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WHITE BLACK LEGAL is an open access, peer-reviewed and refereed journal provide dedicated to express views on topical legal issues, thereby generating a cross current of ideas on emerging matters. This platform shall also ignite the initiative and desire of young law students to contribute in the field of law. The erudite response of legal luminaries shall be solicited to enable readers to explore challenges that lie before law makers, lawyers and the society at large, in the event of the ever changing social, economic and technological scenario.

With this thought, we hereby present to you

# **CULTURAL FACTORS INFLUENCING FINANCIAL FRAUD PREVALENCE**

AUTHORED BY - ARYAN CHECHI  
ADVOCATE

## **DECLARATION**

My study, which is named "Cultural Factors Influencing Financial Fraud Prevalence," is one of a kind and has not been offered to any other institution for the purpose of academic or non-academic research by any other institution. I thus confirm that my research project is unique and has not been presented to any other institution. In addition to preventing acts of plagiarism, I have ensured that all of the sources have been appropriately attributed.

I understand that I myself could be held responsible and accountable for submission of information otherwise, if any, detected later on.

### **Signature of the Candidate:**



Date: September 4<sup>th</sup>, 2025

## **ABSTRACT**

There has been a lot of focus on the intricacy of financial statement fraud in recent years, and that focus will only grow. Various kinds of financial statement fraud exist, including the exaggeration of assets, sales, and profit and the understatement of obligations and costs. However, if dishonest accounting methods are put in place, other manipulation tactics will be used to keep things seeming sustainable. The purpose of financial statements is to allow shareholders to compare the firm's performance to their expectations. Nevertheless, there are instances when technology is used for personal gain. Financial statement fraud detection and prediction has been the subject of a great deal of research. Culture has been generally acknowledged as a behavioral pattern that shapes the nature of a community. Aspects of company culture must be addressed with other variables when investigating instances of financial statement fraud. This article examines culture and its impact on behavior and organization from every angle. The second objective is to examine financial statement fraud through the lens of company culture.

## **INTRODUCTION**

Nowadays, businesses must navigate a complex global commercial landscape. In addition to dealing with massive volumes of digital data, they must also adjust to the risks associated with entering new markets, comply with ever-increasing laws, and hopefully avoid expensive enforcement actions and litigation. These days, business boardrooms are preoccupied with the ever-increasing danger of fraud and malfeasance.

Financial fraud scandals may cause serious damage to a company's image, as well as financial losses due to investigations, fines, and penalties, and personal losses due to criminal prosecution, which is something that many company executives are aware of.

There has been a lot of focus on the intricacy of financial statement fraud in recent years, and that focus will only grow. Various sorts of financial statement fraud may emerge, but once fraudulent accounting practices are started, numerous manipulation tactics will be used to make it seem like it's going strong. Methods that are commonly used to manipulate financial statements include:-

- recording future sales to inflate revenues,
- capitalizing operating expenses to understate expenses,

- failing to apply an appropriate depreciation schedule to inflate assets,
- removing obligations from the balance sheet, and incorrectly disclosing related party transactions and structured finance deals to inflate expenses.
- Another method that companies use to falsify their financial statements is a technique called "*cookie jar accounting*." This includes understating sales in one accounting period and saving the money for future periods, particularly ones when they predict to have a poor performance. By following these steps, their activities no longer seem to be volatile.

Financial statement fraud is the most common kind of financial fraud. While corruption and the theft of assets are more common, the financial toll of financial statement fraud far higher.

There may be serious consequences for financial statement fraud, such as:-

- punitive damages,
- a damaged reputation for the company and its brand,
- a drop in shareholder value, a loss of income, and
- problems attracting and retaining talent.

The different aspects of financial statement fraud, including its motivation, opportunities, and rationalizations, are

- profit trend,
- inventory turnover,
- total asset turnover, and
- a lack of strong governance.

