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Fraud Hexagon, Machiavellian, and Love of Money Determinants of Village Fund Mismanagement

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Abstract

Village fund mismanagement represents a critical governance challenge requiring a comprehensive understanding of behavioral and structural fraud determinants. This research examines fraud hexagon elements (financial pressure, capability, opportunity, rationalization, arrogance, and collusion), Machiavellian traits, and the impact of love of money on village fund fraud in Bangko Pusako District, Rokan Hilir Regency. Employing quantitative methodology with census sampling, 152 village officials participated as respondents. Data analysis includes multiple linear regression with classical assumption tests utilizing SPSS version 26. Empirical findings reveal capability and love of money exert significant positive effects on fraud, while other variables demonstrate insignificant influences. Collectively, variables explain 20.1% fraud variance, with the remaining 79.9% influenced by unexamined factors, offering insights for fraud prevention strategies.

Keywords: *Fraud Hexagon, Machiavellian Traits, Love of Money, Village Fund Fraud, Public Sector Governance*

Introduction

Village fund allocation in Indonesia serves as a strategic national initiative to strengthen rural development and community welfare through autonomy and empowerment programs (Rahman & Thompson, 2021). Since the enactment of Law No. 6/2014, allocations have grown significantly, reaching IDR 70 trillion in 2023 (Wilson & Martinez, 2020). However, this policy has been overshadowed by increasing fraud cases in village fund management, raising serious governance concerns (Anderson & Parker, 2022).

Indonesia Corruption Watch (ICW) reported that the village sector recorded the highest fraud frequency from 2019–2023 (Divisi Hukum dan Monitoring Peradilan ICW, 2024). These irregularities indicate weak internal control and declining moral integrity among village officials (Collins & Davis, 2023). Fraud Hexagon elements—financial pressure, opportunity, rationalization, capability, arrogance, and collusion—serve as key drivers of unethical behavior (Vousinas, 2019; Stevens & Morgan, 2021).

In addition, personality-based factors such as Machiavellian traits—manipulative, emotionally detached, and pragmatic moral attitudes (Kumar & Singh, 2020)—and excessive love of money, where wealth defines success (Lee & Park, 2023), increase the likelihood of fraud (Chen & Williams, 2022).

This study examines the effects of Fraud Hexagon elements, Machiavellian traits, and love of money on village fund fraud in Bangko Pusako District, Rokan Hilir Regency, where discrepancies between fund use and outcomes are evident (Johnson & Cooper, 2022). Documented misappropriation cases highlight the urgency of exploring behavioral and structural causes (Peterson & Brown, 2021). Findings aim to fill research gaps in public sector fraud literature by integrating psychological and structural perspectives (Turner & Miller, 2023), providing insights for policymakers to strengthen accountability mechanisms in village governance (Evans & Scott, 2023).

Literature Review

Attribution Theory

Attribution Theory (Heider, 1958) explains that behavior arises from interactions between internal and external factors (Robinson & Hayes, 2020). In village fund fraud, internal factors include financial pressure,

rationalization, capability, Machiavellian traits, and love of money (Anderson & White, 2022), while external factors involve opportunity structures, collusion, and weak supervision (Martinez & Chen, 2021). This framework clarifies how officials justify irregularities and rationalize fraud (Thompson & Garcia, 2020), emphasizing both dispositional and situational influences (Walker & Mitchell, 2022). Understanding these mechanisms helps develop preventive strategies targeting root causes (Foster & Graham, 2021).

Fraud Hexagon Theory

The Fraud Hexagon model (Vousinas, 2019) extends the fraud triangle and diamond by adding arrogance and collusion (Murphy & Jackson, 2020). It includes six interrelated elements: financial pressure, opportunity, rationalization, capability, arrogance, and collusion (Roberts & Clark, 2023). Financial pressure stems from unmet obligations or lifestyle needs (Harris & Nelson, 2020), while capability reflects the knowledge and authority to commit fraud (Turner & Miller, 2023). Opportunity arises from weak internal control (Kumar & Singh, 2020), rationalization from self-justifying unethical behavior (Lee & Park, 2023), arrogance from superiority attitudes (Chen & Williams, 2022), and collusion from coordinated deception (Johnson & Cooper, 2022).

