

# Fraud, Whistleblowing, And Sins Of Omission: A Call To Action

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**ABSTRACT:** The world economy loses more than \$4.4 trillion each year due to fraud. Fraud losses harm economies and societies. This paper specifically addresses the role of non-fraud actors (NFAs) and how their inaction might perpetuate fraud. NFAs are people within close proximity to fraudsters or fraud schemes. Fraud is connected to sin. From a Christian perspective, how might NFA inaction align with sins of omission and, thus, impact shalom? Several implications, in a business context, are offered.

**KEYWORDS:** fraud, non-fraud actors, whistleblowing

## INTRODUCTION

There is a \$4.4 trillion-worldwide fraud problem. Economies, and thus societies, are harmed by fraud losses. The Association of Certified Fraud Examiners (2020) estimates that 5% of any organization's revenue is lost to fraud each year. The U.S. Department of Commerce, Bureau of Economic Analysis (2020) reported that, as of the fourth quarter of 2020, the gross domestic product (GDP) for the United States was \$21.49 trillion. Estimates based on those measures indicate that U.S. companies may lose as much as \$1.075 trillion each year due to fraud. This analysis can be extended to the global economy. According to the World Bank (2019), the 2019 Gross World Product (GWP) was \$87.735 trillion. Using the 5% of revenue fraud loss factor, estimates indicate that the world economy may lose \$4.4 trillion in revenue each year.

Fraud losses are high, and they hurt economies and societies. As such, it is important to continue to advance the understanding of fraud prevention and detection. Existing scholarship, in this domain primarily addresses fraud schemes, fraud causation, and fraudsters (Albrecht et al., 2009; Albrecht et al., 1984; Bergsma, 2015; Cressey, 1953; Kranacher et al., 2011; Wolfe & Hermanson, 2004). The focus of this article, however, is not centered on those elements but rather on the individuals of near proximity to the fraudster who, if they acted, might be able to thwart fraud attempts. Throughout this paper, these people are referred to as non-fraud actors (NFAs).

Whistleblowing is an NFA action in which the whistleblower reports wrongdoing with the intent of

stopping the continuation of that wrongdoing (Near & Miceli, 1985). Although there is some overlap between whistleblower actions and the focus of this paper, there is one key difference. Because whistleblower literature is focused on the "act of reporting" potential wrongdoings, it does not adequately address the motivation and forces behind inaction (non-reporting). To address that gap in the literature, this paper specifically addresses NFA inaction and potential motivating forces.

There is a seemingly natural connection between fraud and sin. Since this paper deals overtly with NFA inaction and fraud, it is additionally possible to frame inaction in the context of sins of omission. "Anyone then, who knows the good he ought to do and doesn't do it, sins" (James 4:17, NIV). The resulting discussion from this paper provides helpful new ways to think about professional responsibilities in the context of a Christian commitment to serve God, reduce sin, and experience shalom. Furthermore, Dyck (2005) noted that the most cited biblical texts in the first ten years of the *Journal of Biblical Integration in Business* concentrated on sins of commission. Consequently, a paper focused on sins of omission, in a business context, may be warranted.

The concept of shalom is complex and warrants further explanation as it relates to the purpose of this paper. Shalom is the full expression of absolute flourishing as expressed in every aspect of life and in every relationship in life, including our relationship with God (Cafferky, 2014). This concept is vital because all sin is a barrier to shalom. Sins of omission are no exception. Therefore, if shalom is desired, sins of omission must be addressed. Working to better understand the motivating forces

behind fraud, and also the role that NFAs play in the perpetuation of fraud, is not only a venture to reduce fraud losses, but it is also a venture to counteract the power of sin and its ability to limit shalom. Importantly, this paper aims to bring renewed visibility to this reality and to motivate action in such a way as to reduce sins of omission and thus promote shalom.

The purpose of this paper is to improve the understanding of NFA inaction and the perpetuation of fraud while simultaneously describing the interconnectedness of sins of omission to that of inaction. First, a description of fraud, with an emphasis on fraudsters and fraud schemes is offered. Secondly, through an exploration of whistleblowing activities and circumstances, the important role NFAs play in the prevention of fraud is highlighted. The final section of this paper is devoted to discussing the practical implications, on fraud prevention and shalom, that result from finding new and creative ways to encourage NFA action.

