

$$\frac{96}{125} = 77\frac{1}{10}$$

### Law Practice Question

1. Evidence and conclusions are material if knowledge of them would affect a client's decisions based on a CFE's report.
- A. True       B. False
2. B purchased a painting from A. B's decision to buy the painting was based on A's representation that the work of art had been painted by C. In which of the following circumstances was A's representation NOT fraudulent?
- A. A knew that C was not the painter       B. A honestly thought C was the painter, even though he was not
- C. A did not believe C was the painter, but he did not know for sure
- D. A's statement was fraudulent in all of the above circumstances
3. During a trial, the judge may have the right to "direct" the jury to a verdict of not guilty on one or more charges in the event that:
- A. The judge firmly believes in the innocence of the defendant on that charge
- B. The defence asks for the charge to be dropped
- C. The prosecution has not presented evidence in relation to the charge
- D. None of the above
4. The duty of \_\_\_\_\_ requires that the employee/agent acts solely in the best interest of the employer/principal, free of any self-dealing, conflicts of interest, or other abuse of the principal for personal advantage.
- A. Honesty       B. Loyalty       C. Care       D. Confidentiality
5. The crime of embezzlement normally involves a relationship of trust.
- A. True       B. False
6. The elements of a typical claim of \_\_\_\_\_ include: (1) an agent taking an interest in an transaction (2) that is actually or potentially adverse to the principal (3) without full and timely disclosure to and approval by the principal.
- A. Extortion       B. Secret commissions       C. Conflict of interest       D. Illegal gratuity
7. Tangible pieces of evidence that illustrate some material proposition and are created specifically for trial to assist the jury are called \_\_\_\_\_ evidence.
- A. Direct       B. Third-party       C. Demonstrative       D. Real
8. Blake is a purchasing agent for the government. White is a vendor. After Blake steered business to White, White gave Blake a new Rolex watch. Blake and White could be charged with:
- A. Illegal gratuity       B. Fraud       C. Bribery       D. None of the above
9. Of the choices below, which is the proper sequence of cycles in a money laundering process?
- A. Integration, structuring, and placement       B. Placement, layering, and integration
- C. Layering, placement, and integration       D. Placement, bank complicity, and structuring

Civil Justice  
Criminal Justice  
Law related to fraud

Assessment

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10. According to the Fraud Examiner's Manual, an expert's credibility must be established with the judge or jury during \_\_\_\_\_.
- A. Opening statements    B. Closing arguments     C. Cross-examination     D. Direct examination
11. Procedural law deals primarily with:
- A. Criminal laws    B. Substantive laws     C. Rules of the legal system     D. None of the above
12. Bailey, a Certified Fraud Examiner, is being cross-examined in court on his expert opinion relating to a fraud matter. Darwin, a defence attorney, is attempting to trap Bailey on a number of "what if" scenarios which would cause a distortion of Bailey's opinion. What should Bailey do?
- A. Point out to Darwin that he is not being fair      B. Ask that the question be rephrased ✓  
 C. Object and refuse to answer     D. Any of the above
13. During the discovery phase of a civil case, a party can obtain both documents and testimony from the opposing party.
- A. True    B. False
14. Which of the following is NOT a principal category of fraud?
- A. Concealment of material facts    B. Bribery ✓    C. Misrepresentation of material facts ✓     D. Burglary ✓
15. Which of the following is a method of disguising money from illegal nonbusiness sources by adding it to the records of a business?
- A. Balance sheet laundering    B. Real estate purchases      C. Overstatement of reported revenues    D. None of the above
16. Relevant evidence is evidence which pertains to a case that tends to prove or disprove a fact in issue and is always admitted in the case.
- Evidence having the tendency to make the existence of any fact that is of consequence to the determination of the action more probable or less probable than it would be without the evidence*
- A. True     B. False
17. A(n) \_\_\_\_\_ is an order by the judge to do or refrain from doing some act.
- A. Monetary remedy     B. Declaratory judgement    C. Punitive order     D. Injunction ✓
18. Which of the following is NOT an example of actions which may constitute false imprisonment?
- A. Conducting an overbearing interview under circumstances where the suspect is not permitted to leave ✓  
 B. Telling the suspect that he is required to answer questions ✓    C. Standing in front of an exit ✓  
 D. Locking the door to an interview room ✓
19. The advantage of overstating revenues is that taxes will not be due on the income reported.
- A. True     B. False ✓
20. Sworn testimony given by a party upon questioning by counsel before trial and outside of court is referred to as which of the following?
- A. Privileged interview      B. Oral examination for discovery ✓    C. Subpoena duces tecum     D. Affidavit

