

Exam Questions CFE-Investigation

Certified Fraud Examiner - Investigation Exam

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NEW QUESTION 1

An interviewer should primarily ask closed questions during the information phase of an interview

- A. True
- B. False

Answer: A

NEW QUESTION 2

Shane, a Certified Fraud Examiner (CFE) is investigating Larsen, who is active on various social networking sites. Shane wants to search and extract information from Larsen's social media postings so that it can be used in court as evidence. Which of the following is the MOST ACCURATE statement regarding what Shane should do when conducting a social media investigation of Larsen?

- A. Shane should email himself the links of the postings so that he can retrieve them later.
- B. Shane should preserve the information from the social networking sites so that it can be established as authentic if used in court.
- C. Shane should conduct a forensic shutdown of his computer to preserve the metadata in the social networking sites.
- D. Shane should preserve the information by saving the links of the postings in his 'bookmarks'

Answer: B

NEW QUESTION 3

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

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

Answer: B

NEW QUESTION 4

Lisa, a fraud examinee at a private company, receives an anonymous call from a potential whistleblower. The whistleblower is 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 whistleblower'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 whistleblower full confidentiality even if she knows her statement is untrue, because the lie is ultimately beneficial to her employer.

Answer: A

NEW QUESTION 5

When a fraud examiner is conducting an examination and is in the process of collecting documents, the fraud examiner should:

- 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 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 8

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 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

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 11

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 12

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 17

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 18

Eric, a Certified Fraud Examiner (CFE) is conducting an admission-seeking interview with Sean, a fraud suspect Sean is seated across the table from Eric. The door is closed but not locked and there are no windows or wall hangings in the room According to admission seeking interview best practices, what change should Eric make to the interview environment to increase that chances of the interview's success?

- A. Remove the table from the room to prevent physical and psychological barriers
- B. Lock the door to ensure the interview is not interrupted
- C. Move the interview to a room with a window so that Sean feels more comfortable.
- D. Open the door so that Sean feels free to leave at any time

Answer: D

NEW QUESTION 23

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 28

Which of the following statements concerning access to nonpublic records it 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 suspects 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 33

_____ can be detected by closely examining the documentation submitted with the cash receipts.

- A. Voided purchases
- B. Fictitious refunds
- C. Approved transaction
- D. None of the above

Answer: B

NEW QUESTION 38

A fabricated name and the post office box that an employee uses to collect disbursements from false billings is called:

- A. Accomplice residence
- B. Shell company
- C. Perpetrator check
- D. Cash generator

Answer: B

NEW QUESTION 39

If an important witness becomes hostile and argumentative during an Interview, the interviewer generally should:

- A. Agree with the witness's points whenever possible.
- B. Terminate the interview
- C. Refute the witness's arguments
- D. Try to reason with the witness

Answer: C

NEW QUESTION 43

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 45

The most common method of detection in corruption cases is:

- A. Internal audits
- B. Internal controls
- C. Tips
- D. By accident

Answer: C

NEW QUESTION 46

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 50

Delta, an Interviewer with little experience asks Sigma the respondent the following question. "Were you aware that the signature was forged and why didn't you tell anyone earlier?"

This kind of question Is cased a question.

- A. Free narrative
- B. Complex
- C. Double-negative
- D. Controlled answer

Answer: C

NEW QUESTION 52

Which of the following is NOT true with regard to tracing the deposition 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 53

Which of the following is NOT an advantage to using link analysis in a fraud investigation?

- A. Link analysis visually displays financial ratio analysis
- B. Link analysis allows the investigator lo discover patterns in data
- C. Link analysis helps identify indirect relationships with several degrees of separation
- D. Link analysis to an effective tool to demonstrate complex networks

Answer: C

NEW QUESTION 58

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 63

Caroline a fraud examiner is conducting an admission-seeking interview with John an employee suspected of stealing cash. Which of the following is the MOST effective phrasing for Caroline to use when posing an admission-seeking question to John?

- A. "Why did you take the money?"
- B. "Did you steal the money?"
- C. "Do you know who look the money?"
- D. "What do you know about the stolen money?"

Answer: A

NEW QUESTION 65

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 67

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 68

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 71

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 76

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 77

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 78

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 81

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 86

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 87

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