## FRAUD

### The Problem

Fraud, in the sense relevant to this paper, involves the misrepresentation of a material fact such that another person or organization is harmed (Association of Certified Fraud Examiners, 2009; Brenner, 2001). Importantly, a mandatory element of the misrepresentation of a material fact is that it is intentional (Brenner, 2001). Fraud, which is rooted in deception, is also a sin. “Do not steal. Do not lie. Do not deceive one another” (Leviticus 19:11), “The Lord detests lying lips, but he delights in people who are trustworthy” (Proverbs 12:22). Fraud is a general concept that can be manifested in a multitude of settings, including business settings. There is no shortage of examples of fraud in a business setting. All one needs to do is peruse any local or regional news source to find evidence of the pervasiveness of fraud in a business context. The Association of Certified Fraud Examiners tracks fraud headlines. A recent sampling from its website reveals the following articles:

- “U.S. Charges Former Olympic Figure Skate in COVID-19 Small Business Fraud”
- “Head of International Volleyball Federation Targeted by Brazilian Fraud Probe”
- “Over 200 Livestreaming Fraud Suspects Caught”
- “Former Netflix Executive Convicted of Fraud After Orchestrating More Than \$500,000 in Bribes and Kickbacks”

- “Watch Out Insurers: You’re in the Crosshairs of New Form of Cyberattack”

Occupational fraud is a specific subtype of fraud. It requires the use of one’s occupation to deceive and thus cause harm (Association of Certified Fraud Examiners, 2009, 2018). There are three primary categories of occupational fraud: (a) asset misappropriation, (b) corruption, and (c) fraudulent financial statements (Association of Certified Fraud Examiners, 2020). The losses from occupational fraud alone are massive. It is estimated that, conservatively and on average, as much as 5% of organizational annual revenue may be lost to fraud each year (Association of Certified Fraud Examiners, 2020).

### Fraudsters and Fraud Schemes

Because of the significance of fraud losses, their negative impact on society, and their deleterious impact on shalom, this problem is worth addressing. A predominance of the literature addressing fraud is focused on understanding the detailed elements of two important parts of the fraud story. Those elements include the fraud actor (fraudster) and the fraud scheme (fraud action). It is also helpful, however, to understand some of the fundamental forces motivating fraudsters and fraud actions.

Perhaps the most recognized framework for understanding fraud is the fraud triangle. The fraud triangle suggests that, for any fraud to happen, there must be (a) opportunity, (b) a non-shareable financial pressure, and (c) rationalization (Cressey, 1953). This framework is widely accepted as a necessary starting point when considering dynamics that lead to fraud. The typical unit of study pertaining to the fraud triangle is the fraudster. The fraudster must have a pressure that compels action. The fraudster must have an opportunity to carry out his deviant behavior. The fraudster must have a way of justifying his actions.

The fraud triangle of action is another framework by which to understand fraud. This framework, however, shifts the focus from the fraudster to the fraud act. The three elements of the fraud triangle of action include (a) concealment, (b) conversion, and (c) the scheme (Albrecht, Albrecht, Albrecht, & Zimelman, 2009; Kranacher, Riley Jr., & Wells, 2011). When the fraud triangle and the fraud triangle of action are viewed together, a helpful foundational understanding of fraud prevention emerges. As strategies are developed to reduce any of the now six elements (pressure, opportunity, rationalization, concealment, conversion, and scheme), there is hope for

reducing fraud losses. These strategies demand detailed concentration on the fraudster and fraud scheme.

A few scholars have offered some constructive developments that help us better understand the workings of the fraud triangle. Whereas Cressey (1953) suggested that a fraudster needed to rationalize his fraudulent behavior in order to carry out a fraud, there is a more detailed way to understand rationalization in the context of fraud. The fraud scale extends our understanding of rationalization. The fraud scale emphasizes integrity as a primary factor that addresses one's ability to rationalize (Albrecht et al., 1984). Fraudsters with lower levels of personal integrity will find it easier to justify deviant behavior (Albrecht et al., 1984).

