



Does Your Mind have Fraud Protection?

Luke 16:10: (NASB) *He who is faithful in a very little thing is faithful also in much; and he who is unrighteous in a very little thing is unrighteous also in much.*



Have you ever been or have you ever known someone who has been a victim of fraud? You know, had their credit card number stolen or their bank account hacked or their social security number breached? It is all quite real and it is all quite unsettling. Now, have you heard the term "fake news"? Think about it - fake news is fraud as well, because in its reporting we are led to believe something is true that is not. It is quite real and it is quite unsettling. Now, have you ever taken something from work that is not yours, or "padded" an expense report or "forgotten"

some income on your tax return? These things are also fraud - they are quite real and they are quite unsettling. The bottom line is, fraud is everywhere, and we as Christians can be victims of it - and we can also perpetrate it. So, what do we do? How do we keep fraud from being a part of our lives?

We do not want to be on the side of fraud, we want to be on the side of truth.

Are you able and willing to protect your mind from perpetuating any fraud, no matter how small it may be?



Merriam Webster Online Dictionary: **Fraud**
1a: deceit, trickery; specifically: intentional perversion of truth in order to induce another to part with something of value or to surrender a legal right
1b: an act of deceiving or misrepresenting
2a: a person who is not what he or she pretends to be
1b: one that is not what it seems or is represented to be

The key is intentional perversion of truth, whether you see something that is fraudulent, you hear something that is based on fraud or you do something fraudulent. We all probably know someone who has been defrauded by having their credit card number stolen or their bank account hacked. Who does this kind of thing? Are we in line to commit fraud even if it is on a smaller scale? What makes fraud happen?

 **Why - the triangle, *How People Rationalize Fraud, Kelly Richmond Pope, TEDtalk***

- If you ask people whether they think stealing is wrong most of them would answer yes. And yet in 2013, organizations all over the world lost an estimated total of \$3.7 trillion to fraud, which includes crimes like embezzlement, pyramid schemes and false insurance claims. This wasn't just the work of a few bad apples. The truth is that many people are susceptible not only to the temptation to commit fraud, but to convincing themselves that they've done nothing wrong. So, why does fraud happen? While individual motivations may differ from case to case, the Fraud Triangle, a model*



developed by criminologist Donald Cressey, shows three conditions that make fraud likely: pressure, opportunity and rationalization.

The question is, "Do I get involved in pressure, opportunity and rationalization? Is everything I do, doable in front of an audience of the godliest people I know?"

In the fraud prevention world, there are three things that need to be done to fight off fraud: **MONITOR, COUNSEL AND RESTORE.**



What do we, as Christians, need to do to fight off the temptation of fraud or the temptation of perpetuating fraud, such as stretching the truth, exaggerating, being fake or telling little white lies? We need to be aware.



Christian Fraud Prevention Lesson:

Godliness
and
Fraud
do not ever mix - in fact,
fraud deeply angers
God and it deeply
wounds those
who engage in it.




Deuteronomy 25:13-16: (NASB) ¹³You shall not have in your bag differing weights, a large and a small (one that is accurate and one that is not). ¹⁴You shall not have in your house differing measures, a large and a small. ¹⁵You shall have a full and just weight; you shall have a full and just measure, that your days may be prolonged in the land which the LORD your God gives you. ¹⁶For everyone who does these things, everyone who acts unjustly is an **abomination <8441>** to the LORD your God.





Abomination: Strong's #8441 something disgusting (morally), an abhorrence; especially idolatry or (concretely) an idol

Matthew 21:12 gives us a good example. Jesus turned over the tables of the moneychangers because they were using false weights to take advantage of the people coming for Passover. They were cheating, which was disgusting to God. The implication here is that God would exact punishment upon any of His chosen people who would set out to intentionally cheat anyone, even if their cheating was only very small.

 **Most common fraud, *How People Rationalize Fraud*, Kelly Richmond Pope, TEDtalk**

- *Some of the most common types of fraud don't even register as such to the perpetrator. Examples include employees fudging time sheets or expense reports, taxpayers failing to report cash earnings or service providers overbilling insurance companies. Though these may seem small, and can sometimes only involve hundreds of dollars, they all contribute to the big picture.*

What happens if we realize we were committing a fraud and did not discover it until later? How do we fix it? We need to correct it. Zacchaeus was a good example. He said, "If I have done anything wrong, I will pay back four times the amount I overcharged someone." His repentance was in accordance with Roman law. The Jewish law did not require four times, but Zacchaeus went to the furthest extent, which showed the goodness of his heart.

Beyond the giving of the Law, fraud was continually warned against:

Proverbs 11:1-6: (NASB) ¹A false balance is an **abomination <8441>** to the LORD, but a just weight is His delight. ²When pride comes, then comes dishonor, but with the humble is wisdom. ³The integrity of the upright will guide them, but the crookedness of the treacherous will destroy them.

The powerful process of sinful action - pride will ALWAYS bring dishonor, and dishonor finds its home in treachery, and treachery brings destruction. Treachery can not only affect us but it can affect and hurt other people. Contrarily, humility brings wisdom and integrity. We may not have integrity when we start, but we can develop it. We need to decide which road we will take.

