

LAW REVISION

1. Michael Caston, a fraud suspect, confesses to a fraud. During Caston's trial for the fraud, the government introduces the confession as evidence of Caston's intent to commit the fraudulent act for which he is charged. What type of evidence is Caston's confession?
 - A. Testimonial
 - B. Direct
 - C. Circumstantial
 - D. Character
2. According to the Financial Action Task Force's Recommendations, which of the following should financial institutions implement as part of their anti-money laundering programmes?
 - A. Employee screening procedures
 - B. An ongoing employee training programme
 - C. A designated compliance officer
 - D. All of the above
3. Which of the following types of law is/are created by legislatures?
 - A. Common law
 - B. Case law
 - C. Statutory law
 - D. All of the above
4. In criminal proceedings in adversarial jurisdictions, which of the following best describes the defendant's right to access relevant information from the prosecution?
 - A. The defence is not entitled to any information held by the prosecution
 - B. The defence has the same right to information held by the prosecution as parties in civil litigation
 - C. The defence may access all relevant information held by the prosecution, including attorney work product.
 - D. The defence has a limited right to information, but is entitled to exculpatory information.
5. Which of the following acts would constitute violations under the U.S. Foreign Corrupt Practices Act's (FCPA) anti-bribery provisions?
 - A. To introduce a public construction contract award, a U.S company promises to pay a foreign official \$45,000 upon securing the contract
 - B. A U.S company transfers \$45,000 to a foreign official to influence the official to award it a public construction contract
 - C. A German company that is publicly traded on the New York Stock Exchange transfers \$45,000 to a foreign official to influence the official to award it a public construction contract.
 - D. All of the above
6. A particular tax levied by the central government in a country imposes a one-time tax that only applies to alcohol products that are imported. Which of the following best describes this type of tax?
 - A. Credit tax

B. Value-added tax

C. Excise tax

D. Income tax

7. Which of the following is a common legal defence to tax evasion?

A. The taxpayer relied on an attorney or accountant

B. The taxpayer engaged in tax avoidance, not tax evasion

C. The taxpayer was mentally ill at the time of the conduct

D. All of the above

8. What is the recommendation regarding a secured interest registration system under the World Bank Principles and Guidelines for Effective Insolvency and Creditor Rights Systems?

A. There should be a public registration system for secured interests in all types of property

B. There should be no registration system for secured interests ✓

C. There should be a public registration system for secured interests in real property, but not personal property ✓

D. There should be a private registration system for secured interests in personal property.

9. Relevant evidence is evidence that tends to make some fact at issue more or less likely than it would be without the evidence.

A. True

B. False

10. In the event that the person questioning a witness at trial is using blatantly unfair practices, which of the following is the best way for the witness to respond?

A. Continue answering questions unless otherwise directed by the court

B. Appeal to the judge

C. Argue with the questioner

D. Refuse to answer further questions

11. Chad has been retained by an attorney to testify as an expert witness at John's trial.

Coincidentally, Chad also met John while attending a university many years earlier. The attorney is compensating Chad for his services. Which of the following statements concerning conflicts of interest is MOST ACCURATE?

A. Chad should not serve as an expert witness because he is being compensated, which is a conflict of interest. ✗

B. Chad should not serve as an expert witness because he knew John from attending the university, which is a conflict of interest.

C. Chad can serve as an expert witness because there are not conflicts of interest in this case.

D. Chad can only serve as an expert witness if he is able to objectively evaluate and present the case issues.

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

A. Has a reputation for untruthfulness

B. Made prior inconsistent statements

C. Is influenced by bias or self-interest.

D. All of the above

13. In jurisdictions with invasion of privacy torts, the tort of intrusion into an individual's private matters occurs when one party makes public statements about another party's private life that are not of public concern.
- A. True
 B. False
14. Which of the following is the tort that occurs when one party makes public statements about another party's private life that are not of public concern?
- A. Public disclosure of private facts
B. Intrusion into an individual's private matters
C. Injury to an individual's reputation
D. None of the above
15. To prove a criminal conspiracy, the government must prove that the defendant knew all the details or objectives of the conspiracy, that the defendant knew the identity of all the participants in the conspiracy, and that the conspirators accomplished the purpose of the conspiracy.
- A. True
 B. False
16. Melanie lives in a jurisdiction that requires her to report her foreign bank accounts to the government annually, but she intentionally fails to report an account she has in a foreign secrecy jurisdiction. Which of the following best describes this type of tax evasion scheme?
- A. Consumption tax evasion ✗
 B. Income and wealth tax evasion ✓
C. Falsified deductions scheme ✗
D. Tax credit scheme ✓
17. The U.S. Foreign Corrupt Practices Act (FCPA) has two major parts. The first part criminalises the bribery of a foreign public official to obtain or retain business. The second part pertains to money laundering, requiring publicly traded companies to adopt policies, procedures, and internal controls reasonably designed to prevent money laundering.
- A. True
 B. False
18. Assuming that the relevant jurisdiction recognises each of the legal defences below, which of the following is the best defence against a tax fraud charge, provided that the facts will support the defence?
- A. Reliance on an attorney
 B. Lack of deficiency
C. Lack of willfulness
D. Reliance on an accountant
19. Prosecutorial bargaining does not occur in civil law systems.
- A. True
 B. False
20. In a particular jurisdiction, criminal trials often involve a single judge, responsible for determining factual issues. In serious cases, the court uses a panel comprised of both professional judges and