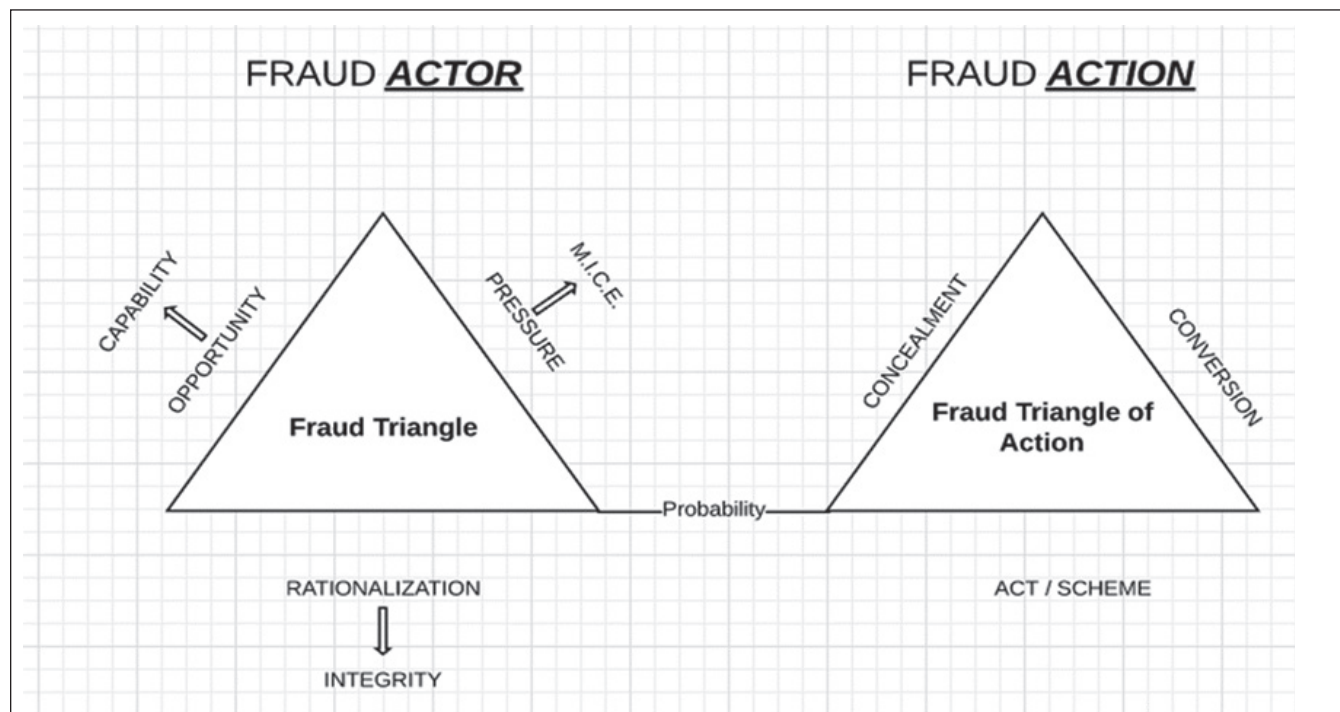
Some perceived pressure seems necessary, as a motivating force, for a person to take advantage of opportunity such that he commits fraud. According to Cressey (1950, 1953), that pressure component is a non-shareable financial issue. More recently, the element of pressure has been expanded to include (a) money pressure, (b) ideological pressure, (c) coercion, and (d) ego (Kranacher et al., 2011). The acronym for these additional pressure forces is M.I.C.E. (Kranacher et al., 2011).

Another way to understand the role of pressure in the context of fraud is through the study of General Strain Theory (GST). GST, as posited by Agnew (1985), suggests that the propensity for deviant behavior increases

when there is (a) a failure to achieve positively valued goals, (b) the presence of a negative stimulus, or (c) the removal of some positive factor (Agnew, 1985, 2012). In one study, 2,945 occupational fraud cases were analyzed, in the context of GST, to determine if there was a significant and positive correlation between strain and occupational fraud offenses (Bergsma, 2015). It was determined that there was a positive and statistically significant correlation between GST, as posited by Agnew, and asset misappropriation and financial statement fraud (Bergsma, 2015). Furthermore, workplace-originated strain appears to be a motivating force in relation to financial statement fraud (Bergsma, 2015).

The predominance of the literature on fraud prevention focuses on the fraud actor and the fraud scheme. This focus has produced important understanding and guidance toward the fight against fraud. If the overall goal is to find ways to reduce fraud losses, then it seems important to reduce the probability that the fraud actor can convert his deviance into a fraud scheme. Figure A1 illustrates the connectivity of several of the foundational fraud prevention frameworks. These frameworks include (a) the fraud triangle, (b) the fraud triangle of action, (c) the fraud scale, (d) the fraud diamond, and (e) the M.I.C.E. acronym (Albrecht et al., 1984; Cressey, 1953; Kranacher et al., 2011; Wolfe & Hermanson, 2004).

Figure 1



## Red Flags: A Call to Action

Fraud and sin flourish in the dark, hidden (John 3:20). In a business context, decision-making requires visibility to all sorts of information. That information may be in the positive form, such as financial reports and other managerial information. It also may be in the negative form, such as visibility of wrongdoing or other harmful actions. Business managers are stewards of God’s resources as they govern and lead (Johnson, 2011). White (1999) reminds us that effective stewardship relies on accountability and that accountability demands visibility to all things.

