The effect of individual intention on fraud behavior: Religiosity as moderating variable

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ABSTRACT

This study aims to examine the effect of pressure, opportunity, rationalization on intention to commit fraud. This study also examines the effect of intention to commit fraud on fraud behavior by religiosity as the moderating variable. This research was conducted at the Village Government of Malang Regency. The sampling method uses probability sampling method. The data in this study was obtained by distributing 191 questionnaires to respondents who served as village heads or village secretaries in the Village Government of Malang Regency. The analysis technique uses Structural Equation Modeling (SEM) through the smartPLS program. The results show that opportunity, and rationalization has a positive effect on intention to commit fraud. Meanwhile, pressure does not affect the intention to commit fraud. The results also show that the intention to commit fraud has a positive effect on fraud behavior. Meanwhile, Religiosity does not moderate the effect of intention to commit fraud on fraud behavior.

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Introduction

The number of corruption cases in Indonesia is still quite large. The Corruption Perception Index (CPI) or which is defined as the corruption perception index (CPI), a survey agency that shows the level of corruption in countries in the world released the 2019 Annual Corruption Perception Index Report. The results of a survey of 180 countries show that Indonesia is ranked number one. 85 with a GPA of 40 (index ranges from 0 to 100, the higher the amount of corruption in a country, the lower the CPI value) this shows that Indonesia in 2019 is still below the average world CPI index so it can be said that corruption cases are frequent happened in Indonesia.

The phenomenon of fraud can be found in almost all sectors. The Institute of Internal Auditors (IIA, 2009) defines fraud as a series of deviations and illegal acts characterized by deliberate fraud, committed by individuals inside or outside the organization for their personal gain or for organizational interests. These acts of fraud can be caused by two factors, namely internal factors and external factors that exist in each individual, for example because of the individual's greed attitude, level of need, and also opportunities.

Indonesia Corruption Watch (ICW) noted that there is an increase in cases of village fund corruption committed by village head and their officials. In the period 2015-2018 there were 264 corruption cases in village budgets (Republika.co.id), and there were 46 corruption cases in the village budget out of 271 corruption cases during 2019 (Kompas.com). As explained also, things that are often found are related to the misuse of village budgets, fictitious reports, embezzlement of assets, inflating village budgets, and bribery.

The object of this research was carried out at the Village Government of Malang Regency. This was done because there were several village heads who misused village funds (DD) and village fund allocation (ADD) in Malang Regency, including the Head of Balarjo

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Village in the 2015-2016 fiscal year, the Head of Tlogosari Village in the 2017 fiscal year (Medcom. id), as well as the Head of Slamparejo Village in the 2017-2018 fiscal year (Detik.com). With the existence of cases like this it can result in a number of village activities not being carried out, ranging from construction activities, road maintenance, health facilities and infrastructure, to education services and labor wage service expenditure, so as to slow village infrastructure development, economic growth and human resources of the village itself.

The Public Company Accounting Oversight Board (PCAOB), in Statement on Auditing Standards (SAS) No. 99 used the fraud triangle dimension as a guide for auditors to understand the phenomenon of fraud. There are three elements in the fraud triangle, namely pressure, opportunity, and rationalization (Tuanakotta, 2016:207). Thus, this study used the fraud triangle to explain the factors causing fraud behavior. Intention is a direct antecedent of behavior (Ajzen, 1985). In general, the stronger the intention to engage in a behavior, the more likely it is to do the behavior (Sheppard, Hartwick, & Warshaw, 1988). Thus, the concept of the fraud triangle in this study was combined with the theory of planned behavior (TPB).

This study was a replication of the research model conducted by Cohen et al (2010). However, the novelty in this study added one variable, namely religiosity as a moderating variable to find out whether religiosity can moderate or weaken the relationship between intention to commit fraud and fraud behavior. The reason researchers used religiosity as a moderating variable was because religiosity is believed to be an influencing factor in the development of individual personality so that it can reduce unethical behavior. As in research conducted by Purnamasari and Amaliah (2015), Said et al (2017), Urumsah et al (2018) that religiosity can be used as a mechanism to prevent fraud behavior.

The motivation in this study was because fraud behavior is still interesting to study because there is still fraud in budget management, especially related to village fund management carried out by the village government, so it is necessary to conduct research as an evaluation material to prevent fraud behavior in the future. In addition, the researchers want to expand the research by integrating the fraud triangle element with the theory of planned behavior, and adding religiosity as a moderating variable, which aims to find out whether religiosity can weaken the effect of intention to commit fraud on fraud behavior.