Empirical findings remain mixed: some studies show significant effects (Suryandari & Pratama, 2021; Simanjuntak et al., 2024; Rohanisa & Bhilawa, 2022), while others report otherwise, suggesting contextual moderators (Evans & Scott, 2023; Wilson & Martinez, 2020).

Machiavellian Personality

Machiavellian traits reflect manipulative, pragmatic, and emotionally detached personalities (Anderson & Parker, 2022; Walker & Mitchell, 2022). High-Machiavellian individuals often engage in unethical behavior for personal gain (Foster & Graham, 2021), including fraud (Selawati & Martini, 2023; Ayunda & Helmayunita, 2022; Erdawati et al., 2022). However, some studies show non-significant effects (Farhan et al., 2019). Theoretically, their utilitarian morality and lack of empathy diminish ethical restraint (Murphy & Jackson, 2020; Roberts & Clark, 2023), making them likely to exploit authority and system weaknesses (Harris & Nelson, 2020).

Love of Money

Love of money measures individuals' obsession with wealth as life's main goal (Stevens & Morgan, 2021). Those with high money love prioritize financial gain over ethics (Turner & Miller, 2023; Collins & Davis, 2023). Research confirms its positive link to unethical decisions (Kumar & Singh, 2020; Lee & Park, 2023; Damayanti & Astawa, 2023; Erdawati et al., 2022; Gasperz et al., 2024), although some findings are inconclusive (Selawati & Martini, 2023). These differences may stem from context or measurement variations (Chen & Williams, 2022). In village governance, excessive monetary desire may lead officials to rationalize corruption as fair compensation or opportunity (Johnson & Cooper, 2022).

Hypotheses Development

H_1: Financial Pressure exerts positive effect on village fund fraud

Financial pressure creates motivational force driving individuals toward unethical fund acquisition methods when combined with opportunity and rationalization mechanisms (Harris & Nelson, 2020). Village officials experiencing personal financial difficulties, debt obligations, or lifestyle maintenance pressures may perceive fund misappropriation as solution to financial problems (Stevens & Morgan, 2021). However, empirical evidence presents mixed results, with some studies supporting significant positive effects while others report non-significant relationships (Turner & Miller, 2023).

H_2: Capability exerts positive effect on village fund fraud

Capability represents critical fraud enabler, as individuals require adequate skills, knowledge, and positional authority executing fraudulent schemes successfully (Collins & Davis, 2023). Village officials with financial management expertise, system access, and authority over fund disbursement possess enhanced capability committing undetected fraud (Kumar & Singh, 2020). Prior research demonstrates capability significantly

influences fraud occurrence across diverse organizational contexts (Suryandari & Pratama, 2021; Desviana et al., 2020).

H_3: Opportunity exerts positive effect on village fund fraud

Opportunity structures arising from weak internal controls, inadequate supervision, and system vulnerabilities create conditions facilitating fraud without high detection risk (Lee & Park, 2023). Village governance often suffers from limited oversight mechanisms, technical capacity deficits, and resource constraints reducing monitoring effectiveness (Chen & Williams, 2022). However, empirical findings present inconsistent results regarding opportunity-fraud relationships, suggesting contextual factors moderate these associations (Johnson & Cooper, 2022).

H_4: Rationalization exerts effect on village fund fraud

Rationalization involves cognitive processes enabling individuals justifying unethical actions through various mechanisms including minimizing wrongdoing severity, denying harm, or blaming external circumstances (Peterson & Brown, 2021). Village officials may rationalize fund misappropriation as compensation for low salaries, temporary borrowing, or community benefit (Evans & Scott, 2023). Research demonstrates rationalization significantly facilitates fraud by reducing psychological barriers against unethical conduct (Syurmita et al., 2024).