⁴Riches do not profit in the day of wrath, but righteousness delivers from death. ⁵The righteousness of the blameless will smooth his way, but the wicked will fall by his own wickedness. ⁶The righteousness of the upright will deliver them, but the treacherous will be caught by their own greed.

There is a definite clear-cut choice between righteousness and wickedness.

So, if we are Christians we should have integrity and be able to stand against pressure, right?

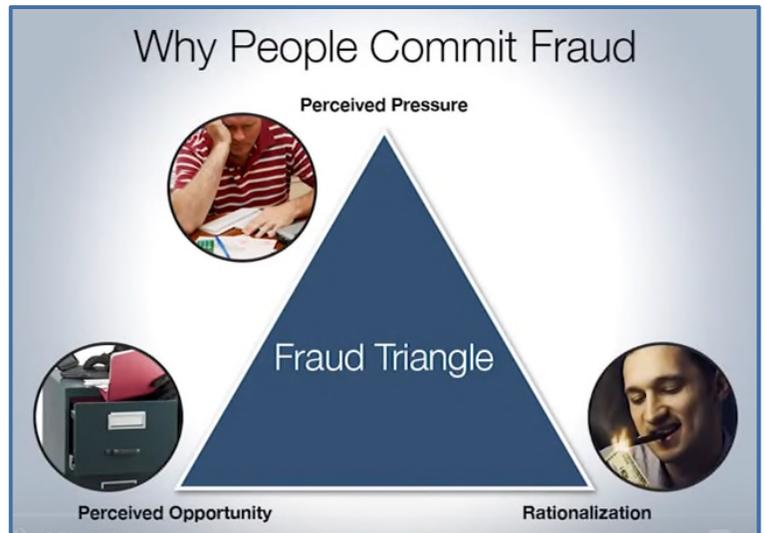
Talking and thinking about integrity is a great exercise, for we as followers of Christ should have an instinctive attraction to integrity. Jesus was the most complete example of integrity that we could ever have, yet possessing integrity is a very difficult task.



How do you stand with the pressures or perceived pressures against you?

 **First leg - perceived pressure, *Why People Commit Fraud*, West Virginia University.**

- *The first leg of the triangle represents pressure. This pressure does not need to actually exist. A perceived pressure is real to the individual committing fraud. A potential fraudster must feel that the pressure is non-sharable, that it must be dealt with alone. The individual usually believes that the problem is impossible to resolve legally, and if the problem continues, the ultimate result will be financial collapse. Frequently, the current issue is related to a personal or external problem such as excessive debt or loss of employment. Many of the problems originate with vices such as drug or alcohol abuse, gambling, extramarital affairs or living beyond one's means.*



Pressure does not need to actually exist in life. If we feel pressure or perceive it, it can be bigger than the reality. Often, we get into fraudulent activities to cover ourselves.

The reputation of a thousand years may be determined by the conduct of one hour.
— *Japanese Proverb*

Every thought and action can create a destiny.

Proverbs 20:5-12: (NASB) ⁵A plan in the heart of a man is like deep water, but a man of understanding draws it out. ⁶Many a man proclaims his own loyalty, but who can find a trustworthy man? ("Talk is cheap") ⁷A righteous man who walks in his integrity— how blessed are his sons after him. ⁸A king who sits on the throne of justice disperses all evil with his eyes.

We all make mistakes. We should look within ourselves and be less judgmental. Integrity is a rare and difficult characteristic to develop, as it will be constantly tested.

⁹Who can say, I have cleansed my heart, I am pure from my sin? ¹⁰Differing weights and differing measures, both of them are **abominable <8441>** to the LORD. ¹¹It is by his deeds that a lad distinguishes himself if his conduct is pure and right. (Even as a young person, it comes down to integrity.) ¹²The hearing ear and the seeing eye, the LORD has made both of them.

Again, we see that differing weights and differing measures are abominable to the LORD.



It is interesting how integrity and fraud seem to continually show as opposites in Scripture. There are all kinds of reasons and circumstances that create the tug of war between integrity and fraud.



 Why people do it, *The Three Factors in Play When Ethical People Commit Fraud*, ilstv.com

- *There can be so many more motives. There can be a true financial need - someone is in financial trouble. It could be someone just wants to look good, so they will falsify something. They want to build their reputation. Or it might be they are under a great deal of pressure. So, all of those things could be motives. A lot of those are external, but the internal part of that that goes on in our heads is the rationalizing of the behavior. So, if opportunity and motive are strong enough, my research seems to suggest that virtually all of us are capable of rationalizing something to make ourselves feel okay about what we're doing and therefore commit fraud.*

Virtually all of us can do something that would be considered fraud. Therefore, our minds need fraud protection.



We, as Christians, are put in a position where we are given "the keys to the castle" by God and told to manage it. Here is where "Fraud Prevention Monitoring" is desperately needed.

Christian Fraud Prevention Lesson:

Christian stewardship is a profoundly relevant character test whose results will have eternal implications.





What exactly is a steward? The concept of stewardship is that of the manager of a household or of household affairs - a superintendent:

1 Corinthians 4:1-2: (NASB) *¹Let a man regard us in this manner, as servants of Christ and stewards of the mysteries of God. ²In this case, moreover, it is required of stewards that one be found trustworthy.*

We are stewards - caretakers of the truth of the gospel. Are we knowing the gospel and spreading it as we should be?

