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RESEARCH ARTICLE

Managing Fraud in Banking Industry: A Comparative Study between Diamond and Guarantee Trust Banks in a West African Country

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Abstract

Fraud, by definition, is the crime of acquiring money or some other profit by deliberate deception and also the act of deliberately deceiving somebody else usually for financial gains. Management on the other hand is a process of planning, organizing, leading, and controlling of human and other resources to achieve organizational goals efficiently and effectively. This study focuses on Nigeria as one of the most populous West African countries with a high rate of bank fraud. Banks and other financial institutions are running at a loss because of poor management. In current years the extent of fraudulent activities in Nigerian banks has been on the increase. According to the Nigerian deposit Corporation (NDIC), "the level of reported fraud in banks rose from 804m in 1990 to 3,199m in 1998". This is not surprising because the country on its own is profiled as a corrupt and fraudulent nation. The purpose of this study is to investigate and examine some of the techniques managers use in managing frauds within the banking industry in a West African country of Nigeria in an attempt to find a possible solution to alleviate fraudulent practices in banks.

Keywords: *Nigerian banks fraud, Bank misconduct.*

Introduction

Background of Study and Problem Statement

Fraud is an anti-Economic process and must be dealt with. He went further to emphasize the importance of having in banks trusted managers and workers who should be psychologically fit to manage Nigerian banks, the purpose of which is to facilitate efficiency and effectiveness in banking activities. Fraud reduces assets because a bank that has a record of fraudulent activities will lose its customers. Banks are faced with different kinds of challenges because individuals are there in the banking sector for so many reasons. Some of them are there to get whatever they want and go for a less demanding job; some are there because of interest in banking while others go there to enrich themselves through fraudulent means.

Fraud as a virus, which spread from the banking sector to other economic activities and organizations. As in any other nation, the banking and financing systems are a very important sector when it comes to economic development. Nigeria as a nation is an emerging market and the banking system is a key factor towards a better life status. Even if Nigeria is an emerging market, the country offers a well-developed financial system comprising local and international financial institutions related to brokerage, insurance, and investment financing. Nigeria's first bank, the African Banking Corporation was established in 1892. No banking legislation existed until 1952, at which point Nigeria had three foreign banks (the Bank of British West Africa, Barclays Bank, and the British and French Bank) and two indigenous banks (the National Bank of Nigeria and the African Continental Bank) with a collective total of forty branches. In 1952, several Nigerian members of the federal House of Assembly called for the establishment of a central bank to facilitate economic development.

This motion was defeated when the colonial administration appointed Bank of England officials to study the issue. They were against the establishment of a central bank because

Nigeria is an undeveloped capital market. In 1957 the colonial office supported another study that led in the forming of a Nigerian central bank and the introduction of a Nigerian currency known as Naira. At the end of 1988, the banking system consisted of the central Bank of Nigeria, forty-two commercial banks and twenty-four merchant banks. Other financial institutions included government-owned specialized development banks, which are the Nigerian industrial development bank, the Nigerian bank for commerce and industry, the Nigerian Agricultural bank, the federal savings banks and the federal mortgage bank. Also active in Nigeria were numerous insurance companies, pension funds and finance and leasing companies.

The risk in Nigerian banking system is very highly with its low ratings when compared with other banks in the world. What Nigerian banks really need is to continue improving their risk management culture, particularly by developing strong asset quality measures. They should be able to gather sufficient information about the business in order to identify where there are risks of material misstatements due to fraud. They should assess these risks, having taken into account the business internal controls and systems. They need to develop more long-term funding rather than short term funding. Seeking for long-term funding will help them fund more long-term financing projects for the economy

In the past years, there were so many small banks available in Nigeria to the extent that they became vulnerable to fraud and other bank malpractices. In order to provide more reliable financial services, the solution was to perform mergers. This made the number of banks to decrease but the ones that remained had a better capitalization structure and were trustworthy. The current Nigerian banks are able to offer longer-term loans. In 2006, the Nigerian sector enjoyed success and worldwide recognition. The following banks were listed among the world's best 1000 banks: First Bank, Zenith Bank, Union Bank, Guaranty Trust Bank, First Inland Bank and Intercontinental Bank. To sum up, from an economical and financial point of view, Nigeria is rapidly approaching the middle-income level and this will lead to a better living status and more investments projects throughout the nation.

