

ACFE

Exam Questions CFE-Law

Certified Fraud Examiner (CFE) - Law



NEW QUESTION 1

In most civil law systems, which of the following parties typically serves as the fact finder in criminal proceedings?

- A. judge
- B. A jury
- C. A panel comprised of laypersons
- D. A panel of court-appointed attorneys

Answer: A

NEW QUESTION 2

Which of the following statements concerning digital currencies, such as bitcoin, is MOST ACCURATE?

- A. Digital currencies are subject to all of the same regulations as payments made through traditional financial institutions
- B. Digital currencies are attractive to money launderers because payments often cross jurisdictional boundaries, making it difficult for authorities to pursue enforcement
- C. Digital currencies are attractive to money launderers because they are a payment method that provides complete anonymity
- D. Digital currencies are not typically used to launder money due to strict customer identification or recordkeeping requirements enforced in all jurisdictions

Answer: B

NEW QUESTION 3

Which of the following statements concerning examinations of expert witnesses in most inquisitorial jurisdictions is accurate?

- A. The expert has the discretion to determine the scope of the examinations
- B. The judge is not allowed to question the expert's credibility under any circumstance
- C. The parties determine the extent of consideration to be given to the expert's testimony
- D. The parties are often allowed to question the expert's methods and analysis

Answer: D

NEW QUESTION 4

Which of the following statements about the appeals process in cranial cases is MOST ACCURATE?

- A. In common law jurisdictions, appellate courts are generally not permitted to make their own factual determinations when reviewing a case
- B. In civil law jurisdictions appellate courts are generally not permitted to make their own legal conclusions when reviewing a case
- C. Appellate courts will usually hear an appeal even if the petition was not filed in a timely manner
- D. Appellate courts will usually reverse a conviction even if the trial court's error did not affect the outcome of the case

Answer: A

NEW QUESTION 5

Which of the following is NOT a right of the accused under the United Nations' (UN) International Covenant on Civil and Political Rights (ICCPR)?

- A. Right of the accused to be informed of criminal charges
- B. Right to be presumed innocent until proven guilty
- C. Right to a trial by jury
- D. Freedom from arbitrary arrests

Answer: C

NEW QUESTION 6

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 7

Which of the following is the MOST ACCURATE statement about the litigation privilege in common law jurisdictions?

- A. The primary purpose of the litigation privilege is to protect confidential communications between a client and the client's legal representative
- B. The litigation privilege only protects documents and materials prepared by an attorney
- C. The litigation privilege applies only while a trial is underway
- D. The litigation privilege applies only to documents and materials prepared in anticipation of litigation

Answer: A

NEW QUESTION 8

Ethan a U S resident, is running a Ponzi scheme As part of the scheme, he uses the U S mail system to send promotional materials to potential victims in France If the US government decides to prosecute Ethan, which of the following would provide the MOST LIKELY basis for the charges?

- A. Mail fraud
- B. Wire fraud
- C. Insider trading fraud
- D. Communications fraud

Answer: A

NEW QUESTION 9

Which of the following is an example of a trade-based money laundering scheme?

- A. An importer and an exporter conspire to conceal illicit funds by creating invoices that understate the quantity of goods shipped internationally
- B. An accountant overstates a restaurants revenues to hide illegal funds that are secretly laundered through the business
- C. A drug cartel outside of the United States launders illicit funds by hiring runners to deposit small amounts of money in bank accounts throughout the United States
- D. A businessperson deposits illicit funds into the bank account of a company they secretly own which then lends the funds back to them

Answer: A

NEW QUESTION 10

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 10

The Financial Action Task Force (FATF) Recommendations slate that a financial institution s customer due diligence (COD) procedures should include continued monitoring of a customer's business relationships and transactions.

- A. True
- B. False

Answer: A

NEW QUESTION 14

Which of the following is a red flag that an entity is operating a security business without the proper license or registration?

- A. The entity's website contains detailed background information.
- B. There is an unexplained absence of customer complaints against the entity.
- C. There are justified gaps in the work history of promoters at the entity
- D. The agents working at the entity have criminal records.

Answer: D

NEW QUESTION 15

Which of the following statements concerning civil trials in common law jurisdictions is MOST ACCURATE?

