

ABSTRACT

The purpose of this study is to understand and analyze the detailed reasons of fraudulent investment from the perspective of investors who are declared as victims of investment fraud.

The technique of selecting respondents in this study is two-stage cluster sampling, using data derived from interviews with representatives of investors from the investor community who have invested their finances in company X. The results of this study explain the meaning of fraud, red flags and their implementation of theory. victimology, this study also describes the implementation of whistle blowing systems in Indonesia.

The conclusion of this research is that when fraud occurs after investors feel safe and comfortable in investing their funds, redflags in the case seem neglected. There are several indications of fraud in this case, including: Lack of risk analysis and enforcement on the part of the company, in addition to the lack of transparency and openness and fluctuating information can make the psychological condition of investors become less trusting in the company. From the investor side, he regrets the lack of mediation and interference from the relevant regulators who are expected to become a mediation forum but seem to be detached and unprepared for similar problems.

Keywords: Fintech, Whistle Blowing Systems, Two-Stage Cluster Sampling.