Brief Background on Guarantee Trust Bank (GTB)

GT bank, which is fully known as Guaranty Trust Bank plc is based in Victoria Island, Lagos. This bank is the third biggest bank in Nigeria that offers online Internet banking, investment banking and asset management. Nigerian individuals and some institutions own this bank. Central Bank of Nigeria registered the bank on January 17, 1990 and also incorporated it in 1990. GTB has over 160 branches in Nigeria with over 6,000+ employees.

Brief Background on Diamond Bank

Diamond bank plc being a private limited liability company became a universal bank after ten years in February 2001. The bank became a private limited liability on March 21, 1991. In May 2005, the bank was listed on the Nigerian Stock Exchange. Diamond bank is one of the leading banks in Nigeria due to the efficient and effective service delivery. The bank has a good relationship management with customers and well-known number of other banks internationally. They offer corporate banking and other business segments. Also the bank has over 100 branches in various parts of the country and also in Benin republic. Today, Diamond Bank is one of the leading banks in Nigeria. They are respected for their excellent service delivery driven by operation and operating on the most advanced banking technology platform in the market.

In 2008, they streamlined their operations into three distinct strategic business segments such as retail banking, corporate banking and public sector. Diamond bank operates an open door policy for everyone. Customers at diamond bank are not just external customers but customers that mean everything to them both internally and externally. With different policies, they are able to retain and develop their staff.

Research Question

- To what extent are managers selecting the appropriate technique about the issue of fraud?.
- What are the skills managers need to manage fraud?
- How is the selecting process of managers executed?
- What are the possible practices that lead to fraud?
- What challenges that face banks in the process of establishment?
- What are the possible effects of fraud in a bank?
- How can fraud be managed and prevented?

Research Hypothesis

H1:Managers of bank should have conceptual skills: this is the ability to analyze and diagnose a situation and to distinguish between cause and effect

H2: Managers should possess Human skills: the ability to understand, alter, lead, and control how people behave.

H3: Technical skills: this is the job-specific knowledge and techniques to perform a role in the organization.

The selection processes in employing managers are done by various interviews, work experience, etc. Banks misconduct, failure to appoint trusted managers and employees, failure to provide locked boxes that transfer cheques to and from the central bank, insufficient training facilities for employees and carelessness in checking and clearing cheques to avoid a case of possible small charge of cheques. The bank should have a reasonable capital of about 50% to start up with, must be registered under the incorporated banking union, must be under a central bank of the country been located, etc. It can lead to bankruptcy, it may lead to unemployment and it may lead to increase in crime. Fraud can be avoided by forming a committee that will help in detecting any management fraud to enhance financial reports and also using their various strategies for detecting suspects.

Research Objectives

The aims of this research are to identify, among others: The skills managers need to have before they are appointed; recruitment and selection process; the major factors that could lead to fraud; what the banks need to undergo before they can be called a bank; and how fraud is managed and prevented in a bank

Significance of the Study

This research provides the necessary information on how managers in GT bank and Diamond banks in Yola manage fraud. The research will also help other managers in other banks uncover the possible solutions to fraud in Nigeria. It will help other managers uncover fraudulent claims and educate employees of the possible risks and best practices around fraud management in banks. With this research, various strategies from the managers of Diamond bank and GT bank would be reviewed to other managers to stop unlawful behaviors.

Relevant Literature

The utmost goal of every bank is the satisfaction of customers, employees and shareholders. In order to reach this goal, strategy and implementation of decisions and how to manage fraud should be laid out. The aim of this paper is to find the possible means by which managers use to minimize the incidence of fraud in Diamond and GT banks.. At this point, the various techniques on how managers control fraud will be discussed.

Due to the gravity of fraud in Nigerian banks, the management of various banks including that of Diamond and GT banks have employed measures, such as securities, fraud alerts, establishment of internal control unit yet fraud has persisted in an upward trend, and this has called the effectiveness of these measures into question. Details of bank fraud differ from one bank to another as the situation may be and it also depends on the environment nationally and internationally. Managers can control fraud through identifying and detecting.

- Fraud Identification: every bank should be able to identify fraud at any given period of time. Management control system such as technologies for detecting any fraudulent act should be introduced in banks. Banks should also be able to identify the various types of fraud and also to be aware of them in the society. There are internal and external management controls. The internal ones are those carried out within the bank while the external controls are carried out on the outside. The internal control on the other hand can be classified into two ways, they are as follows:

  Internal Checks: These are the operational controls which are built into the banking system to reduce the processing of entries in order to secure prompt services, to help decrease errors and to act as insurance against conspiracy.

