

ACFE Certified Fraud Examiner (CFE) Investigations Practice Exam (Sample)

Study Guide



Everything you need from our exam experts!

This is a sample study guide. To access the full version with hundreds of questions,

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Introduction

Preparing for a certification exam can feel overwhelming, but with the right tools, it becomes an opportunity to build confidence, sharpen your skills, and move one step closer to your goals. At Examzify, we believe that effective exam preparation isn't just about memorization, it's about understanding the material, identifying knowledge gaps, and building the test-taking strategies that lead to success.

This guide was designed to help you do exactly that.

Whether you're preparing for a licensing exam, professional certification, or entry-level qualification, this book offers structured practice to reinforce key concepts. You'll find a wide range of multiple-choice questions, each followed by clear explanations to help you understand not just the right answer, but why it's correct.

The content in this guide is based on real-world exam objectives and aligned with the types of questions and topics commonly found on official tests. It's ideal for learners who want to:

- Practice answering questions under realistic conditions,
- Improve accuracy and speed,
- Review explanations to strengthen weak areas, and
- Approach the exam with greater confidence.

We recommend using this book not as a stand-alone study tool, but alongside other resources like flashcards, textbooks, or hands-on training. For best results, we recommend working through each question, reflecting on the explanation provided, and revisiting the topics that challenge you most.

Remember: successful test preparation isn't about getting every question right the first time, it's about learning from your mistakes and improving over time. Stay focused, trust the process, and know that every page you turn brings you closer to success.

Let's begin.

How to Use This Guide

This guide is designed to help you study more effectively and approach your exam with confidence. Whether you're reviewing for the first time or doing a final refresh, here's how to get the most out of your Examzify study guide:

1. Start with a Diagnostic Review

Skim through the questions to get a sense of what you know and what you need to focus on. Don't worry about getting everything right, your goal is to identify knowledge gaps early.

2. Study in Short, Focused Sessions

Break your study time into manageable blocks (e.g. 30 - 45 minutes). Review a handful of questions, reflect on the explanations, and take breaks to retain information better.

3. Learn from the Explanations

After answering a question, always read the explanation, even if you got it right. It reinforces key points, corrects misunderstandings, and teaches subtle distinctions between similar answers.

4. Track Your Progress

Use bookmarks or notes (if reading digitally) to mark difficult questions. Revisit these regularly and track improvements over time.

5. Simulate the Real Exam

Once you're comfortable, try taking a full set of questions without pausing. Set a timer and simulate test-day conditions to build confidence and time management skills.

6. Repeat and Review

Don't just study once, repetition builds retention. Re-attempt questions after a few days and revisit explanations to reinforce learning.

7. Use Other Tools

Pair this guide with other Examzify tools like flashcards, and digital practice tests to strengthen your preparation across formats.

There's no single right way to study, but consistent, thoughtful effort always wins. Use this guide flexibly — adapt the tips above to fit your pace and learning style. You've got this!

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Questions

- 1. Are the rules of admissibility for digital evidence typically stricter than those for tangible evidence?**
 - A. True**
 - B. False**
 - C. Only under certain conditions**
 - D. It depends on jurisdiction**
- 2. What is an interview protocol?**
 - A. A structured method for conducting interviews to ensure consistency and thoroughness**
 - B. A casual conversation with employees**
 - C. A technique used to interrogate suspects**
 - D. A guideline for media interactions**
- 3. What constitutes vendor fraud?**
 - A. When vendors refund money back to the organization**
 - B. When vendors deceive a company for financial gain**
 - C. When vendors offer discounts on products**
 - D. When vendors provide confidential information to competitors**
- 4. When interviewing a fraud suspect, which response indicates the suspect may be guilty?**
 - A. "It could be Green, but I'm not sure"**
 - B. "It could have been anybody"**
 - C. "It wasn't me, that's for sure"**
 - D. "It wasn't anyone I work with"**
- 5. Which document is crucial for supporting fraud findings during legal proceedings?**
 - A. A press release**
 - B. A diary of events**
 - C. An audit report**
 - D. An exhibit in court**

