

Concomitant Debacle of Fraud Incidences in the Nigeria Public Sector: Understanding the power of Fraud Triangle Theory

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Abstract

Detecting and preventing fraud is not an easy task, especially in the Nigerian public sector because it requires comprehensive knowledge about the nature of fraud, how it can be perpetrated and obscured by the fraudsters. Consequently, this study was conducted with the primary aim to examine the significance relationships between the elements of FTT and fraud incidences towards combating the fraud outrages in the Nigerian public sectors. It was found that various factors are linked to the fraud perpetration in the public sector such as greediness of the high-profile government officials and poor standard of living for the lower rank officers. Equally, it is suggested that the Nigerian government should establish Salary Scale Reform (SSR) to increase the civil servants' salary and provides fringe benefits to improve employees' standard of living. Additionally, the Nigerian government should initiate a training scheme such as workshop, seminar and conference to enhance the employees' moral behaviour and understand the negative impact of fraud on their behaviour and Nigerian economy. The study will immensely help Nigerian government and anti-graft bodies to understand why and how the public servants commit fraud so as to apply an appropriate control measure to combat the menace. From the academic perspective, this study stems to bridge the gap of insufficient study in relation to the application of FTT toward curtailing the broad range of possible causes of fraudulent activities.

Keywords: Financial fraud; Fraud triangle; Salary Scale Reform; Public Sector; Fraud Case-File

1.0 Introduction

Increasing rate of frauds (i.e. money laundering and fund embezzlement) in the Nigerian public sectors has caused grave concern to the public. Hence, the public has been disappointed in relation to the responsibilities of auditors as they failed to contend with the

issues of fraud (Karwai, 2005 and Modugu and Anyaduba 2013). Ojaide (2000) reveals that there is a distressing upsurge in the number of fraudulent activities in Nigeria, stressing the reflectivity of forensic accounting services. Kasum (2009), and Okoye and Akamobi (2009), have all in their separate studies acknowledge the increasing incidents of fraud and fraudulent activities in Nigeria especially in the public sectors. They emphasize that the financial fraud is gradually becoming a way of life. The level of Nigerian fraud has reached the extent that 65% of the Nigeria revenue goes to only 20% of the Nigerian population. Thus, the remaining 35% of the revenue goes to 80% of the Nigeria population. Despite the fact that Nigeria is one of the the largest crude oil producing countries in the world and the largest crude oil producer in Africa, yet, more than 70% of the Nigerian population are living below the poverty line (Afma 2013).

Kasum (2009) reveals that, the perpetuation of financial irregularities in Nigeria is becoming the specialty of both public and private sectors. He added that, in Nigeria individuals perpetrate fraud and corruption practicing according to the capacity of their office. The effect of fraud perpetration goes beyond the economy destructions but even the personal life and behaviour. Subsequently, there is a general expectation that, forensic accounting will be able to combat the financial malfeasance witnessed in most of the sectors of the Nigerian economy (Oyejide, 2003). Fraud has become daily activities in the Nigerian public sector, where everyone is trying to take advantage of his fiduciary duty to violate the trust (Karwai 2003). According to a report by Transparency International (2013) out of 177 countries, Nigeria has been ranked as 33rd most corrupt country in the world. Also 144th position in the group's Corruption Perception Index of the same year (i.e. 2013). Transparency International (2013) reveal that, almost 70 percent of the global nations are having a "serious problem" with civil servants on the take. However, none of the 177 countries surveyed got perfect scores. Series of allegations were made by two of the former governors of the Central Bank of Nigeria Charles Soludo and Malam Sanusi Lamido they accused the present government of financial mismanagement and lack of proper governance. Lamido has allegedly expressed his feeling of the current government about the missing \$20 billion of oil revenue where he accused the government of deliberate financial mismanagement. Consequently, Lamido was first suspended by President Jonathan because of the allegation raised and let the case go undetected. In 2015, the other Ex-CBN governor Mr. Soludo accused the Nigeria Minister of Finance, Mrs. Ngozi Okonjo-Iweala for the unaccounted N30 trillion (Vanguard, 2015). Recently, \$700 million was found cash in the home of Nigeria petroleum minister, yet she was covered up by the President himself (The Punch, 2015).