lay judges to determine such issues. Based on this information alone, the jurisdiction would likely be characterised as which of the following systems?

- A. Civil law system
- B. Common law system
- C. Unitary system
- D. Federal system

21. In countries that require arrest warrants, which of the following is NOT a typical exception to the warrant requirement?

- A. Contraband is discovered in the suspect's possession
- B. The person is arrested at home
- C. An emergency situation occurs
- D. The offence occurs in the presence of a police officer

22. Which of the following statements concerning mobile payments is FALSE?

- A. In most countries, mobile phone accounts that can be used to send funds or purchase items are regulated in the same way as bank accounts.
- B. Mobile payments or transactions are those facilitated through the use of an account associated with a mobile phone.
- C. Money launderers often use mobile phone accounts to send funds to foreign accounts or otherwise layer illicit assets
- D. Mobile payments allow for the money launderer to potentially remain anonymous if a prepaid phone is used.

23. The main distinction between mediation and arbitration is that with arbitration, the arbitrator actually decides who wins the case. In contrast, in mediation, the mediator simply tries to help the parties work out a settlement.

- A. True
- B. False

24. Under the United Nations' International Convention on Civil and Political Rights (ICCPR), those accused of criminal charges are generally entitled to a fair hearing that is private, the results of which should not be disclosed to the public.

- A. True
- B. False

25. In common law jurisdictions, what type of challenge occurs when an attorney in a criminal trial requests that a prospective juror be dismissed because his predispositions make him unfit to serve as a juror?

- A. Challenge to the array
- B. Declinatory
- C. For cause
- D. Peremptory

26. _____ is any intentional or deliberate act to deprive another of property or money by guile, deception, or other unfair means.

- A. Embezzlement
- B. Fraud

- C. Extortion
D. Bribery
27. Assuming a jurisdiction is adhering to the Financial Action Task Force's Recommendations, if a securities broker suspects that a client might be engaging in transactions to launder money, the broker is required to file a suspicious transaction report.
- A. True
 B. False
28. The placement stage of the money laundering process occurs when a criminal first steals or obtains illicit proceeds.
- A. True
 B. False
29. In common law jurisdictions that allow for peremptory challenges to dismiss prospective jurors without having to provide a reason, which of the following is NOT a permissible reason for the prosecution to exercise a peremptory challenge?
- A. The juror's race
 B. The attorney doesn't like the look on the juror's face
 C. The juror's clothing
 D. The attitude of the juror
30. When an appellate court reviews a trial court's decision *de novo*, it means that the court adopts all of the legal and factual determinations of the trial court.
- A. True
 B. False
31. While conducting a fraud examination, Black, a Certified Fraud Examiner, obtained a document in Year 1. Since Black obtained the document, several individuals have had it in their possession. In Year 2, the document was introduced at trial. The document's authenticity, however, was questioned because there was no record of who had possession of it and what they did with it. The question concerning the document's authenticity is based on a failure to maintain _____.
- A. Who validated the evidence
 B. The chain of custody
 C. The best form of the evidence
 D. The attorney's evidence records
32. Delta, a fraud suspect, has been charged with committing a federal crime. Before her trial, she contacted witnesses against her and tried to get them to change their stories by threatening them. Delta could be further charged with:
- A. Obstruction of justice
 B. Contempt of court
 C. Judicial extortion
 D. None of the above
33. Which of the following statements concerning appellate procedure in common law and civil law jurisdictions is most accurate?