  Internal Audit: This involves the reviews of operations and the records that are taken by staff that is usually carried out by the Internal Auditor.

- Fraud Detection: The essence of this fraud detection is to help managers figure out what type of fraud and its suspects. Having done so, the next stage would be to evolve those measures to prevent the incidence of such fraud. Measures aimed at fraud detection include checking of cashiers, reconciliation, balancing of accounts at the various branches, periodic submission of statement of accounts, stock taking of security items and cash in the vaults and inspection by bank inspectors.

Central Bank of Nigeria (CBN) being the supervisor and the regulator of the banking systems is interested in making sure that banks put in effective internal control systems to reduce the fraud and whenever it occurs, to ensure that they are detected. It is the responsibility of any supervisor to determine banks regulations and rules through the review of every internal audit report. The supervisors should also cooperate with the external auditors to ensure that every internal audit is effectively carried out. For every bank to survive the incidence of fraud, there should be proper management and supervision of the inflow and outflow of funds in the bank. Without this, the bank may not be able to survive for a long period of time. The literature review critically addressed the research problem as it discussed the types of fraud, causes of fraud and effects of fraud on Diamond and GT bank.

The following five C's can be used in preventing fraud.

- Confirmation: in this case, the bank should have it at the back of their mind if the customers actually exist by having basic information about them. Then the customers on the other hand should also find out if the bank is in existence and have no monetary issues.

- Condition: Are the bank or its managers active in the sense that there should be flow of funds and proper management of the inflow and outflow of money.

- Consistency: in this case, every manager should check if stated facts are consistent with other sources of information.

- Character: there might be past issues about a bank that could stop a customer from investing in a bank, so past issues that could impose risk on the current or future transaction should be checked properly.

- Continuity: the status of an organization matters and the way they handle risk [1].

Types of Bank Frauds

Fraud is in all works of life, the expert trade, shipping transactions, banking, government, insurance and everywhere. The following are the three types of fraud:

- Flow of Frauds: this type of fraud is described by value and the rate of frequency involved in fraud. In could be classified in two ways.

  - Smash and Grab: this kind of fraud is actually high in value and frequently committed over a short period of time.

  - Drip: this kind of fraud can be committed over and over in a long period and it is large in number but small in value.

- Victims Frauds: this is a classification based on the people affected by fraud. This type of fraud is also of two ways, they are as follow:

  - Against the company (bank): in this case, the bank is actually the victim of any loss incurred through the fraud.

  - Against outsiders: an outsider is the victim of the fraud to the bank.

- Act Frauds: this is the action that takes place in cases of fraud, which is the people involved in this act and the methods and ways they carry out fraud.

Methods by Which Fraud can be Perpetrated

The most important and common methods by which fraud can be perpetrated according to Onkagba are [2]:

- Advance fee fraud: in this case, an agent approaches a bank, a company or an individual with another individual to access large funds at below market rates often for long term purposes. Any bank desperate for funds especially banks needing large funds to bid for foreign exchange can easily fall victim because once the person goes with the money, it can never be traceable. The case can also not be reported to the police for any kind of investigation because once the deal fails and the fees paid in advance are lost there is no form of evidence for damages.

- Forged cheques: In this case, the customers and the bank are defrauded. It is also the commonest of all. It takes place mainly in the company account; the staff of the company only perpetrates it because they have the access to the company cheque books.

- Fund Diversion: The staff of the company diverts customer loan repayment and deposits for personal use.

- Cheque Kitting: This happens when a depositor utilizes the giver of the cheque to clear to obtain an authorized loan without interest charge. The aim of this cheque kitter may withdraw this fund permanently for personal use of these uncollected bank funds; interest fees may be used for a short time to overcome a temporary cash shortage.

- Account opening fraud: This is the depositing and cashing of fraudulent cheques. In this case an individual opens either a current or a savings account with false identification but unknown to the bank.

- Counterfeit Securities: Counterfeiting is one of the oldest forms of crime. Printing equipments has greatly aided criminals in reproducing good quality forged instruments. These documents may be counterfeits or documents that are copied, pirated or altered as to amount, payout date, pay or terms of payment.

- Money shift Fraud: These services are means of transferring money to or from a bank to beneficiary account at any bank worldwide. These could be done through mail, telephones, and over-the-counter and electronic process. The fraud itself takes place when the beneficiary's account name or number is being changed or transferred without the consent of the beneficiary.