1 Corinthians 6:19-20: (NASB) *¹⁹Or do you not know that your body is a temple of the Holy Spirit who is in you, whom you have from God, and that you are not your own? ²⁰For you have been bought with a price: therefore, glorify God in your body.*

We are stewards - caretakers of our own lives. Are we managing our lives in a way that is worthy of God's ownership?

Sometimes even the best of our brotherhood can fall into fraudulent behavior due to pressure:

Galatians 2:11-14: (NASB) *¹¹But when Cephas (Peter) came to Antioch, I opposed him to his face, because he stood condemned. ¹²For prior to the coming of certain men from James, he used to eat with the Gentiles; but when they came, he began to withdraw and hold himself aloof, fearing the party of the circumcision. ¹³The rest of the Jews joined him in hypocrisy, with the result that even Barnabas was carried away by their hypocrisy. ¹⁴But when I saw that they were not straightforward about the truth of the gospel, I said to Cephas (Peter) in the presence of all, If you, being a Jew, live like the Gentiles and not like the Jews, how is it that you compel the Gentiles to live like Jews?*

We need the brotherhood to watch out for us as we watch out for them.

Are we strong enough to stand firm when our life pressures meet convenient opportunities to cheat?

It is so difficult to manage the many pressures of life in our present society. With everything out there in cyberspace the propensity to compare and to want is an ever-present challenge. If we couple that with a door of questionable opportunity opening we can really have a dilemma. One simple example might be illegally passing people on the shoulder when you are stuck in traffic.

 **Second leg - perceived opportunity, *Why People Commit Fraud, West Virginia University***

- The second leg of the Fraud Triangle relates to opportunity. Before an individual commits fraud, there must be the perception of an opportunity to take advantage of the system without being caught, allowing removing the pressure in secret. The primary source of opportunity relates to poor or inadequate internal controls within the organization's financial system.*

The lecture was referring to companies dealing with fraud, but in personal life the perceived opportunity comes and can take care of the perceived pressure in secret. When the opportunity comes up, it makes the pressure more real. That is such a temptation.

It is here where opportunity to do something in the darkness to illicitly relieve the pressures of our lives that "Fraud Prevention Counseling" can help save our reputation and integrity in our Christian lives.





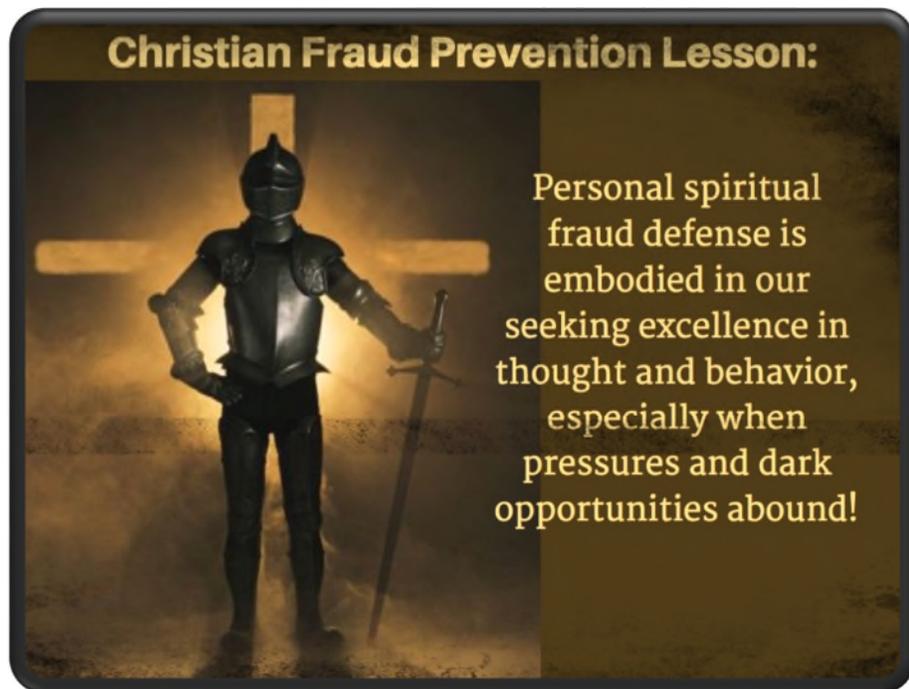
David and Bathsheba - an opportunity that only brought sorrow and death:

2 Samuel 11:1-5: (NASB) ¹Then it happened in the spring, at the time when kings go out to battle, that David sent Joab and his servants with him and all Israel, and they destroyed the sons of Ammon and besieged Rabbah. But David stayed at Jerusalem. ²Now when evening came David arose from his bed and walked around on the roof of the king's house, and from the roof he saw a woman bathing; and the woman was very beautiful in appearance. ³So David sent and inquired about the woman. And one said, Is this not Bathsheba, the daughter of Eliam, the wife of Uriah the Hittite?

Wise counsel was spoken in this simple factual answer: She is married so you should leave her alone.

⁴David sent messengers and took her, and when she came to him, he lay with her; and when she had purified herself from her uncleanness, she returned to her house. ⁵The woman conceived; and she sent and told David, and said, I am pregnant.

We know the story - one horrible decision from King David led to more and more horrible decisions, all of which completely undermined any integrity King David had, resulting in multiple tragedies. David had words given to him that should have thrown up a red flag, but he ignored them. He had an opportunity, ignored the counsel and took the opportunity.



