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**AN EPISTEMOLOGICAL REVIEW OF FRAUD THEORIES IN THE NIGERIA
CONTEXT: A MYTH OR REALITY**

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Abstract

Fraud as an act in the global economy is increasing on a daily basis. Forensic accounting investigation has become an emerging area of great importance for policy makers, research and industries to curb such act. The paper examined the appropriateness of fraud theories based on the Nigeria context, therefore the study is partly based on the pronounced judgments/decided cases of Economic and Financial Crime Commission cases in Nigeria. Meta Analysis were carried out on relevant literature and documentations which suggests that the reason for Nigerians fraudulent actions was as a result of the loophole/inconsistencies in the law with regard to appropriate timely punishment for the crime committed. Specifically, the paper suggests a new factor to the well-known fraud diamond theory (base on the proven Nigeria experience). The paper further suggests modification to Nigeria law on fraudulent actions with regard to punishment for crime committed. This is assumed to have a direct relationship with corrupt practices in the Nation.

Keywords: Appropriate Punishment, Forensic Accounting, Fraud, Fraud Star, Corruption

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Introduction

Corruption and corrupt practices have eaten deep into the fabric of this great nation. A nation rich in oil and other immeasurable natural resources but yet suffer so much at all sides. While the rich continue to get more money, the poor continue to get poorer. The end result of corrupt attitude is fraud that has become a severe problem of concern globally, most especially in developing nations. It is so endemic that fraud is gradually becoming a normal way of life in both public and private sectors, from the presidential cabinets, down to the political officer, to the ward councilors. Schuchter and Levi (2015) affirmed that attempt to have an all-encompassing generally acceptable definition and framework of the term “fraud” certainly generate boundary disagreements/differences. This suggests that fraud and its framework differs from one environment to another. Although fraud is prominent in every society and by extension in every economy, the magnitude of fraud in Nigeria and the extent to which the economy is affected calls for intervention in all ramifications (Abiola, 2009). The EFCC Act 2004 attempts to capture the variety of economic and financial crimes found either within or outside the organization, task which the commission is yet to reasonably achieve.

The threat of fraud in nation building cannot be over-emphasized. Fraud is a colossal twin brother to corruption that have limited the growth and infrastructure of many nations and led many firms to the road of bankruptcy (Johnson-Rokosu, 2013). Kasum (2010) opined that financial irregularity is a severe problem of concern globally even in developed economy. It is the major concern to developing nations, a shameful act that has become a normal way of life. Albrecht (2005) argued that fraud is rarely seen. However, he affirmed that the repercussions of fraud are usually observed. Fraud is a legal term that refers to the intentional misrepresentation of the truth in order to manipulate or deceive a company or individual. When companies undergo severe financial problems and end up in bankruptcy, Koh, Arokiasamy and Suat, (2009) are of the opinion that fraud by senior management is likely to be involved.

The steady degradation of the Nigerian Economy is mostly due to the steady increase in financial crimes, fraud and corruption. The synopsis of all efforts at eradicating and eliminating corrupting from Nigeria clearly indicate that all such efforts have been met with vigorous resistance by the corrupt and very powerful segment of the Nigerian population. Aderibigbe, (2013) opined that the falsities and frauds which are now being uncovered are responsible for the lack of capacity utilization in the Nigerian economy.

The Value System in economy is questionable, little or no premium is put on honesty, integrity and good character. The society does not question the source of wealth. Any person who stumbles into wealth is instantly recognized and honoured. It is a fact of our time that fraud has its root firmly entrenched in the social setting where wealth is honoured without questions. Ours is a materialistic society which to a large extent encourages fraud. This had been said to be as a result of good corporate governance which is the missing link in Nigeria, which is an index of fraud occurrence (Okoye, 2001). The desire to be with high and mighty caliber of the society’s extreme wants that is often characterized by need, cultural demands or cultivation of a life too expensive for the legitimate income of the individual. It is as a result of these challenges face by our dear country because of her citizens attitude that we deem it fit to

provide the theory from the Nigeria evidence that state the reason for fraud and the approach that best suit forensic accounting investigation.