- Letter Of recognition Fraud: this kind of fraud arises from international selling of goods and services. Vehicles are provided for prompt payment. Foreign suppliers continue to receive letter of credit, which are usually convoyed by bank drafts with forged or fake approval with guarantee payments.

- Computer Fraud: In this case, individuals break into the systems through remote sensors. When people gain access to the program or the application software used by the bank, flash drives and diskettes can also be tempered with by giving credits to accounts for which the funds were not originally intended. This kind of fraud could also remain unobserved for a long period of time.

Causes of Fraud

According to Adewunmi [3], causes of fraud can be seen in two ways, that is, external or environmental factors and institutional factors.

Environmental factors are factors that can be traced immediately in remote environment or in banks. If the whole society or community that a bank is located in is bankrupt then it will be very difficult for the bank to be able to make amends and it will also be difficult if not impossible to expect the bank or banks to be protected from the effects of such moral bankruptcy.

The Nigerian society is morally bankrupt so banks located in such societies will be affected because they are not immune from the activities in its external environment. The society should question the source of wealth because based on the moral state of the country; virtues such as good personality, sincerity and integrity are hard to come by. In our societies today, once an individual is wealthy he or she is recognized and honored. Nigeria today is a materialistic nation, which to a large extent encourages fraud. People desire lots of things they can't afford, they also desire extreme want to be among the highest caliber in the nation and cultural demand is too expensive for individuals in our society. On the other hand argued that the institutional factor or causes are those that can be traced to internal environment of the organization.

This type of fraud is obviously poor management, which comes in the form of inadequate supervision. A staff with the intention of carrying out fraud sees the environment as safe for the perpetration of fraud. With poor management, there will be poor manifestation of policies and supervision, which fraudulent minded staff will capitalize on. Fraud could also occur where there is a proper supervision of work and effective policies because some staff tends to deliberately skip these policies and commit some dangerous acts. Operators such as managers with lack of experience commit fraud unintentionally by numerous tricks of fraudsters. When there is an act of fraud an inexperienced operator will not be able to notice any fraud attempts and take necessary precautionary measures to set the detection process in motion.

Poor salaries and poor services offered by the bank can cause or encourage fraud.

When employees are not properly paid, they convert customer's money to their personal use to meet their desires and wants. This crime is common and stronger among employees that deal with cash and near cash instruments. Some people have very strong appetite to accumulate wealth so they can do anything within their power to steal depending on how good their earnings are. Furthermore, frustration can also lead to fraud. When a worker is not rewarded, he or she does not receive benefits, or does not get promotions like other employees, he or she could become frustrated and such frustration could lead to fraud as such employee will try to compensate himself in his way.

Effects of Fraud

Fraud is the most dangerous of all the risks facing banks. A good number of banks never report any case of bankruptcy to the appropriate authorities because if they do, the customers may lose confidence in the bank and it could cause a set back in the growth of the bank in particular. For instance, if a bank has a history of bankruptcy, an investor wouldn't want to invest his/her money there due to high risk. The only option is, to ameliorate this incidence is through constructive compensation by the bank concerned.

Fraud can increase the operating cost of a bank because of the added cost of installing necessary machinery for its prevention, detection and protection of assets. If there were no traces of fraud, the bank would spend less. Managers may also get distracted in the process of safeguarding assets from fraudulent men. Overall, this unproductive diversion of resources always reduces output and lowers profits, which in turn could retard the growth of the bank.

Secondly, fraud leads to loss of money, which belongs to either the customers or the bank. Such losses may reduce the amounts of profit, which would have been available for distribution to shareholders. If a bank faces a problem today, they should be able to sort their shareholders and their investors out at any given point in time. Losses from fraud may also affect the bank's financial health and hold back its ability to extend loans and advances for profitable operations.

This section aims at finding practical means of minimizing fraud in Diamond and GT Banks in Yola. During the process of these findings, efforts were made in identifying various means employed in defrauding banks and at the same time determining the effects of fraud in the banking services. Furthermore, findings revealed that there are so many factors contributing to fraud incidence in banks, which include poor management of policies and inadequate working conditions.