Now we need to focus on personal spiritual fraud defense. We are defending against us committing anything that would be considered fraudulent.

1 Thessalonians 4:1-6, 9-11: (NASB) ¹Finally then, brethren, we request and exhort you in the Lord Jesus, that as you received from us instruction as to how you ought to walk and please God (just as you actually do walk), that you excel still more.



The Apostle is encouraging them and telling them they are great examples, but then says, "*Excel still more!*" This is a powerful way to combat the fraud that can take our hearts. It does not have to be something big. Fraud happens in those quiet, dark places where no one else can see. We may commit fraud because it is convenient, it helps us get out of trouble, it makes us feel better or it may relieve a source of stress. But if it is wrong, it is wrong!



"NO!"



Opportunity for a "dark" solution is also opportunity to say "NO!" and to react with even greater integrity than you ever have. This is an opportunity to say, "I am a steward of my life" and God owns me and I owe Him my best. We must *excel still more*.

²For you know what commandments we gave you by the authority of the Lord Jesus. ³For this is the will of God, your sanctification; that is, that you abstain from sexual immorality; ⁴that each of you know how to possess his own vessel in sanctification and honor, ⁵not in lustful passion, like the Gentiles who do not know God;

Come up higher. The power of saying "NO!" is most glaring when it comes to our controlling the desires of our flesh. This reminds us of Joseph when he was a steward in Potiphar's household. Potiphar's wife was trying to seduce Joseph and his response was, "NO!" He was put in prison for standing up for righteousness. Genesis 50:20: (NASB)...*You meant it for evil, but God meant it for good.*

God allows temptations for good, just as in the case of Joseph. When these perceived opportunities come, we need to decide and know what to stand for and why we should stand there.

⁶and that *no man transgress and defraud his brother in the matter because the Lord is the avenger in all these things, (It is even in the little things like taking pens or pencils from the office) just as we also told you before and solemnly warned you... (It is for God to judge.)* ⁹Now as to the love of the brethren, you have no need for anyone to write to you, for you yourselves are taught by God to love one another; ¹⁰for indeed you do practice it toward all the brethren who are in all Macedonia. But we urge you, brethren, to *excel still more*, ¹¹and to make it your ambition to lead a quiet life and attend to your own business and work with your hands, just as we commanded you,

The answer to not defrauding your brethren is that you must love and appreciate them...even if you do not like them. If they have been called to the same calling, who are we to judge them? We need to respect whom God called.

A good example is David not harming King Saul even though Saul was out to kill him:

1 Samuel 24:6: (KJV) ⁶And he said unto his men, The LORD forbid that I should do this thing unto my master, the LORD's anointed, to stretch forth mine hand against him, *seeing he is the anointed of the LORD. That is integrity.*

Excel still more! Come up higher! Let your spiritual integrity shine out. Refocus your ambitions exclusively towards Christlikeness in humble stewardship of life - this is your finest opportunity to relieve the pressures of life.



**Fraud's secret weapon is rationalization.
How can we avoid this diabolical trap?**

It is hard enough to have the pressures of life pressing us towards opportunities to manage the pressures in a way that "no one will know." We all make mistakes. Now pile on our non-stop human ability to rationalize and we really have a problem. Once we go down this rationalized road we really need the "Fraud Prevention Restoration" part of the equation to kick in.



Third leg - rationalization, Why People Commit Fraud, West Virginia University

- *The last leg of the Fraud Triangle is rationalization. People are generally honest; fraud involves theft. To prevent fraudsters from perceiving themselves as criminals, there is rationalization. Rationalization helps justify the crime in a way that makes it acceptable in the mind of a fraudster. One of the most common rationalizations is, "I deserved it," or "They owe it to me." Employees that believe that they're underpaid or otherwise financially taken advantage of frequently use this form of rationalization. "They treat me bad" is a non-financial variation of the "I deserve it" rationalization. Another rationalization is, "I'm just borrowing the money." Mentally it's much easier to justify borrowing than stealing. The final rationalization we'll mention is, "It's not my fault," which is used to transfer blame to someone else.*



"JoyfullandTriumphant" writes: I heard a definition of rationalization - rational lies! [Psalm 51:7](#): Purify me with hyssop, and I shall be clean; Wash me, and I shall be whiter than snow. We need help to see and have TRUTH in our innermost thinking.

The subtle power of rationalization - Eve in the Garden:

Genesis 3:1-7: (NASB) ¹Now the serpent was more crafty than any beast of the field which the LORD God had made. And he said to the woman, Indeed, has God said, You shall not eat from any tree of the garden? ²The woman said to the serpent, from the fruit of the trees of the garden we may eat; ³but from the fruit of the tree which is in the middle of the garden, God has said, You shall not eat from it or touch it, or you will die.

So far, so good. Know the guidelines, repeat the guidelines and acknowledge their source (God).

⁴The serpent said to the woman, You surely will not die! ⁵For God knows that in the day you eat from it your eyes will be opened, and you will be like God, knowing good and evil.

When our integrity is challenged, it is inevitably challenged by way of rationalization. This sounds like new information and therefore a new way to consider things. But God had already spoken! If you are hearing something different than what God said, put up your shield.