This study provides an opportunity to examine fraudulent actions with insights from the public sector of Nigeria economy, a sub-Saharan African country. The remainder of the paper is divided into various sections, the first has to do with review of relevant literature, the second section dealt with the evolution of fraud theories, review of fraud cases in Nigeria and other countries, the third section provide the findings and justification of the new fraud model while the last section provides both the conclusion and recommendation of the paper.

Literatures Review

Fraud means different things to different people under different circumstances. Some are legal definitions; others are academic, while still others are based on personal experience. The legal definition varies from country to country, and it is only since the introduction of the Fraud Act in 2006, that there has been a legal definition of fraud in England and Wales. Fraud essentially involves using deception to dishonestly make a personal gain for oneself and/or create a loss for another. According to the Association of Certified Fraud Examiner's define fraud as any illegal acts characterized by deceit, concealment, or violation of trust. These acts are not dependent upon the application of threat of violence or of physical force. Frauds are carried out by individuals and organizations to obtain money, property, or services; to avoid payment or loss of services; or to secure personal or business advantage. From another angle, the American Institute of Certified Public Accountants (AICPA), described fraud as a broad legal concept that is distinguished from error depending on whether the action is intentional or unintentional. Fraud as a concept is a generic term, and embraces all the different means which human ingenuity can devise, which are resorted to by one individual, to get an advantage over another by false representations. No definite and invariable rule can be laid down as a general proposition in defining fraud, as it includes surprise, trickery, cunning and unfair ways by which another is cheated.

Kennedy and Anyaduba, (2013) in there study found that there is significant agreement amongst stakeholders on the effectiveness of forensic accounting in fraud control, financial reporting and internal control quality. In line with the above findings, they recommend that the Institute of Chartered Accountants of Nigeria, Association of National Accountants of Nigeria and the National Universities Commission should encourage formalization and specialization in the field forensic accounting. In addition, the government should stimulate interest in forensic accounting for monitoring and investigation of suspected corruption cases.

The reason for people to commit fraud was first examined by Cressey Donald, a criminologist in 1950. His research was about what drives people to violate trust. He interviewed 250 criminals over a period of 5 months whose behaviors met two criteria that the person must have accepted a position of trust in good faith, and the person must have violated the trust (Rasha & Andrew, 2012). He found that three factors must be present for a person to violate trust and was able to conclude that trust violators when they conceive of themselves as having a financial problem which is non-sharable, have knowledge or awareness that this problem can be secretly resolved by violation of the position of financial trust, and are able to apply to their own conduct in that situation verbalizations which enable them to adjust their conceptions of themselves as users of the entrusted funds or property (Rasha & Andrew, 2012).

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The three factors were non-sharable financial problem, opportunity to commit the trust violation, and rationalization by the trust violators, Cressey (1987) as cited by Coenen (2005).

Over the years, Cressey's hypothesis has become well known as the fraud triangle. The first side of the fraud triangle represents a pressure or motive to commit the fraudulent act, the second side stands for perceived opportunity, and the third side represents a rationalization (Wells, 2011).

Karwai (2002); Ajie and Ezi (2000) are of the view that financial fraud in organizations vary widely in nature, character and method of operation in general. Fraud may be classified into two broad ways: nature of fraudsters and method employed in carrying out the fraud. On the basis of the nature of the fraudsters, fraud may be categorized into three groups, namely; internal, external and mixed frauds. Internal fraud relates to those committed by members of staff and directors of the organizations while external fraud is committed by persons not connected with the organization and mixed fraud involves outsiders colluding with the staff and directors of the organization. Karwai (2002) reported that the identification of the causes of fraud is very difficult. He stated that modern day organizations frauds usually involve a complex web of conspiracy and deception that often mask the actual cause. Ajie and Ezi (2000) are of the view that studies have shown that on the average out of every 10 staff would look for ways to steal if given the opportunity and thus only 4 could be normally honest.