- 6. Which type of questions are considered less threatening in volatile interviews?**
- A. Direct**
 - B. Leading**
 - C. Hypothetical**
 - D. All of the above**
- 7. What is a primary goal of a fraud examination?**
- A. To punish the wrongdoer**
 - B. To establish a credible report of findings**
 - C. To recover losses**
 - D. To increase employee accusations**
- 8. What does mutual legal assistance (MLA) entail?**
- A. A process of assistance in law enforcement matters between countries**
 - B. A request for information from a defendant in another country**
 - C. A letter requesting exculpatory information from the government**
 - D. A judicial request from a court in one country to another**
- 9. When might a fraud examiner refer a case to law enforcement?**
- A. When there's minor irregularity**
 - B. When evidence suggests criminal activity that requires legal intervention**
 - C. When the examination is complete**
 - D. When the fraudster admits to wrongdoing**
- 10. What type of information is typically obtained from a check negotiated by a subject?**
- A. Name of the payee**
 - B. Bank account details**
 - C. Transaction history**
 - D. Legal documentation**

Answers

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1. B
2. A
3. B
4. B
5. D
6. C
7. B
8. A
9. B
10. A

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Explanations

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1. Are the rules of admissibility for digital evidence typically stricter than those for tangible evidence?

A. True

B. False

C. Only under certain conditions

D. It depends on jurisdiction

The correct answer indicates that the rules of admissibility for digital evidence are not typically stricter than those for tangible evidence, which reflects the evolving nature of legal standards concerning digital evidence. In practice, courts have recognized the need for fair and consistent treatment of digital evidence, similar to tangible evidence. Digital evidence, such as emails, electronic documents, and data logs, must meet the same criteria for admissibility, including relevance, authenticity, and reliability, as traditional forms of evidence. Courts often apply established rules of evidence, like the Federal Rules of Evidence in the United States, to both digital and tangible evidence fairly. Moreover, legal professionals and forensic experts have made significant strides in validating and presenting digital evidence effectively, thus mitigating concerns that were once prevalent regarding its admissibility. As technology continues to advance, courts are more willing to accept digital evidence that is properly collected and stored, understanding that, like tangible evidence, it must be relevant and obtained legally to be admissible in court. This context highlights the importance of understanding how digital evidence is viewed within the legal framework, emphasizing that it has come to be treated consistently with traditional evidence rather than being subject to stricter rules.

2. What is an interview protocol?

A. A structured method for conducting interviews to ensure consistency and thoroughness

B. A casual conversation with employees

C. A technique used to interrogate suspects

D. A guideline for media interactions

An interview protocol is fundamentally a structured method for conducting interviews, which helps to ensure that interviews are consistent, systematic, and thorough. This structure typically includes a defined set of questions or topics that need to be covered, allowing interviewers to gather relevant information effectively while minimizing variability in responses due to differing interview techniques. By utilizing an interview protocol, investigators can reduce biases in questioning and improve the reliability of the information obtained. This is particularly important in the context of investigations where accurate and complete information is critical for understanding the situation at hand. While casual conversations with employees can provide informal insights, they lack the rigor and focus of a structured approach. Interrogation techniques differ significantly from interviews aimed at gathering information, as they are often more aggressive and focused on eliciting admissions of guilt. Guidelines for media interactions deal with managing public communication and do not pertain to the direct gathering of information from individuals during investigative processes. Therefore, a structured interview protocol is essential in the context of investigations to maintain objectivity and thoroughness.

3. What constitutes vendor fraud?

- A. When vendors refund money back to the organization
- B. When vendors deceive a company for financial gain**
- C. When vendors offer discounts on products
- D. When vendors provide confidential information to competitors

Vendor fraud occurs when vendors engage in deceptive practices designed to secure financial advantage at the expense of a company. This can include tactics such as submitting false invoices, billing for goods or services not provided, or inflating prices beyond what is agreed upon, all with the intention of unlawfully enriching themselves. In this context, the action of deceiving a company for financial gain captures the essence of fraud, which is the intentional misrepresentation of facts for an unfair advantage. Recognizing vendor fraud is critical for organizations to protect their financial interests and maintain ethical standards in their business relationships. The other scenarios, while possibly unethical, do not fit the definition of fraud. For instance, a vendor refunding money is a legitimate operation that would not constitute fraud. Offering discounts does not represent any deception; it is a common business practice that benefits both parties. Similarly, providing confidential information to competitors is an issue related to breaches of confidentiality and trust, rather than fraud per se.