There has been very little research on how company culture affects the likelihood of financial statement fraud. Financial statement fraud may be better understood in light of recent instances that highlight the impact of an immoral business culture. An opportunity to study the importance of corporate culture in corporate governance and fraud detection arises in the instance of financial statement fraud at Olympus Corporation, a Japanese firm. Unethical cultures are a problem not only at Olympus, but also in infamous fraud cases like Enron, WorldCom, Parmalat, and Satyam. So, it's crucial to learn about business culture and how it affects the choice to engage in fraudulent actions. Furthermore, it will contribute to closing a knowledge gap in the existing literature by establishing company culture as a component linked

to financial statement fraud.<sup>1</sup>

## **LITERATURE REVIEW**

The field of social anthropology is where the word "*culture*" was first used. The idea of culture was therefore born to include, in a wide and comprehensive sense, the traits that are inherited by any particular human group. The whole of a people's labour and ideas, including its traditions, customs, beliefs, institutions, and patterns of conduct that are passed down through generations. Deeper and less obvious, culture is the set of shared values held by a group's members, which often remain unchanged throughout time despite changes in the composition of that group. Companies place varying amounts of importance on various things; some place a premium on financial success, while others place a premium on technical advancement or the happiness of their employees. When people in a community don't realize how many shared beliefs they have, it may be quite challenging to alter their culture. Organizational behaviour and the significance that individuals ascribe to it constitute business culture.

All companies have corporate cultures, but some have far "stronger" cultures than others. This is true even if the original study focuses, terminology, and methods varied among these examples. Nonetheless, the basic results are same and quite striking. Particularly in highly competitive settings, these cultures may have a profound impact on people and their performance. Leadership, strategy, organizational structure, management systems, financial analytic tools, and organizational and business literature have all been extensively covered, but one aspect may have an even bigger impact. Strong business cultures are generally the result of deliberate efforts by American and Japanese CEOs.<sup>2</sup>

Hofstede posits that power distance and uncertainty avoidance are two factors that impact company culture. Most Asian organizations have a large power distance and a moderate level of uncertainty avoidance, according to his research on corporate culture across nations, but the opposite is true in Europe. Power distance does, however, affect a person's personality. Similar to the Olympus trials, this company's CEO might have been involved in financial statement fraud regardless of their background or nationality. What makes this story intriguing is that the

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<sup>1</sup> Fan JX and Yu Z, 'Prevalence and Risk Factors of Consumer Financial Fraud in China' (2022) 43(2) Journal of Family and Economic Issues 384

<sup>2</sup> Kotter JP, Corporate Culture and Performance (Simon and Schuster, 2008)

CEO was the one to reveal the long-hidden fraud operations.<sup>3</sup>

Changing the corporate culture was a challenge for AT&T and other companies that wanted to make big changes. This is due to the fact that, while beneficial, societal changes do not provide immediate results. The takeaway here is that company culture has a significant impact on how workers, and notably upper management, act. Reason being, company culture may be seen as either a strength or a liability by a company making a strategy move. While differences in attire, vocabulary, and attitude are inevitable in every company, the decision-making processes that reflect the personalities of upper management are the most crucial factor in determining the company's success.<sup>4</sup>

One applicable theory that might explain the ways in which culture affects the actions of corporations is *stewardship theory*. Financial statement fraud occurs because of decisions taken by upper management, which is why this argument was chosen. According to this school of thought in psychology, managers should not be driven by personal gain but rather should act as stewards whose interests are congruent with those of their superiors. Its purpose is to analyse cases when CEOs play the role of stewards by maintaining conduct that is consistent with the organization's interest. Similar to *agency theory*, it primarily emphasizes the need of all parties participating in corporate governance working toward a common objective. Management and stewardship theory both centre on the principal-agent and principal-steward roles. The key distinction between agency theory and stewardship is the emphasis on trust in the former and incentives and monitoring in the latter, not everyone can be motivated by financial rewards. Some employees are more driven by the work atmosphere the organization offers. This setting consists of things like the organizational structure of the business and the way supervisors treat their employees. According to this school of thought, managers should do their best to protect the company's wealth. Therefore, executive motivation is not a concern according to stewardship theory. But according to this theory, an executive's location determines the organization's performance. Thus, pressure, opportunity, and reasoning are real elements that might influence the likelihood of financial statement fraud. Beyond monetary metrics, however, the ineffectiveness of establishing a strong company culture would lend credence to

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<sup>3</sup> Hofstede G and Fink G, 'Culture: Organisations, Personalities and Nations. Gerhard Fink Interviews Geert Hofstede' (2007) 1(1-2) *European Journal of International Management* 14.

