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Personality Red Flags of Fraud

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ABSTRACT

The persistent issue of substantial losses due to fraud has heightened interest in exploring factors contributing to fraudulent behavior, with limited focus on the role of personality traits in fraud detection. This study investigates six personality traits—wrath, envy, attachment, pride, desire, and greed—that may influence an individual's propensity for fraud. Using data collected through questionnaires distributed to microfinance institutions in Bali, a region experiencing a high prevalence of fraud cases, the study employs factor analysis to identify the contribution of these traits to fraudulent intentions. The findings reveal that wrath is the most significant predictor, followed by envy, attachment, pride, desire, and greed. The study underscores the practical implications of integrating personality assessments into organizational processes to enhance fraud detection and mitigation. This research offers a novel approach to understanding and addressing fraud in organizational settings by emphasizing personality traits as predictors of fraudulent intentions.

Keywords: *Fraud Detection; Fraud Prevention; Micro-Finance; Negative Personality Traits; Personality Red Flags; Profile Fraudster*

1. Introduction

The number of fraud cases globally is estimated to be 2,504 across 125 countries in 2021 (Association of Certified Fraud Examiners, 2020). These incidents resulted in recorded losses of $3.8 billion, equivalent to approximately 5% of companies' revenue. Fraud is a problem for countries worldwide and occurs in almost all sectors, both government and public and non-public sector organizations (Ar'Reza et al., 2020). The scale of this issue highlights the urgent need for a deeper understanding of why individuals commit fraud and how organizations can better prevent and detect fraudulent actions. With such a significant financial impact on companies worldwide, organizations must prioritize identifying fraudulent behaviors and patterns to protect their assets and reputation.

The typology of fraud committed in the last few years includes fraudulent financial reporting, misappropriation of assets, and corruption. The practice of fraud in all its forms is a serious economic and social problem and a concern of any private or public organization (Waromi et al., 2024). This fraud is a problem for countries worldwide and occurs in almost all sectors, both government and public and non-public sector organizations (Wuryandini et al., 2023). Fraud leads to direct financial losses and can damage employee morale, stakeholder trust, and public perception. As a result, there is a pressing need to understand why individuals commit fraud and the underlying psychological mechanisms that drive such actions. Some studies suggest that monitoring the behavior of employees can aid in detecting signs indicating fraudulent intent (Sandhu, 2020). Identifying specific behavioral traits that tend to lead to fraud can enable companies to detect issues early and take preventative measures before financial or reputational harm occurs. For example, sudden lifestyle changes, secrecy, and avoidance of oversight may indicate fraudulent intent. However, Cohen et al. stated that exploration into the behavior of fraudsters remains limited (Cohen, Ding, et al., 2010), particularly when understanding the broader psychological and emotional factors at play. Recognizing these behavioral indicators can assist organizations in more effective detection and minimizing losses (Association of Certified Fraud Examiners, 2020).

Fraud can be defined as dishonest actions pursued for personal gain or to inflict harm on others. However, not all fraudsters are driven solely by personal gain, as some individuals may derive pleasure from witnessing the losses incurred by a company or the chaos they cause. This underscores the complexity of their behavior, which is not always motivated purely by materialistic desires but can also be influenced by deeper emotional obsessions (Wallang & Taylor, 2012). Fraudsters often exhibit a complex interplay of motives, and a combination of personal, financial, and psychological factors can drive their actions. According to Wilks and Zimbelman, fraudsters are generally skilled at concealing intentions as their everyday attitudes and actions do not reveal any signs of fraudulent intent (Wilks & Zimbelman, 2004). This highlights a critical challenge for organizations: detecting fraud requires more than just monitoring financial transactions; it necessitates understanding human behavior, social dynamics, and psychological tendencies. It is a common misconception that fraudsters are inherently cunning individuals or have a history of fraud (Fisher, 2015). Association of Certified Fraud Examiners (ACFE) stated that 89% of perpetrators have no prior criminal record, further complicating the detection process (Association of Certified Fraud Examiners, 2020). Most fraudsters can interact seamlessly with other employees and do not exhibit specific behaviors that would raise suspicion. Despite this, observing and assessing their behavior—whether through routine monitoring, performance reviews, or behavioral assessments—can help identify potential perpetrators before they cause significant harm (Cohen, Krishnamoorthy, et al., 2010).