Research questions in this study are :

- i. Does pressure, opportunity, rationalization affect the intention to commit fraud?
- ii. Does the intention to commit fraud affect fraud behavior?
- iii. Does religiosity moderate the effect of intention to commit fraud on fraud behavior?

This study was a quantitative study with a study model composed of several variables and also used a moderating effect. This study used statistical technique of Structural Equation Modelling (SEM) was used with the help of SmartPLS 3. The number of samples was 191 Village Government of Malang Regency.

Literature Review

Fraud Triangle

The fraud triangle stated by Donald R. Cressey is a theory that can explain why fraud occurs. There are three elements in the fraud triangle, namely pressure, opportunity, and rationalization. First, the problem that the perpetrator thinks cannot be shared (non-shareable problems) becomes a stimulus which is a motivation shown by pressure. Second, individuals must consider their position of belief as an opportunity to commit crimes. Third, rationalizations that are used are relevant and necessary to neutralize fraud.

In the Statement on Auditing Standards (SAS) No. 99, pressure was said to be the reason why someone commits fraud (AICPA, 2002). The problem that the perpetrator considers cannot be shared (non-shareable problems) becomes a stimulus which is a motivation shown by pressure. There are general conditions related to pressure that can lead to fraud, namely financial stability, external pressure, personal financial need, and financial targets. In the Statement on Auditing Standards (SAS) No. 99, opportunity (opportunity) relates to a situation that allows someone to commit fraud, which is usually caused by an ineffective internal control system, weak supervision, or management's ability to override existing controls in the company. Meanwhile, rationalization is used to provide justification for acts of fraud. Rationalization or seeking justification is carried out before committing a crime, not afterwards (Tuanakotta, 2016: 212). Seeking justification is a necessary part of the fraud itself, even as part of the motivation to commit fraud.

Theory of Planned Behavior

In the theory of planned behavior, Ajzen (1991) emphasizes the role of intention in explaining behavior, and argues that the intention to carry out various types of behavior can be predicted accurately from elements (1) attitude toward behavior, (2) subjective norm and (3) perceived behavioral control. Attitude towards behavior refers to the extent to which a person has favorable or unfavorable evaluations or judgments of behavior. Subjective norm is a person's perception or view of the beliefs of others that will influence the intention to do or not do the behavior being considered. Meanwhile, perceived behavioral control is the perception of people about the ease or difficulty of doing the behavior.

Cohen et al (2010) in their research show that the rationalization variable is reflected by three variables from the theory of planned behavior, namely attitudes towards behavior, subjective norms, perceived behavioral control. The research model was created because risk factors that reflect someone's rationalization that allow them to justify or justify fraud are generally not susceptible to auditor observation, so auditors must consider the attitudes or behavior of someone who has access to assets that are prone to abuse. Thus, auditors can identify rationalizations through a person's behavior. Therefore, the TPB element is used to identify behavior that reflects the risk factors of rationalization. Wandayu, Purnomosidhi, and Ghofar (2019) in their research model also show that the rationalization variable is reflected by attitudes toward behavior and perceived behavioral control. Wandayu et al (2019) explain that the understanding of TPB elements as a whole is a perception or a person's point of view in seeing an object. These perceptions differ from one person to another so that they can justify themselves before engaging in a behavior.

The conceptual framework of this research is described in the figure below.

Figure 1: Research Conceptual Framework

Hypothesis Development

Cohen et al (2010) in their research which integrated the fraud triangle and theory of planned behavior to get a better understanding of fraud cases. In general, he stated that the theoretical framework used (fraud triangle and theory of planned behavior) is relevant when it is matched with cases of unethical behavior by managers related to fraud. Mawanza (2014) in her research shows that pressure is the driving the occurrence for fraud in an organization. So in this case the organization should be able to identify aspects of potential pressure such as low income, delays in paying income, employee social life which are important aspects in fraud prevention. Dellaportas (2013) states that pressure can encourage someone to commit fraud. The results were similar to research conducted by (Murphy & Fee, 2016; Rakhmatullah, 2018). Utami et al. (2019) explain that individuals with high life pressure showed greater intention to commit fraudulent than individuals with low life pressure. Based on this description, the following hypothesis can be formulated:

H1: Pressure has a positive effect on intention to commit fraud

Schuchter and Levi (2015) in their research state that fraud perpetrators consider only opportunity which is universal prerequisites for actions defined by others as acts of fraud, even though the perceived pressure is prominent for most frauds. Abdullahi and Mansor (2018) show that there was a significant relationship between opportunities to commit fraud. Utami et al (2019) state that individuals who are in conditions of weak internal control have greater fraud intentions than individuals who are in conditions of strong internal control. Based on this description, the following hypothesis can be formulated:

H2: Opportunity has a positive effect on intention to commit fraud

Cherepanov, Feddersen, and Sandroni (2013) state that a person may have opportunities and incentives to commit fraud, but without convincing reasons that legitimize fraud, may be psychologically constrained not to commit fraud. Research conducted by Mawanza (2014) states that fraud perpetrators rationalize their behavior so that it appears legitimate or justified. Thus, they do not see their actions as something that should be subjected to sanctions. Murphy and Free (2016) also state that rationalization is carried out on the grounds that their actions are aimed to help companies, this is a phenomenon in unethical pro-organizational behavior. Said et al (2017) show that rationalization had a positive effect on fraud. Based on this description, the following hypothesis can be formulated

H3: Rationalization has a positive effect on intention to commit fraud

The main factor in the theory of planned behavior is the individual's intention to do certain behaviors. Behavior intention and behavior are two different things. Intention is the desire to do behavior. Meanwhile, behavior is a real action or activity that is carried out. Intention plays an important role in behavior, the stronger the intention to engage in the behavior, the more likely it is to carry out the behavior. Zulaikha and Hadiprajitno (2016) the results show that the intention to commit fraud had a positive effect on fraud behavior. The results were similar to research conducted by Christina and Kristanto (2018) which shows that intention had a positive effect on behavior to commit fraud. Based on this description, the following hypothesis can be formulated:

H4: The intention to commit fraud has a positive effect on fraud behavior

Rosyidah and Lestari (2013) explain that religiosity is defined as the internalization of religious values in a person. Internalization in this case is related to belief in religious teachings both in heart, speech and action. Purnamasari and Amaliah (2015) in their research on fraud prevention associated with religiosity and spirituality. The results of hrs research show that there was a positive and significant effect between religiosity and spirituality on fraud prevention. As explained, a good understanding of religion can have implications for a person's attitude and behavior. Internalization of religious values can influence ethical behavior or the values of individual attitudes and behavior (Weaver and Agle, 2002) and will be reflected in personal and social life (Ntalianis and Darr, 2005). Said et al (2017) in their research show that there was a negative relationship between religiosity and fraudulent activities. Thus, their research concludes that religiosity can be used as a mechanism to prevent officials from committing fraud. Based on this description, the following hypothesis can be formulated:

H5: Religiosity Moderates the Effect of Intention to Commit Fraud on Fraud Behavior

Research and Methodology

Population and sample

The population used in this study was the Village Government (PemDes) Malang Regency. The total population was 378 Village Government of Malang Regency. The unit of analysis used was an individual. The respondents used were the village head or village secretary. The sampling technique used probability sampling. The size of the sample used in this study was determined based on a formula developed from Isaac and Micheal (Sugiyono, 2012:86). From the calculation results, it can be known that the number of samples was 191 Village Government of Malang Regency.

Sources and Types of Data

The type of data used in this research is primary data. The data collection technique used in this study was a survey through a questionnaire. The questionnaire was given to the respondents directly. In this study, the primary data used were questionnaire answers from respondents. Respondents selected in this study were the village head or village secretary in the Village Government of Malang Regency

Variable definition and variable measurement

pressure

In this study, the pressure variable is defined as a condition that can cause a person to commit fraud. The measurement of the pressure variable in this study was developed from the research indicators of Kassem and Higson (2012) which consisted of financial and non-financial pressures, including 1) low income, 2) financial interests, 3) lifestyle, 4) fear of losing a job.

Opportunity

Opportunity relates to situations that allow someone to commit fraud. The measurement of the opportunity variable in this study was developed from the indicators described in SAS No.99, namely 1) an ineffective internal control system, 2) weak supervision.

Rationalization

Rationalization is said to be a mindset that seeks justification before committing fraud act. The measurement of the rationalization variable in this study was developed from the indicators described by Zimbelman et al (2014: 374), including 1) only borrowing and will return it, 2) no party will be harmed, 3) for a good purpose, 4) deserves to get more.

