WALDEN UNIVERSITY
A higher degree. A higher purpose.

Walden University
ScholarWorks

Walden Dissertations and Doctoral Studies

Walden Dissertations and Doctoral Studies
Collection

2018

Strategies to Reduce Occupational Fraud in Small Restaurants

Angel Ortiz
Walden University

Follow this and additional works at: https://scholarworks.waldenu.edu/dissertations

Part of the Accounting Commons

Walden University

College of Management and Technology

This is to certify that the doctoral study by

Angel Ortiz Garcia

has been found to be complete and satisfactory in all respects,
and that any and all revisions required by
the review committee have been made.

Review Committee
Dr. Deborah Nattress, Committee Chairperson, Doctor of Business Administration Faculty

Dr. Olivia Herriford, Committee Member, Doctor of Business Administration Faculty

Dr. Scott Burrus, University Reviewer, Doctor of Business Administration Faculty

Chief Academic Officer
Eric Riedel, Ph.D.

Walden University
2018

Abstract

Strategies to Reduce Occupational Fraud in Small Restaurants

by

Angel Ortiz García

MBA, Metropolitan University, 2011

BBA, University of Puerto Rico, 1998

Doctoral Study Submitted in Partial Fulfillment

of the Requirements for the Degree of

Doctor of Business Administration

Walden University

April 2018

Abstract

Occupational fraud is a growing business risk that is causing greater financial losses in small businesses than large businesses. Business owners lose approximately 5% of their revenues due to occupational fraud. The purpose of this multiple case study was to explore the strategies used by some business owners of small restaurants to reduce occupational fraud. The fraud triangle theory was the conceptual framework for this study. Three small restaurant owners from Puerto Rico participated in face-to-face, semistructured interviews to reveal their successful strategies to minimize fraud. The data collection process also included business documents and researcher observations that assisted in establishing methodological triangulation. Using Yin's 5-step process, data were coded and analyzed to identify emergent themes. The primary emergent themes obtained from data analysis revealed that owner monitoring, analytical procedures, and segregation of duties are effective strategies to minimize employee fraud. Participants revealed that the implementation of these strategies may reduce organizational losses associated to fraud. The findings of this study may contribute to social change by reducing fraud activities, business failures, unemployment level, and criminality rate while promoting trust between community members and their institutions.

Strategies to Reduce Occupational Fraud in Small Restaurants

by

Angel Ortiz García

MBA, Metropolitan University, 2011

BBA, University of Puerto Rico, 1998

Doctoral Study Submitted in Partial Fulfillment

of the Requirements for the Degree of

Doctor of Business Administration

Walden University

April 2018

Dedication

I dedicate this research to my Lord Jesus Christ. With your spiritual presence, I overcame many obstacles during this journey, including Hurricane Maria. You gave me the strength, patience, and perseverance to complete my doctoral degree. Additionally, I dedicate this research to my doctoral chair, Dr. Deborah Nattress, and second chair member, Dr. Olivia Herriford. You encouraged me to finish this study with your continual dedication, passion, and support. To my daughter, Paula Sofía, you are my greatest motivation in my life. To my wife, Mabel Ivana, thank you for supporting and understanding me during my long hours in front of the computer. To my mom and dad, I would not be here without you. Thank you for showing me never to give up.

Acknowledgments

I give all the glory to my Lord and Savior Jesus Christ for completing this doctoral study. I would also like to acknowledge my parents, María García and Angel Ortiz, for guiding and advising me on my life. To my daughter, Paula Sofía, you are my greatest inspiration on this journey. To my wife, Mabel Ivana, thank you for your love and support on this process. To Dr. Deborah Nattress, I have no words to express my gratitude for your guidance, support, patience, and encouragement. Finally, I want to thank my family and friends for their motivation throughout this entire journey.

Table of Contents

i

List of Tables

Section 1: Foundation of the Study

Occupational or employee fraud is a global business risk that reduces organizations' profitability (Morales, Gendron, & Guenin-Paracini, 2014). In 2014, the estimated global losses related to employee fraud were $3.7 trillion (Association of Certified Fraud Examiners, 2014). Business leaders lose approximately 5% of their revenues due to employee fraud (Kramer, 2015). With the implementation of effective internal controls, business leaders can reduce occupational fraud and avoid financial losses (Roden, Cox, & Joung-Yeon, 2016). However, business owners have minimal strategies to establish an effective internal control system to reduce employee fraud (Hess & Cottrell, 2016). In small businesses, occupational fraud risk is higher than in large businesses because business owners lack the resources to implement an effective internal control system (Hess & Cottrell, 2016). As such, small business owners must identify effective strategies to reduce employee fraud and avoid financial losses.

Background of the Problem

Occupational or employee fraud is a growing business risk that is causing greater financial losses in small businesses than large businesses (Kramer, 2015). In 2014, the median loss for occupational fraud for small businesses with fewer than 100 employees in the United States was $154,000 (Glodstein, 2015). Small business owners have fewer resources to reduce occupational fraud, so they do not have the ability to hire additional employees for an adequate segregation of duties or to acquire technology for employee monitoring (Whittaker, 2015). As such, small businesses are more vulnerable to fraud risk, especially occupational fraud, in comparison with large businesses.