- A. Appellate courts in civil law jurisdictions generally may review issues of both fact and law independently of the trial court's determinations
- B. Appellate courts in common law jurisdictions generally may only review issues of fact independently of the trial court's determinations
- C. Appellate courts in civil law jurisdictions generally may only review issues of fact independently of the trial court's determinations *
- D. Appellate courts in common law jurisdictions generally may review issues of both fact and law independently of the trial court's determinations.
34. For a false statement to violate a law criminalising false statements to government agencies, it need not be made directly to the government; it can be made to a third party as long as it involves a matter within the jurisdiction of a governmental department or agency.
- A. True
- B. False
35. The OECD Recommendation on Combating Bribery in International Business (Recommendation) focuses on the "supply side" of bribery (the offering side of the bribery bargain), but not the "demand side" (the solicitation and receipt of bribes).
- A. True
- B. False
36. The U.S. Foreign Corrupt Practices Act (FCPA) not only prohibits bribes to foreign officials, it also requires publicly traded companies subject to the FCPA's jurisdiction to keep accurate books and records and adopt internal controls to prevent improper use of corporate funds.
- A. True
- B. False
37. Jean intended to defraud the government by failing to withhold taxes on her employee's income, but it turns out there was no tax deficiency because her employee was exempt from such taxes. In most jurisdictions, would Jean be criminally liable for tax evasion for this conduct?
- A. No, because failing to collect taxes on employee income is not a criminal offence
- B. Yes, because she intended to defraud the government
- C. No, because there was no tax deficiency
- D. Yes, because she did not collect taxes on the employee's income
38. In a bustout scheme, which of the following types of assets does the fraudster typically purchase and then sell prior to closing the business?
- A. Business insurance policies
- B. Legal or accounting services
- C. Inventory or goods
- D. Real estate
39. The commencement of a civil action begins with the filing of a(n):
- A. Pleading, usually in the jurisdiction in which the defendant resides or where the claim arose
- B. Information usually in the jurisdiction in which the defendant or plaintiff resides or where the claim arose
- C. Supposition, usually in the jurisdiction where the defendant resides
- D. Information, usually in the jurisdiction where the plaintiff resides

40. In alternative remittance systems, which of the following types of information are typically found in the ledgers that the brokers use to keep track of amounts owed to each other?
- A. Bank account numbers of the senders and receivers •
 - B. The names of the receivers •
 - C. The names of the senders
 - ~~D.~~ None of the above
41. Which of the following types of remedies in civil litigation involves the victim recovering money from the defendant for compensation, reimbursement, or reparation for the defendant's offence?
- A. Declaratory relief
 - ~~B.~~ Damages
 - C. Equitable relief
 - D. Injunction
42. In most civil law countries, a criminal appellate court may review issues of both law and fact independently of the trial court's determinations.
- ~~A.~~ True
 - B. False
43. Which of the following crimes would best be described as money laundering?
- ~~A.~~ A criminal in a process to disguise the criminal nature of stolen funds to make it seem as though he earned them legitimately. ✓
 - B. A corporate officer is entrusted with assets that belong to the organization but fraudulently sells them for personal gain. ✗
 - C. A corrupt employee accepts a kickback from his organisation's vendor in return for rewarding the vendor a contract. ✓
 - D. A person who is applying for a loan provides fraudulent data to the bank to make his credit seem better than it really is ✓
44. Which of the following is an element that must be established to prove fraud based on the concealment of material facts?
- ~~A.~~ The defendant had knowledge of a material fact that concerned a matter within the jurisdiction of a government agency
 - ~~B.~~ The defendant acted with intent to mislead or deceive the victim(s)
 - C. The victim failed to exercise due care in relying on the defendant's actions ✓
 - D. The defendant knew for certain the victim would be harmed
45. In systems using adversarial processes, counsel may be able to impeach an opposing party's witness by showing that the witness has an impaired ability to observe.
- ~~A.~~ True
 - B. False
46. In most common law jurisdictions, for a document to be admitted into evidence, it must be properly _____; that is, the party offering the document must produce some evidence to show it is, in fact, what the party says it is.
- A. Marked
 - ~~B.~~ Authenticated

C. Validated

D. Certified

47. White, a Certified Fraud Examiner, believes that Blue, a fraud suspect, is guilty of embezzlement. White shares his theory with his supervisor. Blue later turns out to be innocent. Blue can sue and probably recover from White on a theory of defamation.

A. True

B. False

48. Which of the following is an element that a plaintiff generally must prove to recover damages for a claim alleging the common law tort for intentional infliction of emotional distress?