Theory of Fraud Triangle

The theory was propounded by Donald R. Cressey, a criminologist in 1953, he was concerned as to what might be the factors influencing the mind of people to commit fraud. This led him to carry out his study on what drives people to violate trust? He came up with the fact that three factors or any one of them (pressure, opportunity and rationalization) must exist for fraud to occur (Abdullahi & Mansor, (2015). Cressey then opined that Trust violators, when they see themselves as having financial problem that is non-shareable and have knowledge or awareness that this problem can be secretly resolved by a violation of the position of financial trust. Also they are able to apply to their own conduct in such situation verbalizations which allow them to adjust their conceptions of themselves as trusted persons seeing themselves as users of the entrusted funds or property (Crassey 1953).

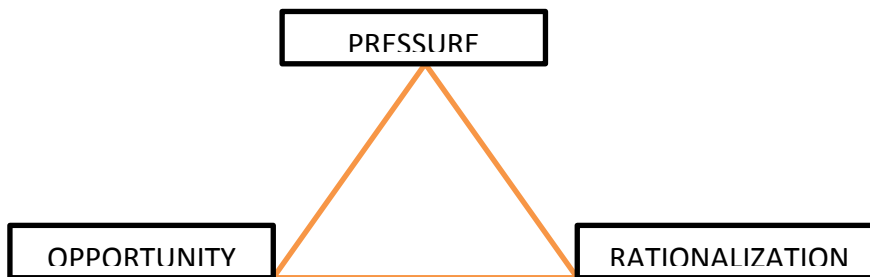
Perceived pressure is seen as motivation or incentive to act in a particular manner. Every fraud perpetrator faces some type of pressure to commit unethical behavior. Albrecht, Hill, and Albrecht (2006) pointed out that the word *perceived* is important due to the fact that pressure does not have to be real; if the perpetrators believe they are being pressured, this belief can lead to fraud. On the other hand Abdullahi and Mansor (2015) saw perceived pressure as factors that to unethical behaviors. Perceived pressure can result from various circumstances, but it often involves a non-sharable financial need. Financial pressure has a major impact on an employee's motivation and is considered the most common type of pressure. Specifically, about 95% of all cases of fraud have been influenced by financial pressure (Albrecht et al., 2006). Examples of pressure include: Greed, Living beyond one's means, large expenses or personal debt, Personal financial losses, inability to meet a financial forecast and Gambling or drug habits.

Opportunity is created by weaknesses in the systems that allow an individual to commit fraud; in the accounting field, this is called weak internal control. The concept of perceived

opportunity suggests that people will take advantage of circumstances available to them (Kelly & Hartley, 2010). Perceived opportunity is similar to perceived pressure in that the opportunity does not have to be real; the perpetrator must simply believe or perceive that the opportunity exists. In most cases, the lower the risk of getting caught, the more likely it is that fraud will take place. Other factors related to perceived opportunity can also contribute to fraud, such as the assumption that the employer is unaware, the assumption that employees are not checked regularly for violating company policies, the belief that no one will care, and the belief that no one will consider the behavior to be a serious offense (Sausser, 2007).

The third element of the fraud triangle is rationalization. This concept suggests that the perpetrator must formulate some type of morally acceptable rationalization before engaging in unethical behavior. Rationalization refers to the justification that the unethical behavior is something other than criminal activity. If an individual cannot justify unethical actions, it is unlikely that he or she will engage in fraud. Some examples of rationalizations of fraudulent behavior include “I am only borrowing,” “the organization can afford it,” and “it is not really a serious matter.” It is important to note that rationalization is difficult to observe, as it is impossible to read the perpetrator’s mind.

Figure 1: Fraud Triangle

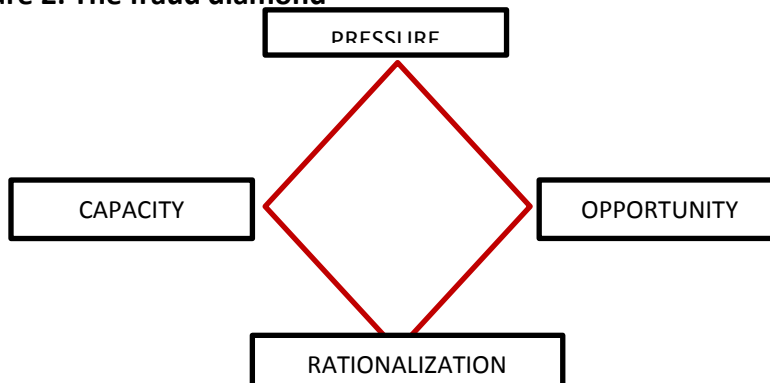


Source: Cressey (1953)