The Committee of Sponsoring Organizations of Treadway Commission (COSO), which consists of five professional accounting organizations in the United States, provides guidance regarding internal controls to business organizations (Rose, Sarjoo, & Bennett, 2015). Business leaders should follow this guidance in establishing an adequate internal control system to reduce fraud (Rose et al., 2015). However, small business leaders have limited resources to effectively establish an internal control system as suggested by COSO (Law & Kusant, 2014). Small business leaders do not have an adequate segregation of duties in their internal control design due to their lack of financial resources (Law & Kusant, 2014). As such, Rose et al. (2015) suggested that small business leaders should establish strategies to overcome the limited segregation of duties in their internal control systems to reduce occupational fraud. By doing so, small business leaders can reduce occupational fraud and avoid financial losses.

Problem Statement

Occupational fraud is a growing business risk that is causing greater financial losses in small businesses than large businesses (Kramer, 2015). In 2014, the median loss for occupational fraud for small businesses with less than 100 employees in the United States was $154,000 (Glodstein, 2015, p. 82). The general business problem was that some small business owners experience significant losses from occupational fraud. The specific business problem was that some business owners of small restaurants lack strategies to reduce occupational fraud.

Purpose Statement

The purpose of this qualitative multiple case study was to explore the strategies used by some business owners of small restaurants to reduce occupational fraud. The target population consisted of business owners of three small restaurants located in San Juan, Puerto Rico, which is a territory of the United States. This population was appropriate because these restaurant owners have experience in establishing successful strategies to reduce employee fraud in their businesses. The findings of this study may help individuals to reduce fraud activities and contribute to social change by reducing crime and unemployment while catalyzing an ethical environment and increasing the trust between community members.

Nature of the Study

The chosen methodology for this study was a qualitative approach. In qualitative methodology, researchers explore a social problem based on individuals' experiences (Bailey, 2014; McCusker & Gunaydin, 2015). In this method, researchers use open-ended questions to gain an in-depth understanding of individuals' experiences (Marshall & Rossman, 2016). In quantitative studies, researchers test preconceived hypotheses by examining the relationship or differences among variables and use close-ended questions (Barnham, 2016; McCusker & Gunaydin, 2015). In mixed methods, researchers usually use the qualitative approach for developing a hypothesis and use the quantitative method to test that hypothesis (Griensven, Moore, & Hall, 2014; Jervis & Drake, 2014). As a major focus of this study, I explored business owners' strategies used to reduce

occupational fraud in small restaurants. I did not test theories or measure variables, so the quantitative or mixed methods were not appropriate.

In this study, I used a multiple case study design. In this approach, researchers explore an activity or event mainly by interviewing individuals or reviewing documents in multiple cases (Dasgupta, 2015). Other considered qualitative designs were ethnography research, phenomenological research, and narrative research. In ethnographic designs, researchers explore a cultural group's beliefs and ideas in relation to one or more phenomena (Mannay & Morgan, 2015). In a phenomenological approach, researchers explore participants' meanings of experiencing phenomena (Khan, 2014). In a narrative design, researchers examine the life of a person through interviews and documents to form a narrative (Marshall & Rossman, 2016). These qualitative designs were not suitable for my study because I did not focus on a cultural group's beliefs, individual experiences about a phenomenon, or narrating life stories. A multiple case study design was appropriate because I explored the strategies used by multiple owners of small restaurants to reduce occupational fraud.

<h3 style="text-align:center">Research Question</h3>

The research question that guided this study was: What strategies do some small restaurant owners use to reduce occupational fraud?

Interview Questions

1. What strategies have you used to reduce occupational fraud?

2. What strategies have you used that are less effective in reducing occupational fraud?

3. What strategies are you currently using that are most effective in reducing occupational fraud?

4. What are the critical aspects you consider before implementing occupational fraud reduction strategies?

5. What procedures have you followed when implementing your occupational fraud reduction strategies?

6. What challenges or barriers have you experienced when implementing occupational fraud reduction strategies?

7. What other information would you like to add regarding strategies to reduce occupational fraud in small restaurants?

Conceptual Framework

The conceptual framework for this study was the fraud triangle developed by Donald R. Cressey in 1953. The fraud triangle is a framework for assessing fraud risk (Lokanan, 2015; Morales et al., 2014). According to this theory, the individuals that commit fraud have three psychological stages that are (a) pressure, (b) rationalization, and (c) opportunity. In the first stage, individuals have a personal financial need or necessity. In the rationalization stage, individuals deliberate to commit the wrongful act to satisfy their needs instead of the needs of the others (Cressey, 1986). In the opportunity stage, individuals analyze the viability in committing fraud while people do not detect them (Cressey, 1986). In occupational or employee fraud, individuals use their positions for personal enrichment through intentional taking, misuse, or misapplication of organization resources (Karim, Said, & Bakri, 2015). The fraud triangle theory was

suitable for this study because it provided the potential elements to evaluate business strategies to prevent and reduce employee fraud. Business leaders can use the triangle of fraud theory when designing their internal control system to reduce employee fraud (Lokanan, 2015; Morales et al., 2014). As such, this theory served as a lens for evaluating the adequacy of the strategies used by small restaurant owners in reducing occupational fraud.

