

# Association of Certified Fraud Examiners

## CFE Exam Content Outline

Effective as of the 2021 Edition

<b>Section 1: Financial Transactions and Fraud Schemes</b>	
<b>Domain 1: Accounting Concepts</b>	<b>Percentage of Exam: 5–10%</b>
<ol style="list-style-type: none"> <li>1. The accounting equation</li> <li>2. Balance sheet/statement of financial position</li> <li>3. Income statement/statement of financial performance/statement of operations/profit-and-loss statement/statement of changes in financial position</li> <li>4. Statement of cash flows</li> <li>5. Cash vs. accrual accounting</li> <li>6. Various accounting frameworks (GAAP, IFRS, etc.) and when they are used</li> </ol>	
<b>Domain 2: Financial Statement Fraud</b>	<b>Percentage of Exam: 5–10%</b>
<ol style="list-style-type: none"> <li>1. What financial statement fraud is</li> <li>2. Types of financial statement fraud schemes</li> <li>3. Financial statement analysis</li> </ol>	
<b>Domain 3: Asset Misappropriation: Cash Receipts</b>	<b>Percentage of Exam: 5–10%</b>
<ol style="list-style-type: none"> <li>1. What cash skimming is</li> <li>2. Types of cash skimming schemes</li> <li>3. Cash skimming schemes: Prevention and detection</li> <li>4. What cash larceny is</li> <li>5. Types of cash larceny schemes</li> <li>6. Cash larceny: Prevention and detection</li> </ol>	
<b>Domain 4: Asset Misappropriation: Fraudulent Disbursements</b>	<b>Percentage of Exam: 5–10%</b>
<ol style="list-style-type: none"> <li>1. Types of register disbursement schemes</li> <li>2. Register disbursement schemes: Prevention and detection</li> <li>3. Electronic payment tampering: Prevention and detection</li> <li>4. Types of billing schemes</li> <li>5. Billing schemes: Prevention and detection</li> <li>6. Types of payroll fraud schemes</li> <li>7. Payroll fraud schemes: Prevention and detection</li> <li>8. Types of expense reimbursement schemes</li> <li>9. Expense reimbursement schemes: Prevention and detection</li> </ol>	

<b>Domain 5: Asset Misappropriation: Inventory and Other Assets</b>	<b>Percentage of Exam: 1–5%</b>
<ol style="list-style-type: none"> <li>Misuse of inventory and other assets</li> <li>Types of inventory theft schemes</li> <li>Concealing inventory shrinkage</li> <li>Inventory schemes: Prevention and detection</li> </ol>	
<b>Domain 6: Corruption</b>	<b>Percentage of Exam: 5–10%</b>
<ol style="list-style-type: none"> <li>What is corruption?</li> <li>Types of corruption schemes (e.g., bribery, kickback schemes, conflicts of interest)</li> <li>Methods of making illegal payments</li> <li>Corruption schemes: Prevention and detection</li> </ol>	
<b>Domain 7: Theft of Data and Intellectual Property</b>	<b>Percentage of Exam: 5–10%</b>
<ol style="list-style-type: none"> <li>Corporate espionage vs. competitive intelligence</li> <li>Sources of competitive intelligence</li> <li>How information is lost or stolen</li> <li>Safeguarding proprietary information from insider and external threats</li> </ol>	
<b>Domain 8: Identity Theft</b>	<b>Percentage of Exam: 1–5%</b>
<ol style="list-style-type: none"> <li>Types and methods of identity theft</li> <li>How identity thieves steal information</li> <li>Identity theft schemes: Prevention and detection</li> </ol>	
<b>Domain 9: Financial Institution Fraud</b>	<b>Percentage of Exam: 5–10%</b>
<ol style="list-style-type: none"> <li>Types of financial institution fraud schemes (e.g., new account schemes, loan and mortgage fraud schemes)</li> <li>Red flags of financial institution fraud</li> <li>Financial institution fraud: Prevention and detection</li> </ol>	
<b>Domain 10: Payment Fraud</b>	<b>Percentage of Exam: 5–10%</b>
<ol style="list-style-type: none"> <li>Types of payment fraud schemes (e.g., electronic funds transfer fraud schemes, payment card fraud schemes, mobile payment schemes)</li> <li>Payment fraud schemes: Prevention and detection</li> </ol>	
<b>Domain 11: Insurance Fraud</b>	<b>Percentage of Exam: 1–5%</b>
<ol style="list-style-type: none"> <li>Types of insurance fraud schemes (e.g., vehicle insurance schemes, agent/broker fraud)</li> <li>Red flags of insurance fraud</li> <li>Insurance fraud: Prevention and detection</li> </ol>	