<sup>4</sup> Schwartz H and Davis SM, 'Matching Corporate Culture and Business Strategy' (1981) 10(1) *Organizational Dynamics* 30.

the three components' existence.<sup>5</sup>

The implications of non-family employees' loyalty to family enterprises were investigated using stewardship theory. Research shows that family-owned businesses' profitability and longevity are favourably and substantially affected by the degree to which non-family personnel identify with the company. The reason for this is because non-family personnel are influenced by the culture of the family firm to generate profit (goal convergence). It demonstrates that goal convergence is possible, but that external factors, particularly those affecting the company's structure and atmosphere, could boost both motivation and performance.<sup>6</sup>

*Occupational fraud*, sometimes known as “internal” or “employee fraud”. “The use of one's job to increase personal wealth through the intentional misuse or abuse of the organization's resources or assets” is occupational fraud. Thus, occupational fraud is fraud against organizations that may be committed by all members, whether they are workers or directors. Theft or misappropriation of organizational assets; corruption, where a person uses their influence in a business transaction to obtain an unauthorized advantage contrary to their duty to their employer; and financial statement fraud, where reported financial statements are enhanced. The 2019 Indonesia Fraud Survey found that banks were most at danger of fraud. Since banks was second only to government entities in fraud exposure in the 2016 Fraud Survey, this data showed a considerable rise in banking fraud incidents. Two decades earlier, Indonesian banking sector fraud in 1997–1998 misappropriated Bank Indonesia Liquidity Assistance, causing significant government debt. Since the 1998 economic crisis, Indonesian bank fraud has increased.

There is limited empirical research using RDBs to test fraud hypotheses and mitigation strategies. Suh and Shim suggested improving RDB ethical culture, whistle blower policy, and anti-fraud tactics. Hidajat used secondary data to study Indonesian rural bank fraud. Our analysis examines RDBs, which have substantially greater assets than rural banks, unlike Hidajat's. The Banking Industry Profile Report—Quarter III 2021 shows that RDBs have IDR 801,390 billion in assets, 8.60% of all commercial banks in Indonesia. As of 30 September

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<sup>5</sup> Donaldson L and Davis JH, ‘Stewardship Theory or Agency Theory: CEO Governance and Shareholder Returns’ (1991) 16(1) Australian Journal of Management 49.

<sup>6</sup> Van Slyke DM, ‘Agents or Stewards: Using Theory to Understand the Government-Nonprofit Social Service Contracting Relationship’ (2007) 17(2) Journal of Public Administration Research and Theory 157.

2021, rural banks have IDR 162,374 billion in assets, far less than RDBs. RDBs are vulnerable to fraud owing to governance and internal control issues. Several occupational fraud instances in Indonesia RDBs were addressed by law enforcement and reported in the media from 2019 to 2021. The branch head of “Bank A”—Indonesia's biggest RDB—issued fake credit, costing IDR 8.7 billion. Another scam at “Bank B” (RDB with the second-largest assets in Indonesia) used fictitious credit to lose IDR 195 billion. The RDB with the third-largest assets in Indonesia, “Bank C,” lost IDR 597.7 billion due to lending fraud. Thus, the study suggests that Indonesian RDBs are at significant risk of fraud. Financial Services Authority POJK No. 39 of 2019 on the Implementation of Anti-Fraud Strategies for Commercial Banks regulates fraud in banking. Following these requirements, the anti-fraud strategy promotes the bank staff anti-fraud culture program.<sup>7</sup>

Bank fraud in India is a constant concern because to the dynamic mix of sophisticated financial systems, developing technologies, and crafty con artists. A review of the literature reveals a great deal of study on the topic of banking fraud and the societal and legal ramifications it causes. Several scholars have highlighted the dynamic nature of fraud in India's banking system. Sharma brought attention to the challenges posed by cyber fraud to demonstrate the intricacy of modern cyber-attacks and the need of robust technological defenses. Gupta and Das, in their analysis of the rising issue in the banking sector, also emphasized the need of robust internal controls and company culture in mitigating the possibility of insider fraud. These studies collectively underscore the multifaceted nature of banking fraud in India and advocate for a holistic approach that amalgamates both technological innovations and legal reforms. However, the existing literature also reveals gaps in the comprehensive understanding of the socio-legal dimensions surrounding banking fraud, signaling the need for further exploration and analysis<sup>8</sup>

### **FINANCIAL CRIME**

Financial crimes include a broad variety of offenses, such as identity theft, insurance fraud, corruption, and money laundering. Every one of these charges has its own unique set of challenges. Even though there are regulations and sanctions in place to prevent and control

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<sup>7</sup> Karamoy H and Tulung JE, 'The Impact of Banking Risk on Regional Development Banks in Indonesia' (2020) 15(2) Banks and Bank Systems.