Frauds, by design, are only successful when they are obscured from view. In other words, as fraudsters carry out devious schemes, they need to do so without others knowing. However, we have reason to believe that, although fraudsters want to “don the cloak of invisibility,” they, and their schemes, often cannot remain completely hidden. In fact, the number one way frauds are discovered is through tips (Association of Certified Fraud Examiners, 2018). This finding suggests that there are red flags and warning signs that ultimately contribute to the downfall of fraud. This finding also raises another important question: Are all warning signs acted upon such that most fraud schemes are thwarted? The latter parts of this paper will take up that question. In the present, however, it is helpful to understand some of the most common red flags of fraud.

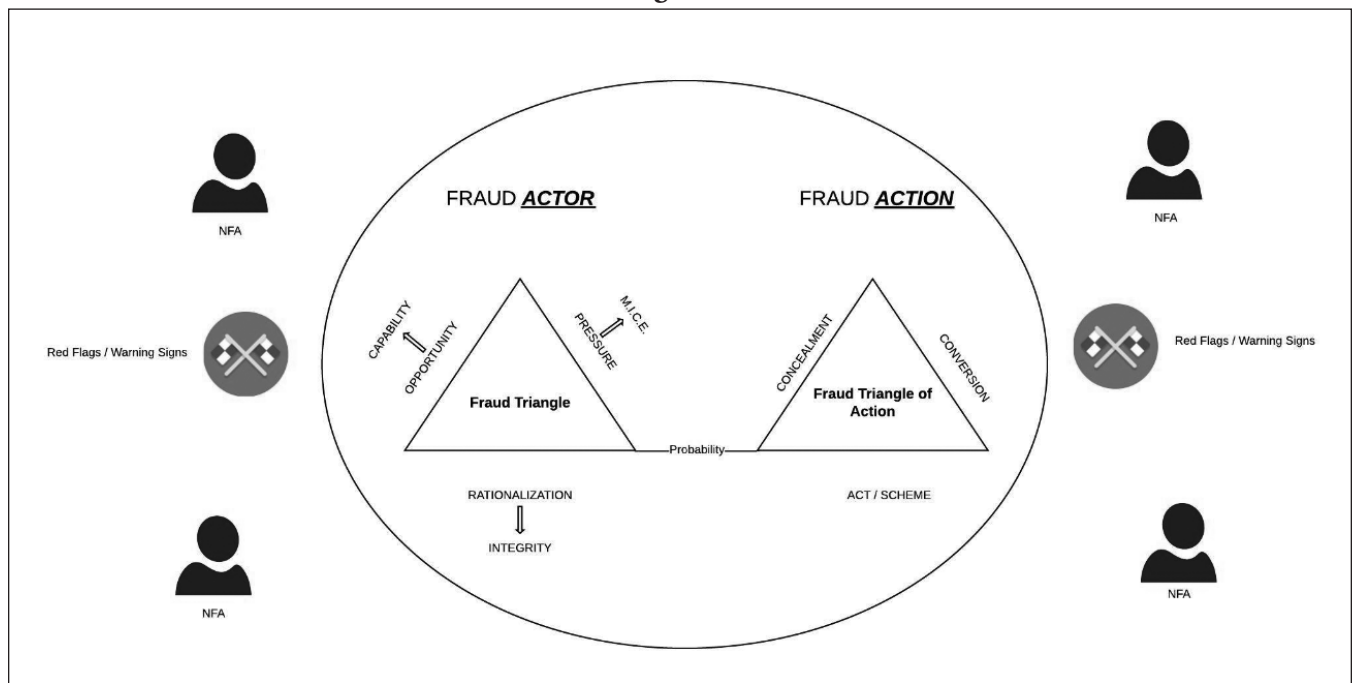
The Association of Certified Fraud Examiners publishes a comprehensive study every two years titled, *The Report to the Nations on Occupational Fraud and Abuse*. In every study since 2008, the most frequently reported behavioral red flags of occupational fraud have been (a) living beyond means, (b) financial difficulties, (c) unusually close association with vendors and customers, (d) control issues and an unwillingness to share duties, (e) family problems, and (f) a wheeler-dealer attitude (Association of Certified Fraud Examiners, 2020).

Fraud red flags do not require the occurrence of fraud. Furthermore, red flags are not only behavioral. In fact, there are many other ways warning signs might come to the surface. Accountants, for example, through various forms of data analysis, might discover financial abnormalities. What is necessary, it seems, as it relates to warning signs and fraud, is a willingness to pay attention and a spirit of skepticism. Due to the magnitude of fraud losses, as well as the high frequency of occurrence, it is reasonable to appreciate the potential benefit of acting upon suspicion once a red flag is discovered. Figure A2 shows how NFAs and red flags situate around the fraudster and the fraud act.

