

1. **According to the opening case in the article, "New York Indie Contractors Rip Off System as 'Employees'":**
 - a. In February 2008, a New York State Comptroller's Office audit found that a Manhattan attorney was reported as a full-time employee by five different school districts simultaneously.
 - b. The attorney was credited with more than 2,300 days of work in each of three years.
 - c. While the attorney was being reported as an employee of the schools, his firm billed the school districts more than \$2.5 million in fees for his services.
 - d. As a result of the extensive service credits built up in the state pension system, the attorney received an annual state pension of nearly \$56,000.

2. **According to the article, "New York Indie Contractors Rip Off System as 'Employees'":**
 - a. In the public sector, reporting nonemployees as employees inappropriately qualifies the workers for public pensions and health benefits.
 - b. In the private sector, participation in tax-qualified retirement plans is not limited to common-law employees.
 - c. The U.S. Supreme Court established a 23-factor test in Community for Creative Non-Violence v. Reid.
 - d. In New York, the comptroller shares the trusteeship of the state employee pension plans.

3. **According to the fictitious case in the article, "Something's Fishy at Jones Company":**
 - a. Custom Parts Inc. (CPI) is a small aftermarket automotive parts manufacturer in Lansing, Mich.
 - b. Though CPI typically allows the companies it purchases to continue their sales and production offices, it administers all other functions from its corporate headquarters.
 - c. Jones Company holds a few patents that allow its gross profit margin to be about 26 percent of sales.
 - d. Jones Company doesn't sell its own OEM parts.

4. **According to the fictitious case in the article, "Something's Fishy at Jones Company," the auditors, based on DeMarco's behavior in the interview, had reason to believe that a review of Smith Company's records would show that DeMarco substantially benefited from the overcharges.**
 - a. true
 - b. false

5. **According to the fictitious case in the article, "Exposing the Iceberg":**
 - a. The chief financial officer of a Fortune 500 company asked Bonnie Parker to enhance the company's fraud detection procedures.
 - b. Parker recognized that the existing programs were only analyzing apparent situations with minimal consideration to potential submerged fraud "icebergs."
 - c. Parker knew that traditional fraud awareness programs and automated tests were adequate.
 - d. Parker had worked with scores of minor employee-related fraud schemes in the past.

6. **According to the fictitious case in the article, "Exposing the Iceberg":**
 - a. Parker and her team sent a 50-question survey to 700 randomly selected employees.
 - b. The team interviewed 40 top business executives.
 - c. Parker appointed an external team to identify, document, and test controls.
 - d. Parker's team conducted a facilitated question-and-answer session to assist in validating and prioritizing these fraud risks.

7. **According to the article, "Computer Forensics Training is a Necessity," Walt Manning said that fraud examiners need to know enough about current techniques and technological developments to find evidence that will effectively make their cases.**
 - a. true
 - b. false

8. **According to the sidebar, "How to Prepare for Hiring a Computer Forensics Examiner" located in the article, "Computer Forensics Training is a Necessity":**
 - a. It's not necessary to conduct a conflict-of-interest check when vetting experts.
 - b. You cannot learn a lot about experts during a phone conversation.
 - c. Try to determine how experts will appear on the stand.
 - d. Prospective experts seldom will ask about the subject's electronic equipment.

9. **According to "Chasing Madoff," Harry Markopolos said:**
 - a. "Madoff's name was on all of his marketing materials."
 - b. "Madoff knew a lot about portfolio construction mathematics."
 - c. "Literally, it took five minutes after reading his strategy paragraph to determine that he wasn't really using the described strategy to earn the returns he said he was."
 - d. "Madoff was not a brilliant con artist."

10. **According to "Chasing Madoff," Harry Markopolos said:**
 - a. "Madoff created the illusion of an investment strategy that always hit home runs."
 - b. "Madoff also used the veil of exclusivity to overcome victims' hesitancy to invest."
 - c. "Madoff masqueraded as a broker-dealer but was licensed as a hedge-fund operator."
 - d. "In a normal Wall Street fee-splitting arrangement, the marketing arm would typically take 30 percent of the fees and only very rarely more than 50 percent."

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