A. The defendant engaged in extreme and outrageous conduct

B. The plaintiff was an employee of the defendant

C. The plaintiff suffered distress that manifested itself for at least two years

D. All of the above

49. Blake, a Certified Fraud Examiner, testifies during a criminal trial that \$25,000 was withdrawn without authorisation from the plaintiff's business and that one week later, \$20,000 was deposited into an account owned by the defendant. In the criminal trial of the defendant for theft, Blake's testimony would be considered what type of evidence?

A. Direct evidence

B. Demonstrative evidence

C. Real evidence

D. Circumstantial evidence

50. A successful liquidation bankruptcy case results in the selling of the debtor's property to pay creditors and the discharging of the person's dischargeable debts.

A. True

B. False

51. In criminal trials in common law jurisdictions, a jury must serve as the fact finder.

A. True

B. False

52. To prove a defendant is guilty of accepting an illegal gratuity, the prosecution must show that the defendant was influenced by the acceptance of the improper payment.

A. True

B. False

53. In most common law jurisdictions, to prevail in a criminal case, the prosecution must prove its case _____.

A. True beyond any possible doubt

B. Beyond a reasonable doubt

C. With clear and convincing evidence

D. By a preponderance of the evidence

54. Which of the following statements about the UK Bribery Act is NOT correct?

A. The UK Bribery Act has broader application than the FCPA because, unlike the FCPA, it makes commercial bribery a crime.

- B. Unlike the FCPA, the UK Bribery Act does not contain an explicit exception for facilitating payments
- C. The UK Bribery Act exercises jurisdiction over all individuals and corporate entities for acts of corruption when any part of the offences occurs in the UK.
- D. If an organisation's anti-corruption programme complies with the FCPA, it will be sufficient for the purpose of complying with the UK Bribery Act.
55. Fidelity insurance financially covers a party against losses caused by customers.
- A. True
- B. False
56. Which of the following money laundering schemes would be classified as depositing, but not recording, revenue?
- A. Placing illicit proceeds into a company's account without entering them as a sale.
- B. Over-reporting revenue at a company to disguise illegal proceeds.
- C. Over-reporting expenses at a company to mask illicit income.
- D. All of the above
57. In a federal system of government, a central government maintains all governing authority, but might delegate powers to agencies and regional governments.
- A. True
- B. False
58. Which of the following best describes the primary source(s) of law in civil law jurisdictions?
- A. Judge – made law
- B. Codified principles or statutes
- C. A combination of judge-made law and codified principles or statutes.
- D. None of the above
59. One of the most common methods of laundering funds is to filter the money through a front business. A front business can be useful to a criminal for which of the following reasons?
- I. It provides a safe place for organising and managing criminal activity.
- II. It provides a base of operations where the comings and goings of large numbers of people will not arouse undue suspicion.
- III. It is an easy way for the criminal to avoid paying taxes on illegal sources of revenue. ✓
- IV. The front that does the legitimate business provides cover for delivery and transportation related to illegal activity.
- A. II, III & IV
- B. I, II & III
- C. I, II & IV
- D. II & IV only
60. Waiver of a legal professional privilege occurs when a client shares privileged information with an outside party who has nothing to do with the client's pursuit of legal representation.
- A. True
- B. False

61. All of the following are basic principles for the protection of data privacy on which most data privacy laws are built EXCEPT:
- A. All personal information must be kept indefinitely •
 - B. All personal information must be used only for the original specified purpose
 - C. All personal information must be accessible to the data subject
 - D. All personal information must be obtained fairly and lawfully
62. Which of the following parties decides the scope of the examinations and breadth of authority of a court-appointed expert witness in an inquisitorial court?
- A. The parties to the litigation
 - B. A panel of the expert's professional peers
 - C. The expert witness
 - D. The judge
63. Which of the following statements about the International Organisation of Securities Commissions (IOSCO) is TRUE?
- A. IOSCO is recognized as the international standard setter for securities markets
 - B. IOSCO is comprised of securities commissioners and administrators responsible for securities regulation and the administration of securities laws in their respective countries.
 - C. One of IOSCO's main objectives is to assist its members in promoting high standards of regulation in order to maintain just, efficient and sound markets.
 - D. All of the above
64. Which of the following tax evasion schemes would be accurately classified as an income and wealth tax evasion scheme?
- A. Smuggling goods into a jurisdiction to avoid excise taxes ✓
 - B. Fraudulently applying for a refund of a value-added tax ✓
 - C. Pretending to transfer assets to another person or entity to lower tax liability -
 - D. All of the above
65. In jurisdictions that practise criminal bargaining agreements, which of the following parties generally has/have discretion to decide whether to settle charges with a bargaining agreement?
- A. The prosecution
 - B. The jury
 - C. The defendant's counsel
 - D. All of the above
66. If a subject has purchased a large number of bearer instruments, each for less than the jurisdiction's threshold for mandatory reports on currency transactions, this could be an indication of which of the following? -
- A. Smurfing/ structuring operation •
 - B. Forged cheque scheme
 - C. Entrapment scheme
 - D. Counterfeit cheques scheme
67. In a civil case in common law jurisdictions, a court may grant a party's request for a(n) summary judgment if it determines that there is no genuine, material issue of fact at issue and the requesting party is entitled to judgment as a matter of law.