2.0 Concept of Fraud

Duffield and Grabosky (2001) defined fraud as a deceit that involve an intentional distortion of the truth or misrepresentation or concealment of a material fact to take advantage over another so as to enjoy some benefit at the expenses of others. Fraud usually occurs when the fraudster deliberately communicates or present false statements to the victim with the prime intention of enjoying illegal advantages of the property or something of value (Vasiu and Vasiu, 2004). Mukoro, et al (2011:235) quoting Edafehirhaye and Edafehirhaye (2008) defines fraud as "tendency and propensity to do what is wrong, evil or harmful to one's neighboring spite of the knowledge of what is good. It is an attempt of subverting the rule of the game using trick to take public fund and using them for one's personal interest." Albrecht, (2005) argued that fraud is rarely seen. He continues to state that, the symptoms of fraud are usually

observed. The symptoms do not necessarily mean fraud is being undergone as mistakes may cause it.

2.1 History of Fraud in the Nigerian Public Sector

The colonial administration, serve as the root of fraud and the initial stage to narrate about the history of the financial crime in Nigeria. The British government used both the systems of direct and indirect rule to colonized the country. However, during the colonial administration the Nigerian traditional rulers were logically employed as administrative and supervising officers to the newly colonized regions in different parts of the country. The employed administrators were deployed to a distinct region different from his province. Consequently, some of these employed officials used their new power and authority of their offices as an opportunity to enrich themselves (Owolabi, 2007). In 1960, Nigeria got her independence which mark the beginning of the first democratic era in the history of the country. The first civilian government was overthrown by the military due to the alleged proposition of corruption in the elected civilian administrative in 1966.

Owolabi (2007) argue that fraud continue to grow in the country since each military administration is becoming more corrupt than the past ones. The military government's effort to solve the menace become in vain. Consequently, each military regime was best known for its abuse of power, lack of accountability and transparency. During the military government, the right to question the government was deprived to the masses due to the nature of dictatorship (Owolabi, 2007 and Okekeocha, 2013). During that time of military administration *coup d'états*, was the order of the day in which one government will be deposed and install a new one instead. The problem of financial crime in Nigeria continues to be out of control during the administrations of Generals Ibrahim Babangida, Sani Abacha and Abubakar Abdussalam where fraudulent activities and other financial crime were becoming typical symbol of government officials^[1].

Accordingly, in 1999 Olusegun Obasanjo assumed office as a Democratic president of Nigeria, after ruling the country for some time ago as a military president in 1976 to 1979. Due to the persistent growth of fraudulent activities and the pervasive nature of unethical behaviour of the government officials which cause a severe injury to the economic life of Nigerians, the newly elected president promise to employ measures to eradicate the menace. Consequently, Federal Government enacted the Independent Corrupt Practices and Other Related Offences Act in 2000 and two years later EFCC Act was also enacted in 2002^[2] to deal with financial crimes and other related corrupt activities in the country. The problem of fraud and other financial crime continue to buy a bad name to the country and make an abhorred history for the nation. Considering the nature of the recent financial scandals occurring in the present government since its inception for the five years Nigerians are witnessing an enormous fraud and other corrupt behaviours like never before. The statutory and legal

¹ Military Officer Accounts. From 1981 to 2004, eight Riggs accounts were discovered opened bearing the names of Chilean military officers, served as vessel for Pinochet funds and more than \$1.7 million was transferred to related accounts of Pinochet.

² For the extensive investigation of money laundering and other related financial crimes and the role of the banks in holding the fraudulent money tapped by Pinochet (the Investigation Report of Senate Subcommittee of United State of America, 2005), available at: <http://hsgac.senate.gov/file/pinochetreportfinalwcharts0>.

enactments were turned to be as a political weapon to tarnish the image of oppositions rather than carrying out their fiduciary duty as detection and prevention of financial crime.

