

ACFE

Exam Questions CFE-Law

Certified Fraud Examiner (CFE) - Law



NEW QUESTION 1

The government filed a civil action against a politician for accepting real estate as a bribe. There is a possibility that the politician could transfer the real estate to a third party before the court enters a final judgment. Which type of order should the government seek from the court to prevent the politician from transferring the real estate?

- A. Preservation order
- B. Declaratory relief
- C. Prejudgment attachment
- D. Litigation hold

Answer: C

NEW QUESTION 2

Greg is serving as an expert witness and is being cross-examined at trial. The questioning party gets Greg to state that he spent considerable time working on a certain issue in the case. Then the questioning party asks many questions on a tangential issue in the case that Greg knows little about. Which of the following describes the questioning party's method?

- A. Myopic vision
- B. Personal attack
- C. Bias
- D. Sounding board

Answer: A

NEW QUESTION 3

Which of the following is NOT one of the elements that the government must prove to establish a violation of a law criminalizing false statements to government agencies?

- A. The government relied on the false statement
- B. The defendant knew the statement was false
- C. The defendant made a false statement
- D. The false statement was material

Answer: A

NEW QUESTION 4

Dodd is a Certified Fraud Examiner (CFE) who works for Weathervane, a private company. Dodd suspects that Burton, a Weathervane employee, has embezzled money from the company. Dodd plans to conduct an internal investigation into the missing funds. Based on these facts, which of the following is the MOST ACCURATE statement?

- A. Burton has a duty to cooperate with the investigation even if what is requested from him is not reasonable
- B. Burton can refuse to cooperate with the investigation because he has a fundamental right to privacy
- C. Burton likely has a duty to cooperate with the investigation as part of the employer-employee relationship
- D. Burton can refuse to cooperate with the investigation because he has a fundamental right to remain silent

Answer: C

NEW QUESTION 5

Even if a government agent obtains consent to search by force, duress, or bribery, the consent will still constitute a valid waiver of the consenting party's right to be free from searches.

- A. true
- B. False

Answer: B

NEW QUESTION 6

Which of the following is NOT an element that must be proven to establish a perjury offense?

- A. The defendant made a false statement that was material
- B. The defendant made a false statement while under oath.
- C. The defendant made the statement with knowledge of its falsity
- D. The defendant made a false statement in a court of law.

Answer: D

NEW QUESTION 7

Company A sued Company B to recover damages for the breach of a contract. In the same proceeding, Company B sought damages for an allegation that Company A fraudulently induced Company B into entering the contract. In this case, what would Company B's claim against Company A be called?

- A. Counterclaim
- B. Collateral attack
- C. Reversal
- D. Cross-claim

Answer: A

NEW QUESTION 8

Which of the following is the MOST ACCURATE statement about self-regulatory organizations (SROs) in the securities industry?

- A. An SRO generally has sole regulatory authority over the securities industry in the jurisdiction in which it operates
- B. In most jurisdiction
- C. SROs are prohibited from participating in the resolution of disputes related to securities transactions
- D. An SRO is a governmental entity that exercises regulatory authority over the securities industry in its jurisdiction
- E. In some jurisdictions SROs establish the standards and rules under which members of the securities industry operate

Answer: D

NEW QUESTION 9

Which of the following statements regarding the qualifications of expert witnesses in most inquisitorial jurisdictions is CORRECT?

- A. Certification in a specific field is always enough to qualify an expert
- B. An expert is not qualified to testify unless all parties to the litigation approve
- C. Experts are generally prohibited from serving as expert witnesses in multiple cases
- D. The qualification of an expert is generally based on standardized requirements

Answer: D

NEW QUESTION 10

Which of the following is the MOST ACCURATE statement about the UK Bribery Act?

- A. Like the FCPA the UK Bribery Act contains an explicit exception for facilitating payments
- B. Even if an organization's anti-corruption program complies with the FCPA, it might not be sufficient for the purpose of complying with the UK Bribery Act
- C. Unlike the FCPA
- D. the UK Bribery Act makes it a crime to bribe a foreign public official in connection with international business transactions
- E. The UK Bribery Act only exercises jurisdiction over individuals and corporate entities for acts of corruption when the offense occurs outside the United Kingdom

Answer: B

NEW QUESTION 10

All of the following are common legal defenses for tax evasion EXCEPT:

- A. Mental illness of the taxpayer
- B. Death of the taxpayer
- C. The taxpayer's reliance on an attorney or accountant
- D. The actions were tax avoidance not tax evasion

Answer: B

NEW QUESTION 11

Which of the following, if available, would help an organization recover losses from an instance of internal fraud?

