



Personality Traits and Economic Crime

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Economic Crime

Fraud or Misconduct

- Compromising customer or marketplace trust
- Compromising shareholder or organizational trust
- Compromising employee trust
- Compromising supplier trust
- Compromising public or community trust
- General

KPMG Integrity Survey 2008-2009

- Nearly three out of four employees (74%) report they have observed wrongdoing within their organizations during the 12 months.
- Nearly half (46%) reported what they observed could cause a significant loss of public trust if discovered.
- Pressures, incentives, inadequate resources, and job uncertainty continue to be major drivers.

KPMG Fraud Survey 2009

- Nearly a third of executives expect fraud or misconduct to rise in their organizations.
- Nearly two-thirds of executives reported that fraud and misconduct is a significant risk for their industry.
- Executives acknowledge room for improvement across most elements of their antifraud efforts.

Contagious Epidemic

Epidemics are a function of the people who transmit the infectious agents, the infectious agent themselves and the environment in which the infectious agent is operating.

(M. Gladwell, The Tipping Point)

People Misconduct Environment

People

Corporate Leaders – Executive Level

<http://www.youtube.com/watch?v=CFk4ivlvrvw>

Individual People – Associate Level

<http://www.baylor.tv.com/video.php?id=001333>

<http://www2.haas.berkeley.edu/Videos/pavlo.aspx>

Personality Traits

- Edwin H. Sutherland's work in 1939 disregarded a connection between personality and economic crime.
- More recent studies are seeing a relationship between white collar crime and personality.
- Arguments persist linking both personality and the environment to the causes of misconduct.

Sociogenomic Model of Personality Traits

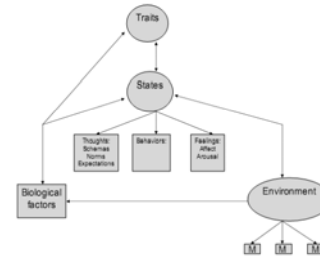


Fig. 1. The sociogenomic model of personality traits.

Mitigation Efforts

- Conduct fraud and misconduct risk assessments
- Provide training and education in work and educational settings
- Establish preventive measures within work settings
- Strategically position individuals to capitalize strengths and minimize risk