanation:

The Manual defines leading questions as those that contain or suggest the answer:

''Leading questions... are framed in a way that evokes a specific reply... most commonly used to confirm facts already known... Example: 'You got promoted, right?'''

Nathaniel's question, ''When were you promoted to manager?'' presumes the promotion occurred. This leads the subject by suggesting a fact that may not be true. It is not open (does not invite free narration), not complex (it asks one thing), and not closed (doesn't call for yes/no but presumes an answer).

Question 2

Question Type: MultipleChoice

Gunn, a Certified Fraud Examiner (CFE). was hired to trace Kelly's financial transactions. During his investigation. Gunn obtains records of electronic payments that Kelly made during the past three years. Which of the following are these records MOST LIKELY to reveal?

Options:

A- If Kelly has been skimming funds
B- The cities and countries in which Kelly conducts business
C- The division and distribution of Kelly's assets
D- The market value of any real property Kelly owns

Answer:

C

Question 3

Question Type: MultipleChoice

Which of the following can be obtained from a wire transfer record?

Options:

A- The amount of the transfer in question
B- The type of money order used to make the transfer
C- The location of the customs port of entry for the transfer
D- The recipient's government identification number

Answer:

A

Question 4

Question Type: MultipleChoice

Which of the following questions is MOST HELPFUL for fraud examiners to ask themselves when determining the legality of electronically recording a conversation?

Options:

A- 'Can the recording include both audio and video?
B- 'Will the recording equipment produce a digital file?'
C- 'Will the recorded conversation take place before or after work?'
D- 'How long is the anticipated recording expected to last?'

Answer:

B

Question 5

Question Type: MultipleChoice

Charles, a fraud examiner, accuses George of fraud during an admission-seeking interview. George immediately denies the charge How should Charles respond to George's denial?

Options:

A- Counter the denial by arguing with George until further denials are futile
B- Use a delaying tactic to interrupt the denial
C- Remind George he has to tell the truth or face perjury.
D- Allow George to continue denying the charge.

Answer:

B

Question 6

Question Type: MultipleChoice

Which of the following is the MOST ACCURATE statement regarding the analysis phase in digital forensic investigations?

Options:

A- When analyzing data for evidence, fraud examiners should look for exculpatory evidence But not inculpatory evidence
B- During the analysis phase, it is best to use just one forensic tool for identifying, extracting, and collecting digital evidence
C- The primary concern when analyzing digital evidence is to maintain the integrity of the data at all times
D- The analysis phase of digital forensic investigations should not commence unless it is venfied that the suspect devices do not contain relevant data

Answer:

C

Question 7

Question Type: MultipleChoice

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

Options:

A- Inform the subject that they are under investigation.
B- Issue an organization-wide communication that notifies all employees about the investigation
C- Notify all managers about the investigation, explaining why it is happening and who is involved.
D- Prepare the managers of the employees who will be involved in the investigation

Answer:

C

Question 8

Question Type: MultipleChoice

Which of the following is one of the purposes of closing questions in a routine interview?

Options:

A- To close the interview positively and maintain goodwill
B- To assess whether the subject is ready to confess
C- To confirm the credibility of the witness being interviewed
D- To reduce testimony to a signed, written statement

Answer:

A

Question 9

Question Type: MultipleChoice

Smith, a Certified Fraud Examiner (CFE) for the Ajax Co.. observes Jones, an accounts payable clerk, driving an expensive sports car to work. Smith also has knowledge that Jones recently had extensive remodeling done on her residence. Smith has sufficient predication to:

Options:

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

Answer:

B

Question 10

Question Type: MultipleChoice

Which of the following types of data is BEST suited for a BenfordTs Law analysis?

Options:

A- Employee identification numbers
B- Telephone numbers
C- A listing of payment amounts
D- Vendor addresses

Answer:

C

Question 11

Question Type: MultipleChoice

A law enforcement officer receives a reliable tip from an informant that a government employee is soliciting bribes in exchange for awarding contracts to the employee's agency. To investigate, the officer poses as a potential contractor and contacts the suspect employee about the possibility of getting a contract with the agency. During the conversation, the suspect demands a cash payment for the officer to be considered for upcoming contracts. If the suspect claims entrapment at trial, then which of the following is MOST LIKELY to occur?

Options:

A- The suspect's claim will succeed because the investigator used deceit
B- The suspect's claim will succeed because the investigator lacked probable cause
C- The suspect's claim will fail because the investigator had adequate predication
D- The suspect's claim will fail because the investigator is a law enforcement agent

Answer:

C

Question 12

Question Type: MultipleChoice

Which option best is usually considered the most useful source of financial information available to fraud examiners in tracing a subject's assets?

Options:

A- Financial institution records
B- Service bills
C- Paystubs
D- Credit card statements

Answer:

A

Question 13

Question Type: MultipleChoice

Which of the following questions is MOST HELPFUL for fraud examiners to ask themselves when determining the legality of electronically recording a conversation?

Options:

A- 'Can the recording include both audio and video?
B- 'Will the recording equipment produce a digital file?'
C- 'Will the recorded conversation take place before or after work?'
D- 'How long is the anticipated recording expected to last?'

Answer:

A

Explanation:

The correct answer is: Whether recording is legal depends on consent laws --- so the most helpful question is effectively: ''Is consent required from one or all parties to record this conversation?''

Among the provided choices, the closest match is NOT listed explicitly. But based on the ACFE manuals, the correct interpretation is that none of the technical details (audio/video, file format, time, duration) matter --- only the legal consent requirement matters.

Complete Detailed Explanation with Exact Extracts from Fraud Examiner (CFE) - Investigation Documents: =

The 2014 International Fraud Examiners Manual states:

''In some circumstances, recording an interview might be illegal. Some jurisdictions limit an employer's right to record employee interviews during an investigation. In fact, in some jurisdictions, audio recording an interview is permitted only with the consent of all parties to the communication. Thus, fraud examiners should always consult with an attorney when deciding whether to record an interview.''

It further emphasizes:

''A telephone recording consent form stipulates where, when, and with whom telephone conversations can be recorded... Be cautioned that the form alone does not make the conduct of recording a telephone conversation illegal or legal.''

Interpretation:

The legality of recording has nothing to do with:

Audio vs video (A)

Digital file format (B)

Work hours (C)

Duration (D)

Instead, it depends entirely on jurisdictional consent laws (one-party vs all-party consent).

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