The enigma of fraud as a unique crime and its resonance for auditing research and practice: unlearned lessons of psychological pathways to fraud

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Abstract

Purpose – This study aims to observe people's decisions to commit fraud. This study is important in the current time because it provides insights into the development of fraudulent intentions within individuals.

Design/methodology/approach – The information used in this study is derived from semi-structured interviews, conducted with 16 high-ranking officials who are employed in Indonesian local government positions.

Findings – The study does not have strong evidence to support prior studies assuming that situational factors or social enablers have direct effects on fraud intentions. As suggested, individual factors which are related to moral reasoning (moral judgment and rationalisation) emerge as a consequence of social enablers. The significant role of that moral reasoning is to rationalise any fraud attempt as permissible conduct. As such, when an individual is capable of legitimising his/her fraud attempt into appropriate self-judgement, s/he is more likely to engage in fraudulent behaviours.

Practical implications – This study offers practical prescriptions in guiding the management to develop strategies to curb fraudulent behaviours. The study suggests that moral cognitive reasoning is found to be a parameter of whether fraud is an acceptable option or not. So, an understanding of observers' moral reasoning is helpful in predicting the likelihood of fraud within an organisation or in detecting it.

Originality/value – This study provides a different perspective on the psychological pathway to fraud. It becomes a complement work for the fraud triangle to explain fraudulent behaviours. Specifically, it provides crucial insights into the underlying motivations that lead individuals to accept invitations to engage in fraudulent activities.

Keywords Fraudulent intention, Fraud triangle, Moral reasoning, Social enablers, Moral judgment, Rationalisation

Paper type Research paper

1. Introduction

The aim of this study is to embark on a comprehensive exploration of the intricate realm of human decision-making when it comes to committing fraud. This is a topic of paramount importance in the contemporary landscape, as there exists a plethora of misunderstandings and misconceptions surrounding the prediction of people's intentions to engage in fraudulent behaviours.

Organisational fraud is not synonymous with other types of crime. People's propensity to commit fraud in an organisation is not as simple as it looks. Many studies on organisational fraud or illegality have been dominated by the logic of crime studies, in which fraud intention is a direct consequence of social aspects (Maulidi and Ansell, 2021). For example, they propose several predictors, for instance in the terms of sociological aspects (e.g. financial pressure, peer support, business failure, opportunity and work climate) (Agostini and Favero, 2017; Antonelli *et al.*, 2021; Bertucci *et al.*, 2021), and psychological aspects (e.g. psychopathy and low self-control) (Smith *et al.*, 2021; Walker and Jackson, 2017), to understand people's intention to commit fraud. However, when we consider the unique characteristics of organisational fraud and the organisational environment, these predictors may not adequately capture the dynamics of fraud commission (Maulidi, 2020). As Maulidi (2020) points out, sociological and psychological predictors, as well as determinants outlined in the theory of planned behaviour, are unlikely to be effective in predicting individuals' intentions to commit fraud. The predictive power of fraudulent intent, instead, lies in an individual's cognitive ability to rationalise fraud as a legitimate option (Maulidi and Ansell, 2021).

In addition to the fact that the outcomes of previous studies are in conflict with each other, their influence on individuals' intentions to engage in fraudulent activities lacks consistency (Van Driel, 2019; Craig and Piquero, 2016). For instance, Craig and Piquero (2016) override the original paradigm of the fraud triangle theory, suggesting that the translation of the sociological aspects into the actual behaviour in question is highly likely dependent on the observer's cognitive reasoning (rationalisation) (Cressey, 1950, 1951, 1953). According to Cressey (1953), people's intention to commit fraud will be higher when they have a strong rationalisation to justify their decisions or attitudes with logical reasons, even if those are not acceptable. We agree with Cooper *et al.* (2013) that there is a substantial theoretical gap in the prior fraud studies. To best our knowledge, the cognitive reasoning of the observer remains underspecified and unexplored at present.

Fundamentally, Cressey (1950, 1951, 1953) has already emphasised the importance of the rationalisation process in predicting fraud intention. Cressey (1953) argues that it is the ground whether fraud is executed or not. It means that it is the closest predictor of fraud intention. In addition, Cressey (1953) explains that situational and psychological factors can only help us to understand their effects on the activation of rationalisation. The current study takes such a point as fundamental guidance to deal with the above topical issue suggesting that the fraud intention is a manifestation of social aspects. By doing so, we respond to the calls made by Murphy and Dacin (2011), who have pointed out the lack of a comprehensive explanation regarding the implications of rationalisation on fraudulent behaviours.

Furthermore, another focus of the study is associated with the reason behind an individual's decision to co-offend in organisational fraud. This topic is essential because prior fraud studies oversimplify organisational fraud (Zhu *et al.*, 2023). Previous studies tend to neglect the characteristics of co-offences. The commission of co-offences is not related to inherent opportunity, but the co-offenders can easily create it. According to Pinto *et al.* (2008), organisations can bring with them collusive behaviours. In the examination of co-offending behaviours, the present study also aims to expand the conceptualisation of opportunity within the fraud triangle theory. It posits that inherent opportunities within an organisation should be regarded as a prerequisite for organisational fraud to occur. It implies that opportunity is a mandatory condition – the tighter the structure of the internal

control system, the more complex the fraud can be executed. We acknowledge the value of the fraud triangle theory as an excellent framework in auditing for explaining the causes of fraud. However, we recognise the need to broaden its conceptual scope as it falls short in explaining the occurrence of co-offending behaviours (Free and Murphy, 2015). Consequently, this study also considers this theoretical gap as a focal point of its investigation.

This study has far-reaching implications for both theory and practical applications. In terms of practical aspects, for example, this research identifies patterns, triggers and risk factors that make individuals more susceptible to fraudulent behaviours. It provides a foundation for developing targeted prevention strategies that can be adapted to the evolving landscape of fraud. In other words, when authorities and policymakers have a comprehensive understanding of how fraudulent intentions are formed, they can tailor their approach to address specific issues and better protect the interests of both individuals and institutions.

2. Fraud triangle and its extensions

The most controversial fraud model is the fraud triangle (Cressey, 1953). The fraud triangle combines the three elements of pressure, opportunity and rationalisation as the main "causal" explanation of fraudulent behaviour (Morales *et al.*, 2014). The theoretical framework of the fraud triangle has been adopted by professional auditing standards around the world, including in the United States and Australia (Free, 2015). Despite this widespread diffusion, the fraud triangle has also been the subject of considerable criticism. Within auditing literature, some people propose additional dimensions to improve an organisation's ability to prevent, detect and investigate fraud, for example, *fraud diamond* (Wolfe and Hermanson (2004) and *fraud pentagon* (Marks 2012, 2014). On these two models, their underlying concepts are based on the fraud triangle (Morales *et al.*, 2014). Specifically, the fraud diamond emphasises the concept of "capability", while the fraud pentagon places emphasis on the notion of "arrogance" in predicting the likelihood of fraudulent conduct. The authors perceive that those elements can enhance the predictive power of the fraud triangle to explain fraud causation. These models are visually represented in Figure 1 for reference.