- A. Privilege insurance
- B. Customer liability policy
- C. Fidelity insurance
- D. Deposition

Answer: C

NEW QUESTION 16

Which of the following is TRUE in regard to authenticating evidence in most common law systems?

- A. Digital records cannot be authenticated by testimony from a witness with personal knowledge
- B. For evidence to be authenticated it must be reviewed and voted on by a jury
- C. Exhibits that cannot be authenticated will not be admitted regardless of relevance
- D. The purpose of authentication is to ensure that hearsay is not admitted into evidence

Answer: D

NEW QUESTION 21

Which of the following statements concerning money services businesses (MSBs) is INCORRECT?

- A. MSBs tend to have a lower money laundering risk than other financial institutions.
- B. MSBs are generally less strictly regulated than traditional financial institutions.
- C. A check cashing company is classified as an MSB.
- D. A currency exchange is classified as an MSB.

Answer: B

NEW QUESTION 23

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?

- A. Bob did not waive 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

NEW QUESTION 24

Under the World Bank Principles for Effective Insolvency and Credit/Debtor Regimes (World Bank Principles), which of the following parties should administer the debtor's estate in liquidation bankruptcy proceedings?

- A. The jurisdiction's commerce department or equivalent agency
- B. The creditor with the largest claim against the debtor
- C. The debtor, supervised by an independent insolvency representative
- D. An independent insolvency representative

Answer: D

NEW QUESTION 27

Jackson believes he has a legal cause of action against Alice, who lives in a foreign country. The fact that Jackson is the plaintiff allows him to bring the lawsuit against Alice in any court in the country where he lives.

- A. True
- B. False

Answer: A

NEW QUESTION 29

Which of the following statements about the International Organization of Securities Commissions (IOSCO) s TRUE?

- A. IOSCO is a self-regulatory organization for companies that have securities traded on international securities markets
- B. IOSCO provides a forum for regular cooperation on banking supervisory matters affecting developing nations
- C. IOSCO is an oversight body responsible for issuing and enforcing regulations that govern all international securities markets
- D. IOSCO is recognized as the international standard-setter for securities markets

Answer: D

NEW QUESTION 32

The same customer comes into a casino each day and deposits a large amount of cash into an account but after very little gambling the customer withdraws the funds The casino employees suspect that the customer may be engaged in money laundering activity Assuming that the anti-money laundering (AML) regulations that govern the casino's activities correspond to the Financial Action Task Force (FATF) Recommendations the casino:

- A. May, but is not required to file a report of suspicious transactions related to possible money laundering with appropriate authorities
- B. May not file a report of suspicious transactions related to potential criminal activity with appropriate authorities
- C. Is required to file a report of suspicious transactions with appropriate authorities because the employees suspect money laundering violations
- D. Is required to file a cash transaction report for possible criminal activity with appropriate authorities because cash was involved

Answer: C

NEW QUESTION 33

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

- 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

NEW QUESTION 38

Which of the following schemes involves disguising money from illegal nonbusiness sources by recording more income on a business's books than the business actually generates?

- A. Overstate revenues
- B. Structured deposits
- C. Trade-based laundering
- D. None of re above

Answer: A

NEW QUESTION 39

Which of the following statements concerning the appointment of expert witnesses at that is accurate?

- A. Generally, the court appoints the primary expert witnesses in inquisitorial jurisdictions.
- B. Generally, only the parties may select expert witnesses in inquisitorial jurisdictions.
- C. Generally the court selects the primary expert witnesses in adversarial jurisdictions.
- D. Generally, only the parties may select experts to introduce testimony in adversarial jurisdictions

Answer: B

NEW QUESTION 44

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 wrongdoing Assuming that Green had a reasonable expectation of privacy in the smartphone and Smith conducted the search without a legitimate interest or authority, under which of the following claims would Green MOST LIKELY be able to recover damages against Smith?

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

Answer: B

NEW QUESTION 46

Which of the following is a legal element that must be shown to prove a claim for commercial bribery?

- A. The defendant acted negligently.
- B. The defendant gave or received a thing of value.
- C. The principal suffered damages as a result of the bribe
- D. The defendant failed to exercise due care.

Answer: B

NEW QUESTION 47

In jurisdictions that allow criminal bargaining agreements the defendant's counsel generally has the discretion to determine whether a bargaining agreement is available to the defendant.

- A. True
- B. False

Answer: B

NEW QUESTION 49

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

- 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

NEW QUESTION 52

Which of the following is NOT required for a contract transaction or scheme to be classified as an investment contract?

- A. The expectation of making a profit
- B. Profits derived solely from the investor's management activity
- C. investment m a common enterprise
- D. An investment of money or other asset

Answer: B

NEW QUESTION 54

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