CULTIVATION OF CRIMSON CASHBOX ENCOUNTERS AROUND FINANCIAL SECTORS

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Abstract
The financial service sectors and industries are facing challenges due to inappropriate actions that affect the human identity, recognition, destinations, decision-making processes, and more. Many organizations are vulnerable and have instances of financial fraud and crimes that can occur independently within company records and their histories, leading to a loss of trust and recognition among customers. In today's digital age, it is a technologically advanced world where sophisticated code or artificial intelligence software and apps are assisting in the detection of mule theft and gathering evidence by analyzing the digital connections to a digital sheriff. Currently, in this historical moment where events are unfolding in real-time, management is casually handling the situation by terminating employees and permanently shutting down assets. Fraud activities have also been detected. The rational choice perspective effectively explains that an individual acts in their own self-interests to attain objectives by maximizing advantages and minimizing expenses through trade-offs of utilizing social resources, whereas the social constructivist perspective contends that social interactions also influence individual learning. When each party involved in a transaction has unequal access to information, it creates an opportunity for one party to manipulate the situation to serve their own self-interests.

Keywords: Economic Constraints, Cost-Cutting, Rationalization, Absence of Morality, Technological Breakthroughs.

Introduction
The world of finance can sometimes feel like a high stakes game of cat and mouse, but instead of taking chase, we are talking about the real threats-criminal cash frauds that chip away at the very foundations of our financial systems. These illegal activities involve individuals or organized groups obtaining financial assets through dishonest means. Common forms of cash fraud encompass check frauds, credit card frauds, bribes, and other similar activities. Consequently, it is essential to grasp the intricacies of financial frauds, which can encompass a wide range of scams, from traditional schemes to sophisticated cybercrimes. A thorough examination of the underlying reasons, the strategies employed by perpetrators, and the impact on all parties involved is necessary due to the increasing prevalence and complexity of financial scams. These scams often that were imparted by private or government institutions regulating the teachings around schools and colleges with high productive education terms. However, it was no longer effective methods in confronting reality after graduation. Around young people, they are more interested in making money than adhering to their morals and principles. The prevalent issue in society is the prevalence of fake transactions, facilitated by advanced algorithms and hacking techniques that can easily spread through social networks and platforms. The more complex cases are handled by experienced individuals who possess the necessary authority and information to make informed decisions in their favor, algorithms. Companies can safeguard their reputations and ensure the safety of their customers' payments by actively addressing fraud prevention. There are

various steps that individuals can take to prevent these scams. In the perspective of fraudsters, they often have personal stories and may be blackmailed by individuals to safeguard themselves. It is crucial to comprehend that financial fraud is not only a technological problem but also a societal issue. Fraudsters often exploit human vulnerabilities such as fear, greed, and lack of knowledge to trick their victims. Consequently, it is of utmost importance to disseminate information about financial fraud and educate consumers on how to identify and avoid common fraud schemes.

Need and objectives
The need for a comprehensive study on the reasons behind financial fraud is increasingly critical in today's complex financial landscape. Understand the psychological and economic factors that drive individuals or organizations to commit fraud, such as financial pressure, greed, or opportunity.

- Examine the weaknesses in financial systems and processes that can be exploited by fraudsters, including lack of oversight, inadequate controls, and insufficient employee training. If financial crimes escalate, it can have significant repercussions throughout different sectors of the economy and society.
- The economic impact of financial crimes can hinder economic growth and productivity, resulting in substantial losses for businesses and individuals, which can have a detrimental effect on the overall economy. This can create a ripple effect, influencing job creation and investment. Businesses may face higher expenses due to increased costs associated with fraud detection, prevention measures, and legal fees. These additional costs can put a strain on resources and divert funds from productive investments.
- As financial crimes increase, consumer trust in financial institutions and markets may decrease, leading to a decline in consumer confidence. Individuals may be less inclined to invest or spend, exacerbating the slowdown in economic activity. In response to the rise in financial crimes, governments may enforce stricter regulations on businesses and financial institutions to combat the issue. While this is intended to safeguard consumers, it can also result in higher compliance expenses and administrative challenges.