Regarding the fraud diamond (Wolfe and Hermanson, 2004), it appears that the authors may have misconstrued the concept of "opportunity" in the context of fraud. In the realm of accounting, the term "opportunity" typically represents the conditions that allow fraud to occur. It includes weaknesses in an internal controls system (Morales *et al.*, 2014). Essentially, when individuals identify such weaknesses in internal controls, it signifies that they possess the *requisite capability* to exploit them without being detected. However, whether they will or will not defraud, it is another case. We believe that it is more appropriate to incorporate discussions of offenders' capability within the framework of opportunity, as originally articulated by Cressey (1953).

In regards to the element of arrogance (Marks 2012, 2014), it shows that the concept can be challenging to distinguish from the idea of rationalisation. For example, Marks (2012, 2014) mentions, *I am the boss so the organisational rules do not apply to me*, to capture the notion of arrogance in the fraud pentagon. In the context of the fraud triangle (Cressey, 1953), such a clause is actually conceptualised as a type of rationalisation. They both fall under the umbrella of mental processes used by individuals to justify dishonest actions and alleviate feelings of guilt or discomfort about their behaviour. Moreover, some scholars have also integrated the fraud triangle with other theoretical models in criminology and psychology. For instance, Ramamoorti (2008) connects the fraud triangle with routine activity theory, and Dorminey *et al.* (2012) introduce acronyms like MICE (money, ideology, coercion and ego/entitlement) to describe why corporate managers and employees commit
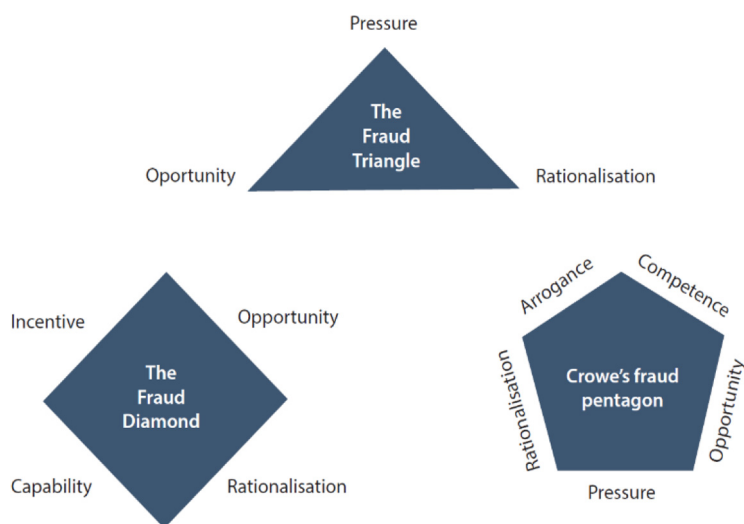
Source: Created by author

fraud. On this note, Cooper *et al.* (2013) and Morales *et al.* (2014) argue that research rooted in the fraud triangle often takes an individualistic perspective, overlooking the influence of the social context. As a result, there is a growing call for a more holistic and comprehensive understanding of the causes of fraud, as highlighted by Free and Murphy (2015). Hence, our study aims to fill these theoretical gaps. In the following discussion, we introduce a new theoretical framework to address these issues.

3. Theoretical framework
3.1 The theoretical starting point
The study of fraudulent behaviour is not merely a matter of examining how many predictors should be considered. It is crucial to take into account the role of individual cognitive reasoning, specifically moral judgment and rationalisation (Cressey, 1953). Even when the necessary conditions or antecedents, such as financial need and opportunity, are in place, it does not guarantee that fraud will occur. Within the context of fraudulent intention, individual cognitive reasoning can act as constraints or regulators on an individual's intent to defraud an organisation (Cressey 1951, 1953). In addition, Ajzen (1991) notes that the importance of the determinants of behavioural intention can vary depending on the nature of the behaviour and the circumstances in which it occurs.

Maulidi (2020) criticises a bulk of studies on organisational fraud that relies on social cognitive theory as its analytical foundation. He argues that organisational fraud is a manifestation of the interaction process between situational and individual factors. Yet the individual factor (cognitive reasoning/or rationalisation), as Maulidi (2020) explained, is the most reflective factor for explaining the incidence of organisational fraud. The idea is that organisational fraud is a justified action (Maulidi and Ansell, 2021; Maulidi, 2020). Maulidi (2020) presents a valuable framework by suggesting that there are interactive processes between an individual's actions and moral considerations. Within these processes, moral reasoning, acting as a mediating construct, plays a pivotal role in evaluating or interpreting

the morality of one's conduct. In this point, we expect that people's intent to rationalise their actions is the most accurate predictor for the incidence of organisational fraud (Harrison *et al.*, 2018; Maulidi, 2020). Therefore, our theoretical framework, which is discussed in the next section, highlights the individuals' cognitive reasoning process and its role in translating situational or motivational factors to fraud. Then it also explains our logics to perceive that individuals' cognitive reasoning becomes the closest predictor of individuals' intention to commit fraud.

3.2 Proposed framework

A better comprehension of how individual cognitive reasoning influences the emergence of fraudulent intentions can assist in steering clear of errors in fraud studies (Harrison *et al.*, 2018). The current study adopts the framework proposed by Haidt (2001) to explain the individuals' cognitive reasoning processes. It offers valuable insights for the current study by examining individuals' awareness of their moral perceptions and their conscious decision-making regarding organisational fraud. Haidt's framework posits that moral reasoning is often a retrospective construct that that emerges after a judgment is made. To simplify Haidt's (2001) framework, we present his model as illustrated in Figure 1.

Figure 2 shows the interplay of personal and environmental factors that influences each other in determining moral outcomes. Haidt (2001) proposes that environments or social realities (eliciting situations) are closely tied to an individual's conscious reasoning, resulting in a reciprocal causation between cognitive and environmental factors. He explains the interaction process between eliciting situations, moral affects and moral judgment. Such an interaction plays a critical role in the decision-making process. When individuals encounter an eliciting situation, they experience a rapid emotional response, which can trigger an initial moral judgment. However, this judgment may not be final, as individuals may engage in further deliberation and reflection. For example, when facing a challenging ethical decision, individuals may initially react with a strong emotional response but subsequently engage in rational thinking to arrive at a more balanced moral judgment.

