

# Fraud at University: Recent Research Developments

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**Abstract.** This study aims to analyze the development of topics related to fraud occurring in universities. Universities are institutions that gather funds from the public, making their use subject to greater public scrutiny. Data were obtained through a review of both national and international literature, resulting in 110 journals which were then further selected to yield 10 journals for detailed analysis. The research methodology involved classifying and analyzing literature reviews on fraud in universities, based on theories, methodologies, findings, and populations. The analysis reveals that fraud is a phenomenon in universities. The most common cases involve academic dishonesty, administrative processes, and financial accountability. Such frauds impact the quality of education at these institutions. Given the limited previous research on fraud in universities, the author was motivated to develop this article. This research contributes to advancing the topic of university fraud research, with the aim of improving the quality of education in higher education institutions.

**Keywords:** Transformational Leadership, Commitment, OCB, Remote Area, Remote Worker, Forestry Company.

## 1 Introduction

Fraud is a phenomenon that may occur in universities. On August 19, 2022, an operation was carried out by the Corruption Eradication Commission against a Rector at a state university in connection with the corruption case involving the Institutional Development Donation through the Independent Admission Pathway[1]. Data from Indonesia Corruption Watch (ICW) from 2016 to 2021 recorded that more than 800 educational actors were legally entangled in corruption cases. The allocation of the State Budget for education in the Ministry of Education, Culture, Research, and Technology almost always increases annually [2]. However, the official website of the Ministry of Education, Culture, Research, and Technology does not provide the exact budget figures, only the achievement targets of their programs. ICW noted that the budget managed does not align with the level of transparency provided by the Ministry of Education, Culture, Research, and Technology. This, of course, creates opportunities for fraud perpetrators to engage in fraudulent activities.

Budget governance in the education sector is still not optimal, from the central level down to schools and universities, with minimal public participation. The involvement of stakeholders in the process of program planning, budgeting, and financial management in education is not significantly regulated in education sector policies and regulations. Central government

education programs tend to rely on proposals from regional education departments and statistical data from the Central Statistics Agency and the World Bank. This situation is an important consideration for educational institutions to increase their vigilance against potential fraudulent activities that may harm them.

Fraud is an illegal act deliberately committed to achieve personal or group goals, such as manipulating financial reports for specific purposes [3]. Fraud Triangle, which states that three components—pressure, opportunity, and rationalization—are the basis for fraud and responsible for motivating someone to commit fraud [4]. Eventually, this theory evolved into the Fraud Diamond model, which proposes pressure, capability, opportunity, and rationalization as reasons for fraud [5]. Additionally, this theory was developed from the fraud diamond model into the Fraud Pentagon by adding arrogance as a new element that triggers fraud [6]. The Fraud Hexagon theory emerged as an updated theory to detect fraud triggers, developed by adding a new element, collusion, as a fraud trigger [7].

Several previous studies have discussed the topic of fraud in universities or higher education institutions. Fraud in universities in East and Southeast Asia is attributed to weak transparency measures and the complex relationship between corruption and governance in the region [8]. In Russia, fraud is highly complex due to the high frequency of occurrence and the low integrity within universities [9]. Students perceive favoritism as the most frequent type of fraud in universities compared to other forms of fraud [10]. Fraud may also occur in accreditation procedures and conditions in universities [11]. The occurrence of fraud in universities is driven by factors such as pressure, opportunity, rationalization, competence, and arrogance, with ethical values as a moderating variable [12]. Based on the above explanation, this study will focus on the following research questions:

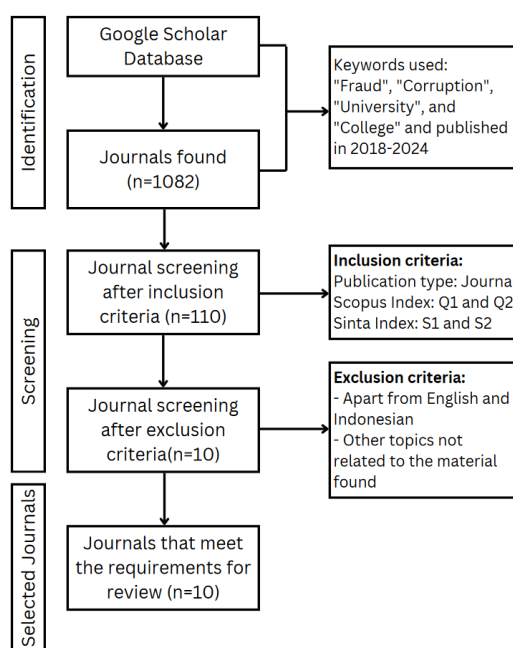
1. Journals that distribute the results of this research.
2. Research methods used in previous studies.
3. Topics discussed in previous studies.
4. Areas that could be further explored in future research.