3. Review of Literature
1."The Smartest Guys in the Room: The Amazing Rise and Scandalous Fall of Enron" by Bethany McLean and Peter Elkind (Updated Edition,2020)
This book provides an in-depth look at the Enron scandal, exploring the corporate culture, financial mismanagement, and ethical failures that led to one of the largest bankruptcies in U.S. history. It discusses how economic pressures and opportunities for fraud can lead to catastrophic outcomes.

2. "Fraud Analytics: Strategies and Methods for Detection and Prevention" by Delena D. Spann (2020)
This book focuses on analytical methods and technologies used for fraud detection and prevention. It covers data mining techniques, statistical analysis, and machine learning applications that organization scan implement to identify fraudulent activities and reduce risks.

3."Financial Fraud Prevention and Detection: A Data Analytics Approach "by Michael E. Whitman and Herbert J. Mattord (2019).
This book explores the application of data analytics in detecting and preventing financial fraud. It emphasizes the significance of technology in identifying irregularities and presents real-life examples showcasing effective fraud prevention techniques.

4."Ethics and Fraud in the Financial Services Industry" by Michael J.
McCarthy (2021) presents the conclusion of their result. This book delves into the moral and ethical considerations surrounding financial fraud within the financial services industry. It examines the reasons why individuals engage in fraudulent activities, the influence of organizational culture on ethical behavior, and the significance of implementing ethical guidelines to deter misconduct.

5."The Art of Fraud: How to Detect, Prevent, and Prosecute Fraud" by David W. Smith (2022).
This book provides a thorough examination of techniques and approaches for identifying and preventing fraudulent activities. It offers valuable guidance for professionals in finance and accounting, highlighting the significance of internal controls and employee training in reducing the likelihood of fraudulent activities.

6."The Psychology of Fraud: Understanding Why Good People Engage in Unethical Behavior" by Dr. John d. Mckee (2023)
This book delves into the psychological aspects that play a role in financial fraud. It delves into the factors of rationalization, opportunity, and pressure that drive individuals to engage in fraudulent activities,offering valuable insights into the psychological aspects of fraud.

7."Blockchain technology and financial fraud: opportunities and challenges" by Alice J. Lee (2024).
These books offer valuable insights into the underlying causes of financial fraud and present a range of solutions and methodologies for preventing it. Each work adds to our understanding of the intricate challenges associated with detecting and preventing fraud in the financial sector.

8."The Great Indian Fraud" by Smarak Swain (2020)
The book "The Great Indian Fraud" by Shri S.M. Swain is written in a thrilling manner. His comprehensive examination of techniques such as country of origin fraud is one of the most insightful I have come across. The most intriguing part of that was not the mechanism itself, but how geopolitics plays a significant role in facilitating such fraud without people even realizing the negative impact it has on the economy and the burden that future generations would have to bear. This book is revelation for anyone who purchases securities (shares, debenture, bonds).

9. Don't Fall For It: A Short History Of Financial Scams, by Ben Carlson (2020)
It discusses two types of financial scammers, namely those who are victims of their own hype, both self-deceived and deceiving others, often because they believe what they are pushing about investments that inevitably go bad because of bubbles, whom the author titles as "Type 1 charlatan" and the truly sociopathic sorts who delight in pulling the wool over the eyes of others, the more dangerous "Type 2 charlatan." Similarly, the author points out the various ways in which people are often victimized by scammers because of their envy and greed and the way that other people are able to receive trust that they really do not deserve through association with other trusted people who often become their dupes.

10. Financial Statement Fraud Prevention and Detection by "ZabihollahRezaee and Richard Riley" (2020)
This book provides an overview of the types of financial statement fraud that can occur and what standard controls and procedures should be in place to prevent such fraud. Several checklists and are included such as: Pressures, opportunities and attitudes/rationalizations related to risk.