According to Haidt (2001), eliciting situations are the initial triggers that present a moral dilemma or ethical choice. These situations can vary widely, from personal dilemmas to broader societal issues. Eliciting situations often evoke strong emotional responses, as they bring to the forefront our deeply held values and beliefs. In the context of the current study, eliciting situations can be understood as social enablers (Van Akkeren and Buckby, 2017), by focusing on "Unethical work climate, Social persuasion, and Laissez-faire leadership". Based on Figure 1, these social enablers, while not directly leading to fraud intention, set the stage for a heightened risk of fraudulent behaviour. The effects of social enablers on fraud intention are dynamic and not static. Individuals do not passively receive the influence of
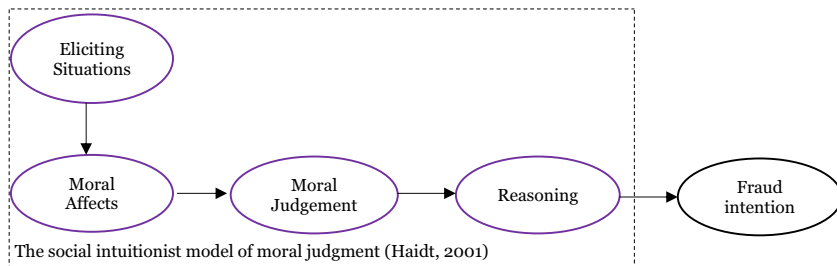
Figure 2.
Theoretical framework of fraud intention

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these factors but actively engage with them as they navigate their work environment. As the organisational context changes and as individuals gain experience and exposure to different situations, their fraud intentions may fluctuate, influenced by the evolving interplay of these social enablers.

It is reasonable to posit that the presence of social enablers can wield significant influence over individuals' emotional reactions and, in turn, their moral affects and ethical decision-making. Haidt (2001) mentions that moral affects refer to the emotional responses and feelings that arise in response to the eliciting situations. These emotions are often at the heart of the decision-making process. Feelings such as guilt, empathy, anger or compassion can influence individuals' moral judgment. Prior studies on fraud causations connect moral affects to some personality traits (e.g. Machiavellianism and narcissism) (Utami *et al.*, 2019; Carré *et al.*, 2020; Hess, 2022). As suggested, individuals with strong narcissistic traits are indeed more likely to make unethical choices that prioritise their self-interests.

We note that the influence of the moral affects on moral judgment is profound. It leads to self-reflection and the acknowledgment of one's moral responsibilities. Moral judgment is the cognitive evaluation of the moral content of an eliciting situation (Haidt, 2001). It involves assessing the rightness or wrongness of actions, determining the moral principles at play and considering potential consequences. It serves as the compass that guides individuals in making decisions that align with their moral beliefs. Individuals assess the available information, consider the consequences of their potential actions and weigh these against their moral standards. This evaluation leads to the formation of a judgment about what they believe to be the morally right or wrong course of action in a given situation.

Harrison *et al.* (2018) and Haidt (2001) have similar points that the connection between moral judgment and moral reasoning is strong, as moral reasoning is a product of the initial moral judgments. Moral reasoning serves as the endpoint of moral judgment (Haidt, 2001). Moral reasoning involves the cognitive processes and justifications to arrive at a conclusion about whether an action is executed. Someone who might engage in moral reasoning is to weigh the pros and cons of a particular action, consider how it aligns with their ethical principles (Harrison *et al.*, 2018). So, this reasoning process is expected to lead to the formation of behavioural intention. This means that a more convincing rationalisation is associated with an increased potential for individuals to engage in fraudulent activities (Murphy and Free, 2016). By using the logic presented in this statement, the factors that drive an individual's inclination to commit fraud within an organisation are diminished or amplified, contingent upon the actors' cognitive processes (Castro *et al.*, 2020; Pinto *et al.*, 2008; Oliveira and Lumineau, 2019; Schnatterly *et al.*, 2018).

To gain a deeper insight into the role of cognitive reasoning processes in translating situational and motivational factors into fraud, we expound on this matter in the forthcoming sections.

3.3 Social psychology and the focus on reasoning for fraud

If the supply of decisional ingredients goes against a law, rule or code of conduct, the performers seek to "launder" it into righteous. In essence, Haidt (2001) suggests that individuals often engage in post hoc reasoning to align their moral choices with their pre-existing beliefs or social norms. They do so to reduce cognitive dissonance and maintain a positive self-image, as well as to conform to the expectations of their social and cultural environment. This point highlights that people react to social phenomenon and its relationship to factual action is mediated by the exercise of moral reasoning.

In studies investigating how social psychology influences fraud intention, scholars such as Anand *et al.* (2015), Murphy and Dacin (2011) and Lokanan (2018) have emphasised that

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the ease or difficulty of engaging in fraudulent behaviours is not a one-dimensional concept. One critical factor that emerges from their research is the individual's capacity to rationalise their actions. Individuals do not make decisions to engage in fraudulent behaviour solely based on internal ethical considerations or external situational factors but rather as a result of the complex interaction between their perception of environmental opportunities and their moral reasoning. When individuals perceive that the environment offers them opportunities to commit fraud without significant risks or obstacles, they are more likely to rationalise their actions and consider them morally acceptable. The more favourable the inherent opportunities (external cues), the stronger should be the individual's intention to rationalise fraud (Wolfe and Hermanson, 2004).

The literature on corruption, as explored by researchers such as Jaakson *et al.* (2019), places a significant emphasis on moral evaluation as a predictor of organisational-level corruption. Their conceptualisations typically align with rational thinking, attempting to understand the moral considerations and decision-making processes that lead to corrupt behaviour. The result suggests that the mechanisms that contribute to corrupt behaviour are intricately connected with various aspects of social psychology, including social networks, group and social norms and broader social forces. It may be argued that such aspects have an impact on fraudulent intention only indirectly by influencing some of the factors (moral judgement and moral reasoning) that are more closely linked to the behaviour in question. As such, the fraudulent intention is not in itself as the consequence of social psychology, but occasioned by the cognitive evaluations of what is permissible or not. In this point, the status of external cues/social psychology effects people to engage in self-serving justification (Bandura, 1991).

3.4 Moral judgment formation in terms of self-serving justification

In Bandura's (1991) work on "Social Cognitive Theory and Moral Thought and Action", he highlights the significance of moral reasoning as a pivotal factor in guiding human behaviour (p. 45). According to Bandura, moral reasoning serves as a practical form of intelligence that enables individuals to assess and make judgments about their environment based on moral standards of behaviour. Bandura challenges the overly simplistic notion that individuals in social relationships or interactions are solely reliant on external cues and information from others. The cognitive process allows individuals to reflect on their own values and beliefs, weigh the ethical implications of their choices and make decisions that align with their internal moral compass. In the absence of personal moral standards, people might lack self-direction. They may just internalise a shared morality or moral codes that are adopted.