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Shaimila

- 21 Blue, an attorney, plans to call Green, a CFE, as an expert witness at trial. A week before the trial, the two meet to discuss their strategy. Blue tells Green what questions he will ask at trial and the two discuss how Green's evidence should be presented to the jury. Blue is subject to sanction for witness tampering.
- A. True  B. False
- 22 Business records are private records and thus are not admissible in a legal proceeding.
- A. True  B. False
23. Evidence having a tendency to prove or disprove a fact in issue is called:
- A. Circumstantial evidence B. Material evidence  C. Relevant evidence D. Direct evidence
- 24 Under the doctrine of \_\_\_\_\_, lower courts are bound to follow the decisions or precedents of higher courts.
- A. Malum in se  B. Stare decisis C. Starry night  D. Appellate review
- 25 In the Bre-X gold scandal of 1997, gold samples were "salted" to mislead investors.
- A. True B. False
- 26 During cross-examination, it is opposing counsel's "golden rule" to cross-examine an expert only if opposing counsel doesn't know the answer to the questions.
- A. True  B. False
- 27 Which of the following is NOT an exception of the hearsay rule?
- A. Admissions  B. Declaration against interest  C. Affidavits D. Dying declarations
- 28 \_\_\_\_\_ are shares that have a low market value, and are thus susceptible to repeated sales and purchases that artificially drive up the value before they are sold to unsuspecting victims.
- A. Penny stocks B. Switched stocks  C. Converted shares  D. Parked shares
- 29 If a fraudster simply deposits his ill-gotten funds into the bank account of a business, rather than attempting to disguise the source of the money as income, he/she is:
- A. Balance sheet laundering B. Overstating reported revenues C. Overstating reported expenses D. All of the above
- 30 Pyramid schemes, Ponzi schemes, and advance fee loan schemes are types of securities fraud schemes as well as types of consumer fraud schemes.
- A. True B. False
- 31 Corporate officers and directors usually have a \_\_\_\_\_ relationship to the corporation and/or its shareholders.
- A. Fiduciary B. Common law C. Statutory D. All of the above
- 32 In most jurisdictions, the plain view doctrine will apply in which of the following instances?
- A. A police officer searches the premises without a search warrant but finds incriminating items listed in the warrant within plain view
- B. The police officer searches the premises with a search warrant and finds incriminating items not listed in the warrant, but that the officer had previous knowledge of, within plain view

C. The police officer finds and seizes items within plain view that are subsequently found to be evidence of a crime ✓

~~D. A police officer searches the premises with a search warrant and finds incriminating items not listed in the warrant within plain view~~

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A. Any company employees who directed the illegal activities ✓

B. Any company employees who were responsible for the criminal actions but participated in them unknowingly ✓

C. All company employees ✓  D. All of the above are liable

34. Once the source of the funds has been disguised, the next step in the money laundering process is to \_\_\_\_\_.

A. Move it out of the country ✓  B. Use the funds to acquire assets ✓

C. Evade reporting requirements ✓ D. Hide the funds ✓

35. To prove a misrepresentation of material facts in a civil (non-criminal) case, it might be necessary to prove that the victim \_\_\_\_\_.

A. Cannot afford to suffer the loss ✓ B. Has not been convicted of fraud previously ✓

~~C. Relied upon the false statements and suffered a loss~~ D. None of the above

36. In most cases, in a civil suit, the plaintiff must prove only that it is more probable than not that the defendant is liable in order to win the suit.