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ACFE also reveals that 76% of fraud cases are committed internally, with most perpetrators coming from within the organization. Among these percentages, employees account for 41%, followed by managers at 35% and company executives at 20% (Association of Certified Fraud Examiners, 2020). Although employees comprise the largest group, the losses attributed to executives are significantly higher than those associated with employees. Executives can circumvent internal controls compared to lower-level employees and have greater access to company assets. This accounts for the considerable disparity in losses caused by executives (Association of Certified Fraud Examiners, 2020). Moreover, the position of executives grants them significant power over financial systems, making it more difficult for lower-level employees or even auditors to detect fraudulent activities. Their authority and influence can also create an environment where unethical behavior goes unnoticed or unchecked, resulting in larger-scale fraud that deeply impacts the company's financial health. Executives and CEOs differ from employees regarding job level, resource access, opportunities for self-benefiting behaviors, and the psychological traits that may influence their decision-making. Observing behavior relevant to the nature of an individual can offer deeper insights into their psychological characteristics (Van Scotter & Roglio, 2020). Understanding the personality traits of executives may, therefore, provide critical clues about potential ethical lapses or fraudulent intentions before they manifest in damaging ways.

Narcissism and psychopathy are personality traits often linked to unethical behavior among CEOs. According to Boddy, corporate psychopaths are characterized by a lack of empathy, poor emotional control, and an aptitude for manipulation, making them more likely to engage in unethical practices without remorse (Boddy, 2006). Narcissistic tendencies, including a sense of entitlement, self-importance, and a desire for admiration, are also prevalent among individuals in positions of power. It is crucial to acknowledge that CEOs, like other individuals, are also human and can show some degree of narcissism. Their influential and powerful positions can enhance their self-esteem and amplify their desire for recognition and dominance (Raskin et al., 1991). The substantial losses resulting from CEO-led fraud make investigating CEO personalities particularly intriguing, as understanding these traits could lead to more effective detection and prevention strategies. Moreover, the lack of studies connecting CEO personalities to fraud makes this area of research especially worthy of further exploration. While much of the focus has been on detecting fraud after it occurred, exploring top executives' psychological profiles may provide proactive solutions to minimizing risk.

This study expands the exploration of an individual's character concerning fraudulent intentions. Unlike previous research (Boddy, 2006; Raskin et al., 1991), which primarily focus on narcissism and psychopathy to explain unethical conduct, the current study takes a different approach. It does not rely on narcissism and psychopathy alone to explain character. Instead, it draws on a broader set of personality traits identified in ACFE's report (Association of Certified Fraud Examiners, 2020). These traits are categorized into negative characteristics such as lust, greed, wrath, pride, attachment, and envy. Although not always directly associated with fraud, these traits may predispose individuals to engage in unethical behavior. According to Duffield and Grabosky, more investigation is needed to identify the specific personality traits predisposing individuals to commit fraud (Duffield & Grabosky, 2001). While studies have explored the connection between psychopathic personalities (Blickle et al., 2006; Boddy, 2006; Wallang & Taylor, 2012), narcissism (Raskin et al., 1991; Rijsenbilt & Commandeur, 2013), theoretical studies (Fisher, 2015; Latan et al., 2019; Morales et al., 2014), and dark triad personality (Modic et al., 2018), there is still a gap in understanding the broader set of personality traits that might influence fraudulent behavior. This study aims to fill that gap by

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exploring the relationship between a wider array of negative personality traits and unethical conduct among executives. Furthermore, the results are expected to contribute to this field by shedding light on how these negative personality traits, beyond psychopathy, narcissism, and the dark triad, can predict unethical behavior among executives. The study hopes to offer organizations valuable insights for more effective fraud prevention and detection strategies by providing a comprehensive view of the link between personality and unethical behavior.