Harrison *et al.* (2018) acknowledges that people are not mere products of their social environment but rather active agents who possess the ability to exercise moral judgment and take responsibility for their actions. This view is in line with the broader framework of social cognitive theory, which posits that individuals learn from their experiences, observations and cognitive processes, and that they actively shape their behaviour based on their internal beliefs and values (Bandura, 1991). There is evidence that moral judgments of individuals affect choice behaviour (see, Siegel *et al.*, 2017; Cushman *et al.*, 2017; Ayars and Nichols, 2017; Mikhail, 2007). These studies collectively reveal that individuals tend to be more sensitive to the moral nuances and ethical dilemmas inherent in a situation when making personal judgments. Bandura (1991, 2012), conceptualises it as a subjective moral judgments. As explained, it refers to individuals who engage in self-reflection and moral evaluation, assessing their own actions and behaviours in a given situation. By engaging in subjective moral judgments, individuals attempt to reconcile their actions with their own

sense of morality. They may rationalise or excuse certain behaviours, particularly when they perceive that their actions are at odds with their moral beliefs or societal norms. This process may also involve self-deception or finding justifications for actions that might otherwise be considered morally questionable.

The study conducted by Ogunfowora *et al.* (2022) highlights a significant insight into the relationship between contextual drivers, such as ethical leadership and ethical climate, and unethical behaviour. Their research suggests that while these contextual factors can help explain unethical organisational behaviour, their primary role is only to serve as reference points or guides for individual decision-making. In addition, another study proposes that these contextual drivers may also serve to enhance individuals' self-serving justifications for their actions (Veetikazhi *et al.*, 2022). This occurs through the evaluation of information provided by the ethical leadership and climate (Veetikazhi *et al.*, 2022). This perspective aligns with the idea that moral judgment, as proposed by Haidt (2001), functions as a cognitive mechanism used to obtain and process information about social events and relations among objects within an organisation.

Furthermore, organisational scholars have suggested that there is a coherent link between an individual's self-awareness and fraudulent decisions (Chang *et al.*, 2022). An individual's self-awareness powerfully affects unethical behaviour. An individual will systematically use his/her moral judgment mechanisms when facing dilemmatic decisions (Jacobsen *et al.*, 2018). In common sense, people when are faced by ambiguous situations or continuous conflicts as mentioned by prior studies (Liu *et al.*, 2021; Gino, 2015; Quade *et al.*, 2017; Mayer *et al.*, 2012; Takacs Haynes and Rašković, 2021), may see introspection and self-perception more cognitively favourable on the content of self-experience (Tomlin *et al.*, 2021; Genschow and Lange, 2022). In an attempt to decide which a behavioural choice is more favourable, it depends on their self-percept of efficacy (Bandura *et al.*, 1980). The greater the perceived self-efficacy, the more vigorous are their efforts to deal with prospective situations (p. 263).

4. Research method

4.1 Data

The data for this study are drawn from semi-structured interviews with 16 Indonesia high echelons. These research participants were from seven local governments where the regent in each local government was arrested by the national authority due to fraud scandals. These local governments had similar cases. Firstly, the regent colluded with third parties (private sector) to arrange fictitious public agendas. Secondly, the fraud cases are directly attributed to the involvement of heads of department. Thirdly, the regent was the main fraud mastermind. Fourthly, the scandals include both the acceptance and offering of bribes, as well as manipulations of administrative processes to achieve personal or ill-gotten gains. According to a recent study on Indonesia local governments, corruption practices in the Indonesian Government remain a persistent issue (Tarjo and Riskiyadi, 2022). The study emphasises that corruption practices in Indonesia are unfortunately not confined to any specific time of the year. They can occur throughout the fiscal year and are not limited to the end of the fiscal year.

4.2 The uniqueness of fraud Indonesian local government

One of the distinctive features of fraud in Indonesian local governments is its deeply rooted cultural context. Indonesia is a diverse archipelagic nation with a rich tapestry of cultures, languages and traditions. These regional diversities often influence local governance, and the specific manifestations of fraud can vary significantly from one province to another.

What might be considered an illicit practice in one region might be tolerated or even deemed customary in another. According to Tarjo and Riskiyadi (2022), the fraudulent practices in Indonesian local governments might have evolved over generations, intertwining with cultural norms and becoming an accepted part of local governance.

Another significant factor contributing to the uniqueness of fraud in Indonesian local governments is the prevalence of informal networks and relationships, often referred to as "patronage networks". These networks play a pivotal role in decision-making, resource allocation and appointments within local governments. The exchange of favours and resources within these networks leads to a blurred line between legitimate and corrupt practices. Furthermore, within Indonesian society, the respect for authority figures is often rooted in the traditional values and norms of Indonesian culture. A strong respect for authority figures and a reluctance to question those in positions of power remain pervasive. Local government officials are often perceived as figures of authority. Their decisions and actions are rarely challenged or questioned by citizens. This creates a culture of conformity, where people may be less inclined to take risks or challenge the status quo. To question or challenge the decisions of those in power is often considered disrespectful and disruptive to the social order.

In Indonesia, local governments have established a system that involves both internal and external auditors to supervise and monitor their cash flow and financial activities. While this setup is intended to promote transparency, accountability and the prevention of fraud, it has been observed that, in many cases, the presence of these auditors is manipulated or compromised, leading to opportunities for fraudulent activities. The problem arises when the appointment and oversight of internal auditors are under the control of the regent. Operationally, the regent has the authority to appoint and dismiss the head of the internal auditor agency. The auditors may be pressured or coerced into overlooking irregularities or fraudulent activities. As such, this influence of the regents creates a culture of fear and compliance, making it challenging for auditors to report wrongdoing without risking their positions.

4.3 Research procedure

Before we conducted an interview, we informed interviewees about the nature of the project, the funding behind the study, the study method, the risks and benefits of taking part and the conditions of confidentiality at the beginning of the interview session. Participants were also informed that this study is voluntary. Interviewees were allowed to withdraw from the discussion at any stage without any pressure or coercion. In advance of the interview session, they received assurance that any social and psychological harm (that might arise from their participation) would be kept to an absolute minimum. For instance, all details provided by participants were kept confidential. It is to protect client confidentiality. Throughout the interview processes, we always reassured that the protection of confidentiality is a continuous process.