The data used in this study come from national and international journals published from 2018 to 2024. Content analysis of the articles was conducted to understand each journal's methodologies, topics, and findings. Thus, this study aims to demonstrate the development of research related to fraud in universities.

## **2 Research Method**

The research process begins with searching for related articles by formulating search keywords, selecting databases, and establishing article selection criteria [13]. To ensure that the articles obtained align with the research topic, the keywords must be relevant to the topic under discussion. The first step involves searching for articles using Google Scholar as the search engine. The search targets articles published between 2018 and 2024 to ensure the articles are relevant to current conditions. The keywords used are "Fraud," "Corruption," "University," and "Higher Education." The search results yielded 110 publications that matched the search parameters.

After the search process is completed, the next step is to filter the results based on the type of publication, title, keywords, and abstract. The selected articles must be publications, not books or proceedings, and written in English or Indonesian, indexed by Scopus (Q1 and Q2) or Sinta (S1 and S2). The requirement for Scopus and Sinta indexing ensures that the articles are from reputable and credible sources. After the filtering process, 10 articles were selected for further observation. This number is considered sufficient as it has gone through a comprehensive method and transparent discussion. **Figure 1** illustrates the article quality screening process. A summary of each research finding is also made to answer the research questions. The examination and assessment of the quality of these articles are necessary for the researcher to comprehensively understand all research findings.



**Fig 1.** Screening Process  
Source: Processed data (2024)

### 3 Results

**Table 1.** List of articles that have passed the screening process along with the name of the author and year of publication as well as the name of the journal and its ranking.

No	Titles	Author and Year of Publication	Journal	Ranking
1	Corruption and Fraudulent Activities in Higher Education: A Study of Literature	Ludwina Harahap, Jaka Isgiyarta (2023)	Jurnal Manajemen	S2

2	Students' Perceptions of University Corruption in a Spanish Public University: A Path Analysis	Marti F. Julian, Tomás Bonavía (2022)	Frontiers in Psychology	Q1
3	Determinants of Students' Willingness to Engage in Corruption in an Academic Setting: an Empirical Study	Marti F. Julian, Tomás Bonavía (2020)	Journal of Academic Ethics	Q1
4	Approaches to Corruption: a Synthesis of the Scholarship	M. Prasad, Mariana Borges Martins da Silva, Andre Nickow (2018)	Studies in Comparative International Development	Q1
5	How Corrupt Are Universities? Audit Culture, Fraud Prevention, and the Big Four Accountancy Firms	C. Shore (2018)	Current Anthropology	Q1
6	Of Worms and woodpeckers: governance & corruption in East and Southeast Asian higher education	A. Welch (2020)	Studies in Higher Education	Q1
7	Corruption and education in developing countries: The role of public vs. private funding of higher education	Nicole Duerrenberger, Susanne Warning (2018)	International Journal of Educational Development	Q1
8	The Problem of Institutional Corruption in the System of Higher Education	I. T. Ekaterina, A. T. Dmitrii (2019)	Higher Education in Russia	Q2
9	Academic Dishonesty at Russian Universities: A Historical Overview	Elena Viktorovna Denisova-Schmidt (2023)	World of Russia	Q2
10	Fraud in higher education: a system for detection and prevention	T. D. Souza-Daw, Robert Ross (2021)	Journal of Engineering, Design and Technology	Q2

Source: Processed data (2024)

The initial assessment and screening of journals resulted in the selection of 10 articles from publications indexed by Scopus and Sinta. Among these, only one article is indexed by Sinta with an S1 ranking, while the articles indexed by Scopus consist of six articles ranked Q1 and three articles ranked Q2. Selecting articles based on these criteria is expected to enhance the accuracy and effectiveness of the analysis process, as the chosen articles maintain a high standard of quality.