⁶When the woman saw that the tree was good for food, and that it was a delight to the eyes, and that the tree was desirable to make one wise, she took from its fruit and ate; and she gave also to her husband with her, and he ate. ⁷Then the eyes of both of them were opened, and they knew that they were naked; and they sewed fig leaves together and made themselves loin coverings.



The rationalization opened the door for sin. One of Satan's tricks is to add a little truth in with the deception. That is why fraudsters online create websites that look like a real website so they can get your information.

Eve gave in to three rationalizing reasons. Adam only needed one - the fact that his wife had offered him that which was forbidden. Restoration would now be a necessity! **Please see the Bonus Material for more on the three factors that Eve fell prey to in her sin.**

 **Twenty-year fraud, *How People Rationalize Fraud*, Kelly Richmond Pope, TEDtalk**

- And it's not just corporate greed. Governments and non-profits are also susceptible to fraud. During her time as City Comptroller for Dixon, Illinois, Rita Crundwell embezzled over \$53 million. Rita was one of the country's leading quarter horse breeders and winner of 52 world championships. But the cost of maintaining the herd ran to \$200,000 per month. Because her position gave her complete control over city finances, she was easily able to divert money to an account she used for private expenses, and the scheme went unnoticed for 20 years. It is believed that Crundwell felt entitled to a lavish lifestyle based on her position and the notoriety her winnings brought to the city. It's tempting to think of fraud as a victimless crime because corporations and civic institutions aren't people. But fraud harms real people in virtually every case.*

She rationalized and developed a habit where her conscience probably went completely silent. As amazing as this is, it is no different than when we commit the little frauds.



Often the symptoms of personal spiritual fraud are on the inside and not necessarily big. They are those little silent dark thoughts. We may keep them hidden on purpose and try not to pay attention to them until the proper opportunity comes up. We can find them because it is all about "ME first."



Psalm 10:3-4, 6-11: (NASB) ³*For the wicked boasts of his heart's desire, and the greedy man curses and spurns the LORD. ⁴The wicked, in the haughtiness of his countenance, does not seek Him. All his thoughts are, There is no God. (We need to be careful not to take God out of the picture.)*

Whenever we rationalize ourselves into acting fraudulently we are becoming the "god" of our own lives. There is pride behind this, even when our fraudulent actions are simply for self-preservation.

⁶*He says to himself, I will not be moved; throughout all generations I will not be in adversity. ⁷His mouth is full of curses and deceit and oppression; under his tongue is mischief and wickedness.*

Out of this self-serving and godless way comes the spewing of dark words that reflect the darkness of the thoughts that are now living in our hearts. Rationalization simply breeds more rationalization.

⁸*He sits in the lurking places of the villages; in the hiding places he kills the innocent; his eyes stealthily watch for the unfortunate. ⁹He lurks in a hiding place as a lion in his lair; he lurks to catch the afflicted; he catches the afflicted when he draws him into his net. ¹⁰He crouches, he bows down, and the unfortunate fall by his mighty ones. ¹¹He says to himself, God has forgotten; he has hidden his face; he will never see it.*

We do not want to focus on the activities but the *pattern*. The pattern is thoughts, words and actions - actions that may have begun as self-preserving are now actions of hurt for others. We rationalize, so restoration is needed! All of this is made possible by the delusion that God does not see. When we rationalize, what is clear becomes cloudy. What is wrong, false or a lie now becomes clear and focused. Look past what is right in front of you to godliness and righteousness.

**Pressure, Opportunity and Rationalization - what a mess!
How can we leave this travesty behind?**

As with every other type of challenge we face in this life, there is an answer. This answer is never easy, but it is nevertheless an answer that we can grow into as we strive to follow Jesus!

**God grant me the courage not to give up what I think is right even though I think it is hopeless.
— Chester W. Nimitz**

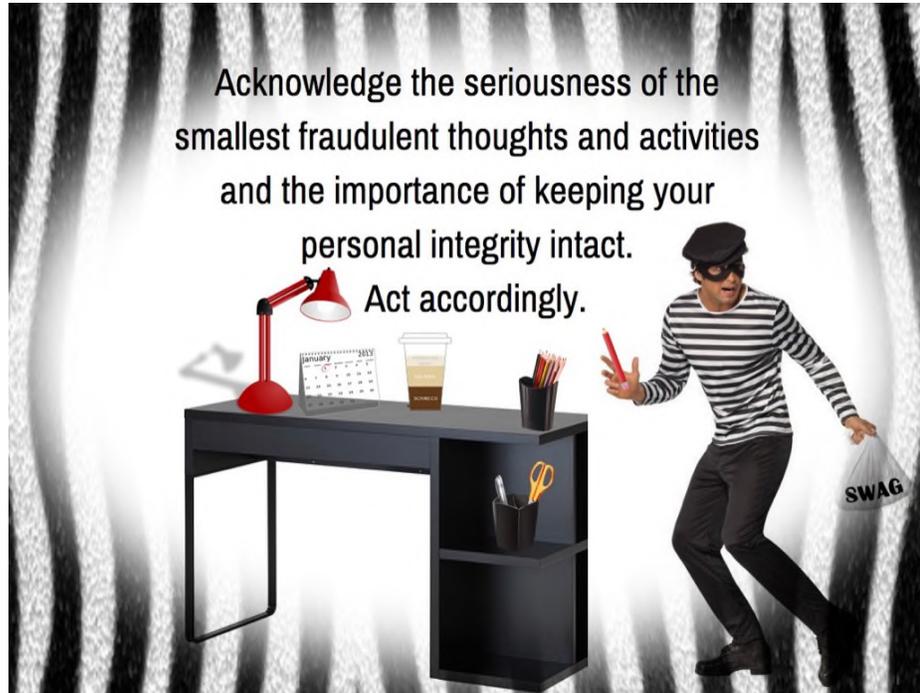
 **Conclusion, Why People Commit Fraud, West Virginia University**