Research Methodology

Research Design

This research seeks to establish what techniques managers use in managing fraud, how they control fraud in their banks, the cause and effect of fraud in (Diamond and GT banks). Hence the research design adopted and used is causal research design. The population is diversified with information drawn through various interviews with the managers of the two banks. The distribution was also unbiased as information was obtained both banks under investigation. Probability-sampling methods were adopted where the respondents had the chance of being selected and interviewed. The survey instrument used in collecting data was face-to-face interview, which was made of three sections. Section A, consists of the both managers' brief history. Section B consists of how the managers handled internal problems or risk, either with the employees or customers. Section C basically talks about the various techniques they used in controlling fraud, how they prevent it and various ways they implemented the processes for ethical behaviors.

In the administration of the research Instruments, the same questions were given out to both managers of Diamond and GT bank located in Yola. Results that have been derived from the interview were almost the same, but few of the differences would be analyzed to know which of the banks best manage fraud. The research has been limited by financial inadequacies due in part to the high volume of printing and high transportation cost as the interview involves going to town to book appointments with these managers for a convenient time.

Results and Discussion of Findings

As a manage, it is appropriate to possess the following skills:

Conceptual skills: The ability to analyze and diagnose a situation and to distinguish between cause and effect

Human skills: The ability to understand, alter, lead, and control how people behave.

Technical skills: This is the job-specific knowledge and techniques to perform a role in the organization.

- The selecting processes in employing mangers are carried out by various interviews, work experience, to mention but few.
- Banks misconduct, failure to appoint trusted managers and employees, failure to provide locked boxes that transfer cheques to and from the central bank, insufficient training facilities for employees and carelessness in checking and clearing cheques to avoid a case of possible small charge of cheques.

- The bank must have a reasonable capital of about 50% to start up with, must be registered under the incorporated banking union, must be under a central bank of the country been located, etc.

- It can lead to bankruptcy which will in turn, lead to unemployment thereby increasing crime.

- Fraud can be avoided by forming a committee that will help in detecting any management fraud to enhance financial reports and also using their various strategies for detecting suspects.

Results

Diamond Bank

Question 1: First of all, does diamond bank provide their customers easy ways to protect themselves over hackers and other thieves?

- They try to prevent their customers from making purchases with their debit cards. They advised that a credit card should be used instead, because it offers greater protection against fraud. They proceed by saying if a debit card is used for purchasing, PIN should not be disclosed, but tell the cashier to select the credit option.
- Diamond tries as much as possible to implement banking alerts. Customers can sign up for banking alerts to checking balance and recent transactions online daily and through mobile phones. This transaction is done by the bank alerting you via email or text message when certain activity occurs on your account, such as credit alert, debit alert, change of address and withdrawal exceeding an amount you specify.
- Go paperless. Signing up for paperless bank statements will eliminate the possibility of having account information stolen from your mailbox. Shredding existing bank statements and debit card receipts using a diamond-cut shredder when you're done with them will reduce the possibility of having bank account information stolen from your trash.

Question 2: To what extent has the organization created ownership of fraud risks by identifying a member of senior management as having responsibility for managing all fraud risk?

Response

- To his best of Knowledge, they make sure there is adequate supervision.
- Thorough segregation of duties and proper reviews of accounting and other activity.
- Continuous verification of the inflow and outflow of cash

Question 3: To what extent has the organization established a process to detect, investigate and prevent fraud?

First of all, we try as much as possible to interview certain employees or suspects. During the interview you could tape record, having other members of the board of directors. Secondly, in order to prevent fraud, we could change the computer's password regularly, retrieving office keys, changing locks, prohibiting certain workers from specific areas and then finally, amending security codes and bank authorizations.

Question 4: To what extent has the organization implemented a process to promote ethical behavior?

There are several ways to promote ethical behavior. First of all Ethics officers' help our bank in resolving conflicts within the organization. Secondly, we implement policies for employees or workers when they encounter an ethical dilemma. Finally, some of our employees find it very difficult to complain to their supervisors so we provide them with helpline for calls concerning ethical issues.

Question 5: To what extent has the organization implemented an on going process for regular identification of fraud?

We as the management of this organization implemented a strategy of looking at personal spending habits and lifestyle. This is because you can easily identify a fraudster through the way he or she spends lavishly. They are also very defensive when questioned about current business practices.

Guarantee Trust Bank

Question 1: First of all, does GT bank provide their customers easy ways to protect themselves over hackers and other thieves?