2.2 Causes of Fraud in the Nigerian Public Sector

Fraud and other fraudulent activities are the detrimental forces that hinder democracy to step into the progressive stage in many countries throughout the world. Nigeria is ranked as one of the world's most corrupt countries, according to Transparency International's Corrupt Practices Index (2012). Fraud in Nigeria is caused by many factors including: Low wages in civil service, lack of accountability among public servants, inequality in the distribution of resources, promotion of ethnicity and lack of nationalism, and weakness of governmental enforcement agencies among others.

1. Low Salary and Wages in a Public Service

Lower wages in the public services lead the employees to be compelled to use their official positions to create way to steal public money as a way of meeting their ends, particularly when the chances of being caught are small (Mukoro et al., 2013).

Nigeria makes allowance for employees, in that they should have a reasonable living minimum wage. In Section 16(2) d, it states that:

"The state shall direct its policy to ensure that suitable and adequate shelter, suitable and adequate food, reasonable national minimum living wage, old age care and pensions, and unemployment, sick benefits and welfare of the disabled are provided for all citizens" (Shilgba, 2009 in Okekeocha, 2013:23).

The Nigerian constitution makes provisions for its citizens, but the politicians are not following through. The citizens are not being supported by their salaries; the current minimum wage is N18,000 naira per month, which is about \$90, which is hardly enough to sustain an individual for a month regardless of a family (Shilgba, 2009 in Okekeocha, 2013). Consequently, this stands to be a pressure or motivating factor to the public servants to look for the other way to make more money to take care of their family needs. Although this is not an excuse for civil servants to steal from public fund, it hardly gives them an opportunity to remain honest if they can barely survive on the salary they are receiving (Okekeocha, 2013).

2. Lack of Accountability

A lack of accountability leads to a loss of huge funds to any government due to poor leadership; employee becomes a trust violator in the execution of his fiduciary duties. In Nigeria, the public sector is not always accountable to the public; constantly, there is a gap between what goes on in government and what is communicated to the public. There is no transparent system where the public is allowed to participate in policy formulation and implementation. Lack of accountability lead to the mismanagement of resources by government officials, and if these officials are compelled to be accountable for their responsibilities and management of public funds to the citizens, there will be a good response to the delivery of services (Okoye, 2005)

3. Inequality in the Distribution of Resources

Okekeocha (2013) opined that, Nigeria has substantial natural resources to accommodate its expanding population but only a few people in the country have access to the money generated from the resources. Nigeria ranks 48 with 43.7 scores on the distribution of family income; the index measures the degree of distribution inequality of family income in a country. The index is calculated from the Lorenz curve, where cumulative household income is matched against the organized number of families from the poorest to the richest (CIA Factbook, 2013). The case of inequality distribution of national resources among the citizens

in Nigeria leads to a situation whereby a rich continues to become richer and poor become poorer. Furthermore, 75 percent of the citizens are living below the poverty line despite the massive wealth in the country. As a result, when citizens get government jobs they illegally try to amass as much wealth as they can while in they are in the positions (Afma, 2013).

4. Favouring Ethnicity and a lack of Nationalism

Countries with multi-ethnic are more likely to fall prey to fraud because of failure to manage ethnic conflict in ways that are fair to everyone. Nigeria happened to be one of those countries with multi-ethnic groups and having complicit among the ethnics in some instances, which led to favour one ethnic over another. Before the amalgamation of Nigeria in 1914 by Lord Lugard, the citizens of present-day Nigeria were located into different ethnic groups with existing customs, values, laws and leadership (CIA Factbook, 2013). After the amalgamation, people from various ethnic groups were tossed together to form a single nation that caused ethnic tensions (Okekeocha, 2013). Nigerians recognize themselves to favour their ethnicity rather than their nationality, which result in conflict and a lack of nationalism (Shilgba, 2009 in Okekeocha, 2013).

Subsequently, citizens are more concerned with improving their regions and states, and investing more in their places than in the country at large. There are many under-development in certain parts of the country because public officials are more concerned with diverting resources for their families, relatives and people in their state of origin (Okekeocha, 2013).