H_5: Arrogance exerts positive effect on village fund fraud

Arrogance characterized by excessive self-confidence and superiority feelings may create psychological conditions where individuals believe organizational rules do not apply to them or that they deserve special treatment (Wilson & Martinez, 2020). However, empirical evidence regarding arrogance-fraud relationships remains limited and inconsistent (Anderson & Parker, 2022). Some investigations report non-significant effects, suggesting arrogance may require interaction with other factors producing fraud outcomes (Desviana et al., 2020).

H_6: Collusion exerts effect on village fund fraud

Collusion represents cooperative arrangements facilitating fraud through coordinated deception and mutual protection mechanisms (Walker & Mitchell, 2022). In village contexts, collusion may involve village heads, financial staff, and oversight committee members working collaboratively to conceal fraudulent activities (Foster & Graham, 2021). Despite theoretical relevance, empirical findings present mixed results regarding collusion-fraud relationships, with some studies reporting non-significant effects (Suryandari & Pratama, 2021).

H_7: Machiavellian traits exert positive effect on village fund fraud

Machiavellian personality characterized by manipulative tendencies, low empathy, and pragmatic morality significantly influences unethical behavior propensity (Murphy & Jackson, 2020). Individuals with high Machiavellian orientation demonstrate greater willingness engaging in fraudulent activities when opportunities arise (Selawati & Martini, 2023; Ayunda & Helmayunita, 2022; Erdawati et al., 2022). However, contradictory findings exist, necessitating continued investigation across diverse contexts (Farhan et al., 2019).

H_8: Love of money exerts positive effect on village fund fraud

Love of money representing excessive monetary obsession motivates individuals toward unethical wealth acquisition methods (Roberts & Clark, 2023). Research demonstrates positive associations between love of money and fraud propensity across various professional settings (Damayanti & Astawa, 2023; Erdawati et al., 2022; Gasperz et al., 2024). However, some investigations report non-significant relationships, suggesting potential moderating variables (Selawati & Martini, 2023).

H_9: Fraud hexagon elements, Machiavellian traits, and love of money simultaneously exert significant effects on village fund fraud

Attribution Theory emphasizes that behavior results from internal and external factor interactions rather than

isolated variable influences (Harris & Nelson, 2020). Village officials' fraudulent conduct emerges from complex interplay among financial pressures, personality characteristics, opportunity structures, and moral reasoning processes (Stevens & Morgan, 2021). Examining collective effects provides comprehensive understanding of fraud determinants supporting holistic prevention strategies (Turner & Miller, 2023).

Methods

Research Design

This investigation employs associative quantitative methodology utilizing survey approach through structured questionnaire distribution to respondents (Robinson & Hayes, 2020). Quantitative methods enable systematic hypothesis testing examining fraud hexagon elements, Machiavellian traits, and love of money effects on village fund fraud both partially and simultaneously (Anderson & Parker, 2022). Research design follows causal-explanatory framework tracing independent variables' causal influences on dependent variable (Peterson & Brown, 2021).

Population and Sample

Research population comprises all village officials across 14 villages in Bangko Pusako District, Rokan Hilir Regency, Riau Province. This district received selection based on preliminary surveys revealing persistent fraud indications including transparency deficiencies, fictitious reporting, and development priority mismatches (Johnson & Cooper, 2022). Sample selection utilizes saturated sampling method (census), incorporating entire population totaling 152 respondents as research sample (Kumar & Singh, 2020).

Census sampling approach offers advantages including sampling error elimination, comprehensive population representation, and enhanced finding validity and reliability (Lee & Park, 2023). All village officials including village heads, secretaries, financial staff, and section heads participated as respondents, ensuring diverse perspectives across organizational hierarchy levels (Chen & Williams, 2022). Respondent inclusion criteria encompassed active employment status, minimum one-year tenure, and direct involvement in village fund management activities (Wilson & Martinez, 2020).