- They advice customers to stick to bank ATMs because these ATMs have better security like video cameras than ATMs at convenience stores, restaurant and other places.
- They advice every customer to destroy old debit cards if any.
- They advice customers not to keep their money in one place.

- When shopping online, or doing any business online, be sure to know whom you are interacting with.
- Avoid doing financial transactions online when using your computer in a public and or over an unsecured network.

Question 2: To what extent has the organization created ownership of fraud risks by identifying a member of senior management as having responsibility for managing all fraud risk?

Continuous remedy to internal control on an ongoing basis, accurate management information and result in effective reporting. We make sure employees are paid well to avoid personal financial pressure that could result to fraud, we make sure employees are paid equally and benefits are fair.

Question 3: To what extent has the organization established a process to detect, investigate and prevent fraud?

In GT bank, the management has trained employees with appropriate mixed skills for investigation. We store all relevant items in a lock room with appropriate access controls. Finally, copies of relevant documents should be taken for purposes of the investigation.

Question 4: To what extent has the organization implemented a process to promote ethical behavior?

First of all, we implemented training programs for managers. In every organization, people look up to the managers, so if they don't put up ethical behavior, you don't expect the workers to be ethical as well. So therefore, trained managers have more perceptions of their companies than individuals in the organization.

Question 5: To what extent has the organization implemented an on going process for regular identification of fraud?

The most effective way to identify fraud is to move employees by changing their various responsibilities and paying attention to changes in behavior.

Discussions

This study has been able to produce results to the research problem stated earlier. During this research, efforts were made to identify the causes of fraud, the effects of fraud and the appropriate techniques on the issue of fraud. In the research it is obvious that fraudulent activities take place within the bank, the use of ATMs and online transactions that requires customers to identify their pin numbers for purchases and online transactions. Some of the responses from the managers of both banks support the research objectives and hypotheses. The overall results show that bank misconduct, failure to appoint trusted managers and employees, and failure to provide locked boxes for security pose a tremendous challenge and should be tackled. In addition, the interview revealed that fraud can be avoided by forming a committee that will help in detecting fraud as it will enhance financial reports and improve the image of the banks.

The information obtained during interviews suggests some similarities in what happens in both banks in terms of frauds except that in the case of Diamond bank, implementation of what constitutes unethical behavior was rigorously pursued. For example, awards were bestowed to employees who abide by the ethical standards initiated by the bank.

Conclusions and Recommendations

In summary, this paper has been able to solve its problems and achieve its objectives. The literature review section provides relevant information for the study. Most Banks do not report their fraud cases because it can be seen as washing their dirty linen in public. These two banks have been able to prove that there are techniques and ways in which fraud can be controlled and managed. Fraud in the banking sector has become a frequent act, which must be dealt with. The fight in preventing and detecting frauds should be followed up to reduce bankruptcy.

Above all, despite the poor development and primitive levels of people in Yola, the capital of Adamawa State of Nigeria, managers are able to look beyond these problems to defeat fraud. Based on this study, managers should make sure good salary and employee benefits are promoted and given to employees of their respective banks in order to reduce the temptation to commit fraudulent acts. Employees' background should be checked properly to establish their suitability to work in a bank. This study would be very helpful to other banks that probably do not have a good way of detecting and preventing fraud. The findings from this study would enable the managers of various banks to acquire the know-how for tackling different fraudulent acts. The Nigerian banks in general should strategically formulate implementable policies as a first step in the battle to prevent fraud. Sources of income of every worker in the bank should be investigated and ascertained because most workers live beyond the means known to the bank. Furthermore the aid of using computers as a tool for detecting fraud should be adopted by banks to prevent online fraudsters and proper control of inflow and outflow of cash in order to produce more accurate report.

Finally, the management of every bank should make sure the employees are rotated around different departments as keeping them in one unit of the bank for too long will encourage the staff to engage in fraud practices. Perhaps, it may be obvious to assert here that employees who remain in one department for so long master all the loop holes and use the long experience to commit frauds [4-14].

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Appendix

Interview Questions

Question 1: First of all, does diamond bank provide their customers easy ways to protect themselves over hackers and other thieves?

Question 2: to what extent has the organization created ownership of fraud risks by identifying a member of senior management as having responsibility for managing all fraud risk?
Question 3: to what extent has the organization established a process to detect, investigate and prevent fraud?
Question 4: to what extent has the organization implemented a process to promote ethical behavior?
Question 5: to what extent has the organization implemented an on going process for regular identification of fraud?