2. Literature Review

2.1. Personality Red Flags of Fraud

One underexplored area of study comprises examining various personality traits displayed by fraudsters. While existing research has often focused on observable behaviors and actions that may signal fraudulent intent, less attention has been given to understanding the deeper psychological makeup of fraudsters, which can provide a more holistic view of their motivations and actions. Fraud red flags are potential warning signs within the business environment that may indicate a higher likelihood of fraudulent behavior (Sandhu, 2016). These red flags can act as early indicators of potential risk, allowing organizations to implement preventive measures before significant losses occur. ACFE has identified seven recurring behaviors among fraudsters, which serve as key indicators that something may be amiss within an organization (Association of Certified Fraud Examiners, 2020). These behaviors include:

1) Living beyond their means – Fraudsters may engage in extravagant spending or show signs of financial instability despite earning a relatively modest income.
2) Facing financial difficulties – Personal or professional financial struggles are often a significant driver behind fraudulent actions, pushing individuals to resort to dishonest methods to resolve their issues.
3) Developing inappropriate relationships with suppliers or customers - Fraudsters may form excessive or inappropriate relationships with key business partners, blurring the lines between professional and personal boundaries and often exploiting these relationships for personal gain.
4) Displaying excessive control tendencies and a reluctance to share responsibilities- A common trait among fraudsters is a desire for control, which may involve taking on tasks that should be delegated to others to avoid oversight or scrutiny.
5) Being easily offended, highly suspicious, and defensive – Fraudsters often react defensively when questioned, showing paranoia or defensiveness as they try to cover up their deceptive actions
6) Possessing transactional expertise and a tendency to disregard ethical considerations – Fraudsters typically have the necessary skills and knowledge to manipulate systems while demonstrating a lack of concern for ethical standards.
7) Recently experiencing divorce or family issues – Personal crises, such as divorce or family problems, can create emotional stress, which in some cases may push individuals towards fraudulent behavior as a way to cope with their emotional turmoil.

In 85% of reported cases, fraudsters exhibit at least one of these behaviors, while 49% of cases comprise multiple behaviors (Association of Certified Fraud Examiners, 2020). This consistent pattern of behaviors provides a solid foundation for detecting fraud. However, the more profound question remains about what psychological traits or personality factors lead individuals to engage in these behaviors.

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Previous studies consistently identified these behaviors, which noted traits such as financial troubles and family issues among fraudsters (Clinard & Cressey, 1954). Subsequent research has added more traits, such as sudden lifestyle changes, greed, above-average intelligence, effective lying skills, stress tolerance, a tendency to rationalize unethical actions, and excessive self-praise (Cohen, Ding, et al., 2010; du Toit, 2024; Farber, 2005; S. Kaplan & Reckers, 1995; Wolfe & Hermanson, 2004). While these studies provide valuable insights into the behaviors of fraudsters, they often focus on observable actions rather than delving deeper into the underlying personalities that fuel such behaviors

ACFE and other previous studies have focused on the behavioral characteristics exhibited by fraudsters, but they have not fully explored the personalities driving these behaviors. According to the American Psychological Association, personality consists of enduring traits and behaviors in individuals, encompassing their adaptations to life, primary characteristics, interests, motivations, values, self-concept, abilities, and emotional patterns (VandenBos, 2007). In order to gain a deeper and more comprehensive understanding of individuals engaging in fraud, this study focuses not only on observable behaviors but also on the personality traits that underpin these actions. This approach assumes that personality traits can predict behavior, especially when those behaviors are consistent across various situations, specifically when behavior remains consistent across different situations (Hassabis et al., 2014). For instance, an individual's tendency to act greedily or to justify unethical actions could stem from their underlying personality traits, which are present even in different work contexts.

Identifying these negative personality traits is crucial, as they can significantly shape an individual's decision-making processes. Traits like narcissism, greed, or pride may lead individuals to rationalize fraudulent behavior or convince themselves that their actions are justified (Leong & Chervinko, 1996). This study draws upon the behavioral traits outlined by ACFE and previous explorations to categorize these traits into six core negative personality traits: desire, greed, wrath, pride, attachment, and envy. These traits are linked to unethical behavior in the context of fraud and are prevalent across various belief systems and cultural contexts.

Christian beliefs align with the seven deadly sins: pride, greed, lust, envy, gluttony, wrath, and sloth (Veselka et al., 2014). Hindu beliefs correspond to Arishadvarga or Shadripu Personality Theory, which includes lust, greed, anger, delusion, arrogance, and jealousy (Satpathy, 2021). Each trait plays a role in an individual's propensity for engaging in immoral or fraudulent actions. Likewise, in Buddhist philosophy, negative personality traits like greed, fury, and misguided thinking are seen as barriers to ethical living and spiritual growth (Jeon, 2021). To avoid redundancy, this study utilizes a selection of six traits—desire, greed, wrath, pride, attachment, and envy—believed to encompass the full range of negative personality characteristics identified across these three belief systems. By focusing on these core traits, this study aims to offer a more nuanced understanding of how underlying personality factors influence fraudulent behavior, especially among individuals in positions of power, such as corporate executives.