Intention to Commit Fraud

The intention to commit fraud in this study refers to how strong the desire to commit budget management fraud. Measurement of the intention variable to commit fraud in this study was developed from the research indicators of Carpenter and Reimers (2005), including 1) intending, 2) trying, 3) trying.

Fraud Behavior

Fraud behavior is a series of deviations and illegal acts characterized by deliberate fraud, committed by individuals. The measurement of the variable fraud behavior in this study was developed from indicators of fraudulent financial statements according to IAI (2001), including 1) falsification of transaction evidence, 2) changes in accounting records or supporting documents, 3) deliberate misapplication of accounting principles, 4) misuse or embezzlement of assets.

Religiosity

Religiosity is belief in God accompanied by a commitment to follow the principles that are believed and established by God. The measurement of the religiosity variable in this study was developed from the research indicators of Allport and Ross (1967) including, religion and other affairs in life, religious thought and meditation, religion and approach to life, religion and the meaning of life, reading literature about religion, religion and social activities.

This study used a Likert scale of 1 to 7. The data were analyzed using the analysis method of Structural Equation Modeling (SEM) through the smartPLS program. SEM modeling consists of two basic stages, namely validation of the measurement model and testing of the structural model. The measurement model (outer model) was used to test the validity and reliability, while the structural model (inner model) was used to test the causality.

Results and Discussion

Before testing the sample, the validity and reliability test was conducted first, this is called the pilot test. Based on the results of the pilot test, from 25 indicators there were 5 indicators that must be removed. After removing it, check for composite reliability which has a value above 0.70 which indicates that the indicators used are valid and reliable, so it can be concluded that the questionnaire can be used in the real test.

The assessment was carried out through an algorithm iteration process so that the measurement model parameters (convergent validity, discriminant validity, and composite reliability) can be obtained. In testing the validity of the data used in the study, there were two ways, namely testing the convergent validity and discriminant validity. Convergent validity is related to the principle that the measures of a construct should be highly correlated. Meanwhile, discriminant validity is related to the principle that the measures of different constructs should not be highly correlated (Abdillah and Jogiyo, 2015:195).

Convergent validity test in general can be measured by the loading score parameter in the research model (Rule of Thumbs > 0.7) and using the AVE and Communality parameter with a score of > 0.5. If the loading score is <0.5, then the indicator must be removed from the construct because the indicator is not loaded into the construct that represents it. If the loading score is between 0.5 - 0.7, it is recommended that the indicator should not be deleted as long as the AVE score indicator is > 0.5. Following are the results of the convergent validity test to find out the outer loading value of the AVE value presented in table 1 and table 2.

Table 1: Convergent Validity Test Results

Variable	Indikator	Outer Loading	Information
Pressure	PRE1	0,531	Invalid
	PRE4	0,911	Valid
Opportunity	OPP1	0,719	Valid
	OPP2	0,818	Valid
	OPP3	0,754	Valid
	OPP4	0,767	Valid
Rationalization	RS1	0,828	Valid
	RS2	0,917	Valid
	RS3	0,877	Valid
Religiosity	RL2	0,818	Valid
	RL3	0,876	Valid
	RL4	0,803	Valid
	RL5	0,935	Valid
	RL6	0,935	Valid
Intention to Commit Fraud	INT1	0,841	Valid
	INT2	0,880	Valid
	INT3	0,878	Valid
Fraud Behavior	PF1	0,841	Valid
	PF2	0,858	Valid
	PF3	0,839	Valid
	PF4	0,704	Valid

Source: Processed Primary Data, 2021

Table 2: Convergent Validity (AVE) Test Results

Variable	AVE	Information
Pressure (PRE)	0.556	Valid
Opportunity (OPP)	0.585	Valid
Rationalization (RS)	0.765	Valid
Religiosity (RL)	0.739	Valid
Intention to Commit Fraud (INT)	0.751	Valid
Fraud Behavior (PF)	0.661	Valid

Source: Processed Primary Data, 2021

Based on table 2 it is known that all constructs had a value > 0.5 . Thus it can be concluded that the instrument in this study has met the convergent validity test. Furthermore, the discriminant validity test was conducted. To test the discriminant validity, the parameter used was by looking at the cross loading score (Rule of Thumbs > 0.7 in one variable). The results of the discriminant validity test can be seen in table 3.