<b>Domain 12: Health Care Fraud</b>	<b>Percentage of Exam: 1–5%</b>
<ol style="list-style-type: none"> <li>Types of health care fraud schemes (e.g., fraud by the insurance company/group, fraud by the patient, fraud by service providers)</li> <li>Health care fraud: Prevention and detection</li> </ol>	
<b>Domain 13: Consumer Fraud</b>	<b>Percentage of Exam: 5–10%</b>
<ol style="list-style-type: none"> <li>Types of consumer fraud schemes (e.g., advance-fee schemes, elder fraud, pyramid schemes, Ponzi schemes)</li> <li>Red flags of consumer fraud</li> <li>Consumer fraud: Prevention and detection</li> </ol>	
<b>Domain 14: Cyberfraud</b>	<b>Percentage of Exam: 5–10%</b>
<ol style="list-style-type: none"> <li>Information security goals and control objectives</li> <li>Types of electronic social engineering schemes (e.g., business email compromise, phishing)</li> <li>Types of malware (e.g., viruses, ransomware)</li> <li>Combatting insider threats</li> <li>Cyberfraud: Prevention and detection</li> <li>Responding to cybersecurity incidents</li> </ol>	
<b>Domain 15: Contract and Procurement Fraud</b>	<b>Percentage of Exam: 5–10%</b>
<ol style="list-style-type: none"> <li>Basic elements and phases of contracting</li> <li>Types of contract and procurement fraud schemes (e.g., collusion with employees, collusion among contractors, performance schemes)</li> <li>Red flags of contract and procurement fraud</li> <li>Contract and procurement fraud: Prevention and detection</li> </ol>	
<b>Section 2: Law</b>	
<b>Domain 1: Overview of the Legal System</b>	<b>Percentage of Exam: 5–10%</b>
<ol style="list-style-type: none"> <li>Criminal, civil, and administrative actions for fraud</li> <li>Civil vs. common law systems</li> <li>Adversarial vs. inquisitorial processes</li> <li>Challenges in international cases</li> </ol>	
<b>Domain 2: The Law Related to Fraud</b>	<b>Percentage of Exam: 10–15%</b>
<ol style="list-style-type: none"> <li>Misrepresentation of material facts</li> <li>Breach of trust offenses</li> <li>Mail fraud and wire fraud</li> <li>False claims and documents</li> <li>Corruption (e.g., bribery, conflicts of interest) and related international rules and standards</li> <li>Perjury</li> <li>Conspiracy</li> </ol>	

8. Concealment of material facts/obstruction	
<b>Domain 3: Bankruptcy Fraud</b>	<b>Percentage of Exam: 5–10%</b>
<ol style="list-style-type: none"> <li>1. Governance and management in bankruptcy proceedings</li> <li>2. Types of bankruptcy filings</li> <li>3. Role of key parties in bankruptcies (e.g., administrator/trustee, courts)</li> <li>4. Types of bankruptcy fraud schemes (e.g., bustout schemes, concealment of assets)</li> </ol>	
<b>Domain 4: Securities Fraud</b>	<b>Percentage of Exam: 5–10%</b>
<ol style="list-style-type: none"> <li>1. Securities laws and regulation</li> <li>2. International Organization of Securities Commissions (IOSCO) recommendations</li> <li>3. The role of self-regulatory organizations</li> <li>4. Components of investment contracts</li> <li>5. Types of securities fraud schemes (e.g., insider trading, unsuitable recommendations)</li> </ol>	
<b>Domain 5: Money Laundering</b>	<b>Percentage of Exam: 10–15%</b>
<ol style="list-style-type: none"> <li>1. Money laundering stages</li> <li>2. Methods of laundering money (e.g., using front businesses, emerging payment technologies, money services businesses)</li> <li>3. Components of anti-money laundering programs</li> <li>4. Anti-money laundering regulations and guidance (e.g., Financial Action Task Force [FATF] Recommendations)</li> </ol>	
<b>Domain 6: Tax Fraud</b>	<b>Percentage of Exam: 1–5%</b>
<ol style="list-style-type: none"> <li>1. Tax avoidance vs. tax evasion</li> <li>2. Common defenses to tax evasion</li> <li>3. Types of tax evasion schemes (e.g., income and wealth tax evasion, consumption tax schemes)</li> </ol>	
<b>Domain 7: Individual Rights During Examinations</b>	<b>Percentage of Exam: 10–15%</b>
<ol style="list-style-type: none"> <li>1. Employees' duty to cooperate</li> <li>2. Employees' contractual rights</li> <li>3. Whistleblower legal protections</li> <li>4. Employees' rights in private actions vs. government actions</li> <li>5. Rules regarding searches and surveillance in the workplace</li> <li>6. Employees' expectation of privacy</li> <li>7. Causes of action for violations of employee rights (e.g., invasion of privacy, intentional infliction of emotional distress, defamation, false imprisonment)</li> <li>8. Data privacy and transfer laws (e.g., General Data Protection Regulation [GDPR])</li> <li>9. Consequences for failure to preserve evidence</li> </ol>	

