

1. *According to the article, "Private-bank Internal Controls," private banks:*
 - a. unlike retail banks, offer top-quality services for very wealthy clients.
 - b. target clients who want their money invested for the short term.
 - c. specialize in mortgage business and merger and acquisition activity.
 - d. offer checking accounts.

2. *According to the article, "Private-bank Internal Controls," Stella Inmany:*
 - a. worked at Zellon bank for three years.
 - b. transferred more than US\$80,000 from an active account directly into her personal account.
 - c. waited two years before she started embezzling.
 - d. had the authorization to make cash transfers for more than US\$200,000.

3. *According to the article, "Managing the Business Risk of Fraud," Susan:*
 - a. works as an accountant for a large organization.
 - b. steals \$50,000 in six months.
 - c. and the assistant bookkeeper, Meredith, totally control the accounting function except authorization of transactions.
 - d. discovers it's not easy to steal from her company.

4. *According to the article, "Managing the Business Risk of Fraud," management must implement adequate internal controls and report suspicious activities, known frauds, and its successes and failures to the board.*
 - a. true
 - b. false

5. *According to the article, "Fuel and Transportation Expense Fraud":*
 - a. When fuel was cheaper, the risk for fraud was relatively high.
 - b. Few organizations are affected by fluctuating fuel and transportation costs.
 - c. We're trained to recognize that where there's more opportunity for pressure, there's also an increased propensity for rationalization and fraud.
 - d. It's seldom easy for some employees to rationalize taking advantage of a fuel or transportation reimbursement program.

6. *According to the article, "Fuel and Transportation Expense Fraud," the first and most important requirement for managing a mileage reimbursement program is ensuring that well-documented policies and procedures are in place and are communicated to the employees.*
 - a. true
 - b. false

7. *According to the interview article with Ralph Summerford, he said:*
 - a. "Few courts recognize CFEs as experts who are qualified to testify about fraud."
 - b. "I was greatly prepared when a partner and I started a traditional CPA firm in 1972."
 - c. "When I began the forensic accounting business in 1986, I hadn't prepared a detailed business plan."
 - d. "If you want to testify as an expert witness, you'll have to have mental toughness, a thick skin, and a type-A personality to spar with attorneys."

8. *According to the interview article with Ralph Summerford, he said:*
 - a. "Most individuals or businesses that have a dispute, or suffer a fraud, will first go to their accountants."
 - b. "We assist attorneys in explaining complex financial transactions and/or determining economic damages from fraud, contract, and tort claims."
 - c. "It's difficult to point out the legal requirements of SOX to a publicly traded company and what it must do."
 - d. "Most businesses want to spend money for prevention and detection."

9. *According to the article, "Modeling a Fraud Examination," if an organization's officials want to launch a professional approach to solving fraud and recover damages they should hire CFEs.*
 - a. true
 - b. false

10. *According to Point 6 in the article, "Modeling a Fraud Examination":*
 - a. The continuing process requires engaging the proper experts: CFEs, internal or external auditors, law enforcement officers, and others.
 - b. At this stage, the board of directors develops a hypothesis for the case.
 - c. In cases of bribery or kickbacks, documentary evidence is easy to obtain.
 - d. Fraud examiners don't have to apply traditional methods.

Circle the correct answers and mail to the ACFE with four other CPE Quizzes from issues of *Fraud Magazine* from the last two years.