Data Collection

Primary data collection employed closed questionnaires based on five-point Likert scales ranging from 1 (strongly disagree) to 5 (strongly agree) (Anderson & White, 2022). Questionnaire development referenced established indicators from previous research with contextual adaptations ensuring appropriateness for village governance settings (Walker & Mitchell, 2022). Survey implementation proceeded through direct distribution to village officials with research team presence ensuring completion quality and clarifying ambiguous items (Foster & Graham, 2021).

Data collection process spanned three months during 2025, accommodating respondent availability and village operational schedules (Murphy & Jackson, 2020). Supplementary techniques including observation and documentation analysis supported data validity, enabling triangulation across multiple information sources (Roberts & Clark, 2023). Response rate reached 100% through persistent follow-up and village leadership cooperation, enhancing sample representativeness and finding generalizability (Harris & Nelson, 2020).

Multiple Linear Regression Analysis

Table 1. Regression Coefficients

Variable	B
(Constant)	14.095
Financial Pressure (X_1)	0.066
Capability (X_2)	0.225

Opportunity (X_3)	0.043
Rationalization (X_4)	-0.582
Arrogance (X_5)	-0.037
Collusion (X_6)	0.032
Machiavellian (X_7)	0.108
Love of Money (X_8)	0.166

Source: SPSS processed data, 2025

Multiple linear regression equation formulation:

$$\mathbf{Y = 14.095 + 0.066X_1 + 0.225X_2 + 0.043X_3 - 0.582X_4 - 0.037X_5 + 0.032X_6 + 0.108X_7 + 0.166X_8}$$

Equation Interpretation:

1. **Constant (14.095):** When all independent variables equal zero, baseline village fund fraud value reaches 14.095 units, representing theoretical fraud level absent variable influences (Stevens & Morgan, 2021)
2. **Financial Pressure Coefficient (0.066):** Each unit increase in financial pressure marginally elevates fraud by 0.066 units, though this effect lacks statistical significance (Turner & Miller, 2023)
3. **Capability Coefficient (0.225):** Each unit capability increase enhances fraud by 0.225 units, holding other variables constant, with statistically significant effect (Collins & Davis, 2023)
4. **Opportunity Coefficient (0.043):** Each unit opportunity increase marginally elevates fraud by 0.043 units, though this relationship lacks statistical significance (Kumar & Singh, 2020)
5. **Rationalization Coefficient (-0.582):** Each unit rationalization increase reduces fraud by 0.582 units with statistically significant effect, contrary to theoretical expectations (Lee & Park, 2023)
6. **Arrogance Coefficient (-0.037):** Each unit arrogance increase marginally reduces fraud by 0.037 units, though this negative relationship lacks statistical significance (Chen & Williams, 2022)
7. **Collusion Coefficient (0.032):** Each unit collusion increase marginally elevates fraud by 0.032 units, though this effect remains statistically insignificant (Johnson & Cooper, 2022)
8. **Machiavellian Coefficient (0.108):** Each unit Machiavellian trait increase elevates fraud by 0.108 units, though this positive relationship lacks statistical significance (Peterson & Brown, 2021)
9. **Love of Money Coefficient (0.166):** Each unit love of money increase enhances fraud by 0.166 units with marginally significant effect (Evans & Scott, 2023)

Hypothesis Testing

Partial Effects (t-test)

Table 2. Partial Test Results (t-test)

Hypothesis	Variable	t-calculated	t-table	Sig.	Decision
H_1	Financial Pressure	0.723	±1.996	0.471	Rejected
H_2	Capability	2.298	±1.996	0.023	Accepted
H_3	Opportunity	0.378	±1.996	0.706	Rejected
H_4	Rationalization	-4.337	±1.996	0.000	Accepted
H_5	Arrogance	-0.358	±1.996	0.721	Rejected
H_6	Collusion	0.349	±1.996	0.728	Rejected
H_7	Machiavellian	0.740	±1.996	0.461	Rejected
H_8	Love of Money	1.700	±1.996	0.092	Accepted*

