

## **ABSTRACT**

*This study aims to explore and analyse the factors that influence the occurrence of fraud in the public sector in Indonesia from the fraud triangle theory perspective. The factors in the fraud triangle theory are: pressure/ intensive, opportunity, and rationalization, in this study were developed in accordance with cases of fraud that occurred in Indonesia to illustrate how these factors triggered fraud.*

*This research was conducted by a deep interview with the Corruption Eradication Commission (KPK) and Indonesia Corruption Watch (ICW) which is an agency and organization engaged with effort on corruption eradication in Indonesia. Interviews were conducted to obtain an in-depth overview of corruption case that occurred in Indonesia, as well as obtain information on various dimensions of the factors in the fraud triangle theory.*

*Research finding indicate that the perpetrators of corruption in Indonesia are influenced by factors in the fraud triangle theory. Pressure/ intensive dimension can be formed: life beyond means, wealth/ power, greed, end of tenure, supervisors, state officials representation, social/ peer pressure, obligation to give feedback to supporters, political costs, and demands from political parties. Opportunities dimension can be formed: authority to act, the system in Indonesia that didn't works as a result of collusion, laws of efforts to eradicate corruption that haven't been adjusted to the UNCAC ratification, unclear law enforcement, and revisions on KPK law which weaken the KPK's performance. Finally, the dimension of rationalization appears as an act of self-justification and low integrity behaviour of the perpetrators.*

*Key word: Fraud Triangle, Pressure/ Intensive, Opportunity, Rationalization, Fraud in the public sector, Corruption, Indonesia.*