

ABSTRACT

This study aims to analyze diamond fraud against financial statement fraud. The fraud diamond theory shows four factors that influence financial statement fraud, namely pressure, opportunity, rationalization, and capability. This study also uses family ownership as a moderating variable.

The population used is manufacturing companies listed on the IDX and also manufacturing companies with family ownership. The sampling method was carried out by purposive sampling. The data analysis technique used is logistic regression analysis.

Pressure is proxied by financial targets and financial stability, opportunity is proxied by effective monitoring, rationalization is proxied by auditor changes, and capability is proxied by changes in directors. The results of this study prove that Financial Target, Capability, Financial Stability have a positive and significant influence on Fraud Financial Statements. Effective Monitoring and Rationalization have no effect on Fraud Financial Statements. Meanwhile, when Family Ownership moderates the Financial Target, Financial Stability, Effective Monitoring, Rationalization, and Capability, there is no effect of strengthening or weakening the relationship between the variables on the Fraud Financial Statement.

Keywords: Fraud Diamond, Pressure, Opportunity, Rationalization, and Capability