- A. Summary judgment
B. Judgment n.o.v
C. De facto judgment
D. Judgment for lack of actionable claim
68. Which of the following statements concerning the United Nations' International Convention on Civil and Political Rights (ICCPR) is FALSE?
- A. It states that the right of the accused to a fair hearing includes adequate time to prepare a defence ✓
B. It states that the right of the accused to a fair hearing includes the right to examine or have examined witnesses against the accused
C. It states that the results of criminal hearings should be publicized in most cases to promote transparency in the criminal justice system
 D. It states that the right of the accused to a fair hearing includes the right to trial by jury.
69. Which of the following is one of the areas of primary concern in which the OECD Recommendation on Combating Bribery in International Business urges member states to take steps to combat the bribery of foreign public officials?
- A. Laws and regulations covering e-commerce ✗
B. Sensitive data protection laws ✗
 C. Tax systems and regulations
D. Public safety systems and regulations ✓
70. With the powers recommended under the World Bank Principles and Guidelines for Effective Insolvency and Creditor Rights Systems, the bankruptcy administrator can request relevant information from third parties with knowledge of the debtor's affairs (such as banks and customers), but cannot compel the third parties to provide the information.
- A. True
 B. False
71. In limited partnerships, the limited partners manage the enterprise's activities.
- A. True
 B. False
72. Of the choices below, which is the proper sequence of cycles in a money laundering process?
- A. Placement, bank complicity and structuring
B. Integration, structuring and placement
C. Layering, placement and integration
 D. Placement, layering and integration
73. In common law jurisdictions, which of the following parties typically serves as the fact finder in criminal trials?
- A. One professional judge and a panel of lay judges ✓
B. The prosecution ✗
C. The judges ✗
 D. A jury
74. Which of the following MOST ACCURATELY describes the legal elements that must be shown to prove a claim for commercial bribery?

- ~~A.~~ The defendant, while acting with corrupt intent and without the victim's knowledge or consent, gave or received a thing of value that was intended to influence ✓
- B. The defendant, while acting without due care, gave or received a thing of value that was intended to influence the recipient's action in a business decision, causing his principal to suffer damages. ✗
- C. The defendant, while acting with corrupt intent, gave or received a thing of value that was intended to influence the recipient's action in a business ✓
- D. The defendant, while acting negligently and without the victim's knowledge or consent, gave or received a thing of value that was intended to influence the recipient's action in a business decision.
75. Which of the following is an element the government must prove to establish that an individual violated a law criminalising false statements to government agencies?
- A. The defendant made a false statement ✓
- B. The statement concerned a matter within the jurisdiction of a government agency ✓
- C. The false statement was material ✓
- ~~D.~~ All of the above
76. Black, a Certified Fraud Examiner, interviews Green, a fraud suspect. No one else is present at the interview. During the interview, Black accuses Green of committing fraud. Later, it turns out that Green is innocent. Green can sue and recover damages from Black on a claim of defamation if he can show that Black knowingly made the false statement on an unprivileged occasion and that the statement caused economic harm.
- A. True
- ~~B.~~ False
77. Which of the following statements concerning criminal bargaining agreements is most accurate?
- A. Bargaining agreements are more commonly accepted in civil law jurisdictions than in common law jurisdictions ✗
- ~~B.~~ Bargaining agreements are only allowed in civil law jurisdictions ✗
- C. Bargaining agreements are only allowed in common law jurisdictions ✗
- ~~D.~~ Bargaining agreements are more commonly accepted in common law jurisdictions than in civil law jurisdictions.
78. A fraud examiner discovers that Fred, a fraud suspect, has made dozens of cash deposits over the last few months into a bank account. None of the deposits have been \$10,000 or more, and none of them have been below \$8,500, either. The currency reporting threshold for cash deposits at financial institutions in the jurisdiction is \$10,000. Based on this information, which of the following schemes is Fred most likely committing?
- ~~A.~~ Sizing currency transactions
- ~~B.~~ Smurfing
- C. Cheque tampering
- D. Channel stuffing
79. In most common law systems, relevant documents in civil cases are listed and described by the party that holds them in which of the following devices?
- A. Subpoena coram non iudice ✗