Fraud Diamond

In addition to the fraud triangle Wolf and Hermanson, (2004) further proffer the Theory of Fraud Diamond in place of the triangle. They are of the opinion that the diamond offers a better view of the factors resulting to fraud. They introduced the fourth factor (Capability) to the three variable theory of Cressey, given that it is not likely that fraud will take place except such person(s) has the fourth factor newly introduced (capacity).

Figure 2: The fraud diamond



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Source: Wolfe and Hermanson (2004)

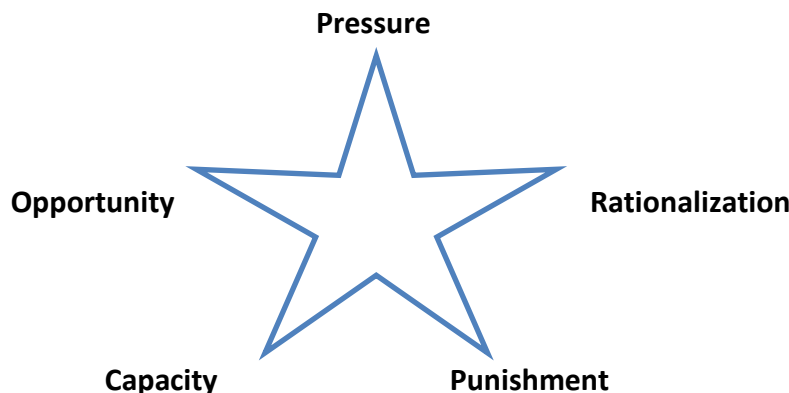
Capabilities mean that, the fraud perpetrator must have the necessary skills, traits, abilities, or positional authority to pull off his crime. Wolfe and Hermanson (2004) believed many frauds would not have occurred without the right person with the right capabilities implementing the details of the fraud. They also suggested four observation traits for committing fraud; First, authoritative position or function within the organization, Second capacity to understand and exploit accounting systems and internal control weakness, Third, confidence that he/she will not be detected or if caught he/she will get out of it easily, Fourth, capability to deal with the stress created within and otherwise good person when he or she commits bad acts.

Reviewing the literature shows that researchers classified the motive side of the fraud diamond differently. Some researchers classified them as personal, employment or external pressure, while other classified it as financial and non-financial pressure. However, it can be noticed that both classifications are interrelated. For instance, personal pressure can come from both financial and non-financial. A person's financial pressure in this case could be gambling addiction or a sudden financial need, while a personal non-financial pressure can be lack of personal discipline or greed (Wolf & Hermanson, 2004). By the same token, employment pressure and external pressure can come from either financial or non-financial pressure. Thus, Forensic Accountants have to keep in mind that pressure/motive to commit fraud can be either a personal pressure, employment pressure, or external pressure, and each of these types of pressure can also happen because of financial and non-financial pressure. Forensic Accountants also need to understand the opportunity for fraud to help them in identifying which fraud schemes an individual can commit and how fraud virus occurs when there is an ineffective or missing internal control.

Evidence from the study of Hirschi and Gottfredson (1989) shows the shortcomings of the fraud triangle, which says that the theory is not a general theory of crime and cannot explain all instance or occurrence of fraud. Murphy (2012) also posited that rationalization is not observable and some fraudsters not need rationalization to commit.

Evolution of Fraud Star: The Nigeria Experience

Fig 1: The Fraud Star Hypothesis



Source: Researcher's Conceptual Framework (2021)

Prior literature (Gibbons, 1969; Samuel & Moulds, 1986) had attempted to investigate the extent to which individuals and Nations agree on appropriate punishment for crime. However, Samuel and Moulds, (1986) affirm that appropriate punishment that best fits crime committed is often the best way of discouraging criminal offenses evidenced from the judgments sample obtained and prisoners investigated. However, Dietrich (2020) examined the effects of punishment certainty and punishment severity on compliance decisions of different individuals. The study posits that deterrence will be achievable from the enforcement of the law based with expected penalty imposition; it was also asserted that enforcement agencies should put more emphasis on the certainty of punishment or sanctioning which deals with the severity of punishment. Dietrich (2020) is an improvement to the work of Earnhart and Friesen (2013) which investigate specific deterrence using survey data, where they concluded that severity of punishment can help bring about specific deterrence.