5. Lack of Social and Governmental Enforcement Agencies

Another factor that causes fraud is the absence of reliable government agencies to enforce laws and rules as sternly as they need to. Consequently, this creates an opportunity for public officials to steal and embezzle funds without fear of repercussion or punishment. In Nigeria, anyone that is favored by political patronage can basically get away with most crimes, and some of these crimes involve money laundering, uncontrollable theft of government money and other illegal offences (Omotoye, 2011).

Subsequently, it is important to note that people charged with persecuting these criminals are, in fact, taking part along side with the actual perpetrators. The Nigerian Police Force was ranked the nation's most corrupt public institution (Omotoye, 2011). In 2006, the Inspector General of the police was convicted on eight charges of theft involving more than \$100 million of public money while in office. When he was found guilty, he spent only six months in prison. This example creates a lack of public trust in the government and its enforcement agencies. Recently, on 17th day of July, 2014 another case of fraud was made by the police commissioner of one of the southern state of Nigeria (Sahara report, 2014).

6. Lack of a Proper Taxing System

Additionally, there is a lack of an efficient taxing system in the country. This makes it difficult to track down people's financial activities and creates a breeding ground for fraud Okekeocha (2013). It is getting difficult to trace the earning of individual political appointee and public servant to tax him appropriately, because of the improper tax system and lack of filing (Okoye, 2005).

7. Improper Policy formulation

In Nigeria, public officials are discretionally implementing particular policies to allow themselves to divert public funds into their personal accounts. For example, there was a ban on the importation of second-hand cars over five years of manufacture. They use the policy to stretch way to fraud and corruption among public officials because car business owners were unable to import cars into the countries legally, so they resorted to bribing public

officials to enable them import these cars (Okoye, 2005 and Okekeocha, 2013). Such a policy has so many adverse effects that can lead to fraud if, not properly planned out. For instance, it can result in the loss of state tax revenue and a reduction in importations of cars into the country, and diversion of this business to other neighboring countries, thus causing Nigeria to lose revenue (Okekeocha, 2013).

2.3 Efforts of the Nigerian government to Eradicate Fraud

Several measures have been taken by the Federal Government of Nigeria in order to put fraud and other fraudulent activities to an end. According to Olowu (2008) and Osisioma (2012) measures to combat fraud and corruption in Nigerian public sector fall into four broad categories. These include: (i) Statutory Enactments, (ii) Social Mobilization, (iii) Institutional Arrangements, and (iv) Fiscal Measures. Among the statutory enactments is the Criminal Code decreed in 1916, the Penal Code, the Criminal Justice (Miscellaneous Provisions) Decree 1966 amended 1985. The Recovery of Public Property Decree 1975, Additionally, the Corrupt Practices of 1975 which established the Decree No. 38 of Corrupt Practices Investigation Bureau, the Money Laundering Act 2004. The sudden world oil price booming in the 1970s, led to an increase in the Nigeria national revenue and consequently, greediness among the public servants increased. Thus, people begin to gain power by all means with the intention of enriching themselves. In 1977, a Jaji declaration was made which introduced various ways to eradicate unethical behavior among the civil servants (Osisioma, 2012). Other measures taken by the government to alleviate dishonest behaviour in the country include: The ethical and moral Revolution in 1981-1983, the War Against Indiscipline (WAI) in 1984, the National Orientation Agency in 1986, and the Mass Mobilization for Social Justice and Economic Recovery (MAMSER) in 1987. In 1999, the ICPC Act, 2000 was promulgated whereas the EFCC Act, 2002 was also enacted and amended in 2004.

2.4 Some Examples Fraud from the Nigerian Case-file

CASE 1: In 2005, several Nigerian governors were convicted in the court of law including the Ex-governor of one of the south-south state. Mr. D as a former governor was detained in London for an alleged money laundering, investigation reveal that £1 million was found cash in his home and a total of £1.8 million was found including his cash at bank. However, £10 million real estate was discovered in his possession. Additionally, on 26th July, 2007, the accused governor pleaded guilty to an alleged six count charges before the Federal high court^[3]. The suspect was sentenced to two years in imprisonment on each account of charge, where on 27th July 2007, the alleged was released after some hours of serving his time due to the concurrent count of time from the moment the charges began which reduce the actual time^[4]. British lawyers were hired in December 2009; by the Nigerian government to assist in exposing the alleged defrauded properties worth £1, 750,000 in possession of Mr. D in London. Moreover, on 28th June 2012, the United State's department of justice was issued a direct order for the forfeiture of Mr. D's assets worth \$401, 931 in Massachusetts brokerage

³ Daily Sun News Paper, July 27, 2007. "Corruption: Alamiyeseigha Pleads guilty, bags 12 years jail term" Adesina Aiyekoti July 27, 2007.