**Table 2.** Methodology used and research findings

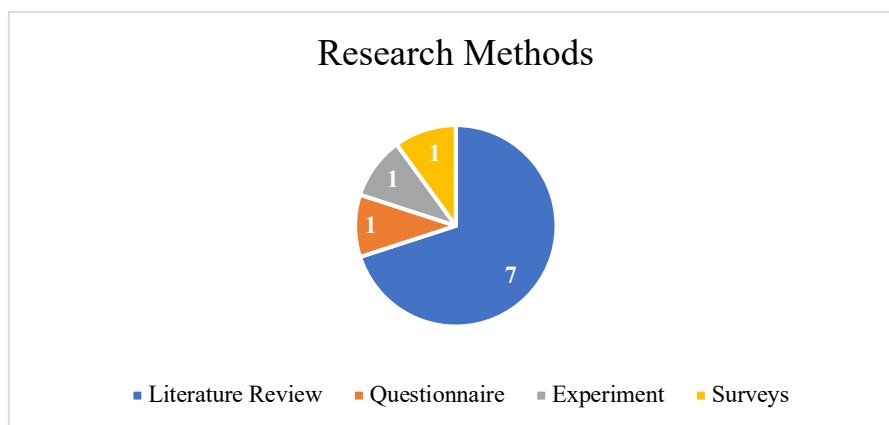
No	Titles	Methods	Results
1	Corruption and Fraudulent Activities in Higher Education: A Study of Literature	Qualitative approach with literature review	Factors such as pressure, opportunity, rationalization, competence, and arrogance contribute to fraud tendencies, with ethical values serving as a moderating influence. Structural changes and enhanced ethical values are necessary to combat corruption effectively.

2	Students' Perceptions of University Corruption in a Spanish Public University: A Path Analysis	Used a questionnaire on students which was then analyzed using SEM	The findings in this study indicate that students perceive favoritism as more common than bribery, fraud, and embezzlement. The results of the analysis show that risk perception is negatively correlated with justification, and corruption intentions decrease as risk perception increases.
3	Determinants of Students' Willingness to Engage in Corruption in an Academic Setting: an Empirical Study	Used an experimental design on 120 undergraduate students divided into 3 treatments	Students are more likely to engage in non-monetary corruption like favoritism, but less likely to engage in monetary corruption like embezzlement, with low corruption acceptance showing the lowest rates.
4	Approaches to Corruption: a Synthesis of the Scholarship	Survey on academic misconduct practices and expands the survey by analyzing the accreditation process	The review of accreditation procedures and conditions identifies that fraudulent practices can occur at every part of any policy and procedure. The framework prevents repudiation and allows for spontaneous investigations internally and externally. The block-chain prevented changes to the system and allow for auditing of changes. A system such as this could suppress accreditation fraud and minimize its corrupt impact. Not to mention identify with relative ease the severity and life of corrupt practice.
5	How Corrupt Are Universities? Audit Culture, Fraud Prevention, and the Big Four Accountancy Firms	Qualitative approach with literature review	This paper explain the phenomenon through the lens of the institutional corruption theory and argue that the observing evolution of modern academia forms a wrong system of incentives, bringing to the hands of bureaucrats excessive power, which, eventually, distorts the performance of the higher education sphere and undermines the effectiveness of this important institution.
6	Of Worms and woodpeckers: governance & corruption in East and Southeast Asian higher education	Qualitative approach with literature review and empirical analysis	In low-corruption countries, public higher education enrollment increases expected years of schooling, while it decreases in high-corruption countries.
7	Corruption and education in developing countries: The role of public vs. private funding of higher education	Qualitative approach with literature review and empirical analysis	A historical overview of Russian higher education shows that corruption is a complex issue. It can only be fully understood within a particular historical and cultural context, stipulating some other factors such as its frequency, its embeddedness in higher educational institutions and society at large, and the possible reasons for the lack of academic integrity.

8	The Problem of Institutional Corruption in the System of Higher Education	Qualitative approach with literature review	Research shows that although all three anti-corruption approaches are valuable tools in fighting bureaucratic corruption, they require more systematic research to develop viable corruption reform methods.
9	Academic Dishonesty at Russian Universities: A Historical Overview	Qualitative approach with literature review	Universities are increasingly influenced by corruption narratives and the rise of audit culture, with the "Big Four" accountancy firms playing a role in anti-corruption initiatives and potentially colluding in risk and corruption.
10	Fraud in higher education: a system for detection and prevention	Qualitative approach with literature review	Corruption in higher education in East and Southeast Asia is common, but most systems rank poorly on conventional transparency measures, highlighting the complex relationship between corruption and governance in this region.

Source: Processed data (2024)

The review results indicate that out of the 10 articles used in this study, 7 used a qualitative approach with a literature review, 1 utilized a questionnaire, 1 used an experimental method, and 1 conducted a survey. This suggests that research on fraud in universities has predominantly focused on literature reviews, highlighting the need for further exploration using other methods, such as quantitative approaches with primary or secondary data. Expanding research methodologies could provide more comprehensive insights into the issue and address the limitations of existing studies.