4. When interviewing a fraud suspect, which response indicates the suspect may be guilty?

- A. "It could be Green, but I'm not sure"
- B. "It could have been anybody"**
- C. "It wasn't me, that's for sure"
- D. "It wasn't anyone I work with"

The response that indicates a suspect may be guilty is one that suggests a deflection of responsibility or an attempt to shift blame away from themselves. When a suspect states, "It could have been anybody," they are avoiding admitting any personal involvement or knowledge of the situation. This vague assertion implies a lack of accountability and can indicate an attempt to distance themselves from the wrongdoing. In contrast, other responses may not carry the same implication of guilt. For instance, saying, "It could be Green, but I'm not sure," does not directly deny involvement and leaves room for uncertainty. The phrase "It wasn't me, that's for sure," while assertive, can sometimes be a defensive reaction that doesn't inherently imply guilt or innocence but might suggest panic or anxiety. Lastly, the statement "It wasn't anyone I work with" can imply awareness of the immediate environment but does not directly incriminate or exonerate the speaker. Thus, the response that broadly casts doubt on others without taking any responsibility, such as suggesting that "it could have been anybody," reflects a potential attempt to evade accountability, marking it as suspicious and indicating possible guilt.

5. Which document is crucial for supporting fraud findings during legal proceedings?

- A. A press release**
- B. A diary of events**
- C. An audit report**
- D. An exhibit in court**

The most crucial document for supporting fraud findings during legal proceedings is an exhibit in court. Exhibits serve as physical or documentary evidence presented to the judge and jury to substantiate claims made during a trial. This can include a wide variety of materials, such as contracts, emails, financial records, and more, which help to establish the facts of the case. Exhibits are specifically prepared and submitted in accordance with legal standards and regulations, making them an integral part of the evidentiary record. Their admissibility is determined by relevance and authenticity, and they can be subjected to scrutiny and cross-examination. The process of presenting these exhibits can provide critical context and clarity, aiding both legal practitioners and jurors in understanding the complexities of the case. While other options may contain relevant information, such as a diary of events documenting occurrences or an audit report outlining findings, they do not carry the same weight as a formally presented exhibit in court. A press release, for instance, is often intended for public communication and may not meet the evidentiary requirements for legal proceedings. Thus, when it comes to providing concrete evidence in a courtroom, exhibits hold paramount importance.

6. Which type of questions are considered less threatening in volatile interviews?

- A. Direct**
- B. Leading**
- C. Hypothetical**
- D. All of the above**

In volatile interviews, where emotions can run high and individuals may be defensive or evasive, hypothetical questions are considered less threatening. These types of questions allow the interviewee to respond based on a scenario rather than directly implicating or confronting them about their actions or decisions. By framing questions in a hypothetical context, it encourages the interviewee to think through potential situations without feeling attacked or cornered, which can lead to more open and honest communication. Hypothetical questions often take the pressure off the subject and can foster a more relaxed atmosphere, making it easier for interviewers to gather information. This approach can also help in assessing a person's thought processes, ethical considerations, and problem-solving abilities without placing them under immediate scrutiny for past behavior. In contrast, direct and leading questions can be perceived as confrontational, as they directly challenge the interviewee's actions and may elicit defensive responses. Therefore, employing hypothetical questions is a strategic technique to manage the dynamics of the interview while still seeking valuable insights.