<sup>8</sup> Gupta R and Das S, 'Insider Fraud in Indian Banks: A Critical Analysis' (2020) 4(1) International Journal of Banking Studies 33

financial crime, it is nevertheless on the increase. Financial crimes may happen at any level of society and can include a wide variety of criminal behaviours. Classifying crimes gives politicians and law enforcement a structure that enables them to manage these transgressions in a more efficient manner. He divided financial crime into four primary categories:

1. Corruption,
2. Fraud,
3. Theft, and
4. Manipulation.

It could be simpler to point out the activities that were taken than to explain the reasons behind financial crimes. Gottschalk studies financial crime by looking at it from the viewpoints of behavioral, organizational, and management theories. Some of the variables that behavioral theories concentrate on include self-control, social connection, and associations. Organizational theories study criminal groups and institutions that are often linked to financial crimes, such as monopolies. Management theories, on the other hand, focus on issues that arise inside companies or between people that result in financial crime.<sup>9</sup>

Another important factor to take into account is the growing connection between financial crime and cybercrime. Financial crime has changed to encompass the newest technology as a result of technological advancements and globalization. Although conventional financial crimes continue to take place, there is an increasing connection between financial crime and cybercrime, especially in the business sector. This change makes it harder to identify and control financial cybercrime due to the difference between the crime and the regulations that are in place to control it.

More and more people who conduct financial crimes are embracing modern technology to carry out their illegal actions. More and more, technology components that are not typically linked with financial crimes are being used for unlawful activities. As technology continues to evolve, the danger of financial crimes increases, especially in technologically sophisticated countries like the United States. These countries are at a larger risk and must find effective measures to prevent these crimes.

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<sup>9</sup> Gottschalk P and Solli-Sæther H, 'Prevention of White-Collar Crime by Knowledge and Learning in Business Organizations: An Empirical Study of Chief Financial Officer Management' (2012) 1(1) International Journal of Management, Knowledge and Learning 45

Even if cybercrime has been added to the list of financial crimes, it is still difficult to fight against financial crime. Tomasic claims that financial crime is a significant problem that rules do not sufficiently address or prevent. One possible way to solve the problem is to put in place organizational measures that would stop financial crime from happening<sup>10</sup>. Gottschalk and Solli-Saether emphasize that it is essential for a company to have knowledge and learning in order to combat white-collar crime. Their research highlights the need of implementing steps to prevent financial crime. These measures include of regulations, processes, internal and external controls, strict accounting standards, and audits.

### **CULTURE AND FINANCIAL CRIME IN THE NATION**

Many studies have examined the connection between crime and culture. Over the years, the connection between cultural values and illegal behaviours has influenced how the public perceives and reacts to scandals. The relationship between culture and crime has affected the development of civilization and the lives of people living now. The political and policy upheavals that have occurred in recent years have been caused by changes in social structures and cultural sensitivities.

Earlier research examined the connection between culture and crime from a broad perspective. In contrast, more recent research has focused on the differences in cultural definitions in order to get a better understanding of their effects. Researchers have examined the impact of a country's culture on financial crime by investigating differences in cultural conceptions. A variety of different methodologies have been used in a number of research to study the link between national culture and financial crimes.

Cultural dimensions, which are often employed in cross-cultural research in areas like management, psychology, and marketing, were used in this study. Hofstede's dimensions have been used in research on accounting, reporting policy, auditing, and taxes. That so, the influence of national culture on financial crime is still a topic of debate, even though it is generally recognized.

Cullen, Parboteeah, and Hoegl state that anomie, which is a disconnection between people and society, may result in selfish conduct that contradicts moral principles. Financial crimes may

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<sup>10</sup> Tomasic R, 'The Financial Crisis and the Haphazard Pursuit of Financial Crime' (2011) 18(1) Journal of Financial Crime 7

be the result of cultural beliefs that place a higher value on economic incentives than on ethics. Researchers say that it is vital for lawmakers to understand the cultural elements that drive financial crime in order to build effective legislation and organizational measures.<sup>11</sup>

Sanyal investigates the cultural and economic elements that influence bribery in international commerce. According to research, bribery is linked to three cultural factors: power distance, individualism, and masculinity. These data demonstrate that it is difficult to fight against bribery just via law since it is deeply rooted in society.<sup>12</sup>