⁴ International Herald Tribune, July 28, 2007. "Former Nigerian governor freed a day after corruption conviction" Associated Press (International Herald Tribune).

fund^[5]. March 2013 the President Jonathan was granted him pardon and set him free despite the numerous critics, challenges and petition made on the release.

CASE 2: Mr. M (Not real name) was the Head of Accounts, Nigerian Law School, Kano who was arraigned before the Kano Federal High Court over fraud and forgery by Independent Corrupt Practices and other Related Offence Commission (ICPC) on Tuesday 14th of July 2014. Mr. M. was alleged to have defrauded the Law School of over N24 million. As a Media Consultant to ICPC, Mr. Folu Olamiti, in his statement state that Unity Bank cheque leaves of the school was forged and withdrew over N24 million by the accused between June and August, 2011. In considering the plea of the defence counsel, the judge granted the accused bailed. The case was adjourned to October 30, 2014 for the commencement of hearing (Premium Time, 2014).

CASE 3: On 7th July, 2014, the Economic and Financial Crimes Commission (EFCC) have arraigned the Taraba State Accountant General, before the Federal High Court Jalingo under Justice Donatus Nwabueze Okorowo. Mr. J (Not real name) was accused of defrauding Taraba State Government to the tune of N1.56 billion. The defendant was alleged on eight count charges bordering on obtaining by pretense. The crimes are punishable under the Advanced Fee Fraud (AFFROA) and other Related Offences Act, 2006. The defendant pleaded not guilty before the court when the charges were read to him. The case was discovered following a requisition received in February 2014, from a concerned Taraba State residents, alleging massive looting of Taraba state funds. The request elicited investigation of the lifestyle of some of the officers (suspected fraudsters) who were believed to have been living above their means (earnings). The investigation uncovered systematic withdrawal of state funds through a scheming mastermind by the Accountant General of the State. The withdrawals were allegedly made under the pretext that the money was used for sundry payments on behalf of government MDAs. The withdrawal according to them covered Bank Commissions on Turnover (COT) and monthly payments of Value Added Tax (VAT). N1, 567,226,557.081 was discovered to have been looted from the state treasury between January 2012 and December 2013. Therefore, the hearing of the case was later adjourned by Justice Okorowo and remanded the accused in prison custody (Sahara, 2014).

3.0 The Effect of Fraud Triangle Theory

There must be a reason behind everything. Donald Cressey first examined the reason for why people are engaging in fraudulent activities in 1950. After interviewing 250 criminals within five months, he reveals that: (i) individuals are accepting a position of trust in good faith. And (ii) those individuals must have violated the trust. In relation to the above proposition, he found that three elements must be present to the person to be able to betray the trust and to act dishonestly against the fiduciary duty.

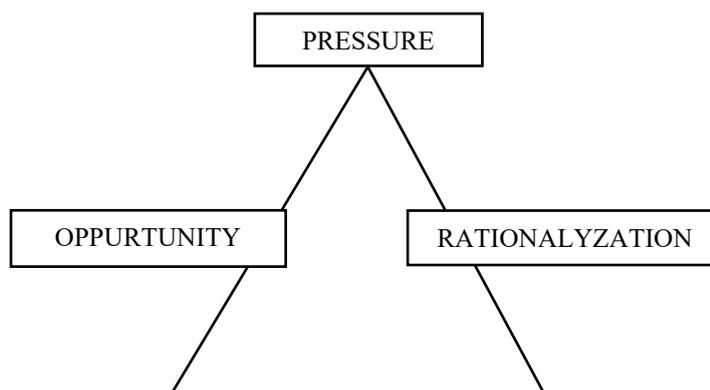
Cressey was able to conclude that:

"Trust violators, when they conceive of themselves as having a financial problem that is non-shareable, and have knowledge or awareness that this problem can be secretly

⁵ Department of Justice (28 June 2012). <http://blogs.wsj.com/corruption-currents/2012/06/28/doj-executes-forfeiture-on-us-assets-of-former-nigerian-gov/>
"Department of Justice Forfeits More Than \$400,000 in Corruption Proceeds Linked to Former Nigerian Governor."

resolved by violation of the position of financial trust. Also they are able to apply to their own conduct in that situation verbalizations which enable them to adjust their conceptions of themselves as trusted persons with their conceptions of themselves as users of the entrusted funds or property” (Crassey, 1953:742).

Non-shareable financial problem (motivation/pressure), opportunity to commit fraud (to violate trust) and rationalization of the evil act by the trust violator (fraudster) are the three elements (factors) necessary to be present with trust violator See figure: 1 below.



Source: Wells J. T. (2005)

Figure 2: Fraud Triangle

3.1 Perceived pressure or incentive

This is the first factor relates to the motivation that leads to unethical behaviors. Every fraud perpetrator faces some burden to commit unethical behavior in one way or the other. Albrecht et al. (2006) argued that, the word *perceived* is important because it may not be necessary for a pressure to be real; if the perpetrators believed that they were pressurized, this belief could lead to fraud. Several factors may create perceived pressure, but it often involves a non-sharable financial need. Commonly, financial pressure is the role maker for the employee’s motivation to commit fraud. Specifically, about 95% of all the fraud perpetrated were caused by financial pressure (Albrecht et. al., 2006). Lister (2007) states that, pressure is a significant factor in committing fraud. He determines three types of pressure which are personal, employment stress and external pressure. Vona (2008) further examines personal and corporate pressures as motivations’ proxies for fraud commitment. Examples of perceived pressure include greed, living beyond one’s means, large expenses or personal debt, family financial problem or health, drug addiction and gambling. Lister (2007:63) defined the pressure to commit fraud as “the source of heat for the fire” but he believed that having pressure in life is not an excuse for one to commit fraud. Murdock (2008) also argued that the pressure could be related to financial, non-financial, political and social.

3.2 Perceived Opportunity

The second necessary element for fraud to occur is perceived an opportunity. Opportunity is created by ineffective control or governance system that allows an individual to commit organisational fraud. In the field of accounting, this is termed as internal control weaknesses. The concept of perceived opportunity suggests that people will take advantage of circumstances available to them (Kelly and Hartley, 2010). According to Rae and Subramanian (2008) and Rasha and Andrew (2012), opportunity refers to a weakness in the organisational

system where the employee may have the ability to take advantage of the situation and, make fraud possible. Hooper and Pornelli (2010) state that, even when the pressure is extreme, financial fraud cannot occur unless an opportunity is present.

3.3 Rationalization

The third element of the FTT is rationalization. This concept suggests that the perpetrator must formulate some morally acceptable rationalization before engaging in unethical behaviour. Rationalization is termed as a justification that the unethical conduct is something other than criminal activity. If an individual cannot justify immoral actions, it is unlikely that he or she will engage in fraud. Some examples of rationalizations of fraudulent behaviour include "I was only borrowing the money", "I was entitled to the money", "I had to steal to provide for my family", "I was underpaid/my employer had cheated me" (Cressey, 1953) it is difficult to observe rationalisation, as it is impossible to read the perpetrator's mind (Cressey 1953 in Wells, 2005). Individuals who commit fraud possess a particular mindset that allows them to justify or excuse their fraudulent actions (Hooper and Pornelli, 2010). Rationalization is a justification of fraudulent behaviour because of an employee's lack of personal integrity, or another moral reasoning (Rae and Subramanian, 2008). See *Figure:2* below, demonstrating the steps taken to violate the trust.