- B. Writ of attachment ✓
C. Injunctions list
D. Affidavit of documents or records ✓
80. Which of the following is an acceptable way of authenticating computerised records in most common law systems?
A. Providing evidence of distinctive characteristics of the records ✓
B. Having a witness with personal knowledge of the records offer testimony ✓
C. Accompanying the evidence with a written certification by the custodian record ✓
D. All of the above ✓
81. Which of the following would be classified as a falsified tax deduction scheme?
A. A taxpayer fraudulently claims income or wealth was earned in a foreign jurisdiction to reduce tax liability ✓
B. A taxpayer bribes a vendor to create a fictitious invoice that appears to increase the taxpayer's costs of goods sold ✓
C. A taxpayer smuggles cigarettes into the country to avoid excise taxes
D. All of the above
82. Which of the following is considered obstruction of justice?
A. Impeding a government auditor in the performance of his duties ✓
B. Destroying documents related to a future proceeding ✓
C. Influencing a witness with bribes ✓
D. All of the above ✓
83. The UK Bribery Act has broader application than the U.S. Foreign Corrupt Practices Act because, unlike the FCPA, it makes commercial bribery a crime.
A. True ✓
B. False
84. Which of the following statements about the consent exception to the requirement that government agents must obtain a warrant before conducting a search for evidence of a crime is INCORRECT?
A. Even if obtained by bribery or force, consent to search constitutes a valid waiver of the person's right to be free from unreasonable searches. ✓
B. Government agents do not need a warrant to perform a search if a person with proper authority consents to the search
C. Generally, government agents do not have to warn subjects that they have a right to refuse to consent to a search
D. To be valid, an individual's consent to a search by government agents must be voluntary.
35. In inquisitorial criminal trial proceedings, the evidentiary record is already available at the outset of the trial.
A. True ✓
B. False ✓
36. During a routine traffic stop, a law enforcement officer noticed illegal contraband in the driver's backseat. The officer asked the person to get out of the vehicle and said, "Stand here while I search your car. You may not leave." The officer finished the search and placed the driver in the

backseat of his police car. After securing the scene, he drove the suspect to the police station. In this case, the custodial arrest occurred when the officer told the driver that he may not leave.

A. True

B. False

87. A criminal used illicit funds to purchase a piece of real estate. Next, the criminal used the real estate as collateral to obtain a loan from a bank, making the income look like funds from a legitimate loan. In which of the following money laundering schemes did the criminal engage?

A. Back-to-back loan scheme

B. Shell property scheme X

C. Loan-back scheme

D. Appraisal fraud scheme X

88. Which of the following is NOT generally considered a proper legal defence asserted by defendants in criminal cases?

A. Necessity ✓

B. Illiteracy ✓

C. Legal impossibility ✓

D. Entrapment ✓

89. Officer Knight, a police officer, obtains a warrant to search a suspect's personal work locker at the suspect's place of employment. The warrant is based on probable cause that the locker contains contraband of theft. Officer Knight searches the locker, but he finds nothing relevant. As Knight is about to leave, he notices a folder sitting on the suspect's desk. Having no idea what the folder might contain, he flips through its contents and eventually finds incriminating evidence. Which of the following is the MOST ACCURATE statement regarding the admissibility of the folder's contents under the plain view exception to the warrant requirement?

A. The evidence is admissible under the plain view doctrine because officer Knight was acting lawfully when he spotted the folder X

B. The evidence is not admissible because officer Knight had no authority to search the folder ✓

C. The evidence is admissible because it is implied that officer Knight's search warrant covers a search of the suspect's workspace. X

