

ABSTRACT

The purpose of this study was to analyze the influence of pressure, opportunity, rationalization, capability, ego, collusion, and organizational ethical culture on asset misuse. The population of this study were BPS employees in North Sumatra Province with a research sample of 294 respondents. The sample selection method applies *simple* random sampling technique. The data collection method utilizes a questionnaire through *google form*. This study applies the *Structural Equation Modeling Partial Least Square* (SEM-PLS) method in analyzing data. The conclusion of this study is that the variables of pressure, opportunity, rationalization, and collusion have a positive and significant influence on asset misuse. The moderating effect of organizational ethical culture is able to weaken the influence of pressure variables on asset misuse. Capability and ego variables do not significantly affect asset misuse. The moderating effect of organizational ethical culture is unable to weaken the influence of opportunity, rationalization, capability, ego, and collusion variables on asset misuse. This research contributes to the government in formulating policies aimed at reducing *fraud* behavior, especially asset misuse. The findings of this study can be taken into consideration for the government to carefully examine the factors that encourage asset misuse in government organizations so that they can be used as basic guidelines in formulating targeted asset misuse prevention strategies.

Keywords: *fraud hexagon* theory; organizational ethical culture; government; asset misappropriation