Exploring these negative personality traits provides an important opportunity for organizations to assess the behaviors of potential fraudsters and the psychological and emotional patterns that may predispose them to act unethically. Understanding these traits in depth could lead to the development of more targeted prevention strategies, such as personality assessments during hiring processes or ongoing behavioral monitoring, to identify individuals who may be at risk of engaging in fraudulent activities. Furthermore, this approach highlights the importance of considering personality as a series of behavioral traits and as a framework

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that shapes how individuals perceive their actions, interact with others, and make ethical decisions in the workplace.

2.2. Personality Study Related to Fraud

Previous studies (Jeon, 2021; Leong & Chervinko, 1996; Satpathy, 2021; Veselka et al., 2014) have tried to address whether specific personality traits can be linked to unethical behavior, particularly in the context of fraud and corporate misconduct. The growing interest in understanding the psychological underpinnings of unethical actions has led to an increasing body of research that examines the relationship between personality traits and fraudulent behavior. An intriguing question arises, such as which personality traits play the most significant role in prompting unethical actions and whether certain traits make individuals more likely to commit fraud than others. Given the complexity of human behavior, this question does not have a straightforward answer, and it requires a deeper exploration of various personality dimensions and how they intersect with situational factors that may encourage dishonesty.

Previous studies reveal that no single personality trait serves as the sole cause of fraud (Jeon, 2021; Leong & Chervinko, 1996; Satpathy, 2021; Veselka et al., 2014). Fraud is a multifaceted issue, and it is important to recognize that many factors, including environmental, organizational, and individual traits, contribute to fraudulent activities. While certain personality traits are consistently linked to unethical behavior, these traits often interact in complex ways. For example, traits such as greed, narcissism, and low levels of empathy may increase an individual's willingness to engage in dishonest behavior. However, the presence of these traits alone does not guarantee fraudulent actions. The context in which a person operates—such as their organizational environment, financial stress, or opportunities for dishonesty—can play a critical role in determining whether these traits translate into unethical actions.

Studies have suggested that individuals with high levels of narcissism may be more prone to unethical behavior, as they tend to have inflated self-views, a sense of entitlement, and a lack of empathy for others (Amernic & Craig, 2010; Rijsenbilt & Commandeur, 2013). Narcissistic individuals may engage in fraud because they see themselves as deserving of special treatment or financial reward, and they might justify unethical behavior as a means to fulfill their desires. Similarly, psychopathy, another personality trait often linked to unethical actions, involves a lack of remorse, impulsivity, and manipulative tendencies, all of which can facilitate fraudulent behavior. Psychopaths may commit fraud without experiencing feelings of guilt or concern for the harm they cause to others, making them particularly dangerous in corporate environments. These traits have been widely studied in the context of corporate fraud and unethical decision-making. However, they do not completely explain why individuals engage in such behavior.

One study suggests that anger is among the most frequently experienced emotions that trigger unethical behavior due to its association with impulsivity (Motro et al., 2018). Fox and Spector found a strong connection between anger and unproductive behavior, particularly when employees believed they could harm the company without being detected (Fox & Spector, 1999). Subsequent explorations associate lust or desire with unethical behavior, defining desire as excessive thoughts of a sexual nature often linked to promiscuity (Dodge et al., 2004). This study narrows the understanding of lust or desire to an intense craving for money and power, even when an individual already possesses these assets (Satpathy, 2021).

Another personality trait linked to unethical behavior is greed, which was widely discussed as a factor behind financial scandals and crises in late 2000s America (Seuntjens et al.,

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2019). Various investigations have found that individuals driven by greed tend to engage in unethical conduct, including concealing crucial information (Steinel & De Dreu, 2004). Additionally, people are prone to greed and dishonesty when they are part of specific groups (Cohen, Ding, et al., 2010). Furthermore, Seuntjens et al. established a correlation between greed and unethical behavior (Seuntjens et al., 2019).

