

**1. According to the article, "Working with Legal Counsel: Beware of Cybersmear Attacks":**

- a. Investigators quickly found the identities of the anonymous posters in the 2TheMart.com case.
- b. Working with legal counsel, CFEs need to comprehend the reasoning and interpretation of major legal principles when investigating comments in cybersmear attacks.
- c. There's a simple audit trail to determine a cybersmearer's real identity.
- d. Legal counsel will never begin with a "cease and desist" letter to the anonymous author.

**2. According to the article, "Working with Legal Counsel: Beware of Cybersmear Attacks," concerning the 2TheMart case:**

- a. 2TheMart.com wasn't in any legal trouble when the anonymous posters published allegedly libelous comments against the company on the Internet.
- b. The stock of 2TheMart.com Inc. dropped in price during the anonymous postings.
- c. 2TheMart eventually answered the fundamental question, "Who are these people?"
- d. In reaching its decision, the U.S. District Court adopted a balancing test to determine if the civil litigants' need for identification were greater than the posters' First Amendment rights of anonymous free speech.

**3. According to the opening case in the article, "Suspicious Activity Reports: Frontline Defenders Against Financial Crime":**

- a. The fraudsters began an advertising campaign in Rhode Island to entice victims to buy nonexistent certificates of deposit.
- b. Alert bank staff reviewed transactions related to the accounts, filed an SAR, and notified law enforcement.
- c. The bank had become wary when the fraudsters deposited \$15,000.
- d. The fraudsters assembled a network of offices in New Jersey staffed with hired workers to solicit investors.

**4. According to the article, "Suspicious Activity Reports: Frontline Defenders Against Financial Crime," depository institutions filed 57 percent of the more than 650,000 SARs FinCEN received in the first six months of 2009.**

- a. true
- b. false

**5. According to the article, "How Fraudulent Japanese Circular Transactions Can Hurt Foreign Companies":**

- a. Many cases of circular transactions are never exposed because commercial disputes in Japan often are settled quietly without litigation.
- b. It's quite uncommon for smaller trading companies in need of temporary financing to ask larger trading partners for assistance.
- c. Japanese business culture doesn't promote deep and long-standing relationships among senior personnel of trading partners.
- d. Routine business transactions are conducted with a lower degree of trust than in other parts of the world.

**6. According to the article, "How Fraudulent Japanese Circular Transactions Can Hurt Foreign Companies":**

- a. All companies incorporated in Japan must have a representative director.
- b. The representative director doesn't have the ability to bind the company in any contract.
- c. Generally speaking, circular transactions are regarded as financing rather than sales regardless of the actual intended purpose.
- d. Discovery of circular transaction schemes seldom leads to accounting and disclosure issues for all parties involved.

**7. According to the article, "Fraud Triangle Analytics: Breaking the Status Quo in E-mail Review":**

- a. The authors have found the best way to navigate through information obtained from FTA is a "glove-box" interface.
- b. FTA requires a document-by-document review of e-mails to get an initial feel for where fraud risks might exist.
- c. Fraud examiners can best use FTA for targeted, high-risk areas of a business in which preemptive tests are warranted based on a fraud-risk assessment or when a credible allegation or action warrants an investigation.
- d. The authors draw their keywords from an extensive library that describes individuals' likes and dislikes, personalities, and job descriptions.

**8. According to the article, "Fraud Triangle Analytics: Breaking the Status Quo in E-mail Review," not all internal audit departments align their audit tests around incentive/pressure, opportunity, and rationalization.**

- a. true
- b. false

**9. According to the interview article with H. David Kotz, he said:**

- a. "Our audits following the Madoff investigation made 78 specific and concrete recommendations for improvements within the SEC in light of our findings."
- b. "The SEC has concurred with only half of our recommendations and so doesn't plan on implementing all of them."
- c. "We are pleased that the SEC is planning to revamp its tip and complaint processes."
- d. "Enforcement staff assigned to investigate Madoff were quite experienced."

**10. According to the interview article with H. David Kotz, he said:**

- a. "We didn't have to retain an outside firm to assist in the e-mail review."
- b. "We were never concerned about the SEC's resources during our investigation; they always had enough."
- c. "Our investigation was strenuous but never grueling."
- d. "In the interview with us, Madoff expressed greater concern about his family and his reputation in the industry as a whole than he did about the victims themselves."

Circle the correct answers and mail to the ACFE with four other completed quizzes published within the last 24 months and the CPE Quiz Payment Form (see next page).