D. The evidence is admissible only if it concerns a crime related to the search warrant. ✓

90. Which of the following can affect the rights that employees may have during an internal investigation?

A. Existence of an employment contract ✓

B. Existence of a union contract ✓

C. Existence of a collective bargaining agreement ✓

D. All of the above

91. Which of the following is a function that securities exchanges serve?

A. Supplying investors with a forum to liquidate their holdings ✓

B. Providing a mechanism for private enterprises to raise investment funds ✓

C. Serving as indicators of economic trends ✓

D. All of the above

92. One of the main objectives of the International Organisation of Securities Commissions is to assist its members in promoting high standards of regulation in order to maintain just, efficient, and sound markets.
- A. True
 B. False
93. Although expert witnesses are allowed to present their opinions in narrative form, they are not allowed to provide their opinions on hypothetical situations presented by the questioning party because hypotheticals are not adequately grounded in the evidence.
- A. True
 B. False
94. In addition to prohibiting bribes to foreign officials for business purposes, the U.S. Foreign Corrupt Practices Act (FCPA) prohibits facilitating payments, or "grease payments," made to foreign officials to facilitate the officials' ability to perform their duties.
- A. True
 B. False
95. The United Nations' International Convention on Civil and Political Rights (ICCPR) guarantees which of the following rights? ✓
- A. Freedom from arbitrary arrests ✓
 B. The presumption of innocence until the accused is proven guilty according to law ✓
 C. Right of the accused to be informed of criminal charges ✓
 D. All of the above
96. _____ is comprised of the basic laws of rights and duties. When people refer to something that is "against the law," they are usually referring to this type of law.
- A. Procedural law
 B. Administrative law
 C. Natural law
 D. Substantive law
97. Greg purchased restaurant supplies from a supplier with a lump sum of \$15,000 in cash. Under the best practices in the Financial Action Task Force's Recommendations concerning large cash transactions with customers, the restaurant supplier would be required to report the transaction to the government.
- A. True
 B. False
98. Which of the following does NOT accurately reflect the customer due diligence procedures for financial institutions under the Financial Action Task Force's Recommendations?
- A. The customer's business relationships and transactions should be checked once to ensure they are consistent with the customer's profile
 B. The institution should discover the intended nature of the customer's account or service.
 C. The customer's identity should be verified through reliable, independent sources.
 D. The institution should identify the beneficial owner of the account.
99. Bars, restaurants, and nightclubs are favourite businesses through which to launder funds because:

- A. Sales are generally in cash ✓
B. They charge relatively low prices for services ✓
C. It is easy to match the cost of providing food, liquor and entertainment with the revenues they produce
D. All of these choices are correct

100. The purpose of a ~~liquidation bankruptcy~~ filing is to allow the debtor breathing room from creditors so that the debtor can reorganise his financial affairs and continue as a going concern.

- A. True
 B. False

101. All of the following may restrict the way in which employers can conduct interviews EXCEPT:

- A. Employee-employer contacts ✓
 B. Laws protecting labour rights ✓
 C. Equity and trust law
 D. The common law ✓

102. Which of the following statements about general partners is CORRECT?

- A. General partners have management responsibility for the enterprise but assume no liability for the partnership's debts.
 B. General partners have management responsibility for the enterprise and assume liability for the partnership's debts.
 C. General partners cannot incur obligations on behalf of the partnership. ✓
 D. General partners assume liability for the partnership's debts but have no management responsibility for the enterprise. X

103. In an insurance prepayment scheme, a money launderer purchases life insurance or a similar policy with a redemption provision and redeems the policy with the intent to make the income appear legitimate.

- A. True
 B. False

104. In most countries, which of the following is something that a government prosecutor ~~must prove~~ in order to convict someone of the crime of making a false statement to the government?

- A. The individual acted knowingly and willfully when making the statement.
 B. The statement was the result of a mistake or other innocent reason. X
 C. The government was influenced by or suffered a loss because of the statement ✓
 D. The individual made the statement directly to the government X

105. In jurisdictions that recognise corporate criminal liability, which of the following is (are) required to hold the corporation vicariously liable for the acts of one of its employees?

- A. An employee committed each element of a criminal violation
 B. The employee was acting within the scope of his employment
 C. The employee was acting for the benefit of the corporation
 D. All of the above

106. Which of the following is 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 victim suffered damages as a result of the misrepresentation ✓
- C. The defendant knew the representation was false ✓
- D. All of the above

107. Which of the following accurately describes a designed benefit of deferred prosecution agreements?

- A. They help the justice system dispose of a corporate case while still punishing malfeasance ✓
- B. They encourage an organization to reform poor policies ✓
- C. They help reduce the risk of illegal practices at an organization ✓
- D. All of the above

108. Under the World Bank Principles and Guidelines for Effective Insolvency and Creditor Rights Systems, which of the following statements MOST ACCURATELY represents the recommended powers of a bankruptcy administrator (or equivalent appointee)?

- A. The administrator must abide by all contracts the debtor entered into prior to bankruptcy ✗
- B. The administrator is allowed to collect and preserve the debtor's property, but has no power to dispose of it ✗
- C. The administrator is not authorized to compel testimony from third parties with knowledge of the debtor's financial affairs ✗
- D. The administrator has the ability to cancel fraudulent transactions entered into by the debtor.