The interview questions included the four main themes associated with the research questions of this study: causes and/or motivations for committing fraud (individual or group); how fraud intention to co-offender is formed; how co-offenders are recruited; and how unethical work climate and social norms contribute to and/or enable fraud to occur. The current study moves away from the narrowness of the conceptualisation of fraud causation. By adopting an interpretive paradigm, the current study seeks to provide an understanding of people motivations behind their intentions to commit organisational fraud. Ontologically, we explore the existence of concerned phenomena beyond the scopes of cause and effect relationships (Weber, 2004).

It is understandable if the participants during interview processes prefer to retain their positive attitude or image of themselves and their action. Yet, in the context of the current study, such attitudes have been already anticipated and controlled. Every interview started with major and controversial fraud cases that happened in other provinces. We led the interviewees into such cases. The interviewer for every critical questions did not directly ask their own routine behaviour. He asked their own routine behaviour following the discussion of the cases that happened in the other provinces. It was to make the interviewees comfortable. In addition, the interview was started by referring to the other cases, because the types of fraud and their causation in Indonesia have similarities in local governments (Tarjo and Riskiyadi, 2022).

4.4 Analysis
We analysed the interview responses by using a detailed content analysis procedure (Finfgeld-Connett, 2014; Miles and Huberman, 1994). In developing codes, this study was as consistent as possible with the extant literature. The idea was to ascertain that the coding process was not ambiguous. The codes generated in this study were either from "actual phrases or meanings in specific text segments" (Thomas, 2006, p. 241). Lines, phrases, sentences and even paragraphs or words captured in the transcripts were reviewed. After close readings of the transcripts, the next steps were text segmentation and label/code creation to which the assigned text segments that have been identified as the meaningful units. In this regards, familiarities toward the texts were a crucial stage, particularly to the process of assigning a set unit of meanings to the inferential or descriptive information.

The meaningful units were coded regardless of length to which the researcher perceived a code applied. Some coded units were attributed to the chunks of varying-sized words: phrases, a sentence or two and some were a full paragraph. This study considered a full paragraph because it is to grasp the full meanings of particular themes expressed by the informants (Campbell *et al.*, 2013). In addition, this study is an exploratory research, meaning that it is far from the act of comparing and fitting the proposed theory and the interview data. So, the study requires a deeper descriptions to understand the core meanings which are inherent in the text.

5. Research result
This section presents an analysis of the findings. The narrative is structured into three sub-sections which are the focus of study. *Firstly*, we identify some enablers that influence the actors' psychology to defraud an organisation. Their effects on fraud intention should not be a direct. Their roles (e.g. unethical work climate and social norms) which contribute to and/or enable fraud to occur, within Haidt's (2001) framework, is known as "eliciting situations" describing social influence as a causal effect in the development of moral judgment (p. 819). The study suggests that fraud intention is not a representation of social enablers. Rather it is a post hoc construction from rationalisation, generated after a moral judgment has been reached. The social enablers that emerged in a current study include *Unethical work climate*, *Social persuasion* and *Laissez-faire leadership*.

Secondly, we describe actors' psychological responses of the existence of social enablers encouraging them to defraud an organisation. It is important to know whether moral emotions influence the development of moral judgments to decide whether or not they provoke to involve in the phenomena of co-offending behaviour. The current study proposes that moral emotion has an important supplementary role to play in responding moral issues. By discussing it, it is equally important in understanding rational change in moral judgment by perceived features of what is judged. *Thirdly*, we present empirical results regarding the role of moral judgment on

the activation of rationalisation. It is found that moral judgment becomes a stabiliser within the actors' moral evaluation of whether a fraudulent action is right or wrong, and more importantly, when features of what is judged justify their moral decisions.

5.1 Social enablers

5.1.1 Unethical work climate. Our participants are more likely to feel comfortable to support their peers in manipulating the data when they are under a workplace environment where unethical behaviour is tolerated, or even encouraged, by management or the organisation as a whole. The following quotes also indicate that when individuals are continuously exposed to the fraudulent behaviours and attitudes, they may begin to normalise them. Their arguments are illustrated in the following quotes:

> I am not wrong, right. If you are in my position, I am sure you'll do the same thing (fraud). It makes me happy here (Interviewee 4).

> It (normalisation of fraud) is a system. We do it as a part of it. Just following it (a system), as a consequence, I do not receive any conflicting beliefs or attitudes among colleagues (Interviewee 8).

> I will not help my colleagues if it (fraud) is not a part of our routine here. It is difficult for me if it (fraud) is beyond the group's interests, no one will protect me if there is something wrong in the future (Interviewee 9).

Some informants' arguments also indicate that an unethical work climate leads to decreased employee morale. They feel that their efforts to do the right thing are not valued or appreciated. As a result, they come to adopt the principles of the organisation as a guide for their own behaviour. Such principles play a role in how they act, think and make decisions. According to Interviewee 6, regardless of personal preferences or moral judgments, the reality is that fraud exists in his organisation. In this case, fraud is widely considered acceptable within his organisation. Even if people personally disapprove of fraudulent acts, they may feel compelled to accept it, for instance, due to the pressure to conform. We can see their arguments in the following quotes:

> You want to speak up, it is useless. Here, such practices are seen as normal or even necessary to get ahead (Interviewee 2).

> It is taboo to behave in different ways. I like it (fraud) or not, it is a reality (Interviewee 6).

> We are as civil servants. We do understand the roles and systems in a government. A civil servant is not allowed to make many excuses, just adopting and accepting values, beliefs, and behaviours here that make good for himself (Interviewee 10).

Furthermore, the following quotes imply that ethical climate influences both their current decision-making and subsequent behaviour in response to ethical dilemmas:

> [...] related to tenders in the period 2015-2018, in day one, I was sent (by the regent) to meet his friends (working as contractors) to make deals related to health equipment procurement. Then the next day, we discussed an agreement on the bids that would be submitted and the contract award criteria. The successful bidder had paid an agreed sum of money to the unsuccessful bidder (as a compensation payment) (Interviewee 1).

> Before I was a head of a department, I worked at a governmental agency in a rural area. Because our works were far from media attention, it was easy to make money. I got many lessons from my environment. Those are helpful for me now as a head of the department (Interviewee 9).

Then, we highlight that the regularity of behaviours or judgments within the organisation also leads to the process of modifying or altering the employees' actions. As illustrated in the next quotes, they are in organisational contexts aware of practices of behavioural control that promote unethical behaviour. They frequently interact and work towards such shared beliefs. Interviewee 1 might set aside her personal preferences or values in favour of fitting into a particular social or cultural context. She adjusted her behaviour to align with group norms to avoid exclusion, ostracism or the feeling of being an outsider:

> If we act or make decisions outside of things that have become routine, it is often considered wrong. Even if we think we are in the right position (Interviewee 1).