- A. Civil jury trials must have the same number of jurors as in criminal jury trials.
- B. Neither side may appeal an adverse judgment in a civil case
- C. Jury verdicts m civil trials must always be unanimous
- D. in most civil cases, the standard of proof is the preponderance of the evidence

Answer: C

NEW QUESTION 18

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 inquisitor 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: A

NEW QUESTION 22

Company A sued Company B to recover damages tor 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. Cross-claim
- B. Collateral attack
- C. Reversal
- D. Counterclaim

Answer: D

NEW QUESTION 25

Before her criminal trial for embezzlement Monique contacts witnesses against her and offers to pay them if they change their stories Based on her actions the government would MOST LIKELY bring additional charges against Monique for:

- A. Obstruction of justice
- B. Fraudulent misrepresentation
- C. Conspiracy to influence the court
- D. Judicial extortion

Answer: A

NEW QUESTION 30

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 35

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 white 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 37

The Financial Action Task Force (FATF) Recommendations advise countries to do all of the following EXCEPT:

- A. Use a risk-based approach when setting anti-money laundering policies
- B. Require financial institutions to keep certain records and establish anti-money laundering policies.
- C. Require financial institutions to monitor their customers' political affiliations.
- D. Enable authorities to trace freeze, and confiscate assets suspected in money laundering and terrorist financing

Answer: C

NEW QUESTION 38

Which of the following describes the purpose of an expert witness testimony at trial?

- A. To offer an opinion as to a party's guilt or innocence
- B. To give a firsthand account of the facts of the case on the record
- C. To give an opinion when the fact finder needs specialized knowledge
- D. None of the above

Answer: C

NEW QUESTION 39

In a particular country's judicial process, the judge oversees the investigation of a case is primarily responsible for questioning witnesses and generally plays a larger role in the evidence-gathering process than the parties' legal counsel Which of the following BEST describes this type of judicial process'?

- A. Adversarial process
- B. Substantive law process
- C. Inquisitorial process
- D. Common law process

Answer: A

NEW QUESTION 42

Greta is convicted of white-collar crime. However, her sentence is suspended in return for her promise of good behavior. Which of the following BEST describes Greta's sentence?

- A. Determinate sentence
- B. Probation
- C. indeterminate sentence

D. Deferred prosecution agreement

Answer: B

NEW QUESTION 47

Allison works for a government contractor. She informs the government that her employer has been submitting false claims to the government for payment. Later it is discovered that Allison has misappropriated more than \$50,000 of her employer's money. Allison qualifies as a whistleblower entitled to anti-retaliation protection under the law because of her report to the government. Which of the following statements about Allison is CORRECT?

- A. Allison cannot be fired for misappropriating funds from her employer
- B. Allison cannot be fired for any reason
- C. Allison cannot be fired for informing the government of her employer's fraud
- D. None of the above

Answer: C

NEW QUESTION 51

The MOST COMMON bankruptcy fraud scheme is:

- A. Forged filing
- B. A planned bustcut
- C. A credit card bustout
- D. Concealment of assets

Answer: D

NEW QUESTION 55

A business files for bankruptcy with the goal of obtaining relief from creditors so that it can rearrange its financial affairs and continue as a going concern. Which of the following describes this type of bankruptcy proceeding?

- A. Reorganization bankruptcy
- B. Debt adjustment bankruptcy
- C. Debt dismissal bankruptcy
- D. Liquidation bankruptcy

Answer: A

NEW QUESTION 56

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 excerpt 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 58

Raj is an employee who works in a jurisdiction that prohibits unreasonable workplace searches and surveillance in areas or items where employees have a reasonable expectation of privacy. In which of the following is Raj MOST LIKELY to have a reasonable expectation of privacy?

- A. A backpack brought from home
- B. A filing cabinet in the office lobby
- C. A waste bin in the employee's office
- D. A company-issued tablet computer

Answer: A

NEW QUESTION 63

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 66

Which of the following is NOT a legal element that must be shown to prove a claim for fraudulent misrepresentation of material facts?

- A. The victim relied on the misrepresentation
- B. The defendant acted negligently

- C. The defendant made a false statement (i, e., a misrepresentation of fact)
- D. The victim suffered damages as a result of the misrepresentation

Answer: B

NEW QUESTION 71

Which of the following typically does NOT have to be present for communications between an attorney and the attorney's client to be protected by a legal professional privilege?

- A. Purpose of the communications was to seek or provide legal advice
- B. A lawsuit has been filed
- C. Intent to keep the communications confidential
- D. Communication between a legal advisor and a client

Answer: B

NEW QUESTION 75

Which of the following is the MOST ACCURATE statement about the different types of alternative dispute resolution'?

- A. The agreements reached in mediations are generally nonbinding.
- B. In a mediation session, the mediator decides who should win the dispute at issue
- C. The decisions reached in all arbitrations are always binding
- D. In an arbitration proceeding the arbitrator acts as a judge or jury by deciding the dispute at issue on its merits

Answer: C

NEW QUESTION 80

Grant, a fraud examiner is investigating Beatrice for embezzlement on his employer's behalf. During his investigation. Grant learns that Beatrice has cheated on her spouse and he tells several of Beatrice's coworkers about it Beatrice discovers that Grant revealed the unflattering (albeit true) information about her and decides to file a claim of defamation against Grant. Which of the following is the BEST Explanation of why Beatrice will not win her defamation case?