Gradual Steps to Commit Dishonest Acts

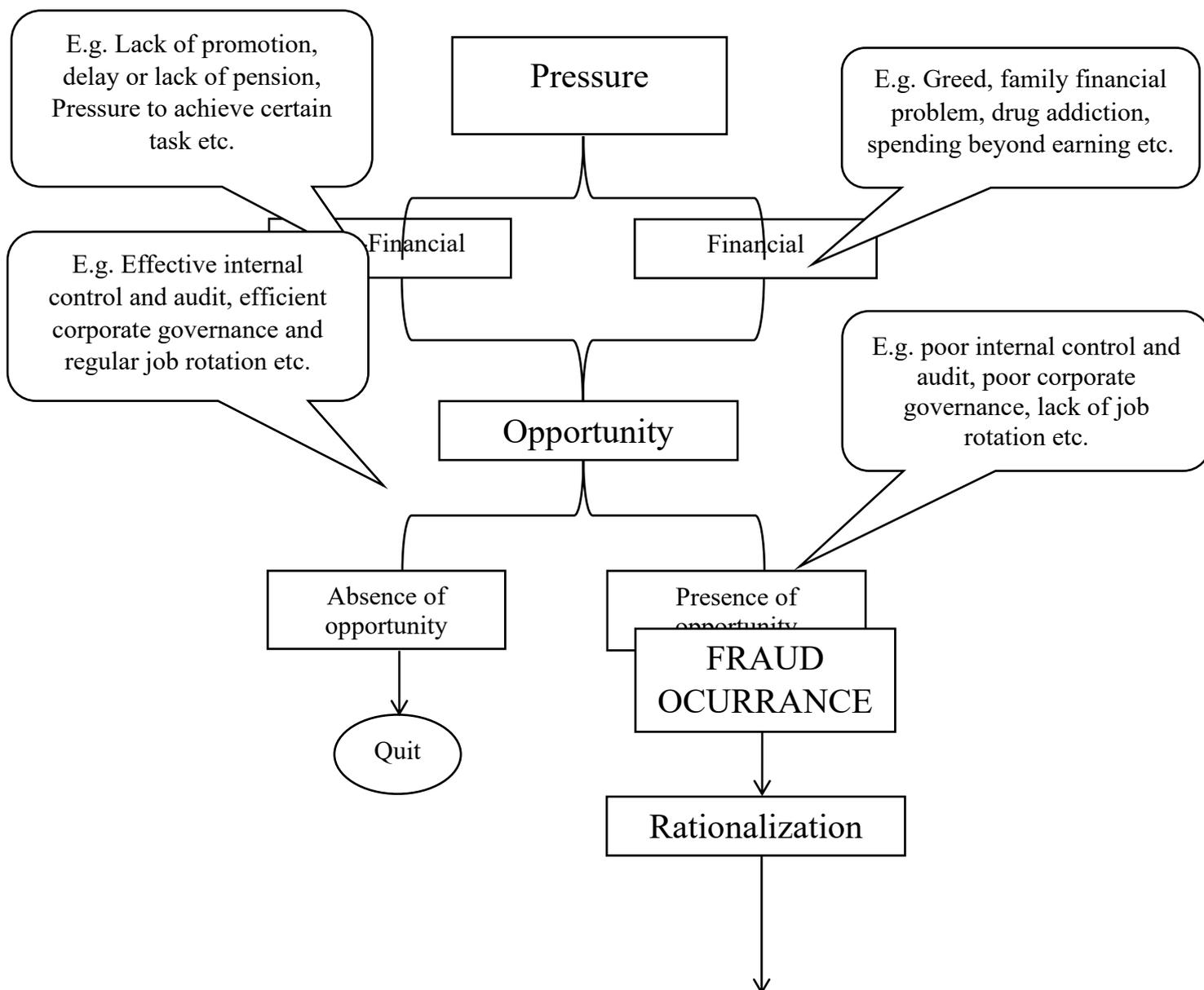


Figure 2: Fraud Flow Chart

Source: Designed by the Author, from the Element of Fraud Triangle Theory by Cressey (1953)