- *The fundamental premise of the Fraud Triangle suggests that when an ordinary person or accidental fraudster commits fraud, all three of the legs of the triangle must be present. There must be a perceived problem that cannot be shared, or pressure. Additionally, there must be an opportunity available that the fraudster believes can be used to solve the problem. And finally, the person will rationalize the fraud to help in the denial that the action is wrong.*

Rationalization is the basis for committing fraud.



Christian Fraud Prevention Lesson:



Acknowledge the seriousness of the smallest fraudulent thoughts and activities and the importance of keeping your personal integrity intact.

Act accordingly.

Taking pens or pencils from work is fraud! As a Christian, we are supposed to be lights in the world, not contributing to the darkness in the world.

- Realize whose side you will represent by choosing between integrity and fraud.

Luke 16:10-15: (NASB) ¹⁰*He who is faithful in a very little thing is faithful also in much; and he who is unrighteous in a very little thing is unrighteous also in much.* ¹¹*Therefore if you have not been faithful in the use of unrighteous wealth, who will entrust the true riches to you?* ¹²*And if you have not been faithful in the use of that which is another's, who will give you that which is your own?*

Stewardship and perspective - simply, be faithful to that which is before you in a godly manner.

¹³*No servant can serve two masters; for either he will hate the one and love the other, or else he will be devoted to one and despise the other. You cannot serve God and wealth.* ¹⁴*Now the Pharisees, who were lovers of money, were listening to all these things and were scoffing at him.* ¹⁵*And he said to them, You are those who justify yourselves in the sight of men, but God knows your hearts; for that which is highly esteemed among men is detestable in the sight of God.*

We can only serve one master. Will it be the God of heaven or will we choose the path of compromise that leads to serving that which is DETESTABLE in God's sight? *No one can serve two masters. Excel still more.*

- Know that the level of integrity you adhere to speaks more about your life than any other single element and we can always choose to *excel still more* if our integrity has been compromised. We have all made mistakes and made choices that were not godly. The key is that those mistakes do not have to define you. We can decide what level of



integrity we are going to live according to. We can learn to *excel still more*, even if our integrity has been compromised.

Solomon before God after building the Temple:

1 Kings 9:4-5: (NASB) *⁴As for you, if you will walk before Me as your father David walked, in integrity of heart and uprightness, doing according to all that I have commanded you and will keep My statutes and My ordinances, ⁵then I will establish the throne of your kingdom over Israel forever, just as I promised to your father David, saying, You shall not lack a man on the throne of Israel.*

David, even though he fell into evil and fraudulent activity so fully, had a heart for God and proved the loyalty and integrity of his heart by *excelling still more*. David went through years of trials, but was able to recover from sin. He brought his heart back in line with godliness.

- Submit yourself to whatever proving may be necessary to reveal the depth of your integrity.

Psalm 26:1-4: (NASB) *¹Vindicate me, O LORD, for I have walked in my integrity (he is asking God to test and prove him) and I have trusted in the LORD without wavering. ²Examine me, O LORD, and try me; test my mind and my heart. ³For Your lovingkindness is before my eyes, and I have walked in Your truth. ⁴I do not sit with deceitful men, nor will I go with pretenders.*

- Always keep the brotherhood and your small role in it in your personal daily focus.

Philippians 2:3-4: (NASB) *³Do nothing from selfishness or empty conceit, but with humility of mind regard one another as more important than yourselves; ⁴do not merely look out for your own personal interests, but also for the interests of others.*

*With humility of mind, regard one another as **more important** than yourselves.* Apostle Paul was a good example of treating others as more important than himself. He carried incredible opportunities, privileges and burdens, yet he saw himself as the least of the apostles. He also saw himself in the role of a servant.

We are God's stewards of our lives. We owe God our allegiance and highest actions. Live in integrity.

*So, does your mind have fraud protection?
For Jonathan and Rick and Christian Questions...
Think about it...!*

*And now even more to think about...
only in the **Full Edition** of CQ Rewind!*





More on the three factors that Eve fell prey to in her sin.

First, a look at some scriptural context from defining these three factors:

1 John 2:12-17: (KJV) ¹²I write unto you, little children, because your sins are forgiven you for his name's sake. ¹³I write unto you, fathers, because ye have known him that is from the beginning. I write unto you, young men, because ye have overcome the wicked one. I write unto you, little children, because ye have known the Father. ¹⁴I have written unto you, fathers, because ye have known him that is from the beginning. I have written unto you, young men, because ye are strong, and the word of God abideth in you, and ye have overcome the wicked one. ¹⁵Love not the world, neither the things that are in the world. If any man love the world, the love of the Father is not in him. ¹⁶For all that is in the world, the lust of the flesh, and the lust of the eyes, and the pride of life, is not of the Father, but is of the world. ¹⁷And the world passeth away, and the lust thereof: but he that doeth the will of God abideth forever.