A. True  B. False

\* 37. Which of the following is NOT a legal risk which can result from improperly conducted interviews?

~~A. Forcible entry and detainer claim~~ B. Invasion of privacy claim ✓

C. Defamation claim ✓ D. Malicious prosecution ✓

38. The most difficult element to prove in most fraud cases is:

A. False representation  B. Fraudulent intent C. False pretences D. None of the above

\* 39. If found guilty, the defendant in a civil conflict-of-interest case generally must repay any losses that the conflict caused and must "disgorge" any profits he earned as a result of the conflict even if there was no actual loss to the principal.

A. True  B. False

40. Able, a fraud examiner, interviewed Beta, a fraud suspect. No other people were present at the interview. During the course of the interview, Able accuses Beta of committing fraud. This accusation later turns out to be erroneous, and Beta sues Able for damages. Beta can recover damages for:

A. Defamation B. Slander C. Libel  D. None of the above

\* 41. A recorded transcription of a question and answer session between a party and the opposing attorney is called a(n) \_\_\_\_\_.

- A. Examination for discovery
- B. Notice of deposition
- C. Subpoena
- D. Summons

Summons

42 When attempting to prosecute an accused bribe-taker, it is necessary that the prosecution or plaintiff demonstrate that the accused bribe-taker acted improperly.

- A. True
- B. False

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43. Which of the following is a proper function of the expert witness?

- A. To define the professional standards in the area of an opponent's expertise
- B. To interpret the facts of the case
- C. To comment on an opposing expert's opinions
- D. All of the above

44 A civil action, as opposed to a criminal action, refers to:

- A. An action which results in a criminal fine
- B. An action which does not result in a criminal fine or incarceration
- C. An action which takes place under the "civil law" system of government instead of the "common law" system
- D. All of the above

45 Blue offered a payment of \$10,000 to Green, a public official, to ensure that Blue's company be awarded a lucrative government contract. Green had intended to award the contract to Blue's company regardless of the bribe. Green accepted the payment and awarded the contract to Blue. Green has committed bribery.

- A. True
- B. False

46. The liability of the corporation is not a substitute for the individual liability of the person who was the "directing mind" responsible for the criminal offence.

- A. True
- B. False

47 Blue, an attorney, is questioning Green, an expert witness, to demonstrate Green's credentials and thus qualify him to give expert testimony. Blue may properly ask about:

- A. Green's education
- B. Books or articles Green has written
- C. Awards Green has received
- D. All of the above

48 Smith, a Certified Fraud Examiner, is investigating a case of bankruptcy fraud in which he suspects Jones of concealing assets. Which of the following should Smith examine for concealment? .

- A. Jones' consumer property
- B. Lawsuits in which Jones is a plaintiff
- C. Jones' interests in partnerships or corporations
- D. All of the above

49 Black is president of a major public corporation. White is an employee who embezzles substantial funds. Black hired White in good faith. Black is:

- A. Guilty of breach of duty of loyalty
- B. Guilty of breach of due diligence
- C. Guilty of breach of fiduciary duties
- D. Not guilty of breach of fiduciary duties

50 Evidence of other crimes committed by an accused generally is NOT admissible to prove:

- A. Opportunity
- B. Motive
- C. Bad character
- D. Intent

51 Dealers who engage in a large number of unnecessary transactions for a client in order to create commissions for themselves and their firm are involved in:

- A. Fund switching
- B. False deals
- C. Churning
- D. Excessive commissions

52. A scheme in which a security is sold by one party to another with the understanding that the seller will repurchase them later at an agreed-upon price is known as:

- A. Conversion
- B. Churning
- C. Parking
- D. None of the above

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53. A demand for a bribe or kickback might also constitute \_\_\_\_\_.

- A. Embezzlement
- B. Extortion
- C. Secret commission
- D. Conflict of interest

54. The liability of the corporation is generally in addition to and not a substitute for the individual liability of the person who was the "directing mind" responsible for the criminal offence.