Operational Definitions

Asset misappropriation: The stealing or misuse of an organization's assets for personal use perpetrated by an employee (Karim et al., 2015).

Hotline: Organizational channel by phone, in which individuals may report illegal or wrongful acts committed by employees within the organization (Gao, Greenberg, & Wong-On-Wing, 2015).

Internal controls: The processes and steps taken by management to prevent fraud and to provide reasonable assurance of the trustworthiness of operations, the reliability of financial information, and compliance with laws and regulations (Rose et al., 2015).

Occupational fraud: The use of an individual's occupation for personal enrichment through intentional taking, misuse, or misapplication of an organization's resources or assets (Karim et al., 2015).

Segregation of duties: The process of separating employee responsibilities in which no one person handles all aspects of a transaction from the beginning to the end (Imoniana, Feitas, & Perera, 2016).

Whistleblowing: The action in which a person discloses information concerning illegal or wrongful acts occurring within an organization (Gao et al., 2015).

<div align="center">**Assumptions, Limitations, and Delimitations**</div>

Assumptions

Assumptions are those expectations that researchers believe to be true or evident (Marshall & Rossman, 2016). I had three essential assumptions about the study. The first assumption was that at least three small restaurant owners would be willing to share their experiences and strategies in reducing occupational fraud. The second assumption was that participants would answer interview questions with truth and integrity. The final assumption was that respondents would provide effective strategies to reduce occupational fraud in small restaurants.

Limitations

Limitations are restrictions or uncontrolled circumstances on the research process and are out of the control of the researcher (Marshall & Rossman, 2016). In this study, one limitation was the participants' willingness to disclose confidential information regarding internal control activities. To minimize participants' potential reluctance to disclose confidential information, I provided participants a consent form to make them aware of the confidentiality of their information. As part of my interview protocol, I also reminded participants that I would not reveal any identifiable information in the study. By assuring confidentiality, I expected that participants openly disclosed their strategies to reduce employee fraud. Another limitation was the nature of research methodology because qualitative method may not be transferable to a broad population (Yin, 2014);

research findings apply to small restaurants in the study's geographical area. To minimize this limitation, I used a detailed interview protocol in which external users may consider the transferability of this study to other populations.

Delimitations

Delimitations are scope limits or boundaries determined by the researcher (Yin, 2014). The first delimitation was that in this study I focused on small restaurants with less than 100 employees. For convenience, a second delimitation was that restaurants are located in the geographical area of San Juan, Puerto Rico. A third delimitation was the selection of participants by using purposeful sampling, so research findings are not be transferable to a larger population. Researchers in a qualitative study may not generalize the study's results to a broader population (Yin, 2014).

<div align="center">

Significance of the Study

</div>

The significance of this study is the potential identification of successful strategies to reduce employee fraud in small businesses. The reduction of employee fraud may have an impact on decreasing business financial losses (Kramer, 2015). Therefore, the findings of this study may be of value to business leaders pursuing successful strategies to reduce occupational fraud and avoid financial losses.

Contribution to Business Practice

Small business leaders seek information to reduce occupational fraud in their organizations (Peltier-Rivest & Lanoue, 2015). The study may be significant to small business leaders because they may use the research findings to implement effective fraud reduction strategies thus attenuating their financial losses. The study's findings may

inform managers designing their internal systems for limiting occupational fraud risk. Moreover, small business leaders can develop internal control standards, improve internal control policies, and increase profits.

Implications for Social Change

The findings of this study may contribute to social change by reducing crime and unemployment while fomenting an ethical environment and increasing the trust between community members. Fraud activities have a negative impact on communities because individuals could lose their businesses, jobs, and confidence in their institutions (Olaison & Meier, 2014). Furthermore, a high unemployment level increases crime activity (Speziale, 2014). In areas of high crime rate, individuals lose their trust in other community members, so they avoid starting new initiatives and organizations (Sloan, Caudill, & Mixon, 2016). As such, a reduction in fraud activities may decrease unemployment and crime while promoting an ethical environment in the community.

<div align="center">

A Review of Professional and Academic Literature

</div>

The purpose of this qualitative study was to explore the strategies that small restaurant owners use to reduce occupational fraud. By conducting a literature review, I obtained an in-depth understanding of the topic, which was vital to evaluate and identify effective strategies to reduce occupational fraud. This literature review consisted of information obtained from peer-reviewed academic journals, dissertations, scholarly seminal books, professional trade journals, and professional reports obtained through different databases.

The principal research databases and libraries for this literature review included Walden University Library, Emerald Management Journals, Sage Premier, ProQuest, EBSCO Primary, ABI/Inform Complete, Thoreau, OneSource, Google Scholar, CrossRef Services, and Ulrich's Periodicals Directory. Examples of the search terms used were *occupational fraud, employee fraud, occupational fraud and/or prevention, employee fraud and/or prevention, internal controls and/or employee fraud, segregations of duties, whistleblowing, anonymous hotlines, research methods, qualitative research, multiple case study, triangulation, member checking, data saturation, fraud triangle theory, fraud diamond theory,* and *agency theory*. This literature review has 83 sources, of which 81 (98%) are peer-reviewed, and 71 (86%) were published between 2014 and 2018 (last 5 years).