Table 3: Discriminant Validity Test Results

	INT	OPP	PF	PRE	RL	RS
INT1	0.841	0.388	0.636	0.314	-0.050	0.427
INT2	0.880	0.426	0.662	0.321	-0.154	0.539
INT3	0.878	0.497	0.653	0.315	-0.121	0.554
OPP1	0.329	0.719	0.255	0.145	0.010	0.231
OPP2	0.430	0.818	0.448	0.340	0.006	0.282
OPP3	0.348	0.754	0.316	0.360	-0.045	0.329
OPP4	0.426	0.767	0.505	0.619	0.069	0.371
PF1	0.664	0.395	0.841	0.332	-0.122	0.490
PF2	0.625	0.470	0.858	0.427	-0.135	0.422
PF3	0.597	0.458	0.839	0.358	-0.125	0.573
PF4	0.546	0.335	0.704	0.218	-0.049	0.472
PRE1	0.168	0.142	0.175	0.531	0.000	0.152
PRE4	0.345	0.510	0.399	0.911	0.007	0.290
RL2	-0.058	0.086	-0.068	0.064	0.818	-0.086
RL3	-0.101	0.047	-0.074	0.073	0.876	-0.120
RL4	0.007	0.032	-0.016	-0.031	0.803	-0.065
RL5	-0.152	-0.029	-0.170	-0.045	0.935	-0.137
RS1	0.504	0.372	0.493	0.301	-0.059	0.828
RS2	0.537	0.334	0.570	0.252	-0.130	0.917
RS3	0.499	0.342	0.511	0.264	-0.160	0.877

Sumber: Data Primer yang Diolah, 2021

The results of the discriminant validity test shown in table 3 showed that the construct indicators had a cross loading value of > 0.7 , and it can be seen that different construct measures did not have a high correlation. Thus, it can be concluded that all construct indicators have met the rule of thumb of the discriminant validity test.

In addition to the validity test, a reliability test is needed to measure the consistency of measuring instruments in measuring a concept or it can also be used to measure the consistency of respondents in answering question items/statements in questionnaires or research instruments. Reliability test through smartPLS can use two methods, namely Cronbach's alpha and Composite reliability. Cronbach's alpha measures the limit of the reliability value of a construct, while composite reliability measures the real value of a construct. Abdillah and Jogiyanto (2015; 196) explain that composite reliability is considered better in estimating the internal consistency of a construct. The rule of thumb for alpha value or composite reliability must be greater than 0.7, although a value of 0.6 is still acceptable. The results of the value of the composite reliability from the data obtained are presented in table 4.

Table 4: Reliability Test Results

Variable	Composite Reliability	Information
Pressure (PRE)	0.701	Valid
Opportunity (OPP)	0.849	Valid
Rationalization (RS)	0.907	Valid
Religiosity (RL)	0.919	Valid
Intention to commit fraud (INT)	0.900	Valid
Fraud Behavior (PF)	0.886	Valid

Source: Processed Primary Data, 2021

Based on table 4 above, it can be known that the composite reliability value of each variable had a value > 0.7 . Thus it can be concluded that all the research constructs used in this study can be said to be reliable. Based on the steps that have been done above about testing the validity and reliability, it can be concluded that the research questionnaire used in the field test was valid and

reliable. It was stated valid, that the questionnaire is able to measure the concept to be measured. It is said to be reliable that the questionnaire used for this study has been consistent in carrying out measurements. Thus, further testing of the structural model (inner model) can be carried out.

Structural model was evaluated using the R-square (R^2) value for the dependent construct, the path coefficient value or the t-values for each path to test the significance between constructs in the structural model. The value of R^2 was used to measure the level of change variation in the independent variable on the dependent variable. The higher the R^2 value means the better the prediction model of the proposed research model. The following are the results of the structural test (inner model) that are presented in table 5.