Attachment or infatuation can be linked to a personality that feels deeply attached to someone or something, even when mistakenly believing it rightfully belongs to them (Satpathy, 2021). An interesting point made by Umphress and Bingham was that within an organization, established habits and routines could push employees who have a strong attachment to the organization to engage in unethical actions (Umphress & Bingham, 2011). Another personality trait worth exploring in the context of unethical behavior is pride. Pride is an excessive self-love coupled with a disregard for the efforts of others (K. J. Kaplan & Schwartz, 2006). This attribute is closely related to narcissistic traits found in the dark triad personality (Veselka et al., 2014). Satpathy explains that individuals with a prideful disposition often find it difficult to accept defeat, leading them to resort to fraud or deception to preserve their reputation (Satpathy, 2021).

The final personality trait predicted to contribute to unethical behavior is envy. Envy is characterized by an excessive desire for what others possess, often accompanied by a wish for those others to lose what they have (Palencia-Roth & Lyman, 1979). When individuals perceive unfairness that does not benefit them, it can trigger feelings of envy (Dunn & Schweitzer, 2006). In addition, this trait can prompt dishonest behavior, harm towards others, a lack of assistance to those who evoke envy, and exaggeration of personal achievements (Tai et al., 2012). Individuals strongly affected by envy may engage in actions detrimental to colleagues who arouse their envy (Dunn & Schweitzer, 2006). These findings indicate no conclusive evidence establishing a direct link between negative personality traits and dishonest behavior.

3. Research Methodology

This study was conducted in Indonesia due to its position in Asia-Pacific, ranking fourth in reported fraud cases (Association of Certified Fraud Examiners, 2020). This positioned the country with Southeast Asia's highest number of fraud cases. Furthermore, based on the 2019 survey conducted by ACFE Indonesia, it became evident that financial institutions were particularly vulnerable and affected by these cases (Pratono, 2021). The study specifically focused on microfinance institutions that operated in Bali because the institution accounted for the highest number of cases compared to others, with 11 cases reported out of the 50 covered by various mass media outlets.

Data collection was carried out by distributing questionnaires to all microfinance institutions in Bali. Meanwhile, there were 1,436 registered microfinance institutions in 2021; data for 1,306 were available in the Bali provincial database (Satu Data Bali, 2023). Respondents included executives from these institutions, with three executives from each, resulting in a population of 3,942 individuals. Executives in microfinance institutions held top management positions, possessed decision-making authority, and had unrestricted access to information sources, making them more susceptible to engaging in fraudulent activities. It was also noted in the report of ACFE that although only 20% of fraudsters held top management or executive positions, they were responsible for the most substantial losses compared to other perpetrators, such as employees (Association of Certified Fraud Examiners, 2020). Determining the sample size followed the method proposed by Isaac and Michael (Hays, 1982), leading to a final sample size of 354 respondents distributed across Bali.

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The questionnaire utilized in this study was developed using elements from several personality scales, including the Heintzelman Greed Scale, Clinical Anger Scale, and Envy Scale (Lambie & Haugen, 2019; Lange & Crusius, 2015; Snell et al., 1995). The selection of indicators for each personality trait was meticulously carried out with the assistance of psychologists and language experts to ensure high quality. Each personality trait was assessed using three statements, resulting in 18 statements within the questionnaire. After creating the questionnaire, a pilot study was conducted to assess the instrument quality among employees of microfinance institutions in Denpasar City. The results, comprising 39 respondents, concluded that the instrument showed high validity and reliability for the exploration.

The next step consisted of assessing the personality trait believed to have had the most significant impact on fraud intention. This study used factor analysis to address this question, confirming factor structures based on concepts or theories.

4. Results

The distribution of questionnaires spanned three months, during which 354 questionnaires were distributed to all microfinance institutions in Bali. A total of 347 questionnaires were returned and were deemed suitable for the study. The results began with an overview of the demographic characteristics of the respondents, as shown in **Table 1**.

Table 1. Respondents' Demographics

No	Category	Subcategory	Number	Percentage
1	**Position**	Chairman	114	32.9%
		Secretary	117	33.7%
		Treasurer	116	33.4%
2	**Length of Employment**	1-3 years	20	5.7%
		>3 years	327	94.2%
3	**Age**	<25 years	10	2.9%
		26-35 years	43	12.4%
		36-45 years	75	21.6%
		46-55 years	126	36.3%
		>55 years	93	26.8%
4	**Gender**	Female	170	49.0%
		Male	177	51.0%
5	**Education**	Senior High School	222	63.9%
		Diploma	26	7.5%
		S1 (Bachelor Degree)	90	25.9%
		S2 (Master Degree)	9	2.6%
		S3 (Doctoral Degree)	-	-
Total			**347**	**100.0%**

Table 1 showed that most respondents held secretarial positions, had more than three years of work experience, fell within the 46-55 age bracket, were male, and had a Senior High School education.