Tsakumis, Curatola, and Porcano carried out a research to find out how Hofstede's cultural factors influence tax evasion in different nations. They discovered that there are significant connections between cultural traits and the practice of avoiding taxes. Mihret also looked at the connection between national culture and the likelihood of fraud. He found that nations with a high power distance were more likely to encounter fraud, whereas countries with a long-term orientation were less likely to experience fraud.<sup>13</sup>

The relationship between national culture and financial crime is made more complicated by globalization. When companies incorporate aspects of foreign cultures into their own corporate culture, the resultant combination may influence the behavior and decision-making of their employees. Walker and Unger demonstrate the challenges of monitoring money laundering on a worldwide scale. Globalization and cultural integration make this situation even more difficult.

- **POWER**

The term "distance influence gap" describes the degree to which those with less influence in society are willing to tolerate an uneven allocation of power. When there is social imbalance, it may rise to economic disparity, which can increase the chances of individuals committing financial crimes. The phrase "power distance" refers to a scenario in which a small number of individuals have power and do not pay attention to the rest of the population. This kind of

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<sup>11</sup> Cullen JB, Parboteeah KP and Hoegl M, 'Cross-National Differences in Managers' Willingness to Justify Ethically Suspect Behaviours: A Test of Institutional Anomie Theory' (2004) 47(3) *Academy of Management Journal* 411

<sup>12</sup> Sanyal R, 'Determinants of Bribery in International Business: The Cultural and Economic Factors' (2005) 59 *Journal of Business Ethics* 139

<sup>13</sup> Tsakumis GT, Curatola AP and Porcano TM, 'The Relation Between National Cultural Dimensions and Tax Evasion' (2007) 16(2) *Journal of International Accounting, Auditing and Taxation* 131

thinking might lead people to justify their unlawful behavior.

Hypothesis 1: The greater the power gap, the higher the likelihood of financial crime occurring.

- **INDIVIDUALISM**

Individualism is a social structure in which people are not closely connected to one another, whereas collectivism is a social structure in which people are very devoted to their society. In collectivist cultures, unquestioning devotion may legitimize collective activities, regardless of whether they are good or wrong. This makes it more difficult to avoid collusion.

Hypothesis 2: A person is more likely to commit a financial crime if they are less individualistic.

- **UNCERTAINTY**

Uncertainty avoidance is a method of measuring the extent to which people in a community feel threatened by things that they do not understand. When it comes to criminal behavior, risk assessment is something that should be taken into account, and the perceived danger of consequences may influence behaviors. In societies that have a high degree of uncertainty avoidance, financial crimes are less likely to be committed.

Hypothesis 3: The more someone avoids ambiguity, the less likely they are to commit a financial crime.

- **MANLINESS**

Masculinity is a word that describes a society in which men and women have separate roles and obligations. Men in this society prioritize being assertive and attaining financial success. Research indicates that strong masculinity is associated with worse earnings quality and a higher likelihood of committing financial crimes.

Hypothesis 4: The more masculine a person is, the more likely they are to commit a financial crime.

- **LONG-TERM ORIENTATION**

Thinking long-term encourages traits such as frugality and tenacity. People who think in the short term want to see immediate results, and they frequently overlook the potential ramifications that may arise in the future. This might lead to financial crimes.

Hypothesis 5: A person who has a long-term perspective is less likely to commit a financial crime.

- **INDULGENCE**

When a society allows people to satisfy their fundamental human needs without restrictions, it is a sign that the culture is indulgent. People may commit financial crimes due to a lack of self-control and financial pressure.

Hypothesis 6: A person who is more indulgent is more prone to conduct financial crimes.

## **REASONS FOR FINANCIAL FRAUD PREVALNCE**

Governments, organizations, and people throughout the world are affected by financial fraud. By 2023, the Reserve Bank of India estimates that the entire amount of money stolen in India's financial system would reach 3,500 crore rupees. After reaching a high of Rs. 1.3 trillion in 2021, it fell. This decline indicates improved monitoring and enforcement, even if some companies are still worried about financial fraud. Scammers take advantage of individuals and systems that are flawed.