In the standard economics of crime model as described by Becker, (1968); Polinsky and Shavell (2000) they affirmed that crimes are committed when the expected benefit from committing the offense exceeds the expected punishment or penalty from offending. Dietrich (2020) also confirmed that every offender is a rational economic agent with full understanding of the regulation in practice, they are aware of the likely punishment to be faced when they commit a crime and its (the punishment) severity when it is imposed. This is in-line with the philosophy of deterrence theory as used in literature (Gray & Shimshack, 2011), stating that increase in the probability of punishment or size of the penalty (jail terms) will reduce offenses. However, Doob and Webster, (2003) in their study claimed that sentence severity has no effect on the level of crime in society; this study was adjudged to have data difficulties which are inherent in this type of study.

Effective Punishment is the administration of unpleasant response for an undesirable action (Trevino, 1992). It is used in changing the attitude of transgressors and to discourage others from engaging in an unpleasant manner. Trevino and Youngblood, (1990) affirm that most person consider the likelihood of punishment when making any decision especially when it is an unethical decision. Timothy and Adam (2019) affirmed that policy makers have three instruments use to discourage crime, which are severity, certainty and speed with which punishments are enforced. They stated that, research has not substantially shown which of these instruments is the most effective in discouraging crime. However, it was postulated that making the punishment for a criminal offense more severe would deter people strongly than improving on the possibility of apprehending the offenders.

The theory of Broken Window propounded by Wilson and George, in 1982 supports the need for appropriate (severe) punishment as a factor. This is a criminological theory which emphasis that visible signs of crime, anti-social behavior, fraud and civil disorder create an environment that encourages further serious crime, fraud and disorder. The theory is of the opinion/suggested that policies should be made to curb crimes as they occur in appropriate measures. To help create an environment and atmosphere of order and lawfulness, which will help discourage other crimes and prevent more serious crimes.

The theory assumes that the landscape "communicates" to people. A broken window transmits to criminals the message that a community displays a lack of informal social control and so is unable or unwilling to defend itself against a criminal invasion. It is not so much the

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actual broken window that is important, but the message the broken window sends to people. It symbolizes the community's defenselessness and vulnerability and represents the lack of cohesiveness of the people within. Neighborhoods with a strong sense of cohesion fix broken windows and assert social responsibility on each other effectively giving themselves control over their space. Sarah, (2016) argues that the concept of fear is a crucial element of broken windows theory, because it is the foundation of the theory. She also adds that public disorder is unequivocally constructed as problematic because it is a source of fear.

We need to understand as a nation that the fight against fraud (corruption) can only be successful when there is an internal will to end fraud by all using appropriate punishment at the right time. Marcus, (2017) affirmed that fighting fraud and corruption locally is the new strategy for every economy. His argument is that it provides an outline for a tougher response to fraud and corruption carried out within the economy.

Theoretical model of tax evasion proposed by Allingham and Sandmo (1972) also fit in to the behavioral justification for increase in fraud cases in Nigeria. The theory posits that people evade taxes because the expected benefit of evading is greater than the expected cost. In other words, the taxpayer weighs up the added benefit of keeping his income if he fails to fully declare it (and he is not caught) against the penalty he would pay (if caught). We can say that people continue to commit fraud because the expected benefit of committing fraud is greater than the expected cost in terms of fines and punishment. The model revealed the Nigeria current situation as a country and more subtle insights for us as a Nation. As punishment is a function of the likelihood of being caught and the penalty, there is no point having high penalties if enforcement is weak. Strengthen enforcement, set large fines, and punishment should be the strategy for Nigeria.