- A. True
- B. False

55. Blue is a defendant on trial for fraud. One of the key pieces of evidence in the trial is a letter written by Blue which indicates his intent to commit the fraud. Before the letter can be admitted into evidence, Blue's authorship of the letter must be established. Which of the following will generally be sufficient to demonstrate that Blue is the author of the letter?

- A. A witness testifies to seeing Blue write the letter ✓
- B. A witness verifies Blue's penmanship ✓
- C. A witness verifies Blue's signature ✓
- D. All of the above

56. Otherwise relevant evidence may be excluded if its admission would violate a recognized privilege such as the attorney-client privilege.

- A. True
- B. False

57. Copies of public documents are generally admissible as evidence if they are necessary in the particular case.

- A. True
- B. False

58. Article V of the Code of Professional Ethics prohibits CFE's from expressing opinions regarding the guilt or innocence of any person or party. This means that a CFE who serves as an expert witness may NOT answer questions about whether the defendant committed the offence.

- A. True
- B. False

59. Although experts may testify about their opinions on a particular issue, they may not prepare any charts or diagrams outside of court to be used during in-court testimony.

- A. True
- B. False

60. Testimony in court that repeats what some other person has said outside of court is known as:

- A. Prejudicial testimony
- B. Third-hand testimony
- C. Hearsay testimony
- D. None of the above

61. A \_\_\_\_\_ is the right to challenge a juror without assigning a reason for the challenge.

- A. Res judicata
- B. Peremptory challenge
- C. Venire
- D. Voir dire

62. In many jurisdictions, there are two types of charge documents: the information and the indictment. The major difference between the two is that an information is sworn under oath by an informant and an indictment is signed by government counsel.

- A. True
- B. False

*Handwritten signature*

63. When performing services for non-account holders, banks are not required to be as vigilant for money laundering as they are with established account holders.

- A. True  B. False

64. In order to demonstrate the accuracy of a business record at trial, the party offering the record must demonstrate:  
I. That the record was prepared as a usual part of doing business  
II. That the record was prepared reasonably near the time of the event it describes  
III. That the organisation's way of keeping records is demonstrably reliable

- A. I. and II. Only  B. I., II., and III.  C. II. and III. Only  D. I. and III. only  I, II

65. At trial, the plaintiff wants to introduce into evidence a series of memos. These memos were prepared by the defendant's accounting department at the end of each business day. Which of the following statements about the memos is true?

- A. They are irrelevant and therefore not admissible  B. They are hearsay and therefore not admissible   
C. They are hearsay but may be admissible under one of the recognised hearsay exceptions   
D. They are hearsay but may be admissible if they were prepared specifically for trial

66. A money laundering scheme cannot be successful until the \_\_\_\_\_ is eliminated or made so complex that individual steps cannot be easily traced.

- A. Integration  B. Reporting  C. Placement  D. Paper trail

67. If the evidence clearly shows that a suspect has committed a crime, it is permissible for a Certified Fraud Examiner to testify that the suspect is guilty of that crime.

- A. True  B. False

68. In a civil case, if the court believes that none of the facts as presented are in dispute and that the moving party is entitled to judgement as a matter of law, the court may grant a motion for \_\_\_\_\_.

- A. Acquittal  B. Verdict of guilt  C. Dismissal  D. Summary judgement

69. Because of the variety of services and investment vehicles that can be manipulated to launder money in this industry, it has become a major target of money launderers.

- A. Transportation  B. Healthcare  C. Insurance  D. All of the above

70. Blue, a Certified Fraud Examiner, conducted an investigation of Brown, a fraud suspect. Brown became so upset at being investigated that he sued Blue for intentional infliction of emotional distress. As a general rule, for Brown to prevail, he has to show that:

- A. Blue's conduct was so outrageous that it went beyond all possible bounds of decency   
B. Brown actually suffered severe distress   
C. Blue intended to cause severe emotional distress, or recklessly disregarded whether his actions would cause severe emotional distress for Brown   
D. All of the above

71. Which of the following is an exception to the hearsay rule?

# Basic Principles

1. Direct
2. Circumstantial

- A. Former testimony under oath      B. Statements in interest  
 C. Statements made under the belief of mental impairment      D. All above are exceptions to the hearsay rule

72. \_\_\_\_\_ is the process by which criminally derived funds are made to appear as though they were derived from a legitimate source.