Table 5: Structural Model Test Results

Variable	R-square (R^2)	R-square (R^2) Adjusted
Intention to Commit Fraud (INT)	0.438	0.427
Fraud Behavior (PF)	0.568	0.560

Source: Processed Primary Data, 2021

In table 5 above, it can be seen that the R-square (R^2) value for each dependent variable was quite good. The R^2 value for the Intention construct was 0.438. This means that the variation of changes in the intention variable (Y1) can be explained by the variable pressure (X1), opportunity (X2), rationalization (X3) of 43.8%, and the remaining 56.2% was explained by other variables outside of this research model. It is also known that the R-square value (R^2) for the construct of fraud behavior was 0.568. This means that the variation of changes in the fraud behavior variable (Y2) can be explained by the intention variable, and the religiosity of 56.8%, and the remaining 43.2% was explained by other variables outside of the research model. This proved that the prediction model for predicting fraud behavior was good enough to explain the level of change variation in the independent variable on the dependent variable.

In this study, the hypothesis was tested using the path coefficient value and the level of significance. The hypothesis that was accepted and rejected was seen through the p-value. If the p-value <0.05, then the hypothesis made in this study is accepted (5% significance level). The following results of the inner model path are presented in Figure 2.

Figure 2: Hypothesis Testing Structural Models; **Source:** Processed Primary Data, 2021

Table 6: Hypothesis Test Results

<i>Direct Effect</i>				
Hipotesis	Effect	Path Coefficient	P Value	Information
H1	PRE → INT	0.085	0.138	Rejected
H2	OPP → INT	0.286	0.000	Accepted
H3	RS → INT	0.447	0.000	Accepted
H4	INT → PF	0.753	0.000	Accepted
<i>Moderating Effect</i>				
H5	INT*RL → PF	-0.072	0.210	Rejected

Based on the table above, it can be seen that H2, H3, and H4 were accepted, while H1 and H5 were rejected.

Hypothesis 1 in this study is that pressure has a positive effect on intention to commit fraud. The test results showed that Hypothesis 1 was rejected, which means that pressure did not influence the intention to commit fraud, so it can be interpreted that the intention to commit fraud is not influenced by the pressure felt by individuals, both financial pressure or pressure in the work environment. Thus it can be said that individuals will not intend, try, or attempt to make deviations in the management of village funds even though individuals have financial pressures in the form of a lack of income or income to meet their daily needs, or there is pressure in the work environment, for example related to leadership orders to do deviations in budget management.

The concept of the fraud triangle states by Donald R. Cressey is a theory that can explain why fraud occurs. Tuanakotta (2016: 207) states that pressure is one of the trigger elements that can cause someone to commit fraud. Thus, it can be said that pressure can lead to an individual intention to commit fraud because basically intention plays an important role in behavior. As explained in the theory of planned behavior (TPB), the main factor in the theory of planned behavior is the individual intention to do certain behaviors.

From the results of descriptive analysis related to the respondent's answer, it showed that the item statement regarding compensation in the form of income, allowance, and honorarium for activities that were not sufficient for the respondent's life needs had an average answer value of 4.51 which means neutral. This means that the respondent felt that the compensation in the form of income, allowances, and honorarium for activities obtained was not sufficient for their daily needs. Thus it can be said that even if someone feels that their income or income is not sufficient for their life needs, this does not make someone feel high financial pressure so that they do not cause the intention to commit fraud. It is also known that the statement item regarding doing anything in accordance with the orders of the leader had an average value of 3.41 which means less agree. This means that the respondent did not agree to do anything in accordance with the leadership's orders. Thus it can be said that if the pressure in the work environment is not too high, then it cannot lead to someone's intention to commit fraud despite orders from their leaders.

The results of this study supported the results of research conducted by Zulaikha and Hadiprajitno (2016) which show that financial pressure had no effect on fraudulent act. As explained also by Schuchter and Levi (2015) in their research, it states that pressure is not the main factor of fraud, but only opportunity which is the main prerequisite for fraud.

Hypothesis 2 in this study is that the opportunity has a positive effect on intention to commit fraud. The test results showed that Hypothesis 2 was accepted, which means that the opportunity had a positive effect on the intention to commit fraud, or in other words the greater the opportunity, the greater the intention to commit fraud.

Opportunity is related to situations that allow someone to commit fraud, which is usually caused by the dominance of work management, ineffective internal control systems, organizational governance, weak supervision, or the ability of individuals to override existing controls. As explained in the fraud triangle theory, opportunity is one of the trigger elements that can cause someone to commit fraud (Tuanakotta, 2016:207). Thus it can be said that opportunity can influence an individual's intention to commit fraud because basically intention plays an important role in behavior.