## WHISTLEBLOWING

The reporting of potential wrongdoing is referred to as whistleblowing. More specifically, whistleblowing is

Figure 2



the reporting of illegal, immoral, or illegitimate activities to people within an organization who are in a position to make a difference (Near & Miceli, 1985). Although organizations, public and private, encourage people to report misconduct, oftentimes the whistleblower pays a significant price for doing so. Therefore, whistleblower protections have been enacted at the federal and state levels. However, whistleblower protections are disjointed in the United States. This disjointed condition is the direct result of federal statutes that primarily address whistleblower protections for federal employees and then separate state-based legislation that is aimed at protecting state-level governmental employees. Some effort has been made to provide whistleblower protection for private-sector employees, but the depth and breadth of those protections are often circumstantial (Exmeyer & Jeon, 2020). The most impactful, federal-level, whistleblower legislation includes (a) Whistleblower Protection Act of 1989, (b) the No FEAR Act of 2002, (c) the Sarbanes-Oxley Act of 2002, and (d) the Whistleblower Protection Enhancement Act of 2012 (Exmeyer & Jeon, 2020). There is some debate about whether this federal legislative effort is aimed to protect whistleblowers or to serve as a deterrent to federal actors (Exmeyer & Jeon, 2020). There is also uncertainty around the efficacy of this legislation. As evidence of this uncertainty, in April 2021, more than 200 groups called upon the executive and legislative branches of the U.S. government to strengthen whistleblower protections (Bubl , 2021). Nonetheless, whistleblowing is seen as an important aspect of individual and organizational accountability.

Whistleblowing starts with the reporting action. At this juncture, it is helpful to appreciate the gap of space between suspicion (observation of red flags) and the act of reporting. This paper aims to better understand the key ideas at play within that gap. Whistleblowing involves four distinct elements: (a) the whistleblower, (b) the suspected act of wrongdoing, (c) the organization in which this suspected act is taking place, and (d) the person or party to whom the complaint is given (Dworkin & Near, 1997; Kleiner & Rocha, 2005; Near & Miceli, 1985, 1996). At times, a whistleblower may need to report his suspicion to an external party. Those are referred to as cases of external whistleblowing (Bouville, 2008; Near & Miceli, 1996).

In the context of business environments, whistleblowing tends to originate from people with (a) professional positions, (b) long time periods of service, (c) association with larger work groups, and (d) generally favorable feel-

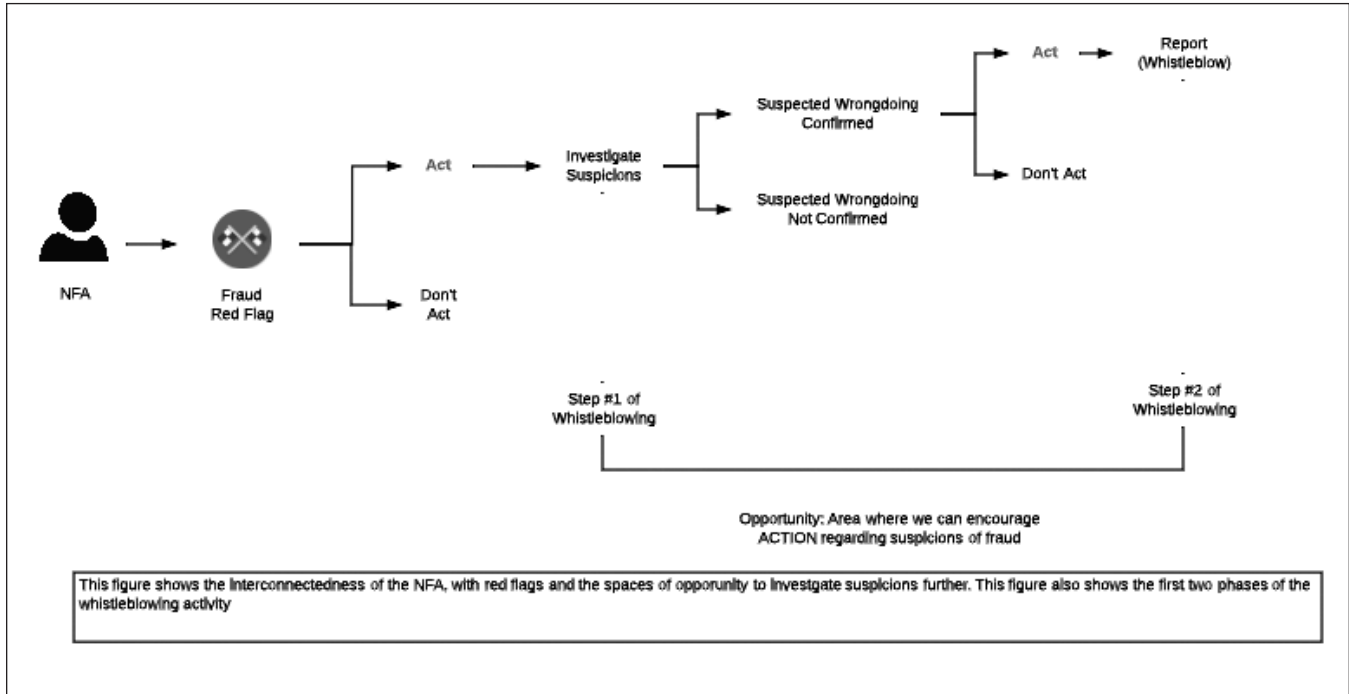
ings about the company for which they work (Dworkin & Near, 1997). Interestingly, whistleblowers are careful to weigh the costs of reporting against perceived benefits (Near & Miceli, 1996).