Identifying personality red flags through factor analysis was explained step by step. The Test results of KMO and Bartlett can be seen in **Table 2** below:

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Table 2. Kaiser-Meyer-Olkin and Bartlett's Test of Sphericity

Kaiser-Meyer-Olkin Measure of Sampling Adequacy		0.718
Bartlett's Test of Sphericity	Approx. Chi-Square	639.732
	Degrees of Freedom (df)	15
	Significance (Sig.)	0.000

In the KMO and Bartlett test table, the KMO measure of sampling adequacy (MSA) yielded a value of 0.718. With this value exceeding 0.5, and considering Bartlett's test of sphericity with a chi-square value of 639.732 and a significance level of 0.000, it indicated that the personality red flags used in this study could be further analyzed.

The next stage consisted of determining which personality red flags were associated with a propensity for fraud intentions. The analysis of the results presented in the anti-images matrices in **Table 3** was used to address this question.

Table 3. Anti-Image Correlation Matrix

	Desire	Greed	Wrath	Attachment	Pride	Envy
Desire	**0.679**[a]	-0.321	-0.112	0.204	-0.412	-0.008
Greed	-0.321	**0.677**[a]	0.008	0.352	0.152	0.485
Wrath	-0.112	0.008	**0.816**[a]	-0.139	-0.235	0.047
Attachment	0.204	-0.352	-0.139	**0.734**[a]	-0.338	-0.125
Pride	-0.412	0.152	-0.235	-0.338	**0.698**[a]	-0.187
Envy	-0.008	0.485	0.047	-0.125	-0.187	**0.766**[a]

[a] Measure of Sampling Adequacy (MSA)

In the Anti-images Matrices, the numbers along the diagonal marked (a) represented the MSA (Measure of Sampling Adequacy) for each variable, similar to the six personality red flags in the context of this study. The particular variable would be excluded when these numbers fell below an MSA value of 0.5. The test results revealed that all six personality red flags used exhibited MSA values exceeding 0.5, hence meeting the criteria for factor analysis. **Table 3** also revealed which personality red flags most prominently drove fraud intentions. The test results indicated that, among the six personality red flags, wrath was the personality red flag with the highest MSA value.

5. Discussions

Based on the results of the analysis, this study found that wrath is the personality that mostly affects fraud intention. This suggested that individuals exhibiting a wrathful personality were the most commonly encountered among fraudsters. According to Motro et al., individuals with wrathful personalities display unethical behaviour (Motro et al., 2018). A perceived sense of injustice could trigger anger within an organization (Bolino & Klotz, 2015). This personality trait was characterized by various features, including reacting strongly to perceived injustices, displaying aggression, being prone to conflicts with others, and occasionally responding excessively harshly (Satpathy, 2021). The current study proposes that individuals harboring anger within an organization impulsively react to perceived injustices. These feelings led to a desire for retribution against the perceived unfairness, often resulting in unethical conduct. It should be noted that this reaction prompted individuals to engage in unethical actions capable

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of harming the organization, such as resorting to fraud as a form of retaliation against perceived injustices. Anderson and Bushman also noted that individuals with anger tendencies often reacted impulsively to curtail threatening behaviors promptly, prevent future disruptive actions, and uphold a sense of justice (Anderson & Bushman, 2002). Fox and Spector observed that anger was strongly linked to unproductive work behavior, particularly when individuals believed they could harm the organization without detection (Fox & Spector, 1999).

Based on **Table 3**, the personality trait contributing the most to fraud intentions next to wrath or anger was envy. Envy could be defined as a state in which individuals feel lacking in qualities, achievements, or wealth compared to others and desire that others also lack these things (Dunn & Schweitzer, 2006). Individuals experiencing envy frequently compared themselves to others to determine if they were in a favorable position. Individuals might experience envy when they perform poorly and when others outperform or exhibit exceptional performance. This suggested that envy was a part of an individual's personality and not solely a reaction to external stimuli. In addition, it also inferred that individuals with envy tendencies strived to outperform others, even when it meant engaging in unethical actions to achieve their goals. Envy related to the accomplishments and wealth of others compelled individuals to seek similar achievements quickly, and engaging in fraud within the organization could be a means to fulfill this desire.