The results of this study supported the results of research conducted by Said et al (2017), Abdullahi and Mansor (2018) which show that opportunities had a positive effect on fraud act. The results were similar to research conducted by Rakhmatullah (2018) which shows that the causes of fraud were due to poor internal controls, negligence and collusion by certain parties. As also concluded by Utami et al (2019) in their research which states that individuals who are in a condition of weak internal control have a greater intention to commit fraudulent than individuals who are in a condition of strong internal control.

From the results of the descriptive analysis related to the respondent's answer regarding the ineffective control system and lack of supervision, it had an average value of 3 (three) which means that they somewhat disagree with these statements. This means that the control system was adequate and there was optimal supervision. However, this does not rule out the possibility of a gap that provides opportunities for individuals to commit fraud, thus causing individual intentions to commit fraud. Zimbelman et al (2014: 360) state that there were at least six main factors that can increase the opportunities of a person has to commit fraud, namely: lack of controls that prevent or detect fraud behavior; inability to assess the quality of performance; failure to provide strict sanctions to perpetrators of fraud; lack of access to information; neglect, apathy, and a lack of appropriate capacity; lack of effort to conduct an audit trail.

Hypothesis 3 in this study is that rationalization has a positive effect on intention to commit fraud. The test results show that Hypothesis 3 is accepted, which means that rationalization has a positive effect on the intention to commit fraud, or in other words, the more individual rationalization is based on fraud, the greater the individual's intention to commit fraud.

As explained in the fraud triangle, rationalization is one of the factors causing individuals to commit fraud. In the Statement on Auditing Standards (SAS) No. 99 states that rationalization is used to provide justification for acts of fraud. Rationalization or seeking justification is carried out before committing a crime, not afterwards (Tuanakotta, 2016: 212). Seeking justification is a necessary part of the fraud itself, even part of the motivation to commit fraud. Common rationalizations used by fraudsters include: the organization owes me a debt, I only borrow money and I will return it, no one will be harmed, I deserve more, good intentions, we will fix the books as soon as we are released from financial difficulties. , or something must be sacrificed. Of course there are many

other rationalizations. However, all of them represent the overall rationalization and provide an adequate basis for the role of rationalization in fraud.

The results of this study support the results of research conducted by Mawanza (2014), which states that fraudsters rationalize their behavior so that it appears legitimate or justified. Thus, they do not see their actions as something that should be subject to sanctions. Murphy and Free (2016) also state that rationalization is carried out on the grounds that their actions are aimed at helping companies, this is a phenomenon in unethical pro-organizational behavior. Said et al (2017) show that rationalization has a positive effect on fraud. The results of this study indicate that fraudsters make a series of excuses and rationalizations to get rid of feelings of guilt. Utami et al (2019) stated that individuals with high rationalization of fraud have greater fraud intentions than individuals with low rationalization.

Hypothesis 4 in this study is that intention to commit fraud has a positive effect on fraud behavior. The test results showed that Hypothesis 4 was accepted, which means that the intention to commit fraud had a positive effect on fraud behavior, or in other words, the greater the intention to commit fraud, the greater the potential for committing fraud or behavior.

As explained in the theory of planned behavior (TPB), intention plays an important role in behavior. Intention is a direct antecedent of behavior (Ajzen, 1985). In general, the stronger the intention to engage in a behavior, the more likely it is to do the behavior (Sheppard, Hartwick, & Warshaw, 1988). In Theory of Planned Behavior (TPB), the main factor in the theory of planned behavior is the individual's intention to do certain behaviors.

The results of this study supported the results of research conducted by Zulaikha and Hadiprajitno (2016) which examine the factors that influence procurement fraud. The results showed that the intention to commit fraud had a positive effect on fraud behavior. Intention to commit fraud is a variable perceived by respondents about an indication of the intention of the fraud perpetrators to enrich themselves or others, and the existence of tactics or the ease of covering up fraud. The results of research conducted by Christina and Kristanto (2018) show that intention had a positive effect on behavior to commit fraud. He stated that fraud behavior was based on the intention to do so. Therefore, the greater the individual's intention to commit fraud, the more likely the individual is to commit fraud.

Hypothesis 5 in this study is that religiosity moderates the effect of intention to commit fraud on fraud behavior. The results showed that Hypothesis 5 was rejected, which means that religiosity cannot moderate (weaken) the effect of intention to commit fraud on fraud behavior.