The actual process of whistleblowing has four steps (Near & Miceli, 1985). Those steps include (a) decision to report, (b) reporting, (c) organizational reaction, and (d) organizational decision about what to do. Much work has been done to understand these steps. Noticeable in the literature is a focus on the consequences that whistleblowers might face in retaliation for their reporting. Understanding of this nature is helpful as it helps to contextualize the cost-benefit analysis that whistleblowers face. However, the literature seems lacking as it relates to the many dynamics at place in the first phase. That is to say, the decision-making process, prior to reporting, needs to be better understood if we believe that increasing the reporting action will help to reduce fraud losses. Stated differently, the existing literature addresses cases where reporting has happened as well as the outcomes of that reporting. What impact do all the instances of where NFAs chose not to act (report) have on fraud losses? Are there mechanisms at play that discourage NFA action and reporting?

There are many reasons NFAs may choose to report their suspicions. Some feel that altruism is a driving force behind action (Arnold & Ponemon, 1991; Vandekerckhove & Commers, 2004). From this perspective, NFAs are motivated to follow up on their suspicions because of a general regard for the well-being of others. These NFAs look beyond themselves and desire to promote positive change. Yet others may be motivated by psychological elements. Perhaps some NFAs are motivated by financial reward or by regaining their jobs (Paul & Townsend, 1996). As it relates to financial reward, in some instances, whistleblowers are entitled to a share of the recovered losses (WhistleblowerInfo.com, n.d.). This financial incentive may compel some NFAs to report suspected wrongdoing (Carson et al., 2007; Paul & Townsend, 1996). Again, this literature emphasizes the forces that lead to action. What about all the cases in which the NFA chooses inaction over action?

There are documented consequences of blowing the whistle. Most notably, retaliation of some sort might be exacted upon the whistleblower (Paul & Townsend, 1996). Examples of retaliation might include (a) job termination, (b) demotion, (c) humiliation, and (d) prosecution (Kleiner & Rocha, 2005; Paul & Townsend, 1996). It is important to understand these ideas because they

Figure 3



directly relate to costs paid by NFAs when they choose to act. In that spirit, the calculus employed by NFAs as they determine the result of their cost-benefit analysis may be somewhat predicated on perceived costs in the form of retaliation. Connected to this idea of costs is the idea of sacrifice. To sacrifice means to pay a price yourself for the benefit of another. Should Christians then be governed by such a cost-benefit analysis? Might there instead be a time when doing the right thing (investigating a potential wrongdoing and reporting) is required regardless of the cost-benefit answer? These are especially important questions for Christians. Somewhere situated in the answers to those questions are possible insights that might not only help to reduce fraud losses but that also allow Christians to serve God with excellence.

Figure 3 clearly shows the opportunity that exists from the time a red flag is identified until the decision is made to report or not.

### NFA INACTION: SINS OF OMISSION

It is not hard to consider fraud, which is a deviant act, as sin. In this sense, fraud is a sin of commission. This paper, though, is chiefly concerned with understanding the mechanisms at play as it relates to fraud, as perpetuated through inaction, and the possibility of sins

of omission. NFAs must determine when and how to act when armed with warning signs and red flags. So, might there be a circumstance where an NFA is compelled to act because he or she has good information that can be acted upon? In that situation, if the NFA does not act, is it sin? All sin threatens shalom. In an effort to pursue shalom, it is helpful to review what Scripture says in relation to sins of omission:

- “If anyone, then, knows the good they ought to do and doesn’t do it, it is sin for them” (James 4:17).
- “Why do you call me Lord, Lord, and do not do what I say?” (Luke 6:46).
- “But everyone who hears these words of mine and does not put them into practice is like a foolish man who built his house on sand” (Matthew 7:26).
- “Do not be hasty in the laying on of hands, and do not share in the sins of others. Keep yourself pure” (Matthew 5:22-25).