The results indicated that attachment was the third personality trait contributing to fraud intentions. Attachment could be interpreted as infatuation when individuals do not accurately perceive reality and excessively attach themselves to something (Satpathy, 2021). This implied that individuals with this personality trait had an exaggerated attachment to success and material gains. In an organization, this personality trait leads individuals to perceive that everything the company owns belongs to them as employees. This strong attachment prompted executives or managers to view all company assets as their own. Additionally, the executives utilized the company's resources as though the facilities belonged to them personally and manipulated information to conceal these actions. Executives easily manipulated net profits to showcase positive company performance and maintain their image (Amernic & Craig, 2010).

Pride is the fourth personality red flag that contributes to fraud intentions. Individuals with this personality trait had excessive self-love, believed in their superiority over others, and measured achievements primarily in material terms (Satpathy, 2021). Pride or ego has long been associated with motivating fraud, as Sutherland demonstrated that the ego drives fraudulent intentions. Individuals with high egos often believed they could manipulate and control others (Sutherland, 1949). Executives, in particular, tended to develop a sense of superiority, leading to a belief that they could engage in fraud without detection, whether by others or the information system (Duffield & Grabosky, 2001). Individuals with this personality trait feared losing what they possessed. Hence, when they encountered financial difficulties threatening their social status and public image, fraud became an option to resolve these challenges.

As predicted at the beginning of this study, desire is a personality trait contributing to fraud intentions. This personality trait was marked by an insatiable craving to possess something, even when not permitted by financial conditions (Duffield & Grabosky, 2001). This discovery supported the notion that an unquenchable desire was a factor that drove fraud, although it might not have been the primary contributing factor. The persistent yearning for an object or material possession propelled individuals to strive for its attainment. However, when faced with financial constraints that could prevent selfish desires from being fulfilled, individuals tended to commit fraud within the organization to satisfy these cravings. According to the report by ACFE, a prevalent behavior observed among fraudsters was living beyond their

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means, signifying that these individuals faced financial limitations but endeavored to fulfill their desires through fraudulent activities within the company (Association of Certified Fraud Examiners, 2020).

Finally, it should be noted that individuals with greed also contributed to the occurrence of fraud. This personality trait was characterized by individuals who manipulated and deceived others for their gain (Veselka et al., 2014). Seuntjens et al. noted that greedy individuals were inclined toward violations and unethical behavior (Seuntjens et al., 2019). Furthermore, their experiments, which included subjects in vendor selection, revealed that greedy individuals tended to collaborate with companies offering bribes. These results were consistent with the fraud behavior traits identified by ACFE, where 19% of fraudsters exhibited unusually close relationships with suppliers or vendors (Association of Certified Fraud Examiners, 2020). This proximity was often linked to the bribes received by executives in exchange for securing specific vendors for bidding contracts.

6. Conclusion

This study provides crucial insights into the role of personality traits as predictors of fraudulent behavior, addressing a significant gap in fraud prevention research. By focusing on six negative personality traits—desire, greed, wrath, pride, attachment, and envy—this study expands the understanding of how these traits influence the intention to commit fraud in organizational contexts.

The findings highlight that wrath (anger) is the most influential personality trait associated with fraudulent intentions. This underscores the impact of perceived injustice within organizations, particularly in environments with limited transparency and inconsistent policies. Envy and attachment were identified as the second and third most significant traits, respectively, emphasizing the interplay between personality and unethical behavior.

While this study offers valuable contributions, it acknowledges several limitations. The reliance on self-reported questionnaires introduces the potential for social desirability bias, which may influence respondents' answers. Additionally, the cross-sectional nature of the research limits the ability to observe behavioral consistency over time. Future studies should explore longitudinal designs or alternative methods, such as experiments and qualitative approaches, to validate these findings and provide deeper insights.

Organizations are encouraged to integrate personality assessments into their recruitment and monitoring processes to advance fraud prevention strategies. This approach could help identify individuals predisposed to fraudulent behavior and foster a culture of accountability and fairness, thereby reducing the prevalence of fraud.

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8. Declaration of Conflicting Interests

The authors have declared no potential conflicts of interest concerning this article's research, authorship, and/or publication.

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