> In other cases, we adjust to such social work not because we simply want to do it, but to fulfil the purpose of being part of and accepted by the groups in our environment (Interviewee 5).

In addition, the quote illustrated by Interviewee 5 signifies that sometimes he conforms to certain social behaviours or norms not because they genuinely desire to engage in those behaviours, but rather because they seek acceptance and a sense of belonging within the groups or communities, they are a part of. This point highlights the powerful influence, social dynamics and the need for inclusion.

5.1.2 Social persuasion. Some participants' behaviours, opinions or beliefs change as a result of their network ties, often becoming more similar to those with whom they are connected. As suggested by their opinion in the quotes below, they have a natural tendency to conform to the expectations of others. For example, Interviewee 15 reveals cautious and risk-averse mind-set, influenced by a fear of potential legal consequences. He relies on consultation and external input to make decisions and seeks to align with others who are perceived as making safe choices:

> Personally, I don't want to worry. For me, I always consult every rare case to fellow staff. I am afraid you know. Prison is waiting. But, if they said okay, then I am okay as well. If everything is right, then it is green. And if something is uncontrollable, then it is red. I followed in their footsteps. I'm seeking a safe and good course (Interviewee 15).

> We are required to help each other. I think this (fraud) is a habit that is passed down from generation to generation that shapes a person's behaviour and carries over to the organisation (Interviewee 1).

The above statement presented Interviewee 1 may imply a strong emphasis on loyalty or a "code of silence" within certain groups or organisations. In her organisation, there may be a culture or set of norms that mandate cooperation, even in unethical or illegal actions. As such, for her, it shapes her behaviour, making her more inclined to assist her peers, sometimes even in questionable activities like fraud. Coming from another statement below, the act of following a request or command from someone in authority is perceived as an alternative option to reduce mental discomfort. It is a stance in what he believes. He has control over his feelings and actions, which can be understood as "voluntary" compliance in the current study:

> I follow or adapt my behaviour to most of the other people in the environment only. A request or command from a regent is good for me. It will create comfort for me in socialising with my friends in this department [. . .] (Interviewee 12).

In relation to the translation of the authority commands into actual behaviour, the following quote indicate that a moral dilemma is aroused in the subordinates who have low

commitment to the authority. Yet they still could easily obey the authority commands by reducing the dilemma through learning others' experiences:

> No people would judge me as a fraudster. It is a fact. I am just loyal to my leader (a regent). At first time, yes, I was confused. Then, I understood that loyal to a regent is our culture (Interviewee 10).

5.1.3 Laissez-faire leadership. Intention to involve in fraudulent behaviour will be higher when the leaders allow their followers to have the autonomy to make their own decisions and manage their own desks. As shown in the following quotes, our participants have been delegated to manage particular projects of the regent. The regent has an attitude of trust and reliance on their followers. In this context, the regent is not directly involved in the practices but implicitly creates an environment enabling fraud:

> As ahead of the department, I have authority to control all financial and non-financial resources. Our regent does not worry about the practical things. As long as I am not too greedy. It is fine (Interviewee 9).

> I take decisions and perform tasks without any interference or guidance from the regent. I set the own goals and determined the methods for achieving those goals. "[. . .] in the end, we share the benefits with the regent. He (a regent) has a lot of agenda. He is so busy. I use our own expertise and knowledge to accomplish any work here (Interviewee 5).

To practise delegation with any degree of proficiency, the subordinates are guided by intensive dictations about familiarity with their workplace environment. Interviewee 2 illustrates that there is nothing special or unique about his organisation's way of doing things. When he attempts to manipulate or hide financial information inappropriately, there are references to influence the inspectorate, which could suggest an effort to obstruct or manipulate audits or investigations that aim to ensure compliance with rules and regulations. In this context, the regent is not only aware of these questionable practices but is actively involved or condoning them. This argument can be evidenced by the following quotes:

> No special way, our way is the same as other governments. Non-used funds were the problem of the organisation, and we were forced to communicate with the regent to asking solutions. It was said I had to incorrectly disclose related-party transactions and structured finance deals. Of course, there were also some attempts to influence the inspectorate. The regent provided support for that (Interviewee 2).

Then, it is also suggested in another argument that the degree of habitual criminals may strongly contribute to the special skills in making fake reports. Interviewee 4 is in a position of authority or responsibility related to handling fictitious official documents and receipts. They have access to authorised stamps and have been in this role for an extended period of time, indicating a level of experience and seniority in their position:

> I am okay for producing fictitious receipts with legitimate stamps. I have many stamps here, allowed by the regent to handle this post/job. More than 8 years I am on this position (Interviewee 4).

In addition, Interviewee 7 was able to justify and gain support for unorthodox accounting practices from both the general treasurer and the regent, with the argument that these practices were necessary to meet public needs, even though they deviated from standard budget execution processes:

> I convinced him (a general treasurer) that it (unscrupulous accounting practices) in this situation was good for us. Even though the spending did not go through the standard of the budget execution process, at least the expenses were aligned with public needs. The regent support my decisions (Interviewee 7).

Equally important, those under *laissez-faire* leadership are encouraged to make decisions based on their own choices (e.g. see Interviewee 8 comment). As illustrated in the following quotes, they can make decisions quickly without waiting long for approval. Then, Interviewee 12 describes the regent as "hands-off" when it comes to providing guidance and direction to the team. This suggests that the regent just trusts him to lead the department and make decisions independently:

[. . .] I know the situation is different, and sometimes the budget we receive is also uncertain. We must first discuss this with the regent and the existing team. The regent is hands-off for providing guidance and direction to our team. He just knows me leading this department (Interviewee 12).

One day, we received complaints from social media about our financial performance. The regent criticised us and asked me to manage this issue (fraud). [. . .] I inflate sales figures to create the impression of strong revenue growth. This can be done by recording sales that have not yet occurred, recognising revenue prematurely, or recording sales that are not legitimate. After this, there is no further complaint (Interviewee 8).

5.2 Moral affect
When we discussed the participants' emotional response to the above social, in some cases, informants appeared apathetic about the fraudulent behaviours they witnessed. Even though apathy was not expressed accurately by the informants, it was obvious that the normalisation of fraud brings a lack of interest and enthusiasm to prevent such behaviours. The following quotes indicate that individuals might not outwardly exhibit apathetic attitudes or express their concerns, but the mere acceptance of these actions as a norm can lead to a passive indifference among them. When fraudulent activities become routine or go unaddressed, it can erode people's motivation to take a stand against such behaviour. They may become resigned to the idea that nothing will change or that their efforts to prevent fraud would be in vain:

It is fine, it is not wrong. We understand very well our own game and role. It is not motivated by self-interest. It is a common or accepted practice (Interviewee 10).