- The lust of the eyes
- The lust of the flesh
- The pride of life

In these three actions all sin is conceived, developed and committed...But all sin need not have all three.

In the Garden of Eden:

Genesis 3:6: (KJV) And when the woman saw that the tree was good for food, and that it was pleasant to the eyes, and a tree to be desired to make one wise, she took of the fruit thereof, and did eat, and gave also unto her husband with her; and he did eat.

- saw that the tree was good for food = lust of the flesh
- that it was pleasant to the eyes = lust of the eyes
- and a tree to be desired to make one wise = pride of life - taking the credit that belongs to God!

Now let us look at Jesus' reaction to the same three actions to see the proper responses.

Jesus tempted by Satan:

Matthew 4:2-4: (KJV) ²And when he had fasted forty days and forty nights, he was afterward an hungered. ³And when the tempter came to him, he said, If thou be the Son of God, command that these stones be made bread. ⁴But he answered and said, It is written, Man shall not live by bread alone, but by every word that proceedeth out of the mouth of God. (Lust of the flesh!)

Jesus lived this example:

John 4:34: (KJV) Jesus saith unto them, my meat is to do the will of him that sent me, and to finish his work.

Jesus tempted by Satan (continued):

Matthew 4:5-7: (KJV) ⁵Then the devil taketh him up into the holy city, and setteth him on a pinnacle of the temple, ⁶And saith unto him, If thou be the Son of God, cast thyself down: for it is written, He shall give his angels charge concerning thee: and in their hands they shall bear thee up, lest at any time thou dash thy foot against a stone. ⁷Jesus said unto him, It is written again, Thou shalt not tempt the Lord thy God. (Pride of life! Here he gives God the credit.)



Jesus lived this example:

Philippians 2:6-8: (NIV) *⁶Who, being in very nature God, did not consider equality with God something to be grasped, ⁷but made himself nothing, taking the very nature of a servant, being made in human likeness. ⁸And being found in appearance as a man, he humbled himself and became obedient to death--even death on a cross!*

Jesus tempted by Satan (continued):

Matthew 4:8-11: (KJV) *⁸Again, the devil taketh him up into an exceeding high mountain, and showeth him all the kingdoms of the world, and the glory of them; ⁹And saith unto him, All these things will I give thee, if thou wilt fall down and worship me. ¹⁰Then saith Jesus unto him, Get thee hence, Satan: for it is written, Thou shalt worship the Lord thy God, and him only shalt thou serve. ¹¹Then the devil leaveth him, and, behold, angels came and ministered unto him. (Lust of the eyes!)*

Jesus lived this example:

John 18:11: (NIV) *Jesus commanded Peter, Put your sword away! Shall I not drink the cup the Father has given me?*

Stewardship and integrity:

1 Peter 4:8-11: (NRSV) *⁸Above all, maintain constant love for one another, for love covers a multitude of sins. ⁹Be hospitable to one another without complaining. ¹⁰Like good stewards of the manifold grace of God, serve one another with whatever gift each of you has received. ¹¹Whoever speaks must do so as one speaking the very words of God; whoever serves must do so with the strength that God supplies, so that God may be glorified in all things through Jesus Christ. To him belong the glory and the power forever and ever. Amen.*

Psalm 7:6-11: (NASB) *⁶Arise, O LORD, in Your anger; Lift up Yourself against the rage of my adversaries, and arouse Yourself for me; You have appointed judgment. ⁷Let the assembly of the peoples encompass You, and over them return on high. ⁸The LORD judges the peoples; vindicate me, O LORD, according to my righteousness and my integrity that is in me. ⁹O let the evil of the wicked come to an end, but establish the righteous; for the righteous God tries the hearts and minds. ¹⁰My shield is with God, who saves the upright in heart. ¹¹God is a righteous judge, and a God who has indignation every day.*

23 Reasons Good People Commit Fraud

23 psychological traps that can lead anybody down the fraud path

(Source: Excerpts from Amanda Nieweler, published on April 28, 2015, [Linkedin.com](#))

We've seen in the ACFE's Report to the Nations findings that the higher the perpetrator's level of authority, the greater the fraud losses tend to be. It goes to say that many white-collar crimes aren't committed by 'hardened criminals', but instead these crimes are being committed by people who are under severe pressure from management or shareholders.

There's also those who 'get away with it the first time' then try to test their limits going forward.

We've outlined 23 reasons below, taken from a paper from Dr. Muel Kaptein's of the Rotterdam School of Management. These are worth repeating and spreading the word.

So why would 'normal' people cross the line to commit fraud? Here's the roundup from Dr. Muel Kaptein's paper:

TUNNEL VISION

Many of us find ourselves traveling down that path of focusing on one, and only one, thing. Setting and achieving goals is important, however, a single-minded focus on those goals can blind people to ethical concerns. When Enron offered large bonuses to employees for bringing in sales, they became so focused on that goal that they forgot to make sure they were profitable or moral. Look where that got Enron!



THE POWER OF NAMES

The use of nicknames and euphemisms given to questionable practices can often free someone from their moral connotations. This makes those questionable practices seem more acceptable. Example: Bribery becomes 'greasing the wheels', fraud becomes 'financial engineering'. Cute? Sure. Bad? Oh you bet!