The results of this study did not support the results of research conducted by Purnamasari and Amaliah (2015) in their research on fraud prevention associated with religiosity. The results of his research showed that religiosity had a positive effect on fraud prevention. As explained that a good understanding of religion can have implications for a person's attitude and behavior. Internalization of religious values can influence ethical behavior or the values of individual attitudes and behavior (Weaver and Agle, 2002) and will be reflected in personal and social life (Ntalianis and Darr, 2005). Said et al (2017) in their research show that there was a negative relationship between religiosity and fraud activities. Thus, their research concludes that religiosity can be used as a mechanism to prevent officials from committing fraud.

From the results of descriptive analysis related to respondents' answers to the religiosity variable using several indicators, namely religious thinking and meditation, religion and life approaches, religion and the meaning of life, reading literature or books about religion had an average value of 6 (six) which means agree. This means that respondents agree that it is important to take the time to think about religion, respondents also felt that religious beliefs are an approach to life, and religious teachings can answer about the meaning of life, and respondents also agree that they read books about religion or faith. Thus it can be said that respondents tended to agree on several indicators used to measure religiosity. However, the results of the hypothesis test showed that the p-value of 0.210 was greater than 0.05 ($0.210 > 0.05$) which means it was not significant. This showed that religiosity cannot moderate or weaken the effect of intention to commit fraud on fraud behavior.

In the theory of planned behavior it was explained that intention plays an important role in behavior. In this study, it was known that the intention to commit fraud had a positive effect on fraud behavior. Thus it can be said that the tendency of a person's intention to commit fraud cannot be weakened by someone's religiosity. As in the research conducted by Urumsah et al (2018) which concluded that religiosity is able to prevent fraudulent. However, this cannot happen consistently, because religious beliefs can change if a person gets pressure or opportunities, thus ignoring their religiosity. Thus it can be said that even though someone has understood or at least realized the importance of religion in aspects of life. However, ignoring religious teachings that are understood can lead to someone's intention to commit fraud which in turn will form fraud behavior.

Implications

Theoretical Implication

Provide empirical evidence that intention plays an important role in a behavior. This concept is explained in the theory of planned behavior (TPB), and provide empirical evidence that opportunities, rationalization affect the intention to commit fraud. This can be explained based on the fraud triangle concept.

Practical Implication

Contributing to academics, future researchers, as well as organizational leaders in both the public and private sectors to increase understanding regarding the causes of fraud behavior.

Policy Implication

This research can indirectly provide input for evaluation materials for the government and other interested parties to prevent future fraudulent behavior. This is because preventing fraud can not only be done by optimizing the system used, but must consider individual attitudes so as to create an organizational culture that is free from corruption, collusion and nepotism.

Conclusions

The results of this study indicate that the cause of individuals committing fraud is due to indications of gaps and ineffective reporting and accountability systems, inappropriate transaction documentation, inadequate asset protection, and lack of proper supervision, monitoring and review of work and responsibilities. Based on the results of this study, it showed that opportunity had a positive effect on intention to commit fraud. As explained in the fraud triangle theory, opportunity is one of the trigger elements that can result in a person committing fraud. Thus, it can be said that opportunity can influence an individual's intention to commit fraud because basically intention plays an important role in behavior. The results also show that rationalization can influence an individual's intention to commit fraud. Consequently, it can be said that the mindset of individuals seeking justification for fraudulent acts can increase an individual's intention to commit fraud. The results of this study also showed that the intention to commit fraud had a positive effect on fraud behavior. This showed that the greater the intention to commit fraud, the greater the potential for committing fraud acts or behavior.

The results of this study cannot prove that pressure had a positive effect on intention to commit fraud. This is due to the tendency of respondents used in this study did not have large financial pressures and did not have pressure in the work environment so that they did not cause the intention to commit fraud despite orders from their leaders. The results of this study did not prove that religiosity can moderate or weaken the relationship between intentions to commit fraud on fraud behavior. This is because ignoring religious teachings that are understood can lead to individual intentions to commit fraud which in turn will form fraud behavior.

Limitations and Suggestions

The sample used is not too large and is only carried out at the Village Government of Malang Regency, so it is necessary to develop it for further research on the Regional Government which has a greater impact, so that it can provide a more comprehensive understanding of the causes of fraud.

This study cannot explain all the factors that can influence an individual's intention to commit fraud, so for further research it can add other factors outside the variables used in this study to complement this research model. For example adding a variable of individual integrity and capability.

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