- A. Money laundering      B. Corruption      C. Currency trafficking      D. Skimming

73. White, a Certified Fraud Examiner, works for the ABC Company. The company president told White to investigate Green, an employee. Green was not suspected of any wrongdoing. Green may be able to sue and recover from White and the company for:

- A. Invasion of privacy      B. Publicity of private facts      C. Harassment       D. None of the above

74. \_\_\_\_\_ is the international group of member countries who established the Anti-Bribery Convention.

- A. Organization of American States      B. Office of Anti-Bribery Control  
 C. Organization for Economic Cooperation and Development      D. Office for Economic Corruption and Deterrence

75. In criminal cases, the burden of proof generally is:

- A. Beyond a reasonable doubt      B. The preponderance of evidence      C. Beyond a legal doubt      D. None of the above

76. Blue is a Certified Fraud Examiner. He has concluded through an evaluation of the ABC Company's internal controls and balances that no one but White could have embezzled funds from the company. If this evidence is allowed, it would be called:

- A. Circumstantial evidence      B. Indirect evidence      C. Inferential evidence      D. None of the above

77. ABC Company wants to protect its right to search employees' desk drawers. Which of the following is the single best method for accomplishing this goal?

- A. A sign posted in the breakroom  
B. Informing employees orally of the policy when they are hired  
 C. A written policy given to all employees stating what areas the company will search  
D. None of the above

78. Which of the following would properly be termed an "exhibit" if entered into evidence at a trial?

- A. A contract      B. A chart prepared by an expert witness      C. A weapon       D. All of the above

79. Which of the following transactions might indicate money laundering is taking place?

- A. Frequent purchases/credits of traveller's cheques and/or foreign currency.  
B. Large cash credits withdrawn in cash or by cheque soon after they have been paid in.  
C. Sending/receiving frequent international electronic funds transfers.  
 D. All of the above.

$$\begin{array}{r} 2,700,000 \\ - 1,400,000 \\ \hline 1,300,000 \end{array}$$

2,400,000

1,600,000



80 The \_\_\_\_\_ is an inter-governmental body whose purpose is to develop international standards and promote policies aimed at combating money laundering and the financing of terrorism.

- A. Financial Action Task Force
- B. Financial Systems Board
- C. Money Laundering Task Force
- D. Money Laundering Control Board

ge | 9 81 During the sentencing portion of a trial, an order for compensation to the victims or restitution may be made.

- A. True
- B. False

82 If it is ~~not~~ possible to produce an original document or record for court evidence, a copy of the record is admissible if it is accompanied by an affidavit attesting to the copy's authenticity.

- A. True
- B. False

83. A fraudster posts messages on the Internet that contain false information and urge investors to buy shares in a certain company immediately so that he can fraudulently affect the share price and make a quick profit. This scheme is called:

- A. Tout and toss
- B. Fly and buy
- C. Pump and dump
- D. None of the above

84 During expert testimony, which of the following is NOT a goal of the cross-examination of the expert?

- A. To diminish the importance of the expert's testimony
- B. Highlight the expert's qualifications
- C. Get the expert to testify to the opponent's position
- D. Discover flaws in the expert's conclusions

85 For a statement to be declared defamatory, the statement must be a statement of fact and must be untrue.

- A. True
- B. False

86 Baker is a fraud examiner testifying in court. During his testimony, Baker says that the evidence he found proves that the defendant took money from his employer. If Baker is sued for slander, it is likely that he will lose. *who?*

- A. True
- B. False

87 A corporation may not be held criminally liable for illegal acts or omissions of its agents on its behalf.

- A. True
- B. False

88 Expert witnesses may use <sup>volatile</sup> hypothetical examples in their testimony.

- A. True
- B. False

89 Which of the following is NOT an element of the tort of publicity of private facts.

- A. Which would be highly offensive to a reasonable person
- B. A false statement
- C. Private information about another
- D. About a matter in which the speaker has no legitimate interest