- A. The information was true
- B. The communications to the subject's coworkers were privileged
- C. The news was not communicated to enough people
- D. The statement was not printed and distributed

Answer: A

NEW QUESTION 82

The Organisation for Economic Co-operation and Developments (OECD) Recommendation on Combating Bribery m International Business (Recommendation) urges member states to combat the bribery of foreign public officials by taking steps to improve which of the following primary areas within their respective infrastructures?

- A. Public health and safety regulations
- B. Laws and regulations related to public subsidies licenses, and contract procurement
- C. Laws and regulations covering e-commerce
- D. Consumer data protection laws

Answer: B

NEW QUESTION 83

In most civil law jurisdictions which of the following BEST describes when a party is required to begin taking steps to preserve and produce relevant evidence?

- A. When the court orders such steps to be taken
- B. When litigation has started
- C. When the party receives a service of process
- D. When the charging documents are filed

Answer: B

NEW QUESTION 88

In common law jurisdictions failing to suspend routine destruction of electronic data can result in sanctions for failure to preserve relevant evidence

- A. True
- B. False

Answer: B

NEW QUESTION 89

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 92

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 94

Which of the following statements about the International Organization of Securities Commissions (IOSCO) is 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 96

In systems using adversarial processes, an attorney may impeach an opposing party's witness by showing that the witness:

- A. Has a keen ability to observe
- B. Made poor consistent statements
- C. Testified from personal knowledge
- D. Is influenced by bias or self-interest

Answer: D

NEW QUESTION 99

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 the above

Answer: A

NEW QUESTION 100

During an internal investigation Todd a Certified Fraud Examiner (CFE) interviewed Janessa a fraud suspect Although Janessa wanted to leave in the middle of the interview, Todd blocked the exit and prevented her from leaving Janessa subsequently confessed to committing fraud If under these facts Janessa files a lawsuit (or false imprisonment against Todd, Todd will likely

- A. Win the case because he is protected under the qualified business privilege
- B. Lose the case if a trier of fact concludes that he restrained Janessa without consent or legal justification
- C. Lose the case because Janessa did not leave the interview
- D. Win the case if he did not know the conduct was illegal

Answer: B

NEW QUESTION 105

Which of the following statements concerning the appointment of expert witnesses is most 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 107

Which of the following statements is MOST ACCURATE regarding cross-examination of witnesses in adversarial systems?

- A. If opposing counsel asks an overly complex question during cross-examination, witnesses should ask for the question to be rephrased
- B. If an expert witness's opinion is at risk of being distorted during cross-examination, the expert should avoid answering the question
- C. The primary purpose of cross-examination is for opposing counsel to discover information previously unknown to opposing counsel.
- D. The general rule is for opposing counsel to cross-examine all witnesses to ensure that important details are not missed by the fact finder

Answer: A

NEW QUESTION 112

Frederick has multiple high-volume foreign bank accounts. The country he lives in requires him to report such accounts annually for tax purposes but he regularly and intentionally fails to report his accounts in order to reduce the amount of taxes he must pay. Which of the following schemes has Frederick MOST LIKELY committed?

- A. A tax credit evasion scheme
- B. A value-added tax evasion scheme
- C. An excise tax evasion scheme
- D. An income and wealth tax evasion scheme

Answer: D

NEW QUESTION 115

Which of the following statements concerning alternative remittance systems is INCORRECT?

- A. The systems are not necessarily illegal.
- B. Funds are sent and received without the use of traditional financial institutions.
- C. The systems are characterized by a lack of physical or digital transfer of currency between payers and payees.
- D. The ledgers used typically contain information regarding payers and payees, such as names and account numbers.

Answer: A

NEW QUESTION 117

Nora, a health care provider b convicted of health care fraud in criminal court After her conviction, the national health agency begins a proceeding to prohibit Nora from seeking reimbursement from government health care programs for five years Which type of administrative penalty is the national health agency seeking?

- A. License suspension
- B. Debarment
- C. License revocation
- D. Disenfranchisement

Answer: A

NEW QUESTION 120

Evidence that tends to make some fact at issue more or less likely than it would be without the evidence is called:

- A. Circumstantial evidence
- B. Testamentary evidence
- C. Demonstrative evidence
- D. Relevant evidence

Answer: D

NEW QUESTION 125

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