ACFE CFE-Law Practice Questions

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Question 1

Question Type: MultipleChoice

Which of the following statements regarding civil lawsuits in most jurisdictions is CORRECT?

Options:

A- The plaintiffs initial filing does not typically need to contain a summary of the evidence
B- Civil lawsuits begin with the filing of a pleading, usually in the jurisdiction in which the defendant resides or where the claim arose
C- The plaintiff's initial filing with the court does not typically need to include the specific facts on which the claim relies.
D- All of the above are correct

Answer:

B

Question 2

Question Type: MultipleChoice

Calvin, an attorney, sends a letter that is protected by a legal professional privilege to Katrina, one of his clients. Upon receiving the letter, Katrina emails it to her coworker who has no need to know the information contained in the letter. Which option best statements is MOST ACCURATE?

Options:

A- The privilege might have been waived because Katrina used email to transmit the protected information.
B- The privilege might have been waived because Katrina transmitted the protected information to a third party who has no need to know the information.
C- The privilege was not waived by Katrina because the legal professional privilege belongs to the attorney, not the client.
D- The privilege was not waived because the legal professional privilege cannot be waived by transmitting protected information to a third party.

Answer:

B

Question 3

Question Type: MultipleChoice

Aliyah is an employee at Chatham, a publicly traded corporation, and she owns shares of Chatham's stock. Aliyah learns that Chatham is going to publicly announce low earnings, so she sells her shares of Chatham's stock. If her conduct is illegal in the jurisdiction where she works and resides, then what type of crime did Aliyah MOST LIKELY commit?

Options:

A- Churning
B- Insider trading
C- Trading on margin
D- Futures fraud

Answer:

B

Question 4

Question Type: MultipleChoice

Country A's government requires financial institutions to report all instances of a customer depositing or withdrawing more than $10,000 in a day. To avoid attention regarding his illicit assets, James deposits $9,000 each day. In which of the following schemes is James engaging?

Options:

A- Mobile payment scheme
B- Integration scheme
C- Reverse deposit scheme
D- Structuring scheme

Answer:

D

Question 5

Question Type: MultipleChoice

Smith, a Certified Fraud Examiner (CFE). works for the ABC Company, a private entity that operates w\ a jurisdiction with civil laws for defamation, invasion of privacy. and conflict of interest Smith seizes and searches the personal smartphone of Green an employee of ABC even though Green was not suspected of any wrongdong Assuming that Green had a reasonable expectation of privacy in the smartphone and Smith conducted the search without a legitmate interest or authority, under Which option best claims would Green MOST LIKELY be able to recover damages against Smith?

Options:

A- Slander
B- Intrusion into Green's private matters
C- Public disclosure of private facts
D- Conflict of interest

Answer:

B

Question 6

Question Type: MultipleChoice

Which of the following is NOT an element that is generally required to establish a claim alleging the common law civil wrong for intentional infliction of emotional distress?

Options:

A- The defendant acted intentionally or recklessly.
B- The victim's distress occurred for at least two years.
C- The defendant engaged in extreme and outrageous conduct.
D- The victim suffered distress due to the defendant's conduct.

Answer:

B

Question 7

Question Type: MultipleChoice

In most common law jurisdictions, which of the following BEST describes when the duty to preserve evidence begins?

Options:

A- When litigation is reasonably anticipated
B- When the company receives notice of the lawsuit
C- When the judge sets the schedule for discovery
D- When the court orders the party to produce the evidence

Answer:

A

Question 8

Question Type: MultipleChoice

Which of the following statements concerning judgments involving parties in multiple jurisdictions is MOST ACCURATE?

Options:

A- Whether a foreign judgment is enforceable always depends on where the defendant's assets are located
B- If a party obtains a judgment in one jurisdiction, that party will automatically be able to enforce the judgment in any jurisdiction
C- If a party obtains a judgment in one jurisdiction, that party will automatically be able to enforce the judgment wherever the defendant resides
D- Whether a foreign judgment is enforceable might depend on whether the two jurisdiction have an enforcement treaty

Answer:

D

Question 9

Question Type: MultipleChoice

Bob receives a memorandum from his attorney that is protected by a legal professional privilege Bob emails the memorandum to a third party who has no need to know the information in the memorandum Which of the following statements is MOST ACCURATE?

Options:

A- Bob did not walve the privilege because the legal professional privilege belongs to the attorney, not the client
B- Bob might have waived the privilege because he transmitted the protected information to a third party who has no need to know the information
C- Bob might have waived the privilege because he used email to transmit the protected information.
D- Bob did not waive the privilege because the legal professional privilege cannot be waived by transmitting protected information to a third party

Answer:

B

Question 10

Question Type: MultipleChoice

In common law jurisdictions, which of the following scenarios would MOST LIKELY result in sanctions for an organization for failing to preserve evidence?

Options:

A- An employee intentionally destroys a relevant document prior to the company announcing the possibility of litigation.
B- An employee unintentionally alters a digital document that is not directly relevant to any potential litigation that the company has announced to its staff.
C- An employee accidentally deletes a digital document that is relevant to litigation after the company announces that such litigation is a possibility.
D- An employee abstains from destroying a document relevant to an ongoing proceeding even though this act violates the company's document retention policy.

Answer:

A

Question 11

Question Type: MultipleChoice

To determine if a misrepresentation in the offer or sale of any securities is material a fraud examiner should answer which of the following questions?

Options:

A- 'Did the person who made the representation believe that it was suitable for potential investors?'
B- 'Was the misrepresentation made by an authorized individual?'
C- 'Would a reasonable investor wish to know the information to make an informed decision?'
D- ''Did the person who made the representation intend to mislead potential investors?

Answer:

C

Question 12

Question Type: MultipleChoice

Ramona is investigating Eugene for misconduct Ramona and Eugene both work for Elek-Tek, which operates in a jurisdiction with evil laws for defamation, invasion of privacy and conflict of interest During the investigation Ramona obtained ^formation that Eugene is cheating on his spouse Ramona to a large group of Elek-Tek employees that Eugene was committing adultery, which turned out to be true Which cause of action would give Eugene the BEST chance for success m a civil suit against Ramona?

Options:

A- Conflict of interest
B- Defamation
C- Public disclosure of private facts
D- Slander

Answer:

C

Question 13

Question Type: MultipleChoice

Which option best statements concerning front businesses as a method of laundering money is the LEAST ACCURATE?

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Options:

A- A red flag of a front business is the observation of a large number of customers during peak operating hours
B- Front businesses provide cover for delivery and transportation related to illegal activity
C- From criminals' perspective a disadvantage to front businesses is that they generally must pay taxes on the illicit income
D- Front businesses benefit launderers by providing a safe place to manage criminal activities

Answer:

A

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