SOCIAL BOND THEORY

In many bigger organizations, employees may start to feel like numbers, rather than individuals. Employees may often feel detached from the company's goals and leadership. That feeling of being detached may be that driving factor that enables employees to commit fraud.

THE GALATEA EFFECT

Self-image determines behavior. People who have a strong sense of themselves as individuals are less likely to do unethical things. An individual's opinion about ability and self-expectations about performance largely determines performance. If an employee thinks they can succeed, they will likely succeed. Employees who see themselves as determined by their environment or having their choices made for them are more likely to bend the rules, as they feel less individually responsible.

TIME PRESSURE

If given ample time, an employee might think about their actions as being ethical or not. If under a time constraint, many employees may forget about 'thinking about their actions' and just get the job done to please management, ethical or not.

ACCEPTANCE OF SMALL THEFT

Look at any workplace and you'll find many opportunities for theft. From post-it notes, to toilet paper. These items frequently go home with employees. And these small thefts tend to be ignored. This then feeds to pushing the limits and engaging in larger and larger thefts.

SELF-SERVING BIAS

It's human nature - we often think we're better than the people around us. This can lead to feelings of injustice if, for example, somebody else gets a promotion over you. Employees feel it's not down to that person's performance and capacity, so it must be something else. These feelings, and overestimation of other's biases can lead to unethical behavior.

CONSPICUOUS CONSUMPTION

Extreme wealth, or environments that reflect it, can lead to unethical behavior. Employees, who see excessive bonuses or perks can be lead to feelings of injustice and jealousy which may lead them to unethical behavior.

THE PYGMALION EFFECT

Well this just makes sense: the way that people are seen and treated influences the way they act. When employees are viewed suspiciously and constantly treated like potential thieves, they are more likely to be thieves.

REACTANCE THEORY

People resent threats to their freedom, and they often manifest that resentment by flouting certain rules. Rules are designed to prevent unethical behavior, but when they're seen as unjust or excessive they can provoke the opposite reaction.

OBEDIENCE TO AUTHORITY

When someone in a position of authority asks an employee to do something unethical or illegal, that employee often finds it difficult to say no. After all it's upper management doing the asking so it must be okay. When people see themselves doing another's wishes, they feel less responsible.

THE BLINDING EFFECT OF POWER

The only reason powerful people appear more corrupt is because they are caught more publicly. And when someone is influential and sets rules for others, they can begin to see themselves as morally distinct from their employees, and not subject to the same rules.



BROKEN WINDOW THEORY

Former New York City Mayor Rudy Giuliani popularized the "broken window theory" when he led a sweeping effort to lower crime rates. His idea was to crack down on smaller crimes and clean up the city in order to create some semblance of order. This in-turn would discourage larger crimes. When people see disorder or disorganization, they assume there is no real authority and are likely to commit more crimes.

THE FREE-RIDER PROBLEM

Positive and ethical behavior can sometimes result in an opposite reaction. "If nobody else steals stationery, the company won't notice if I do." If total damage is limited, people feel as though they can take more liberties.

THE FOOT IN THE DOOR

When upper management asks an employee to skirt the rules, that employee may want to seem like a team player. They may start to think of themselves as a "team player" and extremely loyal, getting things done. In that frame of mind, they may be willing to participate in unethical behavior.

WINNER TAKE-ALL COMPETITION

If employees see situations as if there's a clearly defined winner and loser, they may be more likely to cheat. The people most likely to cheat may not even be those farthest behind, but rather those who are just short of their goal.

COGNITIVE DISSONANCE AND RATIONALIZATION

If an employee's actions differ from their morals, they begin to rationalize both to protect themselves from a painful contradiction and to build up protection against accusation. The bigger the dissonance, the larger the rationalization, and the longer it lasts, the less immoral it seems - therefore bigger frauds ensue.

LACK OF SLEEP AND HYPOGLYCEMIA

People who are hungry or tired have less self-control. While being tired or hungry won't make someone embezzle, it leaves them more open to moments of weakness.

ESCALATING COMMITMENT

Big thieves usually start out as small thieves. It's that simple. If there's a feeling of no way out, the slippery slope gets slipperier. If an employee is taking a big risk to get a big bonus, they may look to taking larger risks if the original risk suddenly becomes a big loss.

MARKET AND SHAREHOLDER PRESSURE

Former Citigroup CEO and Chairman Charles Prince once said, "As long as the music is playing, you've got to get up and dance." He was referring to the leveraged buyout market in 2007. Before the collapse, there was intense pressure for managers to join in on the huge and risky profits, despite the volatile market at the time.

THE COMPENSATION EFFECT

Some employees may feel like they've banked up "ethical credit" if they've been morally and ethically upfront in their dealings thus far. This could mean they use this to justify immoral behavior in the future.

BAD COMMUNICATION

Many companies have fallen into this category. Corruption and ethics are black and white, wrongdoers are badly punished and gray areas are never discussed. That can lead to an environment where rather than sounding out ideas that border on unethical, people push and test their limits.

THE PRESSURE TO CONFORM

Nobody likes being a nuisance. In order to fit in with a group, people do things they might not do otherwise. That can lead them to ignore abuses for the sake of peace or unity and go along with questionable decisions.