3.4 Analysis of the above Fraud Cases based on FTT

In considering the above figure 2, it is shown that the first stage for a person to be motivated to commit fraud was perceived pressure (Cressey, 1953; Wolfe and Hermanson, 2004). Even though, the perceived pressure has been categorized into financial and non-financial but study was revealed that 95% of the fraud committed to the world was due to the financial pressure (Albrecht et, al., 2006). Accordingly, this was also the case in Nigeria. Taking a close look at the cases mentioned-above it can be determined that in terms of the pressure in all the cases the accused had financial pressure which was “greediness”. The reason is that the Nigeria fraudsters are mostly high profile government officials who are sufficiently wealthier but having desperate need to amass more wealth by defrauding public funds. For example, case 1 the person involve was a former governor of one state in Nigerian and the accused

person in case 2 is the Head of Accounts, of the Nigerian Law School. However, the accused person in case 3 is the Accountant General of one of the Northern States in Nigeria. In 2005, it was recorded that EFCC was arraign 31 governors of 36 states in Nigeria^[6]. The second and third stage of the FTT (perceived opportunity and rationalization) in the case of fraudsters in Nigeria, they can penetrate internal and external control of the organizations by the power of their positions. In most cases, they are creating opportunity by themselves since they are the top government officials or they are connected with high rank officers who will give them cover. For instance, the recent case of \$700 million cash found in the house of Nigeria Minister of oil who was vivaciously covered up by the president Jonathan (The Punch, 2015) and the case missing \$20 billion of oil revenue. The accusation of financial mismanagement, stolen, and missing N30 trillion from the Federal Ministry of Finance (Vanguard, 2015) was also remain undetected because of the strong connection between the accused and the the government. Thus, they use that power and connection to justify their evil actions.

4.0 Conclusion

Fraud has become the order of the day in Nigeria where the Nigerian society begins to press and to celebrate a person without hesitation to question where and how do he amasses a huge wealth overnight (Afma, 2013). People in Nigeria are striving with all their possible means at their disposal to have power not with the intention to serve the public rather than to have the opportunity to lay hands on the public fund to loot (Owolabi, 2007). There is no sign yet, that indicate the reduction of fraud in the Nigeria public sector. Nevertheless the outrage is always increasing, where the economy of the country is squandered. The higher the revenue generated by the Nigerian government, the higher the level of fraud and other fraudulent activities increased in the country. The statement above can be proved based on the current situation of the Nigerian economy. The series of allegations made by the two former Central Bank of Nigeria about the missing \$20 billion oil revenue and N30 trillion within four years of the present government (Vanguard, 2015) have justify the enormous financial mismanagement ever witnessed in the Nigeria's history. However, the legal and statutory bodies such as EFCC and ICPC were remain silence about the scandals no single case where recorded since the inception of the present administration said General Muhammad Buhari (rt) (The Punch, 2015). FTT clearly demonstrates the factors that lead to fraud, where it could be concluded that in must instance, the cases of fraud in Nigeria are causing due to the greediness of the Nigerian government officials to enrich themselves overnight. Lastly, it is suggested that the future research can be carried out empirically to determine the relationship between the FTT and fraud incidences in the Nigerian public sector.

5.0 Recommendation

Correspondingly, it is suggested that the Nigerian government should consider the legal and statutory agencies as independent bodies thereby given them an autonomous power to detect, investigate and prosecute the accused fraudsters. The issue of transparency and accountability has to be strengthened in the public sector, and the freedom to question the activities of the government has to be granted to the public so that they can ask questions and write petition when something goes wrong. However, the Nigerian government should

⁶ Nigerian Intel (2013) 'EFCC: Ten years after.' An online media which broadcast news related to the EFCC and its achievements since its inception. <http://www.nigeriaintel.com/2013/09/18/efcc-ten-years-after/>

establish Salary Scale Reform (SSR) to increase the civil servants' salary and provides fringe benefits to improve employees' standard of living. Additionally, the Nigerian government should initiate a training scheme such as workshop, seminar and conference to enhance the employees' moral behaviour and understand the negative impact of fraud on their conduct and the Nigerian economy. The government should embark on orientation agencies such as National Orientation Agency (NOA) and Mass Mobilization for Social Justice and Economic Recovery (MAMSER) to enlighten the public on the effect of encouraging the fraudsters by pressing them.

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