It is powerless or hopeless in the face of such corrupt activities. If we report them, I know the consequences well. I prefer to keep silent and help them because there is no other choice (Interviewee 16).

We cannot change the system normalised fraud, it is like cancer. Nothing to change since this country declares its independency (Interviewee 8).

Some participants stated that they feel obligated to abide by the external rules set by others:

What is not allowed is something which is beyond the interests of the community and the government. We know that all local governments have to spend all the budget they get. Various sanctions will be given if they cannot spend their budgets. We have to condition ourselves to this system, right (Interviewee 9).

Look, I think it is not about money, even you will get it in the end. I think it is automatic and we don't do it (fraud) not because of afraid of sanctions. The problem is, we are dealing with real social perceptions, from my friends for example [. . .] (Interviewee 4).

How they relate to and understand one another can create an emotional bond between observers. By considering their arguments, an emotional bond serves as a basis for deciding whether they want to compromise with organisational culture. Our study suggests that when individuals take the time to truly understand each other's viewpoints and actively listen to their colleagues, it fosters an environment of respect and open communication. This, in turn, leads to a deeper level of empathy, as employees begin to appreciate the challenges and concerns their co-workers face. These connections are crucial, not only for harmonious work relationships but also for the overall productivity and success of organisational fraud. The following quote is an example to express this claim:

> Everything will be simple if everything is in one direction and works hand in hand for the benefit of the government. If you don't like this, my advice is don't work in the government. I could not complete it (changing the transparency report) when my subordinates were idealistic. I coordinated them. We often conducted a meeting for sharing and discussing what we needed for our goals. So every person had a responsibility to help each other based on their information (Interviewee 2).

Based on another informant, emotional ties can make her more likely to choose familiar options, even if they are not the best choice. This is because she tends to feel more comfortable and secure with things she knows and has experienced:

> I can't see co-workers confused because of work problems, for example, targets are not reached. We must have empathy for one another. Personally, I can't commit it (fraud) if I don't really get support from my own work environment. And I really make sure we're all familiar with it (Interviewee 7).

Then, some informants' arguments indicate that the most ethical choice is the one that will produce the greatest good for the public's goodness. Our informants determine right or wrong by focusing on outcomes associated with public needs:

> Remember, fraud to enrich yourself is not allowed. We have to give the best for the people and our institution. I use my power for the benefit of society. I work closely with the internal team to provide those benefits. It promotes a greater sense of social responsibility among us. So, individuals who are more empathetic are more likely to engage in acts of kindness and generosity that we have (Interviewee 7).

> It is so hard to say that it (fraud) is for self-interests. It is not true. If it is related to self-interests, I imagine how they might be feeling in a given situation. They will never calm down all the complaints that come from their work environment. Self-interests is morally unacceptable (Interviewee 12).

The above quotes might also simplify that the moral sensitivity of the observer is the primary driver of ethical decisions. As suggested, in this section, the observer's sensitivity occurs as a consequence of affective and cognitive considerations. It involves interpreting the situation and an awareness of the relevant moral factors and implications, including how actions would affect others, which requires perspective-taking.

5.3 Moral judgement
The following quote may indicate that our informant rejects the over-simplified idea that each individual involved in a fraudulent relationship is purely concentrated on the issue of information provided by another. It shows that moral reasoning appears to be an essential mechanism for the main direction of behaviour:

I'm afraid. Do you think it just manipulates data? Of course not. It leads to other activities. [. . .]
Fraud is fraud. It's a sin. I don't care about money. I know this matter. Information from my
friends are important but not a decisive factor. When I receive information to manipulate
particular data, I never merely accept it. It is dangerous for me. We have to be transparent about
the purpose of doing it (Interviewee 2).

The situation becomes different when an individual might lack self-direction. In the absence
of personal moral standards, our study suggests that people might just internalise a shared
morality and moral codes that are adopted at the moment. As illustrated in the next quotes,
a set of values, beliefs and principles that are commonly held by members of an organisation
is vital for making decisions about what is right or wrong:

Don't tell me you're assuming we're committing corruption. We strive to adapt our performance
to long-standing habits. We often look to the norms that exist here to gain an accurate
understanding of our actions, and how effective attitudes should be in response to them,
especially at uncertain times (Interviewee 2):

As a subordinate, there is nothing wrong with following this culture, right. Of course, it is
acceptable or understandable. It is not wrong (Interviewee 2).

If you disagree with this kind of work culture, don't work in government. To do the crucial things,
I have relied on the culture to come to conclusions about what's right, what action to take, or what
opinion to have (Interviewee 16).

On this basis, the decisive judgment is not whether the utility of a dishonest act outweighs
the utility of obeying the rules, but it is about how the state of mind works to excuse the
given action. In the form of unethical or dishonest behaviour, the state of mind works to
make reasonable justification allowing the decision to act dishonestly. As such, individuals
can more easily engage in dishonest behaviour without experiencing the full weight of guilt
or remorse.

Moreover, our informants' viewpoints on their fraudulent actions are intriguing. During
our conversation, they repeatedly emphasised that they did not perceive their actions as
exceptionally severe when compared to other, more heinous activities. Their rationalities
enable themselves to justify their actions by positioning them on a comparative scale. The
informants seemed to be employing this defence mechanism to alleviate the cognitive
dissonance associated with their fraudulent behaviour. Here are the examples of quotes to
support our claims:

It is not a manipulation. I do it (marking up the budget realisation) as a form of assistance for
publics. They can get benefits in this project financially (Interviewee 2).

Policies are just guidance. I know well my role as ahead of public agency. I did it (fraud) just one
time. It is temporary. It would be fixed. Other regencies just borrowed such funding. It is better
than others that take the remaining budget for personal gains (Interviewee 7).

6. Discussion and implications
The aim of this study is to observe people's decisions to commit fraud. This study is important
in the current time because it gives clarity of how fraudulent intention is formed in the
individual. This study is to answer a call for study how situational factors affect individual
psychology to engage in fraudulent behaviours (Lokanan, 2018; Anand *et al.*, 2015), and how
individuals tend to tie and bind together towards the purposive actions in fraud (Free and
Murphy, 2015). This study is also to respond a call given by Trompeter *et al.* (2013), about the

need for cross-disciplinary work elaborating in psychological and auditing studies for explaining the factors that cause people to commit fraud. In line with those objectives, this study clearly demonstrates the interaction processes of situational and psychological triggers provoking people to perpetrate partial or collective frauds.