Organization of the professional and academic review is by topic to explore relevant data to understand how small restaurant owners may reduce employee fraud in their businesses. I begin with occupational fraud and the recent studies on occupational fraud. I follow with the theory for the conceptual framework and the rival or supportive theories. In addition, I include a discussion about the occupational fraud risk factors (red flags), the internal control system, and the potential strategies to reduce occupational fraud. As a result, the principal themes were occupational fraud, fraud triangle theory, agency theory, fraud diamond theory, fraud scale model, fraud risk assessment, internal control systems, fraud risk factors, and potential strategies to reduce occupational fraud. These themes were relevant in providing a comprehensive and holistic view of the subject.

Occupational Fraud in Small Businesses

Fraud is the act of deceiving others for a personal benefit (Rahman & Anwar, 2014). In businesses, the risk of fraud consists of the dishonesty and purposeful misappropriation of assets or falsification of financial statements (Rahman & Anwar, 2014). Since the beginning of commerce, this risk has affected businesses causing instability (Morales et al., 2014). Moreover, the risk of fraud represents the dark side of business that is causing substantial financial losses (Button, Blackbourn, Lewis, & Shepherd, 2015; Kramer, 2015). As such, business leaders should have effective strategies to reduce this risk and prevent financial losses.

In small businesses, a common type of fraud is occupational fraud (Kramer, 2015). Morales et al. (2014) stated that occupational fraud occurs when employees take advantage of the trust delegated by the business owners for their personal benefit. Employees may abuse an owner's trust for their personal reward (Karim et al., 2015). Employees take advantage of the lack of segregation of duties and internal controls in businesses to commit wrongful acts (Whittaker, 2015). Therefore, business leaders may monitor employee actions to reduce financial losses related to occupational fraud.

Small businesses have yearly financial losses of approximately 5% of their revenues due to occupational fraud (Kramer, 2015). In 2014, the median loss for occupational fraud for small businesses with fewer than 100 employees in the United States was $154,000 (Glodstein, 2015). The financial losses associated with occupational fraud are higher in small businesses than large businesses (Kramer, 2015). Small businesses have less financial resources versus large businesses to establish adequate

segregation of duties and internal controls to reduce occupational fraud risk (Whittaker, 2015). Small business leaders should establish suitable strategies to manage their limited resources to reduce this fraud risk.

In terms of small restaurants in the United States, Law and Kusant (2014) argued that owners lack internal controls to reduce fraud risk. The owners of small restaurants are not aware of the internal controls to protect their businesses from employee fraud (Law & Kusant, 2014). Furthermore, small restaurants managers perceive that a restaurant's control systems are inadequate and ineffective to prevent employee fraud (Frazer, 2012). These small business owners are victims of employee fraud.

In Puerto Rico, most of the economy consists of small businesses (Federal Reserve Bank of New York [FRBNY], 2016). Puerto Rico is a Caribbean island and a territory of the United States (Wellhausen, 2017). As part of the uniqueness of doing business in Puerto Rico, entrepreneurs start most of their small businesses in service areas such as small restaurants (Puerto Rico Department of Economic Development and Commerce, 2016). The tourist climate in Puerto Rico is ideal for small businesses and restaurants (Méndez-Lázaro et al., 2014). Because small businesses are a major component of the Puerto Rico economy, business leaders should have effective strategies to reduce employee fraud risk.

In 2015, small businesses in Puerto Rico were 80% of the economy (FRBNY, 2016). Small business leaders have approximately 56% of their operations in the service industry (e.g., small restaurants), and approximately 76% of them employ fewer than 10 employees (FRBNY, 2016). In terms of the geographic location within Puerto Rico,

small business leaders have approximately 60% of their operations in the city of San Juan

(FRBNY, 2016). Due to this concentration of small businesses in San Juan, I explored

the effective strategies used by small restaurants owners to reduce employee fraud in San

Juan, Puerto Rico. By considering the uniqueness of doing business in Puerto Rico,

small business owners are a major group in the Puerto Rico economy that may reduce

fraud risk and financial losses related to occupational fraud.

Types of Occupational Fraud

Occupational fraud consists of three types: (a) financial statement fraud, (b)

misappropriation of assets, and (c) corruption (Glodstein, 2015). Business leaders must

identify the signals related to each type of employee fraud in order to detect them

(Gullkvist & Jokipii, 2013). By understanding each type of employee fraud, business

owners can identify them and establish strategies to reduce fraud risk (Omar, Johari, &

Hasnan, 2015).

Financial statement fraud. Financial statement fraud occurs when employees

manipulate the numbers in the accounting records or misapply accounting rules with the

intention to deceive financial statement users (Mohamed & Handley-Schachelor, 2015).

Financial statement fraud is the willing manipulation of accounting records to deceive

owners and investors (Omar et al., 2015). The most common financial statement frauds

are improper revenue recognition (e.g., fictitious revenues) and profit inflation (Omar et

al., 2015). The motives to commit financial statement fraud are (a) to increase stock

value, (b) to attract new investors, and (c) to attain organization's expected goals

(Mohamed & Handley-Schachelor, 2015). Mohamed and Handley-Schachelor (2015)

described two types of financial statement fraud. In the first type, top management manipulates a company's records to mislead investors, which causes large losses to the investors and diminishes an organization's reputation. In the second type, top management and middle management manipulate financial information to attain the organization's expected goals in order to obtain bonuses and compensation. As a result, top and middle management commonly commit this type of fraud.