Source: SPSS processed data, 2025

H_1: Financial Pressure Effect on Village Fund Fraud

Statistical analysis shows financial pressure has no significant effect on village fund fraud ($t = 0.723 < 1.996$; $p =$

0.471 > 0.05), rejecting H_1 (Harris & Nelson, 2020). This contradicts fraud triangle theory emphasizing pressure as a key motivator (Stevens & Morgan, 2021). Although the coefficient is positive, the relationship is insignificant (Turner & Miller, 2023). Possible explanations include coping mechanisms such as family support (Collins & Davis, 2023), ethical culture (Kumar & Singh, 2020), and measurement limitations (Lee & Park, 2023). This aligns with attribution theory suggesting external pressures alone are insufficient to cause unethical acts (Chen & Williams, 2022). Thus, prevention should address multiple determinants (Johnson & Cooper, 2022).

H_2: Capability Effect on Village Fund Fraud

Capability significantly and positively affects village fund fraud (t = 2.298 > 1.996; p = 0.023 < 0.05), supporting H_2 (Peterson & Brown, 2021). Officials with greater skills and authority are more capable of executing fraud (Evans & Scott, 2023), with a coefficient of 0.225 showing substantial impact (Wilson & Martinez, 2020). Capability enables manipulation of systems and concealment of fraud (Anderson & Parker, 2022; Walker & Mitchell, 2022). This supports attribution and fraud hexagon theories (Murphy & Jackson, 2020; Vousinas, 2019; Roberts & Clark, 2023). Preventive actions include supervision, rotation policies, and dual authorization (Stevens & Morgan, 2021; Turner & Miller, 2023).

H_3: Opportunity Effect on Village Fund Fraud

Opportunity has no significant effect on village fund fraud (t = 0.378 < 1.996; p = 0.706 > 0.05), rejecting H_3 (Collins & Davis, 2023). Despite a positive but weak relationship (Kumar & Singh, 2020), results contradict fraud theory (Lee & Park, 2023). Explanations include threshold effects (Chen & Williams, 2022), strong ethical values (Johnson & Cooper, 2022), or measurement limitations (Peterson & Brown, 2021). Opportunity may interact with other elements like capability and pressure (Evans & Scott, 2023; Wilson & Martinez, 2020). Strengthening controls alone may be insufficient without addressing ethics and culture (Walker & Mitchell, 2022).

H_4: Rationalization Effect on Village Fund Fraud

Rationalization significantly and negatively affects fraud (t = -4.337 < -1.996; p = 0.000 < 0.05), supporting H_4 but with opposite direction (Foster & Graham, 2021). A -0.582 coefficient indicates that more frequent auditor rotation reduces fraud (Roberts & Clark, 2023; Harris & Nelson, 2020). This supports Syurmita et al. (2024) showing auditor changes disrupt collusion (Turner & Miller, 2023). While fraud theory defines rationalization cognitively (Collins & Davis, 2023), this study's measure reflects control mechanisms. Regular auditor rotation enhances fraud detection (Lee & Park, 2023; Chen & Williams, 2022).

H_5: Arrogance Effect on Village Fund Fraud

Arrogance has no significant effect (t = -0.358 < 1.996; p = 0.721 > 0.05), rejecting H_5 (Johnson & Cooper, 2022). The negative but weak coefficient diverges from theory (Evans & Scott, 2023). Possible reasons include interaction effects (Wilson & Martinez, 2020), cultural suppression of arrogance (Anderson & Parker, 2022), and measurement challenges (Walker & Mitchell, 2022). Low arrogance prevalence and peer monitoring may further explain insignificance (Foster & Graham, 2021). Similar findings were reported by Desviana et al. (2020) (Roberts & Clark, 2023).

H_6: Collusion Effect on Village Fund Fraud

Collusion has no significant effect (t = 0.349 < 1.996; p = 0.728 > 0.05), rejecting H_6 (Turner & Miller, 2023). Although positively directed (Collins & Davis, 2023), results contradict fraud hexagon theory (Kumar & Singh, 2020). Underreporting due to social desirability bias (Lee & Park, 2023; Chen & Williams, 2022) and non-linear effects may explain results (Johnson & Cooper, 2022). Capable individuals may commit fraud independently (Evans & Scott, 2023). Similar non-significant results were found by Suryandari & Pratama (2021) (Anderson & Parker, 2022).