<b>Domain 8: The Criminal Justice System</b>	<b>Percentage of Exam: 10–15%</b>
<ol style="list-style-type: none"> <li>1. Corporate criminal liability</li> <li>2. International Covenant on Civil and Political Rights (ICCPR)</li> <li>3. Finders of fact in criminal cases</li> <li>4. Criminal proceedings, sentencing, and restitution</li> <li>5. Criminal discovery</li> <li>6. The burden of proof in criminal cases</li> <li>7. Prosecutorial discretion and bargaining agreements</li> <li>8. Corporate deferred prosecution agreements</li> <li>9. Appeals</li> </ol>	
<b>Domain 9: The Civil Justice System</b>	<b>Percentage of Exam: 5–10%</b>
<ol style="list-style-type: none"> <li>1. Beginning the civil action</li> <li>2. Civil discovery and discovery methods</li> <li>3. Preservation of evidence in civil litigation</li> <li>4. Securing assets before judgment</li> <li>5. Trial of a civil case</li> <li>6. The burden of proof in civil cases</li> <li>7. Counterclaims</li> <li>8. Alternative dispute resolution</li> <li>9. Civil remedies and recovering fraud losses</li> </ol>	
<b>Domain 10: Basic Principles of Evidence</b>	<b>Percentage of Exam: 5–10%</b>
<ol style="list-style-type: none"> <li>1. Direct vs. circumstantial evidence</li> <li>2. Admissibility of evidence (e.g., authentication, chain of custody)</li> <li>3. Impeachment</li> <li>4. Evidentiary privileges and protections (e.g., legal professional privilege, litigation privilege, waiver of privilege)</li> </ol>	
<b>Domain 11: Testifying</b>	<b>Percentage of Exam: 5–10%</b>
<ol style="list-style-type: none"> <li>1. Purpose of testifying expert witnesses</li> <li>2. Appointment of experts</li> <li>3. Qualifying to testify as an expert witness</li> <li>4. Direct testimony considerations</li> <li>5. Cross-examination considerations and techniques</li> </ol>	
<b>Section 3: Investigation</b>	
<b>Domain 1: Planning and Conducting a Fraud Examination</b>	<b>Percentage of Exam: 5–10%</b>
<ol style="list-style-type: none"> <li>1. Definition of fraud examination</li> <li>2. Considerations in planning a fraud examination</li> </ol>	

<ol style="list-style-type: none"> <li>3. The basis of predication in fraud examination</li> <li>4. Developing a fraud response plan</li> <li>5. Preserving confidentiality in a fraud examination</li> </ol>	
<b>Domain 2: Collecting Evidence</b>	<b>Percentage of Exam: 1–5%</b>
<ol style="list-style-type: none"> <li>1. Types of evidence (e.g., documentary, digital, testimonial)</li> <li>2. Rules for the collection of evidence</li> <li>3. Methods of obtaining evidence</li> <li>4. Disposal of evidence</li> </ol>	
<b>Domain 3: Interview Theory and Application</b>	<b>Percentage of Exam: 15–20%</b>
<ol style="list-style-type: none"> <li>1. Purpose of the interview</li> <li>2. Planning for interviews</li> <li>3. Documenting the interview</li> <li>4. Questioning techniques (e.g., sequence of questions, question types)</li> <li>5. Interviewee’s legal and administrative rights</li> <li>6. Providing an introduction and building rapport</li> <li>7. Assessing the interviewee’s behavior (e.g., observing reactions, establishing a baseline, considering behaviors together)</li> <li>8. Dealing with resistance and difficult/volatile people</li> <li>9. Verbal and nonverbal clues to deception</li> <li>10. Closing the interview</li> </ol>	
<b>Domain 4: Interviewing Suspects and Signed Statements</b>	<b>Percentage of Exam: 10–15%</b>
<ol style="list-style-type: none"> <li>1. Purpose of the admission-seeking interview</li> <li>2. Preparing the interview room</li> <li>3. Rules for admission-seeking interviews</li> <li>4. Asking admission-seeking questions</li> <li>5. Steps in an admission-seeking interview (e.g., making the accusation, countering responses)</li> <li>6. Rules for obtaining signed statements</li> </ol>	
<b>Domain 5: Covert Operations</b>	<b>Percentage of Exam: 5–10%</b>
<ol style="list-style-type: none"> <li>1. What a covert operation is</li> <li>2. Documenting covert operations</li> <li>3. Legal issues in covert operations (e.g., recordings, entrapment)</li> <li>4. Procedures and considerations when using sources and informants</li> </ol>	
<b>Domain 6: Sources of Information</b>	<b>Percentage of Exam: 15–20%</b>
<ol style="list-style-type: none"> <li>1. Uses of external sources of information in fraud examinations</li> <li>2. Types of public records (e.g., local government records, court records, corporate filings, securities records)</li> </ol>	