109. Sanctions for violating the common law duty to preserve information relevant to anticipated or existing litigation can arise only from intentional acts, not from negligent acts.

- A. True ✓
- B. False

110. To determine whether authorisation by a judicial officer or other sanctioned official (e.g., a search warrant) is required to conduct a search in a jurisdiction with laws granting people the right to be free from unreasonable search and seizure by authorities, it is necessary to first determine whether or not _____ is/are involved in the search.

- A. Investigative suspicion ✓
- B. Government authorities
- C. Probable cause
- D. Criminal activity

111. Marco, a fraud examiner employed by the Jones Corporation, is asked to testify at trial concerning firsthand observations he made while investigating an embezzlement case. Marco can best be described as a:

- A. Lay witness ✗
- B. Confirming witness ✗
- C. Observational witness ✓
- D. Expert witness ✗

112. Which of the following statements concerning expert witnesses in inquisitorial systems is most accurate?

- A. The court may appoint expert witnesses, but generally, the parties select the primary expert witnesses. ✗
- B. Usually, the parties select a pool of expert witnesses and the jury votes on which expert is most qualified to testify. ✗
- C. Expert testimony is generally prohibited in inquisitorial systems. ✓
- D. Generally, the court is primarily responsible for appointing expert witnesses

113. Which of the following terms refers to the inappropriate practice of an investment professional who engages in the excessive trading of a customer account to generate commissions while disregarding the customer's interests?.

- A. Selling away ✗
- B. Pump and dump
- C. Parking ✗
- D. Churning

114. Which of the following is a legal element that the government must show to prove a criminal conspiracy?

- A. At least one of the conspirators knowingly committed at least one overt act in furtherance of the conspiracy ✓
- B. The defendant knew the purpose of the agreement and intentionally joined in the agreement ✓
- C. The defendant entered an agreement to commit an illegal act ✓
- D. All of the above

115. Which of the following is an element that must be established to prove fraud based on the concealment of material facts?

- A. The defendant failed to disclose a material fact that he had a duty to disclose *
- B. The defendant acted with intent to mislead or deceive the victim(s) ✓
- C. The defendant had knowledge of a material fact that he had a duty to disclose
- D. All of the above

116. Which of the following is an element that must be proven to establish a perjury offence?

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

117. Suzanne runs her own business, but has decided to close it. Before she does so, she orders a large quantity of inventory on credit and resells it for cash. She closes the business and leaves the suppliers with almost nothing to recover in the bankruptcy proceeding that follows. Which of the following best describes Suzanne's scheme?

- A. Pump and dump scheme ✓
- B. Multiple filings scheme ✓
- C. Concealed asset scheme ✓
- D. Bustout scheme ✗

118. In criminal trials in some common law jurisdictions, character witnesses may testify to the defendant's character, but they may not testify about specific instances of the defendant's good character.

A. True

B. False

119. If, in a country with comprehensive whistleblower protection laws, an employee qualifies as a "whistleblower" for reporting unlawful conduct by his employer, the employer cannot fire the whistleblowing employee for any reason, including for engaging in an unrelated fraud.

A. True

B. False

120. Anderson, a lawyer in a jurisdiction in which larceny is a common law offence, is in possession of funds that belong to his client, Mullins. Anderson subsequently misappropriates those funds with the intent to defraud Mullins. Under these facts, Anderson has committed larceny.

A. True

B. False

121. Member states of the United Nations Convention Against Corruption (UN Convention) must ensure the existence of independent anti-corruption bodies that oversee the implementation of the UN Convention policies.

A. True

B. False

122. In tax fraud cases, wilfulness to commit the offence can be inferred from all of the following types of conduct EXCEPT:

A. Covering up sources of income

B. Keeping a set of tax records separate from standard financial reporting records

C. Concealing assets

D. Destroying books or records

123. Black, a Certified Fraud Examiner who lives and works in a common law legal system with a litigation privilege, discovers a potential fraud at the ABC Company while auditing ABC's procedures. She immediately notifies ABC's in-house counsel. As a result, Black's work up until that point is protected by:

A. The CFE/client privilege

B. The investigator/client privilege

C. The employer / employee privilege

D. None of the above

124. The purpose of the authentication requirement in most common law systems is to ensure that hearsay is not admitted into evidence.

A. True

B. False

125. Which of the following must a plaintiff show to recover for a claim of false imprisonment?

A. The defendant restrained the plaintiff without consent or legal justification

B. The defendant knew his conduct was illegal

C. The defendant was not protected under the qualified business privilege

D. The defendant was a law enforcement officer.