The most common signals or red flags to detect financial statement fraud are regulator investigations, pending litigations, violations of debt covenants, and management turnover (Brazel, Jones, Thayer, & Warne, 2015). Another red flag is that top management increases the use of account provisions such as warranty liability, doubtful accounts, and obsolete inventory (Brazel et al., 2015). Gullkvist and Jokipii (2013) argued that the most common fraudulent financial reporting red flags are the lack of management ethics, close relationships between managers and suppliers, managers living beyond their means, managers' greed, and managers with a criminal background. Other fraudulent reporting red flags are unusual related-party transactions, doubt of an entity's ability to continue (going concern), a firm's solvency problems, bank accounts in tax-haven jurisdictions, and misstatements in prior audits (Gullkvist & Jokipii, 2013).

Some prevention strategies for financial statement fraud include a corporate culture of integrity and honesty, internal controls over financial reporting, and a fraud risk assessment performed by an external auditor (Mohamed & Handley-Schachelor, 2014). Other prevention strategies include a participation of internal auditors in the yearly financial statement audit, an active role of the audit committee board, and effective

corporate governance (Mohamed & Handley-Schachelor, 2014). The detection strategies include a whistleblowing program, hotlines, internal audits, and external audits. The response strategies to this type of fraud consist of establishing a fraud committee to investigate reported fraud cases, appointing a forensic accountant for investigations, and establishing a non-tolerance policy to handle employee frauds. Government and regulators should also establish severe penalties against perpetrators for fraud deterrence (Mohamed & Handley-Schachelor, 2014). On the other hand, Omar et al. (2015) emphasized the importance of an ethical corporate culture to reduce financial statement fraud. By promoting an ethical culture, business leaders can demonstrate ethical values to influence employees' character and reduce fraud.

Misappropriation of assets. Misappropriation of assets consists of stealing organization resources for an individual's benefit (Goldstein, 2015). Misappropriation of assets occurs when employees take business resources for personal use at the employer's cost (Omar, Nawawi, & Puteh-Salin, 2016). The most common signals related to asset misappropriation are poor retention of accounting records, poor company loyalty, poor data processing controls, continuous cash deficits, lack of management interest in internal controls, decentralized organizational structure, and unapplied internal controls (Gullkvist & Jokipii, 2013).

The most common type of employee fraud is the misappropriation of assets, especially the theft of cash and inventory (Omar et al., 2016). Moreover, the majority of the fraudsters work in operational and sales departments. In addition, most of the fraudsters are males, new employees, and young adults (Omar et al., 2016). The

motivations to commit fraud are usually the opportunity to perpetrate fraud, the lifestyle, and financial pressure.

The internal controls to prevent the misappropriation of assets in small businesses include (a) an owner's supervision, (b) an owner's signature on checks, (c) segregation of payroll functions from accounting functions, and (d) elimination of cash transactions (Goldstein, 2015). Omar et al. (2016) suggested close employee monitoring, ethical employee training on how to deal with fraud events, clear job descriptions, pleasant work environments, employee participation in decision making, and security control technology to prevent misappropriation of assets. In this type of occupational fraud, managers should have adequate controls mainly in cash and inventory areas.

Corruption. Corruption is a type of employee fraud in which individuals provide something in exchange for a benefit from the receiver (Ding et al., 2015). Timofeyev (2015) defined corruption as when employees behave in a manner that violates their duties to the employer in order to gain a direct or indirect benefit at the cost of the employer. This type of fraud usually exists between employees and suppliers (Assiotis & Krambia-Kapardis, 2014). In addition, corruption exists by paying public officers or company employees for special treatment (Di Guardo, Marrocu, & Paci, 2016). This type of corruption is common in small and large businesses because principals pay government officials to continue their business (Di Guardo et al., 2016; Omar et al., 2015).

Corruption is a major problem in the construction industry, affecting costs and expansion strategies in the communities (Le, Shan, Chan, & Hu, 2014). Most common

types of corruption are bribery, kickbacks, and embezzlements. In bribery, individuals pay government officials to obtain a benefit (Le et al., 2014). In kickbacks, employees request illegal payments to give a contract to a supplier (Le et al., 2014). In embezzlements, employees misuse their power (e.g., permits) to request benefits (Le et al., 2014). Business leaders should establish antifraud strategies for suppliers and employees (Gunduz & Önder, 2013). Managers should perform supplier background checks, maintain a list of prequalified suppliers, and require bids or quotes from multiple vendors. For employee antifraud strategies, Gunduz and Önder (2013) suggested past employments verification, references verification, criminal conviction checks, and education certification. Le et al. (2014) also suggested multiple bids in procurement processes and higher conviction years on laws as essential strategies to reduce employee corruption in the construction industry.

In corruption cases, top management usually commits the wrongful acts (Di Guardo et al., 2016). As such, business owners must focus on internal controls mainly related to monitoring top management. Business leaders must provide employees with ethical training and establish an ethical corporate culture to reduce corruption (Omar et al., 2015). In an ethical culture, principals will influence an employee's character by their example while reducing fraud. In addition, Gunduz and Önder (2013) suggested anonymous reporting channels such as hotlines to detect possible corruption activities between suppliers and top management.