<ol style="list-style-type: none"> <li>3. Types of nonpublic records (e.g., credit reports, bank records)</li> <li>4. Methods for gaining access to nonpublic records</li> <li>5. Legalities of pretexting</li> <li>6. General Data Protection Regulation (GDPR) application</li> <li>7. Guidelines and use of online databases</li> <li>8. Use of internet sources (e.g., social media, deep web, dark web, archives)</li> <li>9. Documenting electronic evidence obtained online</li> </ol>	
<b>Domain 7: Data Analysis and Reporting Tools</b>	<b>Percentage of Exam: 5–10%</b>
<ol style="list-style-type: none"> <li>1. Data analysis functions and their applications (e.g., Benford’s law analysis, sorting, joining)</li> <li>2. Advanced data analysis (e.g., unstructured data and textual analytics, artificial intelligence, predictive modeling)</li> <li>3. Data visualization and reporting</li> <li>4. Phases in the data analysis process</li> </ol>	
<b>Domain 8: Digital Forensics</b>	<b>Percentage of Exam: 5–10%</b>
<ol style="list-style-type: none"> <li>1. Planning for digital evidence collection</li> <li>2. Types of files to be recovered</li> <li>3. Sources of digital evidence</li> <li>4. The phases of a digital evidence investigation</li> </ol>	
<b>Domain 9: Tracing Illicit Transactions</b>	<b>Percentage of Exam: 10–15%</b>
<ol style="list-style-type: none"> <li>1. The process of tracing illicit transactions</li> <li>2. Obtaining and examining bank records</li> <li>3. Types of financial records used to trace assets (e.g., correspondent banking, wire transfer records, electronic payment records, loan records, credit card records)</li> <li>4. Methods of tracing and analyzing financial transactions (e.g., asset method, expenditures method)</li> <li>5. Emerging technology implications in tracing illicit transactions</li> <li>6. Locating hidden assets</li> <li>7. Asset forfeiture/recovery</li> </ol>	
<b>Domain 10: Report Writing</b>	<b>Percentage of Exam: 5–10%</b>
<ol style="list-style-type: none"> <li>1. Characteristics and structure of a good report</li> <li>2. Purpose of a fraud examination report</li> <li>3. Rules and best practices for fraud examination reports (e.g., guidance pertaining to conclusions and opinions, attachments, audience)</li> <li>4. Providing follow-up and recommendations</li> </ol>	