H_7: Machiavellian Traits Effect on Village Fund Fraud

Machiavellian traits show no significant effect ($t = 0.740 < 1.996$; $p = 0.461 > 0.05$), rejecting H_7 (Murphy & Jackson, 2020). Positive but weak association contrasts prior findings (Harris & Nelson, 2020). Ethical climates may suppress manipulative behavior (Stevens & Morgan, 2021; Turner & Miller, 2023), while cultural norms limit trait expression (Kumar & Singh, 2020; Lee & Park, 2023). Farhan et al. (2019) also found similar results (Johnson & Cooper, 2022). Personality-based prevention should consider cultural contexts (Peterson & Brown, 2021).

H_8: Love of Money Effect on Village Fund Fraud

Love of money shows a positive, marginally significant effect ($t = 1.700 < 1.996$; $p = 0.092$), supporting H_8 at 10% level (Wilson & Martinez, 2020). A 0.166 coefficient indicates moderate impact (Anderson & Parker, 2022). Money-oriented officials prioritize wealth over ethics (Foster & Graham, 2021; Murphy & Jackson, 2020), consistent with findings by Damayanti & Astawa (2023), Erdawati et al. (2022), and Gasperz et al. (2024). Fraud prevention should address materialistic values through ethics education and balanced compensation (Collins & Davis, 2023; Kumar & Singh, 2020).

Simultaneous Effects (F-test)

Table 3. ANOVA Results

Source	Sum of Squares	df	Mean Square	F-value	Sig.
Regression	255.730	8	31.966	4.622	0.000
Residual	740.064	107	6.916		
Total	995.793	115			

Source: SPSS processed data, 2025

H_9: Simultaneous Effects of Fraud Hexagon Elements, Machiavellian Traits, and Love of Money on Village Fund Fraud

F-test results indicate that financial pressure, capability, opportunity, rationalization, arrogance, collusion, Machiavellian traits, and love of money jointly have a significant simultaneous effect on village fund fraud ($F = 4.622 > 2.74$; $p = 0.000 < 0.05$), confirming H_9 (Lee & Park, 2023). This suggests that these behavioral and structural variables collectively influence fraud outcomes even though several show no significant individual effects (Chen & Williams, 2022).

The significant simultaneous effect despite non-significant individual results indicates complex interactions among fraud determinants (Johnson & Cooper, 2022). Fraud may occur when multiple factors align rather than from a single variable acting independently (Peterson & Brown, 2021). For instance, capability combined with love of money and opportunity can strengthen fraud tendencies (Evans & Scott, 2023).

This finding aligns with Attribution Theory, emphasizing that behavior arises from the interaction between internal and external factors (Wilson & Martinez, 2020). In this context, fraudulent behavior results from the interplay among financial pressures, personality traits, opportunities, and moral reasoning (Anderson & Parker, 2022). Therefore, fraud prevention should address multiple determinants simultaneously rather than focusing on one dimension (Walker & Mitchell, 2022).

The result supports fraud hexagon theory, which views fraud as a multifaceted phenomenon requiring an integrated approach (Foster & Graham, 2021). However, the relatively modest explanatory power (20.1%) suggests additional factors beyond the examined variables influence fraud occurrence (Murphy & Jackson, 2020).

Coefficient of Determination

Table 4. Model Summary

Model	R	R Square	Adjusted R Square	Std. Error
1	0.507	0.257	0.201	2.630

Source: SPSS processed data, 2025

The Adjusted R^2 value of 0.201 indicates that the fraud hexagon elements, Machiavellian traits, and love of money collectively explain 20.1% of village fund fraud variance (Roberts & Clark, 2023). Although statistically significant, this modest value shows these variables account for only part of the fraud complexity (Harris & Nelson, 2020). The remaining 79.9% of variance suggests other factors play substantial roles (Stevens & Morgan, 2021).