The Allingham and Sandmo model gives us a basic framework for analyzing a Nigerian's decision to commit fraud, but game theory (of tax) also helps us analyze the decision in a more realistic strategic context between the offender and the law. Within this framework, a Nigerian's decision to commit or not to commit fraud is a direct function of what the law provides as consequence; if the law is enforced (appropriate punishment) then the best option is stay away from fraudulent act, but if they don't enforce, the best option is to commit fraud.

Methodology

The present study focused on perpetrators, mostly in the public sector of Nigeria who have been convicted because of financial fraud, embezzlement, or corruption in their parastatals. The study reviewed convicted cases from 2005 to 2015 sourced secondarily (*ex-post facto*) from Economic and Financial Crime Commission (an anti-financial crime agency of Nigeria) published document. This study also used a semi-structured guideline questionnaire (Survey). The survey method helps to gain deep knowledge about the perspective of the offenders, which is the main focus of the present paper. The empirical research was based on the response from four (4) past offenders, they were not the high profile offenders but they were involved with financial fraud. These offenders were contacted when given personal testimony of their experience and what lead them to the prison in a religious gathering after receiving pardon from the state government. Therefore they voluntarily agreed to participate in our research by given their genuine response anonymously as assured by the researcher before the commencement of the interview.

The study conducted a pre-test of the process, as carried out in the work of Schuchter and Levi (2015) the interviewer (first author) conducted some pre-tests to reduce the risk of mistakes and also to avoid misunderstandings between the interviewees and the interviewer. For this self-training, non-criminal study volunteers put themselves in the role of white-collar offenders in the public sector, who subsequently were interviewed by the principal author of this study in a simulated situation. This procedure helps to remove ambiguities regarding the formulation of questions, and also benefits the interviewer with his behavior and appearance.

The interviews were carried out with 4 fraudsters, who had been released from one of the prisons in Ogun State Nigeria. Nevertheless, the results from the study must be handled with carefulness, this is because the empirical analysis is limited to 4 (four) volunteered released offenders which are not high profiled fraudsters. Although we intent to ascertain the applicability and relevance of already known fraud theories (fraud triangle and fraud diamond) to the sub-Saharan African countries as a case, evidence from Nigeria, but our sample size is too small for the purpose of generalization of opinion. However, this does not pose any doubt on the quality and reliability of information received from the sampled individuals.

The study is mindful of the fact that interviewees could exhibit a kind of performance for us rather than revealing the truth to strangers which might be a risk. Though this risk cannot be completely excluded, however, measures were taken to keep this to a minimum, through a secluded and tension-free interview environment (religious environment). All fraudsters used willingly volunteered to participate in one to one conversations at a time and agreed place, this we assume will reduce if not eliminate biasness from the respondents and no concern with regards to the opinion of observers about their conducts under discussion. There was no any external person around the agreed location during the interview session, which might have distorted the collected data material. The interviewers were educated painstakingly in advance about the scope and purpose of the inquiry as well as other information requested. The assurance of anonymity was discussed and agreed with the interviewers before the interview session. However, some side discussions about politics and social life increased rapport and made the atmosphere comfortable for this sensitive issue.

The interviewees were informed about their right to skip any question they are not comfortable with, but none did so; all questions were voluntarily answered by everyone. To be sure of the consistency and reliability of the response from the respondents, the questionnaire was structured to include checkers (recurring but rephrased questions) to support the verification of whether answers provided were misleading or evasive or deceitful. All this help to ensure that systematic errors or inconsistencies in the transcribed interviews are very rare. Considering the careful planning and preparation as well as the serious attitude of our interviewees, we assume that response or answers provided are reliable and good for the study.

Results and Discussion

The opinion gathered from the respondents is partly consistent with existing fraud theory. According to their response, they believed that the assertion of Cressey, (1953) and Wolf and Hermanson, (2004) in their framework are relevant causes to fraudulent actions. Evidence from the interview shows that there exist differences between findings in literature and our empirical findings; they opined that not all components of the fraud triangle are

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required for committing financial crime. According to two of the respondents, there was no form of rationalization or opportunity at all in their situation which led them to committing fraud. However, these factors might be responsible for the fraudulent actions of other persons. According to one of the interviewees, "I never had the intention of stealing, not until I notice some were doing it and they were either getting away with it or not getting punished appropriately". In the light of this finding, it is therefore obvious that the framework for fraud triangle and diamond are not the only factors responsible for fraudulent actions.