Recent Studies Dealing with Occupational Fraud

In recent studies, researchers examined occupational fraud mainly on large businesses instead of small businesses. In large businesses, most recent studies consisted of financial statement fraud (Baz, Shamsiah, Che-Ahmad, & Muse, 2016; Halbouni, Obeid, & Garbou, 2016; Lenz & Graycar, 2016). In contrast, there are fewer recent studies in small businesses and the focus is on asset misappropriation (Gilmore-Allen, 2015; Hess & Cottrell, 2016). In terms of small restaurants, from my search researchers have published only two recent studies related to asset misappropriation fraud.

Recent studies in large businesses. Schuchter and Levi (2015) examined financial fraud cases in corporations in Switzerland and Austria. According to them, employees commit financial statement fraud because they perceive the opportunity due to the lack of internal controls in their organizations (Schuchter & Levi, 2015). Likewise, Lenz and Graycar (2016) examined corporate financial statement fraud in Australia and argued that managers perpetrate fraud by the lack of internal controls to monitor their actions. In banks in Saudi Arabia, Baz et al. (2016) concluded that top executives committed fraud by using the opportunity element of their key positions without being discovered. Top and middle management commit financial statement fraud because they have the opportunity with the lack of an adequate internal control system (Lenz & Graycar, 2016; Schuchter & Levi, 2015). Business owners should implement an adequate internal control system to limit employees' opportunities to commit wrongful acts.

In the United States, Roden et al. (2016) examined 211 corporate fraud cases and found that employees commit fraud by the opportunity element in which management does not discover them. Most financial frauds consist of the lack of monitoring of the board of directors (BOD) to management (Roden et al., 2016). In addition, corporations with few women in their BOD had more financial statement fraud events than corporations with a high number of women in their composition (Roden et al., 2016). Likewise, Halbouni et al. (2016) examined corporate fraud in the United Arab Emirates and found that employees commit fraud when there is lack of monitoring of management. To prevent employee fraud, business leaders should increase the monitoring of management (Halbouni et al., 2016; Roden et al., 2016). In addition, business leaders should increase the number of women in the BOD composition to reduce employee fraud (Roden et al., 2016).

In contrast, Andon, Free, and Scard (2015) examined corporate financial fraud cases in Australia and argued that employees perpetrate fraud by their personal motives. Some motives to commit fraud are gambling, financial pressure, and greed (Andon et al., 2015). In another study conducted in Australia and New Zealand, Bonny, Goode, and Lacey (2015) found that employee motives to commit fraud were being in a financial hardship, living beyond means, gambling, having a drug dependency, being dependent on alcohol, and being a naturally dishonest person. Although employees have the opportunity to commit fraud, they also perpetrate wrongful acts by their personal motives. Andon et al. (2015) suggested an adequate segregation of duties as an effective control to limit employee's opportunity and motive elements to commit fraud.

Recent studies in small businesses. Ding, Qu, and Wu (2015) examined employee fraud in small businesses by using the data from the World Business Environment Survey (WBES), which included over 10,000 firms in 80 countries. Small businesses controlled by the family had less employee fraud events than non-family controlled businesses (Ding et al., 2015). In addition, there was not a significant difference of employee fraud events between less developed countries and more developed countries (Ding et al., 2015). Ding et al. suggested a family-controlled monitoring to employees to reduce occupational fraud in small businesses.

Glimore-Allen (2015) examined employee fraud in small businesses by using the data of the Association of Certified Fraud Examiners, which had over 1,483 cases in more than 100 countries. Employees of small businesses perpetrate fraud in technology areas by the lack of internal controls in the information systems (Glimore-Allen, 2015). Employees obtain confidential information such as employees' social security, customers' information, and bank account information. To prevent employee fraud, business leaders should use password verifications, password changes, anti-spy software, and surprise audits in the technology areas (Glimore-Allen, 2015).

Hess and Cottrell (2016) also examined employee fraud in small businesses by using the Association of Certified Fraud Examiners data. Employees commit fraud due to the opportunity element, in which managers do not detect them (Hess & Cottrell, 2016). The most common type of employee fraud was the misappropriation of assets (Hess & Cottrell, 2016). The misappropriation of assets included the theft of company assets, unauthorized use of purchasing cards, abuse of expense reimbursements, time

theft, and kickback arrangements with vendors (Hess & Cottrell, 2016). Likewise, Omar et al. (2016) stated that the most common type of employee fraud in small businesses is the misappropriation of assets, especially the theft of cash and inventory. Most employees that commit fraud are males and young adults (Omar et al., 2016). Business leaders should establish adequate internal control systems and segregation of duties to reduce the misappropriation of assets in small businesses (Goldstein, 2015; Hess & Cottrell, 2016).

Recent studies in small restaurants. Frazer (2012) examined manager's perceptions of their internal control effectiveness to prevent employee fraud in 270 small restaurants in New York, United States. Small restaurants managers perceived their restaurant's control system as inadequate to prevent employee fraud (Frazer, 2012). Specifically, managers did not have an adequate segregation of duties, protection of assets, and verification of transactions to reduce asset misappropriation. Frazer (2012) also found that managers did not know the basic components of an internal control system. To reduce employee fraud, small restaurant managers should learn the components of the internal control framework of the COSO to design their control system (Frazer, 2012). In a subsequent section of this literature review, I discuss COSO's framework.