- ❖ financial statement fraud.
- ❖ Financial statement fraud red flags.

4. Methodology

This research approach will enable a thorough examination of the causes of financial fraud and the efficacy of prevention strategies. By combining quantitative data with qualitative insights, the study intends to generate valuable knowledge that can guide effective fraud prevention strategies and strengthen the resilience of financial systems against fraudulent activities.

To accomplish these objectives, a mixed-methods approach will be utilized, integrating both qualitative and quantitative research methodologies. To gain valuable insights, surveys will be administered to financial professionals, aiming to understand their firsthand experiences and perspectives on fraud. Furthermore, in-depth examinations of organizations that have effectively implemented fraud prevention measures will be conducted to identify successful strategies.

Data analysis techniques will also be employed to investigate patterns and trends associated with financial fraud occurrences. A comprehensive data collection approach will be adopted, incorporating both quantitative and qualitative research methods tonsure a thorough analysis.

Statistical analysis

Sample selection: a stratified random sample of financial professionals, consisting of administration employees, manufacturing workers, and management teams, will be surveyed at Dixon Industries.

Data collection

An online survey will be distributed; comprising closed-ended questions aimed at collecting data on individuals 'perceptions of fraud risks, their experiences with fraud incidents, and the efficacy of existing fraud prevention measures.

Data analysis

Statistical analysis will be conducted using software like Excel to identify frequency distributions and significant factors associated with financial fraud.

Qualitative research sample selection

Purposeful sampling will be employed to choose case studies from organizations that have encountered financial fraud and those that have effectively implemented prevention strategies.

Data collection

In-depth interviews will be conducted with administration employees, manufacturing workers, management teams, and fraud investigation specialists, to gain insights into specific fraud cases and the effectiveness of prevention efforts.

Data analysis

Thematic analysis will be used to identify recurring themes and patterns in the qualitative data collected from interviews and

Surveys

Surveys will be created to collect numerical data from a significant number of financial professionals and employees.

Format

The survey will include questions with predetermined answer choices, allowing respondents to select from a set of options. Distribution: online survey platforms (e.g., Google Forms) will be utilized to distribute the survey to participants from different industries. Focus areas: questions will cover topics such as perceived fraud risks, experiences with fraud incidents, the effectiveness of current prevention measures, and organizational practices.

5 .Statistical Tools

Relative Frequency is determining the relative frequency of each element by dividing the frequency of each element by the total count.

$RF_i = \dfrac{f_i}{N}$

Where RF_i is the relative frequency of element i.

Percentage Frequency is if needed, convert the relative frequency into percentage form by multiplying by 100.

$PF_i = RF_i \times 100$

Where PF_i is the percentage frequency of element i.

Chi-Square method is commonly used in statistics to test the independence of two categorical variables or to assess goodness of fit. The formula for calculating the Chi-Square statistic (χ^2) is as follows:

Chi-Square Test of Independence

For a contingency table, the formula is:

$$\chi^2 = \sum \frac{(O_i - E_i)^2}{E_i}$$

Where:

- O_i = Observed frequency for category i
- E_i = Expected frequency for category i.
- $E_i = \dfrac{(\text{Row total}) \times (\text{Column total})}{\text{Grand total}}$.

6. Discussion of Results

Table: 1

Gender	Frequency	Percent	Valid percent	Cumulative percent
Male	25	60.97	60.97	60.97
Female	16	39.02	39.02	39.02
Total	41	100	100	100

From above the table and chart indicates that 60.97% of the respondents are male and 39.02%   of the respondents are Female employees. Hence, it interprets that majority of the respondents are male while compared to female employees.