90. Employees could claim that they have a reasonable expectation of privacy if:

- A. They are not informed that their desks and lockers could be searched
- B. They are allowed to store their personal belongings in their desks

C. There have never been any searches of desks or lockers

~~D. All of the above~~

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91 Blue, a Certified Fraud Examiner, is an officer for the New York Police Department. During the interview of White (a fraud suspect) at White's residence, Blue notices incriminating documents lying on the table. Blue seizes the documents without a warrant based on the:

A. Warrantless search doctrine

~~B. Plain view doctrine~~

C. Incidental interview doctrine

D. None of the above

92 Pyramid schemes, Ponzi schemes, and ~~even ostrich farms~~ can (under certain conditions) be considered "securities."

A. True

~~B. False~~

93. Which of the following is NOT an element of defamation?

~~A. Harm to the plaintiff's reputation~~

B. Publication to one or more persons

~~C. A highly offensive statement~~

D. A false statement of fact

94 Testimony in a previous legal proceeding is admissible in other cases.

A. True

~~B. False~~

95 Physical objects which played a part in the issues being litigated are called \_\_\_\_\_ evidence.

A. Demonstrative

B. Affirmative

~~C. Real~~

D. None of the above

\*96 During the ~~cross-examination~~ of an expert witness in court, which is NOT a principal objective of opposing counsel?

~~A. Show that the expert has character flaws~~

B. Diminish the importance of the expert's testimony

C. Attack the opinion of the expert

D. Challenge the assumptions used by the expert

97 Sally is a purchasing agent. Unbeknownst to her employer, she awarded several contracts to her husband's company. The contracts were all at ~~above-average~~ prices. Although Sally may be fired or sued civilly for conflict of interest, the contracts she signed are valid and cannot be terminated.

A. True

~~B. False~~

\*98 Because many launderers fear detection, they often hire these to transport the funds:

A. Couriers

~~B. Pigeon drops~~

C. Laundry men

D. None of the above

99 In the pleadings phase of a civil case, should the defendant fail to provide the court with a "statement of defence," the court may automatically rule in favour of the plaintiff.

A. True

~~B. False~~

100. In the pleadings phase of a civil case, should the defendant fail to provide the court with a "statement of defence," the court may automatically rule in favour of the plaintiff.

A. True

~~B. False~~

- 101 In civil trials, which party usually presents its case first?
- A. Cross-claimants      B. The party with the most witnesses       C. Plaintiff      D. Defendant
- 102 The use of a legitimate business enterprise as a front to conceal and co-mingle illicit funds is an example of what type of scheme?
- A. Money hiding    B. Fictitious vendor      C. Fictitious trade payable       D. Money laundering
- 103 Which of the following is NOT an exception to the hearsay rule?
- A. Unrecorded recollections      B. Former testimony      C. Admissions by the accused      D. Dying dispositions
- 104 \_\_\_\_\_ is defined as the obtaining of property from another with the other party's 'consent', which has been induced by wrongful use of actual or threatened force or fear.
- A. Extortion      B. Bribery      C. Graft      D. Fraud
- 105 In a criminal trial, the prosecutor and the accused may challenge a particular juror "for cause." Which of the following is generally NOT a permissible reason for challenging a juror?
- A. Name of the juror is not on the panel list      B. Juror cannot speak the language in which testimony would be given
- C. Juror is biased       D. The juror's race
- 106 One of the FATE's Forty Recommendations Against Money Laundering is that all countries should de-criminalize money laundering.
- A. True       B. False
- 107 Criminal statutes are most properly characterised as what type of law?
- A. Substantive      B. Common law      C. Procedural      D. None of the above
- 108 ABC Corporation is concerned about employee theft and wants to retain the right to conduct searches of employee workspaces. It also wants to avoid any possible invasion of privacy claims as a result of those searches. The corporation consults Black, a CFE. In order to eliminate the potential for invasion of privacy claims, Black should suggest:
- A. That the company openly retain keys to all employee desks and lockers
- B. That the company obtain employee consent before searches
- C. Issuing a written search policy
- D. All of the above will help eliminate invasion of privacy claims.
- 109 Corporate officers and directors usually are legally bound to act solely in the best interest of the corporation.
- A. True      B. False
- 110 \_\_\_\_\_ remedies are those in which the court states or declares the rights of the parties. For example, a judge interpreting the rights of a party under a contract.
- A. Declaratory      B. Monetary      C. Injunctive      D. Punitive