Law and Kusant (2014) examined the internal controls used by small restaurant owners to prevent and detect employee fraud in Pennsylvania, United States. Specifically, Law and Kusant examined the internal controls to prevent and to detect asset misappropriation and found that owners lacked internal controls to reduce fraud

risk. Most owners have some detection controls (cash counts, register codes, inventory counts, cameras) to protect the cash and the inventory (Law & Kusant, 2014). However, owners do not have preventive controls (e.g., ethic training, background checks) in place. As such, small restaurant owners are not aware of preventive controls to protect their businesses from employee fraud.

The most frequent type of employee fraud in small businesses is the misappropriation of assets while in large businesses it is the financial statement fraud (Baz et al., 2016; Gilmore-Allen, 2015; Hess & Cottrell, 2016). In terms of small restaurants, the most common type of fraud is also the misappropriation of assets (Law & Kusant, 2014). In large and small businesses, managers do not have effective controls to reduce employee fraud (Baz et al., 2016; Hess & Cottrell, 2016; Law & Kusant, 2014). Occupational fraud is a continuous risk to businesses causing financial losses (Kramer, 2015). As such, various researchers have enunciated different theories about the employee motivations to commit fraud.

The Fraud Triangle Theory

The fraud triangle of Cressey (1953) is the predominant theory about employee motivations to commit fraud (Kramer, 2015). In this theory, individuals commit fraud because of (a) financial pressure, (b) rationalization, and (c) opportunity (Andon et al., 2015). Business owners should consider these three elements when implementing their internal controls to reduce employee fraud (Lenz & Graycar, 2016). The existence of these three elements provides a favorable environment for individuals to commit fraud (Andon et al., 2015).

Financial pressure. Individuals commit fraud due to necessity or financial

pressure (Andon et al., 2015). In this element, employees perform wrongful acts to

satisfy their financial needs or necessities. Individuals could commit fraud due to a

gambling addiction or greed. Employee fraud is equal by gender, so the myth that males

commit more fraud than females is not realistic (Andon et al., 2015). The most common

fraud activities are cash theft and unauthorized payments (Andon et al., 2015).

Moreover, the incidence of fraud is higher in small organizations than large organizations

because of the lack of internal controls (Kramer, 2015; Law & Kusant, 2014). Schuchter

and Levi (2015) suggested an adequate segregation of duties in the internal control

system design to reduce fraud activities related to employee's financial pressure.

The main employee motivations to commit fraud consist of a financial hardship,

living beyond their means, gambling, sudden external financial pressure, internal/external

pressure to steal, a drug dependency, alcohol, and a natural dishonest person (Bonny et

al., 2015). Besides, employees could commit fraud because they feel an unfair working

environment and a lack of incentives (Murphy & Free, 2016). These motivations are

alerts (red flags) that management may use to reduce or to identify wrongful acts. As

such, Andon et al. (2015) suggested that business owners should consider possible

employee patterns that may indicate financial pressure motives to reduce fraud.

Free and Murphy (2014) argued that the pressure element applies to co-offender

employees that participate in fraud schemes. The co-offender employees perpetrate the

fraud activities by affective bonds or group pressure from the fraudster leaders (Free &

Murphy, 2014). Business owners and auditors should assess the fraud risk considering

employees' affective bonds and group bonds to design internal controls. An ethical organizational culture is an essential internal control element to discourage co-offenders' affective and group motivations (Free & Murphy, 2014).

Rationalization. In this element, the individuals deliberate to commit the wrongful act for their needs instead of the needs of the others (Schuchter & Levi, 2015). The employees may perceive a lack of fairness in their principal-agent relationship, so they may rationalize to commit fraud for their self-interest as a fair and just action (Clor-Proell, Kaplan, & Proell, 2014). As a result, business owners should have an adequate compensation and rewarding system, in which employees perceive a fair environment while encouraging them to attain organizational goals (Clor-Proell et al., 2014). Business owners should establish an ethical organizational culture (tone at the top) and provide ethics training to discourage employees to rationalize wrongful acts (Trompeter, Carpenter, Jones, & Riley, 2014). Business leaders should establish a zero-tolerance prosecution policy, in which employees perceive that management will punish fraud acts (Sabău, Şendroiu, & Sgârdea, 2013). By using a prosecution policy, management will discourage employees from rationalizing committing fraud activities. Managers should establish internal controls that discourage employees from justifying their wrongful acts.

Opportunity. In this element, individuals analyze the viability in committing the fraud without being discovered (Schuchter & Levi, 2015). Opportunity is the main element in which businesses leaders have control to prevent the wrongful act (Lokanan, 2015). Inadequate corporate governance strategies and internal control systems increase employees' opportunities to commit fraud (Lenz & Graycar, 2016). In the case of top

management, individuals could circumvent internal controls due to their positions

(Andon et al., 2015). Therefore, principals should have adequate monitoring of top

management to limit their opportunity element (Schuchter & Levi, 2015). Morales et al.