Evidence from the interviewees shows that, they were trying to take advantage of the loophole in the judicial system as far as fraudulent actions are concern. All of them agreed to the fact that they will not have made attempt to commit the actions that led them to the prison if they had seen that severe punishment were been served to those committing serious fraudulent actions in the public sector. Therefore it is the weakness as opined by the respondents, in the judiciary system with regards to the punishment that led them to committing the act. Furthermore, the results also shows that pressure is key to most fraudulent cases as affirmed by the respondent, in fact it is the most important factor for committing fraud. Schucher and Levi (2015) also affirmed that perceived pressure is the likely important factor for fraudulent actions.

Sequence to the findings mentioned above, we can at this point; conclude that fraud diamond is not all that is responsible for the fraudulent act of individuals especially in sub-Saharan Africa using the Nigerian experience. The study also provided evidence of decided case in-line with the assertions of the respondents. In the last few years, there has been a lot of Disturbing fraudulent cases in Nigeria, few of the culprits have been charged to court, some cases were never even investigated as many of the cases remain unsolved. Some of these cases are stated below;

Malik Amzat and Noimat Amzat with charge number AB/EFCC/01/2011, with an offence of stealing ₦8,390,788.53 from Ogun State staff Salary Account; they were charged to court on the 9th of June 2011 at the High Court of Ogun State in Abeokuta by Hon. Justice Lamina (Trial Judge's name). They were convicted on the 26th of March, 2014 and the first defendant was convicted and sentenced to two (2) years imprisonment. Option of fine of ₦100,000. (EFCCS, 2014). In this instance the defendant opted for the fine.

Chief B.A Omole Agboworin with charge number CR/62/2005, he was guilty of misappropriating public funds (₦8,400,000). He was charged to high court (Maitama, Abuja) in 2005 by Justice Sadiq Umar (trial judge). He was sentenced to 15 months imprisonment on the 6th of February 2014. (EFCCS, 2014)

Opeolu Olumide Osikomaiya with charge number ID/698/2014, guilty of stealing ₦4,000,000. He was charged to high court Ikeja, Lagos on August 17, 2013. The trial judge was Hon, Justice Lawal Akapo. The convict was ordered to pay a fine of ₦20,000 as the sentence on the 29th of September 2015 or a judgment fine of ₦20,000. (EFCCS, 2015)

Usman Sani Danbulbuli with KB/HC/4c/2015 charge number, he was guilty of misappropriation and criminal breach of trust (of over ₦150,000). He was charged to court on 15th June, 2015 to high court Kebbi, the trial judge was Justice Ismail H.R. the convict was on the same day sentenced to 6months imprisonment or to pay a fine of ₦60,000. (EFCCS, 2015)

Former Edo State governor **Lucky Igbinedion** was charged by EFCC prosecutors in January 2008 with siphoning of more than \$25 million of public funds. But the trial judge in the case, Abdullahi Kafarati, deviated from the terms of the plea agreement and handed down a very light sentence that included no jail time (this aspect of the case is discussed in more detail below). Igbinedion paid the equivalent of a \$25,000 fine, agreed to forfeit some of his property, and walked free on the spot. The EFCC appealed the light sentence. (See "Nigerian ex-governor indicted on graft charges: official," Agence France-Presse, January 23, 2008.)

It is unfortunate that the situation in some other economy differ as far as fraud and corruption is concerned, an example is the Disgraced former South Korean president Park Geun-hye was convicted of charges including illegally receiving funds (\$2.9Million) from the country's spy agency on Friday and given eight more years in prison, on top of her current term. Park, the South's first female president, was impeached last year after huge street protests over a sprawling scandal, and was jailed for a total of 32 years for corruption and abuse of power. Similarly the Romanian Adrian Nastase a Social Democrat prime minister from 2000 to 2004, Nastase was sentenced to four and a half years for corruption in 2012. He was freed early in March 2013 but jailed again in 2014 for several months for accepting bribes. Also, Ex-prime minister Vlad Filat (2009-2013) of Moldova was dramatically arrested in parliament in 2015 over allegations of accepting bribes worth some \$260 million, which he denied. He was sentenced to nine years in jail for corruption and abuse of office. Finally, Alberto Fujimori was the President of Peru from 1990 to 2000, Fujimori entered jail in 2009 after being sentenced to 25 years for rights abuses, including ordering massacres. In 2015 he was sentenced to another eight years on charges of embezzling state funds.