The purpose of this paper, as it relates to understanding fraud in the context of sin, is not to pass judgment or dictate how to interpret Scripture. Reviewing passages about sins of omission reminds us that sins of omission exist. In that spirit, it is wise for Christians to genuinely consider what it means to live into their professional responsibilities with a careful eye toward faithful obedience to God. At a minimum, it seems at least possible that at times, we might be required, out of faithful obe-

dience to God, to investigate suspicions of fraud. Stated differently, and from the opposite side of the argument, it is not impossible that following up on fraud suspicions could be connected to faithful obedience. In this sense, there might be a connection between fraud, NFA inaction, and sins of omission.

### NFA INACTION: FEAR AND COURAGE

Whistleblowers face the risk of retaliation for reporting their suspicions (Paul & Townsend, 1996). This risk likely induces fear in NFAs who feel compelled to respond to fraud warning signs. Whistleblowers might face job termination or other outcomes that significantly disrupt their lives personally or professionally. These risks should not be taken lightly or overlooked (Luke 14:28). It is possible that, because of these risks and the associated fear, NFAs might determine that the cost of reporting exceeds the benefits of doing so. This way of thinking reduces the decision of whether to report down to a cost-benefit analysis. Although this may be true, not all circumstances necessarily fit into this model of thinking. Nonetheless, fear seems to reside at the center of the conversation around NFA responsibilities and whistleblowing circumstances. As such, we need to carefully consider fear in this context. If we aim to motivate NFAs to actively investigate their suspicions, then we should have some basis for managing the fear that confronts them. One way to address this topic is to consider the antidote to fear, which is courage. Facing fear is challenging. Yet we find encouragement in Scripture that reminds us that we do not face this fear alone. In fact, Scripture clearly demonstrates a call for courage:

- “Have I not commanded you? Be strong and courageous. Do not be afraid; do not be discouraged, for the Lord your God will be with you wherever you go” (Joshua 1:9).
- “Be strong and courageous. Do not be afraid or terrified because of them, for the Lord your God goes with you; he will never leave you nor forsake you” (Deuteronomy 31:6).
- “The Lord is my light and my salvation—whom shall I fear? The Lord is the stronghold of my life—of whom shall I be afraid?” (Psalm 27:1).
- “Be on your guard; stand firm in the faith; be courageous; be strong” (1 Corinthians 16:13).

Courage is a virtue. The study of virtue ethics helps to frame courage as a response to fear that allows people

to live into their professional obligations with excellence (Moore & Beadle, 2006; Stansbury et al., 2015). Professionals live into their responsibilities with excellence when they use their gifts and abilities to their fullest potential (Moore & Beadle, 2006). The pursuit of excellence demands an external driving force (MacIntyre, 2013). On the other hand, professionals also pursue success. Successes deal with the accumulation of capital (Moore & Beadle, 2006). Professionals seek three forms of capital, which include (a) financial, (b) social, and (c) cultural (Moore & Beadle, 2006; Stansbury et al., 2015). The pursuit of success demands an internal driving force (MacIntyre, 2013).

Professionals strive to hold the pursuit of excellence in tension with success (Stansbury et al., 2015). That is to suggest that these ideas compete with one another. When a person pursues excellence, they may forfeit some amount of success (capital). Just the same, maximizing capital accumulation (success) might require a person to compromise the fullness of excellence (Moore & Beadle, 2006; Stansbury et al., 2015). In the context of fraud, NFA inaction, and fear, we might consider the risks associated with whistleblowing as threatening our ability to maximize our success. In that sense, we might choose to not investigate fraud suspicions because we preference success over excellence. If that is the case, then the fear of losing out on some amount of success may actually discourage NFA action and thus allow for the furtherance of fraud. To combat this issue, we need to find new and creative ways to combat the fear associated with investigating fraud suspicions. Courage may be the antidote that mitigates fear and promotes NFA action. Not only might fraud losses be reduced through necessary fraud investigations, but also Christian business professionals might more fully live in faithful obedience to God and avoid sins of omission. In the pursuit of shalom, efforts to reduce sin must be realized. To act, when required for faithful obedience, reduces the potential sin and removes barriers to shalom. Furthermore, to act when so required, demonstrates faithful trust in God and the promises of God. In short, demonstrating courage is a great act of faith and it helps us draw nearer to God.

