

1. **According to the article, "Fraud in Nonprofit Organizations," Cindy:**
 - a. was the CFO at a small private company
 - b. was reluctant to become the chief audit executive at a small nonprofit
 - c. wasn't familiar with the Sarbanes-Oxley Act
 - d. planned the foundation's first audit committee – an independent oversight panel
2. **According to the article, "Fraud in Nonprofit Organizations":**
 - a. For a nonprofit, the creator, not the organization, assumes liability.
 - b. The term "nonprofit" refers to a business that, by law, is forbidden from distributing profits to owners.
 - c. Nonprofits with 501(c)(3) status aren't required by law to keep books and records of all financial and nonfinancial status.
 - d. Nonprofits with 501(c)(3) status aren't required by law to document charitable contributions for donors.
3. **According to the article, "CFEs' Roles in Energy Company Anti-fraud Efforts," if a city is one of your clients:**
 - a. you can check fictitious billings and over-billings in the energy company's financial statements
 - b. you would attempt to trace revenues from the source documents to the income statement
 - c. you couldn't determine the reasonableness of estimated charges and prevent the energy company from incorrectly billing its customers
 - d. you can sue an energy company to obtain records
4. **According to the article, "CFEs' Roles in Energy Company Anti-fraud Efforts," after a local government grants a monopoly contract to an energy company in a certain region, the company is typically limited in the profits it can make from customers.**
 - a. true
 - b. false
5. **According to the article, "Fraud Triangle Analytics," in the first case the authors analyzed, financial statement fraud revenue recognition:**
 - a. It involved a U.S. company with no multinational ties.
 - b. Investigators searched more than 1.9 million e-mails from 18 suspected executives and related attachments for the keywords in the "financial statement fraud library."
 - c. The authors observed a sharp decrease in all three lists of keywords.
 - d. Investigators used customized text search and retrieval software not available commercially.
6. **According to the article, "Fraud Triangle Analytics," in the second case the authors analyzed, corruption/FCPA:**
 - a. It involved a French company with no multinational ties.
 - b. The investigation went as far back as 2004.
 - c. Investigators searched more than 260,000 e-mails.
 - d. The authors observed sharp increases from three suspected executives in all three lists during the alleged bribery period.
7. **According to the opening case in "Identity Theft: Fighting for Our Privacy":**
 - a. Owen Thor Walker, an 18-year-old New Zealander, was a member of an international hacking group that infected at least 1.3 million computers and caused losses upward of \$20 million.
 - b. Anti-virus software detected Walker's encrypted virus.
 - c. U.S. police, in conjunction with Interpol and Swedish authorities, uncovered Walker's network.
 - d. Walker, who gave a not-guilty plea, received a four-year sentence.
8. **According to "Identity Theft: Fighting for Our Privacy," an "evil twin" is a wireless network that appears to be a real Wi-Fi connection like those available at coffee shops, hotels, and airports.**
 - a. true
 - b. false
9. **According to "Intensifying the Network," James Freis said:**
 - a. "Since I came to FinCEN in 2005, I've worked to focus on taking a specific approach to fighting fraud."
 - b. "We've taken steps to reach out to various industries that must comply with the BSA."
 - c. "FinCEN doesn't concentrate much on global efforts."
 - d. "FinCEN involves only the leadership of an organization and not its front-line people."
10. **According to "Intensifying the Network," James Freis said:**
 - a. "FinCEN is one of more than 250 recognized national financial intelligence units."
 - b. "We coordinate activities with our FIU partners around the globe largely through a formal organization known as the Claremont Group."
 - c. "The Northern border is a big priority of mine every day as the situation in Canada is so volatile right now."
 - d. "FinCEN is currently reviewing stored-value cards that actually contain funds and data."

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

Name _____

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