According to our study, it is too early to conclude that situational factors are the parameter of fraudulent occurrences. As illustrated, the function of individual cognitive reasoning (moral judgment and rationalisation) cannot be simplified and overridden. If the reasons for fraud are strong enough and the actors perceive fraud as permissible conduct, the fraud is highly likely to happen. This study serves as a central point in understanding the theoretical dimensions of fraud and corruption within the accounting profession, especially in an influence-market setting (Neu *et al.*, 2013a). In an influence-market setting, where personal relationships, power dynamics and social pressures come into play, individuals may succumb to the temptation to rationalise fraudulent actions. The desire for financial gain, coupled with the belief that the ends justify the means, can lead individuals to engage in corrupt practices within the accounting profession (Free and Radcliffe, 2009). The cognitive reasoning of individuals within this context becomes a delicate balance between upholding ethical principles and succumbing to external pressures, potentially paving the way for fraudulent activities.

By challenging the assumptions about the direct impact of situational factors on fraud intentions, our study also enriches the theoretical foundation for understanding the complexities of auditing practices, for instance, within the context of sports organisations (Andon and Free, 2012; Andon *et al.*, 2014). Rather than viewing situational factors as deterministic influences on fraud, we emphasise the role of organisations in shaping their own narratives and responses. Andon and Free (2012) highlight that the success of crisis/scandals management hinges on an organisation's ability to rhetorically re-legitimise audits. Within such scandals, "auditors are unable to rely on their traditional state-backed monopoly of financial audit" (Andon *et al.*, 2014, p. 94). Others frame it as a political process (Ferry *et al.*, 2023) or the exercise of political discretion (Ferry and Lehman, 2018) and the buying and selling of political influence (Neu *et al.*, 2013b), affecting the capacity among the accounting profession to act in the public interest and to address fraudulent practices. As mentioned before, a key finding of our study is the revelation that fraud is often rationalised, for example, illustrating a conscious thought process guiding the actions of auditors, whether their actions align with public interest or not. Our study posits that their rationalisation emerges as consequences of social enablers, emphasising the intricate interplay between personal moral compass and external influences. The theoretical significance of this insight is paramount, as it challenges conventional beliefs and underscores the importance of understanding the complex interplay between external factors and individual cognitive processes in the context of fraud.

Essentially, we identify some social enablers that influence the actors' psychology to defraud an organisation. They are found to be the causality of reasoning in moral judgment whether fraud is acceptable or unacceptable. Their roles are as a causal effect in the development of moral judgment. The social enablers that emerged in a current study include *Unethical work climate*, *Social persuasion* and *Laissez-faire leadership*. These enablers are not attributed to the monetary needs as experienced by observers. This result broadens prior studies narrowing the concept of non-sharable problems into "financial need/pressure" (Cressey, 1953; Schuchter and Levi, 2016; Dorminey *et al.*, 2012; Free, 2015), "greedy and a desire for power/authority" (Soltani, 2014), "social status comparisons" (Ramamoorti, 2008), "a culture of competition" (Van Scotter and Roglio, 2020) and "instrumental climate" (Murphy and Free, 2016).

Moreover, in the context of fraudulent behaviour, social enablers serve as "*stimuli*" that influence a course of action from an individual. The influence involves monitoring one's own behaviour, adjusting it when necessary and resisting impulses that may interfere with achieving the goal. Under these conditions, there is strong evidence showing that social enablers are associated with the activation of moral affect and create pleasurable feelings of approval toward fraudulent acts. They are indicators of how hard individuals are willing to try, and of how much of an effort they are planning to exert, to perform the fraudulent behaviour. In this sense, the interaction of social enablers and moral only affect a person's perception of the ease or difficulty of justifying fraudulent decisions as a permissible option. Social enablers and moral affect may not be remarkably realistic when a person has relatively little information about justifying his/her fraudulent decisions. Then, to the extent that they become realistic, it can be used to predict the probability of a person to rationalise the behaviour in question.

Furthermore, this study also brings practical implications that can be used to prevent the occurrences of fraudulent behaviour. This study highlights two phrases to explain the formulation of fraud intention. Firstly, it is associated with situational beyond an observer's context, which is known as social enablers. Because social enablers are found to be a cause of the activation of individuals' psychologies leading to fraud commission, managers may effectively resolve control problems by re-creating organisational culture where ethics and integrity are prioritised and upheld as core values. The development of a culture of integrity, honesty in organisational activities and zero tolerance for fraud are considered as the most fundamental strategy to prevent fraud in early stage.

Secondly, it is related to an observer's psychological aspect. It arises as a response to the situational aspects of an organisation. As suggested in this study, the majority of participants appears to be consistent in denying their offences. They believe that their actions are not related to any illegal acts. As such, they are more unlikely to feel guilt and shame. This judgment is brought about by the realisation of how their position is seen from their own point of view. Essentially, it is a subjective view. In this perspective, a social sanction that produces feelings of shame and guilt is the important one to be considered. It can be argued, when an individual feels remorse for the commission of initial fraud, s/he will not commit any fraud in the future. So, the absence of effective internal control is not the case for an individual who feels remorse for his initial fraud or wrongdoing.

In addition, this study suggests a unique point that might extend the conceptualisation of opportunity in the fraud triangle. In the prior studies, the term opportunity is known as internal control deficiencies (Zhu *et al.*, 2023; Free, 2015). As such, a person who wants to defraud an organisation must be knowledgeable about internal control deficiencies. This point has been adapted by the Statement of Auditing Standard No 99 where internal control deficiencies can increase the risk of fraud within an organisation. When there are weaknesses in internal controls, it becomes easier for employees to commit fraud without being detected. Implicitly, if controls are not functioning properly, fraudulent activities may go unnoticed for more extended periods, allowing the perpetrators to continue their schemes. Our study develops this conceptualisation. As illustrated in this study, fraudulent activities are executed in a group in which their actions do not rely on internal control deficiencies. A solid network can compensate for the existence of internal control deficiencies. This is to say, if the term opportunity is only limited to internal control deficiencies, it cannot adequately explain the fraudulent occurrences executed in a group.

7. Conclusion
Our work highlights the degree to which situational factors stimulate the activation of psychological factors in an individual. This study shows that situational factors cannot be

conceptualised as the direct drivers for predicting fraud intentions. Those are not causative factors formulating fraud intentions. It was found that there are interdependent relations between the situational and cognitive reasoning variables. Then, although moral affect appeared to be psychological reactions toward situational factors (e.g. an unethical work climate), it is too early to conclude that fraud is likely to occur. Observer's cognitive reasoning (moral judgment) is key features of whether fraud intentions would or would not be proceeded. In addition to this result, we urge further studies to observe people's propensity to re-offend (subsequent fraud) by analysing the degree to which perpetrators express guilt or shame may provide an indicator of how likely they are to re-offend.

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