### IMPLICATIONS

The idea of acting courageously in the face of fear, in the context of investigating fraud suspicions, has implications at both an individual level and at an organizational/structural level.

### **Individuals: Called to Action**

This paper articulated the connectivity between fraud, NFA responsibilities, fear, and sins of omission. A connecting component amongst these dynamic parts is the role courage plays in our lives. Courage allows us to combat fear and to act when necessary. In the context of fraud prevention, professionals need to take careful inventory of their responsibilities as they relate to discovering the warning signs of fraud. Doing our work excellently might demand that our level of attention to the possibilities of fraud improve. As such, one implication of this paper may be for Christian business practitioners to increase their awareness of fraud and then increase their personal accountability for discovery.

A second implication considers the paralyzing impacts of fear and the need for courage. Professionals need to know what to do if they suspect fraud. Equally important, they need to have the courage to take action when necessary. That action might be as simple as asking additional questions so as to further understand the situation, or it might be as bold as whistleblowing. In any case, fear is likely to impact the decision-making process. This paper highlights the risks associated with fraud investigations and whistleblowing. Nonetheless, at times we need to be willing to prioritize faithfulness over avoidance of fear so that appropriate steps can be taken to thwart fraud.

A third implication considers the importance of following established codes of ethics. Codes of ethics at the organizational-level and professional codes of ethics provide meaningful frameworks and guidance for responding to difficult situations. Perhaps, reliance on these frameworks can serve as a means for reducing the cost (risks) associated with following up on fraud suspicions. One could look to the accounting profession for clear examples of professional codes of ethics. The American Institute of Certified Public Accountants (AICPA) has a code of professional conduct. The Institute of Management Accountants (IMA) has a statement of ethical professional practice. Each of these institutions, with their respective statements, provide helpful guidance that might serve as a means of reducing risks of action and thereby help to mitigate the fear component.

A fourth implication concerns sins of omission and Christian professionals. This paper analyzed inaction in the context of sins of omission. Inaction is not equated to sins of omission. However, this paper highlights the point that, at times, Christians may need to act out of faithful obedience to God when not doing so might be a sin. In such a light, it is imperative that Christians carefully

reflect on the connectivity of their professional responsibilities in the context of their holistic walk with God. Perhaps this paper, then, serves as a call to action for these people. Increased awareness of these connections might not only help to reduce fraud losses, but it also might help to promote shalom.

### **Organizational/Systemic Opportunity**

This paper highlights that organizations can help reduce the cost (personal and professional risk) of fraud investigations by developing a business culture that values action. One implication suggests that organizations should develop, and follow, policies and procedures that value all employees and take fraud suspicions seriously. This can be accomplished through the proactive development of an anti-fraud culture. Many times, the only touch point organizations have with fraud is negative. They become victims of fraud and then react to protect themselves for the future. This paper offers consideration for the development of anti-fraud policies as part of larger anti-fraud culture. If this work is done proactively, and with positivity, there is the possibility that the risks of action might be reduced. Perhaps more people will feel empowered and protected and thus more actively investigate suspected wrongdoing.

A further implication concerns the specific procedures of fraud investigations and whistleblowing. Beyond general guidelines regarding reporting, organizations would be well served to outline specific steps for investigating suspicions. Currently, most organizational guidance is simply directed to whistleblower protection statutes (Moberly & Wylie, 2011). But what about that murky space that exists from the time suspicions arise until the time of reporting? Little practical guidance is offered for this space. As such, an implication of this paper is to encourage organizations to develop fraud investigation policies as a way of enhancing their overall whistleblowing/reporting policies. More academic work might also be done in this area. All this work will likely help to reduce risks of action and help to reduce fraud losses.

### **CONCLUSION**

The purpose of this paper was to improve the understanding of NFA inaction and the perpetuation of fraud while simultaneously describing the interconnectedness of sins of omission to that inaction. Through an exploration of whistleblowing activities and circumstances, the



important role NFAs play in the prevention of fraud was addressed. The result of this work was the articulation of several practical implications related to fraud prevention with an attempt to achieve shalom (peace with God). All of this points to finding new and creative ways to encourage NFA action. Of particular interest in this paper were the responsibilities of Christians who wish to live in shalom. These professionals are encouraged to continuously consider what it means to pursue excellence and to act courageously. This might mean, in some circumstances, that a personal sacrifice will need to be made (the acceptance of whistleblower risks) so that one can act in faithful obedience to God. Courageous action will then help to mitigate sin and promote shalom. Perhaps this paper can serve as a call to action for all people, but especially Christians, as it relates to addressing fraud losses. More work should be done to understand the significance of NFA inaction. Future studies dealing with the interplay of fear, courage, and fraud prevention are warranted.

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