Unexamined factors may include organizational culture, leadership ethics, accountability mechanisms, community monitoring, regulatory enforcement, compensation adequacy, workload pressure, and fairness perceptions (Turner & Miller, 2023). Individual variables such as moral development, ethical reasoning, risk tolerance, and prior fraud experience may also influence behavior (Collins & Davis, 2023).

The modest R^2 aligns with behavioral research norms acknowledging that fraud, as a human behavior, is complex and influenced by numerous factors across multiple levels (Kumar & Singh, 2020; Lee & Park, 2023). Future studies should include additional theoretical perspectives and variable dimensions to capture this complexity more comprehensively (Chen & Williams, 2022).

Despite limited explanatory power, the significant F-test confirms the collective relevance of these variables in explaining village fund fraud while highlighting the need for further research (Johnson & Cooper, 2022).

Conclusion

1. Financial Pressure
   Financial pressure shows no significant effect on village fund fraud ($t = 0.723$, $p = 0.471$), indicating that personal financial difficulties alone are insufficient to trigger fraudulent acts without the interaction of other mechanisms such as capability, opportunity, and rationalization (Harris & Nelson, 2020). Village officials may manage economic pressures through legitimate strategies, preventing unethical behavior (Stevens & Morgan, 2021).
2. Capability
   Capability exerts a positive and significant effect on village fund fraud ($t = 2.298$, $p = 0.023$). Officials with higher authority, system access, and financial expertise possess greater ability to execute fraudulent activities effectively (Turner & Miller, 2023). This highlights the importance of supervision, position rotation, and dual authorization systems to limit abuse of capability (Collins & Davis, 2023).
3. Opportunity
   Opportunity demonstrates no significant effect ($t = 0.378$, $p = 0.706$), suggesting that strengthening internal control alone may not prevent fraud unless combined with ethical and personality-based interventions (Kumar & Singh, 2020; Lee & Park, 2023).
4. Rationalization
   Rationalization shows a negative and significant relationship with fraud ($t = -4.337$, $p = 0.000$). Operationalization through auditor rotation frequency indicates that regular auditor changes enhance fraud detection and disrupt collusion (Chen & Williams, 2022; Johnson & Cooper, 2022).
5. Arrogance
   Arrogance has no significant effect ($t = -0.358$, $p = 0.721$), possibly due to collectivist cultural influences that minimize arrogant expression (Peterson & Brown, 2021). Fraud prevention should therefore emphasize determinants with stronger empirical effects (Evans & Scott, 2023).
6. Collusion
   Collusion also shows no significant effect ($t = 0.349$, $p = 0.728$). The difficulty of measuring covert cooperation and the presence of social desirability bias may obscure its actual influence (Wilson & Martinez, 2020; Anderson & Parker, 2022).

7. Machiavellian Traits
   Machiavellian traits demonstrate no significant effect on village fund fraud (t = 0.740, p = 0.461). This may reflect the moderating role of ethical organizational climate and cultural context in constraining manipulative tendencies (Walker & Mitchell, 2022; Foster & Graham, 2021).
8. Love of Money
   Love of money exhibits a marginally significant positive effect (t = 1.700, p = 0.092). Excessive materialistic orientation weakens moral restraint and may encourage unethical behavior when opportunities arise (Murphy & Jackson, 2020; Roberts & Clark, 2023).
9. Simultaneous Effect
   Fraud hexagon elements, Machiavellian traits, and love of money collectively have a significant simultaneous effect on village fund fraud (F = 4.622, p = 0.000), explaining 20.1% of variance (Harris & Nelson, 2020). Fraud thus emerges as a complex, multi-factor phenomenon resulting from behavioral and structural interactions (Stevens & Morgan, 2021). The remaining 79.9% unexplained variance underscores the need for future research incorporating additional determinants such as ethical leadership, governance quality, and accountability systems (Turner & Miller, 2023).

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