**Fig 2.** Research Methods  
Source: Processed data (2024)

## 4 Discussion

Fraud is a complex and pervasive phenomenon within universities and higher education, encompassing various forms of misconduct that involve academic, financial, and administrative

aspects. Academic fraud, such as favoritism, plagiarism, and data manipulation, is particularly common and concerning. Experimental studies with students have shown that favoritism is perceived as the most frequent form of fraud in universities, surpassing bribery, fraud, and embezzlement [14]. This indicates that misconduct in academic settings is not only financially illegal but also involves ethical violations that undermine academic integrity.

In the context of accreditation procedures and standards, Blockchain technology can be utilized to mitigate fraud [11]. Blockchain offers a transparent and immutable system, ensuring that accreditation processes are conducted fairly and transparently. This suggests that the use of technology plays a crucial role in reducing the risk of fraud in universities, thereby preserving the credibility of academic processes. According to classical criminology theory, when individuals perceive a higher risk of being caught, they are more likely to avoid illegal behavior, indicating that awareness of the risks can also reduce the intent to commit fraud [10]. Factors such as pressure, opportunity, rationalization, competence, and arrogance drive the occurrence of fraud in universities [12]. This shows that university fraud is not solely driven by financial motives but also by psychological and social dynamics.

A historical review of higher education in Russia reveals that fraud is a complex issue, perceived differently by internal and external stakeholders due to its high frequency, its connection to higher education institutions, and its broader societal impact. This may be attributed to low academic integrity within these universities [9]. Similar studies in Russia have also shown a clear discrepancy between the stated goals and the observed outcomes. The evolution of modern academia has created a flawed incentive system and granted excessive power to bureaucrats, leading to weakened institutional effectiveness due to the distorted performance of the higher education sector [15]. Research in East and Southeast Asia shows that fraud in universities often occurs due to poor conventional transparency systems, illustrating the complexity of the relationship between corruption and governance in this region [8].

In countries with low levels of corruption, students tend to pursue higher education for longer periods [16]. This is likely due to the belief that education will provide fair and beneficial rewards in the long run. Conversely, in countries with high levels of corruption, students are more inclined to graduate quickly due to concerns about transparency and education funding. Fraud in universities can lead to a loss of trust in the system, which in turn can diminish academic aspirations and motivation. The "Big Four" accounting firms play a significant role in enhancing anti-corruption campaigns and audit culture. However, there is a potential risk that the "Big Four" might engage in collusion, which could contribute to corruption risks [17]. This raises concerns about the possibility of collusion between these firms and the entities they are supposed to audit.

In combating fraud in universities, three anti-corruption approaches have shown positive impacts in efforts to fight corruption in higher education. However, better outcomes could still be achieved through more systematic research to create more effective anti-corruption reforms [18]. This underscores the importance of developing evidence-based policies and adopting more comprehensive approaches to addressing the issue of fraud in the education sector. Structural changes and the enhancement of ethical values also play a role in combating fraud in universities [12]. By strengthening ethical frameworks and promoting a culture of integrity, universities can

more effectively address the challenges posed by fraud while maintaining the role of education as a tool for achieving social and economic progress.

## 5 Conclusion

Fraud in universities or higher education institutions is a complex issue that encompasses various aspects such as academics, finance, and administration. Academic fraud, such as favoritism, is one of the most common forms of fraud and poses a significant threat to academic integrity by reflecting ethical violations. To maintain the credibility of educational institutions, technologies like Blockchain can play a crucial role in enhancing transparency and reducing the risk of fraud in accreditation processes. Fraud in universities is driven by a combination of psychological and social factors, including pressure, opportunity, rationalization, competence, and arrogance.

Case studies from Russia and East and Southeast Asia highlight how weak transparency and governance exacerbate these issues and negatively impact the effectiveness of higher education. Fraud also significantly affects academic interest and motivation, with higher levels of corruption in certain countries leading students to seek quicker graduation due to a lack of trust in the education system. Anti-corruption approaches require further attention to develop more systematic, evidence-based strategies that focus on comprehensive policy reform. Strengthening ethical values and integrity frameworks is key to addressing these challenges, ensuring that education remains a tool for achieving equitable social and economic progress.

This research employs a literature review method, which is vulnerable to the author's subjective judgment in selecting articles for the study sample. Furthermore, the limited number of Scopus and Sinta-indexed articles related to university fraud poses a constraint on deepening the analysis in this research. Therefore, future research should consider using quantitative methods, given the scarcity of studies utilizing such approaches. Additionally, applying the fraud hexagon theory in future studies could provide a deeper understanding of university fraud.

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