- 111 In cross-examination of an expert witness, the opposing counsel often will use the "Is it not true?" and "Would you agree with me?" approach. This technique of cross examination is called:  
A. Opposing sides theory B. Hypothetical questions ~~C. Sounding board~~ D. Contradictory approach
- 112 This scheme involves companies which file bankruptcy petitions typically on behalf of low-income and often, unsuspecting clients:  
~~A. Forged filings~~ B. Petition mills C. Multiple filings D. None of the above
- 113 A breach of duty of loyalty occurs where one occupies a position of trust or fiduciary relationship and that individual breached the duty to benefit personally.  
A. True B. False
- 114 An expert witness in a trial may prepare charts or graphs. but these items cannot be admitted as actual exhibits in the courtroom.  
A. True ~~B. False~~
- 115 A common type of fraud encountered in oil/gas and other mineral securities investments is:  
A. Inflated drilling and completion costs ~~B. Exaggeration of discovery and production potential~~  
C. An invalid mineral rights lease ~~D. All of the above~~
- 116 To determine if a misrepresentation is \_\_\_\_\_, the fraud examiner should ask, "Would a reasonable investor wish to know this information in order to make an informed decision?"  
~~A. Material~~ B. Privileged C. Relevant D. Promotional
- \*117 If a person has legal custody of property and then steals that property, the offence is:  
A. Larceny ~~B. Embezzlement~~ C. Bribery D. None of the above
- 118 Which of the following is NOT a characteristic of the Internet that works to the advantage of an online fraudster?  
A. Culture of trust and benevolence ~~B. Access to almost limitless information~~  
C. Easy and cheap to use ~~D. All of the above are advantages for an online fraudster~~
- 119 During cross-examination, it is opposing counsel's golden rule to cross-examine an expert only if opposing counsel doesn't know the answer to the questions.  
A. True ~~B. False~~
- 120 Securities fraud schemes include which of the following?  
A. "Prime Bank" schemes ~~B. Pyramid schemes~~  
C. Oil and gas and other mineral schemes ~~D. All of the above are securities fraud schemes~~
- 121 Blake, a Certified Fraud Examiner, is testifying in court as an expert witness in fraud matters. During cross-examination, opposing counsel keeps getting extremely close to Blake, invading his body space. What should Blake do?  
A. Attempt to move away from opposing counsel B. Ask the judge to intervene

C. Move toward opposing counsel, decreasing body space ~~D. None of the above~~

122 The basic approach of a \_\_\_\_\_ bankruptcy scheme is for an apparently legitimate business to order large quantities of goods on credit, then dispose of those goods through legitimate or illegitimate channels. The perpetrators then close shop, absconding with the proceeds, and leaving the suppliers unpaid.

A. Forged filings ~~B. Planned "bustout"~~ C. Hit and run D. None of the above

123 An accusation ~~made in writing and under oath~~ before a justice in which the informant states that he has personal knowledge or that he believes on reasonable grounds that the ~~accused person has committed an offence~~ is called a \_\_\_\_\_.

A. An indictment B. An ex parte order ~~C. An information~~ D. None of the above

124 In order for a document to be ruled "authentic" and treated as evidence at trial, all of the following steps might be taken by a party EXCEPT:

- ~~A. Asking the jury to review the document and vote on its authenticity~~
- B. Comparing the document in dispute with another proved to the satisfaction of the judge to be genuine
- C. Calling the writer to testify that he wrote or signed the document
- D. Calling a witness who has acquired knowledge of the writing

125 Evidence which proves or disproves facts by inference is called direct evidence.

A. True ~~B. False~~