There are many different forms that fraud may take, including financial, corporate, identity, and restriction circumvention. A combination of regulatory constraints and new technology could make financial fraud harder to pull off. The main elements that encouraged progress were:

### **1. Internal Controls are not Working**

Corruption is more likely to occur in organizations with poor leadership and management. There is an upsurge in employee misconduct such insider trading, financial statement fraud, and theft when auditing standards are low because transparency is lacking and compliance procedures are delayed.

### **2. Insider Practices**

Fraud is more likely to occur when top executives work together. Members on the inside may manipulate sales figures, embezzle money, or fabricate transactions. Financial fraud and theft are more likely to occur when the public and private sectors work together.

### **3. Technological Utilization**

Although technology has revolutionized the financial system, it has also raised the stakes for individuals to commit fraud. Multiple techniques exist for hackers to get access to user

accounts. These methods include phishing, ransomware, and approaches powered by artificial intelligence. Because they are not as closely monitored, online markets, bitcoin exchanges, and digital wallets are easier prey for fraudsters.

#### **4. Exploiting Gaps in the Law.**

Con artists are allowed to function due to loopholes in the law. Ponzi schemes trick victims into thinking they may amass large sums of money by purchasing products with vague or non-existent expiration dates. Similar tax avoidance and money laundering strategies include shell companies and offshore accounts.

#### **5. The Intersection Between Greed and Ethics**

Companies that put their short-term profits ahead of their long-term viability are much more likely to commit financial fraud. The integrity of the stock market is threatened by deceptive advertising, excessively cautious advice from financial specialists, and manipulation by brokers. People may feel uncertain as a result of these policies.

#### **6. Making Peace with the Burden of Lofty Expectations.**

Financial and insurance industry insiders may engage in predatory lending, deceptive product marketing, or data fraud in pursuit of implausible sales goals. There has been a spike in financial fraud as a result of consumers' problems completing purchases.

#### **7. Minimal Investigation.**

Lenders, suppliers, and investors are more likely to be victims of fraud when necessary oversight is lacking. Contacting debtors and potential investors without conducting thorough investigations puts financial institutions at danger of being victims of fraud.

#### **8. Cybersecurity Vulnerability**

Private financial data is most at risk from insufficient encryption and data leaking. The dark web is a refuge for those who commit crimes, steal identities, or otherwise benefit from stolen information. People who don't know anything about cybersecurity put themselves at danger of becoming victims of cybercrime in their personal and professional lives.

#### **9. Lack of Financial Knowledge**

People who don't know much about money might be easier prey for con artists. Fraud may be

perpetrated in several ways. Some examples include phishing and Ponzi schemes as well as bogus investment proposals. Time pressure and social proof are two psychological techniques that criminals use on their victims.

### **10. Bribery & Corruption**

The ethical performance of law enforcement duties is compromised by bribery and corruption. It is possible for both public and private entities to overlook financial irregularities or alter regulations in favor of certain persons or businesses. On top of that, this may cause much bigger problems down the road.

### **SUGGESTIONS FOR PREVENTION**

Several methods exist for lowering the incidence of financial fraud:

- **Improving Internal Procedures**

Companies may find it simpler to decrease fraud if they adhere to accountability requirements, compliance standards, and do audits more often.

- **Implementing Methods**

Possible countermeasures include biometric identification, blockchain technology, and AI for fraud detection.

- **Revisions to the Regulations**

Governments should tighten regulations on banks and investment firms by sealing legal loopholes and imposing heavy fines.

- **Approaches to Ensure Safety**

You may safeguard your digital assets by using measures such as two-factor authentication, robust encryption, and real-time fraud monitoring.

- **Increasing Awareness**

Customers may be better able to safeguard themselves against financial fraud if they practice good money management. Preventing individuals and economies from falling victim to the increasing frequency of financial fraud occurrences calls for a concerted and proactive effort.

Some of the many approaches to combating financial fraud include strengthening incentives for truthful behavior, raising standards, and bolstering technical protections.

## **CONCLUSION**

Problems with company culture are not always easy to solve. It is challenging for even well-known companies to alter their corporate culture in order to boost their performance. But ignoring it might lead to even another issue. The implementation of ethics training programs for company personnel is a necessary step in establishing an ethical business culture and reducing the incidence of financial statement fraud. Because a person's personal traits reflect those of their employer, this is crucial. Consequently, it is necessary to approach the workers with it in order to improve the moral culture. Another idea is to use incentive programs to pay workers a living wage and make them want to stay with the firm. It could take the form of monetary compensation or any other perk.

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