<b>Section 4: Fraud Prevention and Deterrence</b>	
<b>Domain 1: Understanding Criminal Behavior</b>	<b>Percentage of Exam: 5–10%</b>
<ol style="list-style-type: none"> <li>1. The use of punishment vs. reinforcement to modify behavior</li> <li>2. Theory of differential association</li> <li>3. Social control theory and social learning theory</li> <li>4. Differential reinforcement theory</li> <li>5. Rational choice theory</li> <li>6. Routine activities theory</li> </ol>	
<b>Domain 2: White-Collar Crime</b>	<b>Percentage of Exam: 15–20%</b>
<ol style="list-style-type: none"> <li>1. Organizational opportunity for white-collar crime</li> <li>2. Factors that contribute to white-collar crime</li> <li>3. Effects of white-collar crime on individuals and society</li> <li>4. Prosecutions for white-collar criminals</li> <li>5. Organizational vs. occupational crime</li> <li>6. Factors that contribute to organizational crime (e.g., structure, specialization, profit pressure)</li> <li>7. Ways organizations rationalize questionable conduct</li> <li>8. Ways to control organizational crime (e.g., compliance, deterrence)</li> <li>9. Components of the fraud triangle</li> <li>10. Research and trends in occupational fraud</li> </ol>	
<b>Domain 3: Corporate Governance</b>	<b>Percentage of Exam: 5–10%</b>
<ol style="list-style-type: none"> <li>1. What corporate governance is</li> <li>2. The parties involved in corporate governance</li> <li>3. Establishing a corporate governance framework</li> <li>4. Principles of corporate governance</li> <li>5. Sources of corporate governance guidance (e.g., OECD, Treadway Commission)</li> </ol>	
<b>Domain 4: Management’s Fraud-Related Responsibilities</b>	<b>Percentage of Exam: 5–10%</b>
<ol style="list-style-type: none"> <li>1. Definition of internal control</li> <li>2. COSO’s five components of internal control</li> <li>3. Management’s responsibility for the anti-fraud program</li> <li>4. Elements of an effective anti-fraud compliance program</li> </ol>	
<b>Domain 5: Auditors’ Fraud-Related Responsibilities</b>	<b>Percentage of Exam: 5–10%</b>
<ol style="list-style-type: none"> <li>1. External auditors’ fraud-related responsibilities</li> <li>2. External auditors’ reporting requirements</li> <li>3. Financial statement materiality</li> <li>4. Internal control findings</li> <li>5. Internal auditors’ fraud-related responsibilities</li> </ol>	



<ol style="list-style-type: none"> <li>6. Internal auditors' reporting requirements</li> <li>7. Government auditors' fraud-related responsibilities</li> <li>8. Government auditors' reporting requirements</li> </ol>	
<b>Domain 6: Fraud Prevention Programs</b>	<b>Percentage of Exam: 10–15%</b>
<ol style="list-style-type: none"> <li>1. Increasing the perception of detection</li> <li>2. Employee anti-fraud education</li> <li>3. Reporting programs and whistleblower protection programs</li> <li>4. Reinforcing an enterprise-wide anti-fraud culture (e.g., tone at the top, organizational structure, performance management and measurement, hiring policies)</li> <li>5. Response to and communication of fraud incidents</li> <li>6. Minimizing employee pressures to commit fraud</li> <li>7. Developing a formal anti-fraud policy</li> <li>8. Developing an ethics program</li> </ol>	
<b>Domain 7: Fraud Risk Assessment</b>	<b>Percentage of Exam: 10–15%</b>
<ol style="list-style-type: none"> <li>1. The role and objective of anti-fraud controls</li> <li>2. Types of anti-fraud controls</li> <li>3. Purpose and objectives of a fraud risk assessment</li> <li>4. Elements of an effective fraud risk assessment</li> <li>5. Types of fraud risks</li> <li>6. Steps in conducting a fraud risk assessment</li> <li>7. Ways to respond to residual risks</li> <li>8. Reporting the fraud risk assessment results</li> <li>9. The relationship between the fraud risk assessment and the internal/external audit functions</li> </ol>	
<b>Domain 8: Fraud Risk Management</b>	<b>Percentage of Exam: 5–10%</b>
<ol style="list-style-type: none"> <li>1. What risk management is</li> <li>2. Risk management frameworks (e.g., ISO 31000, COSO <i>Enterprise Risk Management—Integrated Framework</i>)</li> <li>3. Principles of fraud risk management</li> <li>4. Roles and responsibilities for fraud risk management</li> <li>5. Objectives of a fraud risk management program</li> <li>6. Defining risk appetite</li> <li>7. Fraud risk management program compliance and oversight</li> <li>8. Third-party fraud risk management</li> </ol>	

<b>Domain 9: Ethics for Fraud Examiners</b>	<b>Percentage of Exam: 10–15%</b>
<ol style="list-style-type: none"><li>1. Purpose of a code of ethics</li><li>2. Relationship between moral philosophy, ethics, and the law</li><li>3. Implications of engaging in illegal or unethical conduct</li><li>4. Identifying and avoiding conflicts of interest</li><li>5. Integrity requirements</li><li>6. Professional skepticism</li><li>7. Giving opinions and drawing conclusions</li><li>8. Dealing with privileged and confidential information</li><li>9. Ensuring proper qualifications for engagements</li></ol>	