7. What is a primary goal of a fraud examination?

- A. To punish the wrongdoer
- B. To establish a credible report of findings**
- C. To recover losses
- D. To increase employee accusations

A primary goal of a fraud examination is to establish a credible report of findings. This involves a thorough and impartial investigation into the alleged fraudulent activities and is essential for various stakeholders, including management, law enforcement, and legal authorities. By producing a credible report, fraud examiners provide clear and documented evidence of their findings, which can significantly aid in the decision-making process on how to address the situation, whether it be through legal action or organizational policy changes. Credible reports also ensure that all involved parties trust the findings, which is vital when disputes arise over the allegations or when the organization's reputation is at stake. Ultimately, a well-documented and credible report can facilitate recovery efforts and strategic planning, making it a crucial aspect of a fraud examination's objectives. While recovering losses is an important consideration and can be a subsequent benefit, the immediate aim centers on the integrity and reliability of findings to guide further actions.

8. What does mutual legal assistance (MLA) entail?

- A. A process of assistance in law enforcement matters between countries**
- B. A request for information from a defendant in another country
- C. A letter requesting exculpatory information from the government
- D. A judicial request from a court in one country to another

Mutual legal assistance (MLA) is fundamentally about establishing cooperation between countries in legal matters, particularly in law enforcement and criminal investigations. The process allows countries to request and obtain assistance from one another, which may include sharing evidence, facilitating witness interviews, and executing searches and seizures as part of ongoing investigations and prosecutions. This collaboration is crucial in an increasingly globalized world where crimes often transcend national boundaries. By enabling effective communication and cooperation between legal jurisdictions, MLA plays a significant role in combating terrorism, drug trafficking, human trafficking, and other transnational crimes. This framework ensures that countries can work together to uphold justice and enforce the law, making it essential for maintaining the integrity of legal systems. The other options do not accurately represent the nature of mutual legal assistance as they focus on specific types of requests or correspondence rather than the broad process of cooperation between nations in legal matters.

9. When might a fraud examiner refer a case to law enforcement?

A. When there's minor irregularity

B. When evidence suggests criminal activity that requires legal intervention

C. When the examination is complete

D. When the fraudster admits to wrongdoing

A fraud examiner typically refers a case to law enforcement when there is evidence suggesting criminal activity that requires legal intervention. This occurs when the findings of an investigation indicate that the actions taken by an individual could constitute a violation of criminal law, such as theft, embezzlement, or fraud. It is essential for fraud examiners to act within their ethical and professional boundaries, which means recognizing that certain situations involve legal implications beyond their expertise. In instances where there is substantial evidence pointing to criminal actions, it becomes necessary to involve law enforcement to pursue further investigation, apprehend suspects, and possibly prosecute those involved. This ensures that legal frameworks are followed and that justice can be served appropriately. The other options do not adequately meet the criteria for referral to law enforcement. Minor irregularities typically do not warrant criminal intervention as they may be resolved through internal controls or organizational policies. Waiting until the examination is complete may be too late if immediate action is required to prevent further harm or loss. Lastly, an admission of wrongdoing does not always equate to sufficient evidence for law enforcement; a thorough investigation might still be necessary to corroborate such statements before involving legal authorities.

10. What type of information is typically obtained from a check negotiated by a subject?

A. Name of the payee

B. Bank account details

C. Transaction history

D. Legal documentation

The name of the payee is typically obtained from a check that has been negotiated by a subject because this information is explicitly stated on the check. The payee is the individual or entity to whom the check is written and who has the right to deposit or cash it. This information is essential for identifying who received payment and can be critical in investigations related to fraud or financial transactions. While bank account details may be accessible through bank records or statements resulting from the transaction involving the check, they are not directly found on the check itself. Transaction history typically refers to past activities associated with a particular account and would not be listed on an individual check. Legal documentation, such as contracts or agreements, is also not typically found on a check and usually requires separate records to be validated. Therefore, the name of the payee is the most relevant and easily identifiable information obtained directly from a negotiated check.

Next Steps

Congratulations on reaching the final section of this guide. You've taken a meaningful step toward passing your certification exam and advancing your career.

As you continue preparing, remember that consistent practice, review, and self-reflection are key to success. Make time to revisit difficult topics, simulate exam conditions, and track your progress along the way.

If you need help, have suggestions, or want to share feedback, we'd love to hear from you. Reach out to our team at hello@examzify.com.

Or visit your dedicated course page for more study tools and resources:

<https://acfecfeinvestigations.examzify.com>

We wish you the very best on your exam journey. You've got this!