Table: 2

Department	Frequency	Percent	Valid percent	Cumulative percent
Administration	7	17.07	17.07	17.07
Manufacturing	22	53.65	53.65	53.65
Management	12	29.26	29.26	29.26
Total	41	100	100	100

From above the table and the chart indicates the Administration 17.07% and Manufacturing 53.65% and the Management 29.26%.

Hence, it interprets that majority of the departments are Manufacturing 53.65% while compared to the other departments.

Table: 3,What is your thoughts about financial fraud crimes were happening around the companies?

Options	Frequency	Percent	Valid percent	Cumulative percent
Personal gain	20	48.78	48.78	48.78
Low Income	11	26.82	26.82	26.82
Lack of Over sight	10	24.39	24.39	24.39
Total	41	100	100	100

From above the table and chart from a questionnaire respondents selected personal gain 48.78%and low income 26.39% and the lack of oversight 24.39%. Hence, it interprets personal gain 48.78% were selected mostly from the other options.

Table: 4 Have you ever faced any relevant scenes from your company?

Options	Frequency	Percent	Valid percent	Cumulative percent
Yes	12	29.26	29.26	29.26
No	12	29.26	29.26	29.26
May be	17	41.46	41.46	41.46
Total	41	100	100	100

From above the table and chart from an questionnaire respondents were selected yes-29.26%and No-29.26% and Maybe-41.46%. Hence, it interprets Maybe -41.46% were selected mostly from the other options.

Table: 5 Does your company providing proper recognition, respect, promotion, etc..?

Options	Frequency	Percent	Valid percent	Cumulative percent
Yes	21	51.21	51.21	51.21
No	7	17.07	17.07	17.07
May be	13	31.707	31.70	31.707
Total	41	100	100	100

From above the table and chart from an questionnaire respondents were selected yes-51.21% and No-17.07% and Maybe-31.70%.Hence, it interprets yes -51.21% were selected mostly from the other options.

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CHI-SQUARE TEST ANALYSIS
Observed frequency (O)

Gender	Respondents	Non-respondents
Male	0.987805	2.131578947
Female	0.987805	2.131578947

Expected frequency (E)

Gender	Respondents	Non-respondents
Male	20.5%	9.5%
Female	20.5%	9.5%

(OBSERVED VALUE - EXPECTED VALUE)^2 / EXPECTED VALUE. (O-E)^2/ E

Gender	Respondents	Non-respondents	Total
Male	25	5	30
Female	16	14	30
Total	41	19	60

X^2	6.238767651
Degree of freedom	1
P-value	0.044184385

Null hypothesis:
There is no significant difference between gender and respondents P>0.05.
Alternative hypothesis:
There is no significant difference between gender and respondents P<0.05.hence, **the p-value is 0.04** which is less than 0.05 the **alternative hypothesis (HA) is accepted.**

7. Findings of the Study
- I inherited the knowledge about data analysis and interpretation through the EXCEL.
- It was Interprets that majority of the respondents are male while compared to female employees.
- It interprets that majority of the departments are Manufacturing 53.65% while compared to the other departments.
- It interprets personal gain 48.78% were selected mostly from the other options in questionnaire one.
- It interprets Maybe -41.46% were selected mostly from the other options in questionnaire two.
- It interprets yes -51.21% were selected mostly from the other options in questionnaire three.

- **Null hypothesis:**
  There is no significant difference between gender and respondents P>0.05.
- **Alternative hypothesis:**
  There is no significant difference between gender and respondents P<0.05.hence, the p-value is 0.04 which is less than 0.05 the alternative hypothesis (HA) is accepted

Conclusion
Financial fraud continues to be a major problem for both individuals and organizations, fueled by a mix of factors that foster an atmosphere conducive to unethical conduct. In summary, effectively combating financial fraud necessitates a proactive stance that encompasses comprehensive education, robust preventive measures, and dedication to cultivating an ethical work culture. By identifying and

understanding the underlying causes of financial fraud, organization scan enhance their security measures and safeguard the interests of their stakeholders, contributing to a more stable financial environment.

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