Evidence from the reviewed fraud cases in Nigeria and those of the other countries shows that there is a clear difference between the sentences (punishment) seen in Nigeria fraud cases and that of other countries. The only distinct nature of this theory is the introduction of 5th factor to the fraud diamond which is tagged punishment, meaning that punishment for fraudulent act should commensurate with fraud committed irrespective of their political, social and economic status. If this is not the case, people will be encouraged to perpetrate more fraudulent act. We have proven from the cases reviewed and survey, that when people are not adequately punished they tends to do worse than before which on the long run encourages other innocent mind to be encouraged in participating in fraudulent acts. The finding of this study is in line with literature, (Timothy & Adam, 2019; Yang, John & Aziz, 2019) affirm that effective punishments are important factors of any fraud prevention program. They stated that punishment imposed for fraudulent actions must be such that the cost therein will outweigh the expected/perceived gain from the fraud; this is in line with the submission of Steinway (2014).

Contribution, Conclusion and recommendations

The present study contributes to the literature by suggesting that severity of punishment should be included to the fraud diamond theory as proposed by Wolfe and Hermanson in 2004, this is based on the experience from sub-Sahara African countries. To achieve this contribution, the study clearly evaluate and the regulatory system of other continent with regard to fraud using known decided cases as compared to decided cases in Nigeria (a Sub-Saharan Country) of the same nature. This was done to prove why financial

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crimes are more prominent especially in the public sector of the country (area of focus of the study). Hence, only cases relating to public sector of the economy were reviewed.

We therefore conclude that the increase in fraud in the Nigeria context is also as a result of the punishment attached to those fraud cases. This is because the benefit from carrying out a fraud outweighs the cost to be paid for the fraudulent act (if at all found out or acted on). It is believed that many corruption problems in other parts of the world stem from common causes and may respond to similar approaches (Yeung, 2000) meaning that Nigeria can improve on the punishment to minimize the occurrence of fraud.

It is recommended base on finding on fraud cases previously discussed that not all fraud act should be pardonable by paying some amount in regard to the fraud committed, in fact some should even be denied of bail, they should be allow to serve the jail term without an option of paying for the fraud committed. This will show other perpetrators that no sinner will go unpunished as they duly deserve, when they (the ones that has the capacity as opined by Wolf and Hermanson (2004)) know and see it been implemented they will run away from fraud act because not many people want to sentence to 1year imprisonment that is why they always pay the cash. When the punishment attached to fraud act become severe and well implemented, the fraudsters has everything to lose unlike before that they can pay for their crime committed in double folds from the same fraudulent act, meaning that after paying the fine (call it liberal punishment) they still have enough to last their generation for the next 5 decades.

We then agree partially that even if accused persons will need to pay for the fraud committed, the theory is saying that the amount payable should outweigh the amount embezzled i.e. not an amount that can be paid out of the money stolen, paying double the amount stolen make it justifiable to represent punishment. No wonder the Holy Bible also emphasis that if you spear the rod you are spoiling the child (Proverb 23:13), meaning that the child will take advantage of no/commeasurable punishment to act more foolishly than you've ever experienced.

This can be seen as the main reason for a leptokurtic movement in the Nigeria fraud cases in recent years, surprisingly most of which are from some particular parastatals or sector of the economic confirming the adage that says it's the horse in front that determine the speed and direction of the once behind. Conclusively absence of commensurable punishment is also a proven fact that contributes greatly to the increase in fraudulent act in the sub-Saharan Africa, the Nigeria experience.

The principle of professional skepticism should also be exercised by forensic accountants in the process and approach used during their forensic investigation.

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