(2014) suggested a surveillance system in the internal control activities to limit the

opportunity element, so employees will perceive management monitoring at all times.

Business owners should establish adequate monitoring controls to restrict employees'

opportunities to perpetrate fraud activities.

The opportunity element is the main driver of individuals in committing fraud

(Schuchter & Levi, 2015). Although the pressure and rationalization elements are key

drivers to motivate employees to perpetrate fraud, individuals mainly consider the

opportunity element before committing their acts (Schuchter & Levi, 2015). Roden et al.

(2016) suggested that auditors must consider the opportunity element when assessing the

fraud risk. Business leaders should design an internal control system in which

individuals perceive the lack of opportunity to perform a fraud (Roden et al., 2016). In

addition, Schuchter and Levi (2015) suggested that business owners should promote an

ethical environment that influences the inner voice of employees, where they perceive a

lack of opportunity in their actions and behaviors to commit fraud.

In summary, business leaders may use the fraud triangle theory to evaluate

employees' perceptions and motivations to commit fraud (Dorminey, Fleming,

Kranacher, & Riley, 2012). This theory is useful to anti-fraud professionals to assess and

to identify occupational fraud risk (Dorminey et al., 2012). By using this theory, business

leaders could establish adequate internal controls to reduce employees' wrongful acts

(Schuchter & Levi, 2015). As such, the fraud triangle theory is useful to identify employee fraud and to establish the strategies to reduce it.

Rival/Supportive Theories of the Fraud Triangle Theory

Agency theory. Jensen and Meckling (1976) postulated the agency theory describing the principal-agent relationship, in which employees (agents) should act for the benefit of the owner's interests (Mihret, 2014). However, the interests of employees (agents) may differ from the owner's interests of maximizing the investment value (Bosse & Phillips, 2016). In this theory, business leaders assume an asymmetric relationship exists between employees (agents) and owners (principals), so they need to align the parties' interests to maximize owners' value as part of their corporate governance (Gulnur & Kent, 2016). The owners may have adequate employee performance and reward systems to align employees' interests with owners' expectations (Mellat-Parast, 2013).

Considering the information asymmetry between the principal-agent relationship, employees may take advantage of their positions to act for their self-interests instead of the owner's interests (Bosse & Phillips, 2016). The employees may commit fraud at the workplace due to the breach of interests between the principal-agent relationship (Clor-Proell et al., 2014). The likelihood of employee fraud increases in complex industries and complex business structures due to the information asymmetry between principals and agents (Ndofor, Wesley, & Priem, 2013). Some factors that may contribute to the breach of interests are unfair compensation and rewarding systems, unsuitable or difficult tasks, unattainable goals, and lack of career development opportunities (Clor-Proell et al.,

2014). Principals should establish adequate reward systems to motivate employees and adequate monitoring controls to limit the information asymmetry.

In this theory, employees could commit fraud by the lack of alignment of owner-employee interests and by inadequate reward compensation systems (Mellat-Parast, 2013). However, this theory was not suitable for this study because it does not focus on the individual's rationalization and opportunity elements to establish internal control strategies to reduce employee fraud. Under this theory, the main strategies consist of compensation and reward systems instead of internal control systems. This theory mainly applies to complex industries and businesses (Ndofor et al., 2013). In this study, the target population was small restaurant owners, who do not have complex organizational structures, so this theory was not suitable.

Fraud diamond theory. The fraud diamond theory, introduced by Wolfe and Hermanson in 2004, is an extension and supportive of the triangle of fraud by adding a fourth component which is the capacity element (Boyle, DeZoort & Hermanson, 2015). In addition to the three elements of the triangle of fraud, the individuals should have the capacity to commit the fraud (Boyle et al., 2015). The individuals should have the right abilities and the correct position to commit fraud activities (McMahon, Pence, Bressler & Bressler, 2016). Using their positions, the individuals may identify the opportunity in the organization's processes to commit the wrongful acts (Ruankaew, 2016). As a result, capacity is another essential element that influences the employees to commit fraud.

Managers should use the fraud diamond to perform a fraud risk assessment of their organizational structure and design an adequate internal control system (McMahon

et al., 2016). McMahon et al. (2016) divided employee fraud into two levels: staff and executive. In terms of financial statement fraud and large organizations, the top management commits most of the fraud activities by taking advantage of their positions. By using their positions, individuals may have the capacity to circumvent internal controls to perform fraud (McMahon et al., 2016). Boyle et al. (2015) argued that internal auditors increase the fraud risk when using the fraud diamond in their audit assessment. When auditors assess the capacity of individuals in management positions, their fraud risk assessment is higher. As such, principals and auditors may consider the fraud diamond in their monitoring of top management employees to reduce fraud.

Imoniana et al. (2016) suggested the fraud diamond to investigate corporate fraud because most fraud events are committed by mid-level and high-level management. In these positions, individuals have the capacity to perpetrate their frauds. In the banking industry, Baz et al. (2016) stated that top executives perpetrate most employee fraud cases due to the capacity of their positions. Some threats related to the capacity element of managers are (a) the authority position or function, (b) the intelligence to exploit the accounting records and internal control systems, (c) the ego and confidence that fraudster behavior will not be detected, and (d) the capability to manage the stress of not being caught and persuade others to believe that fraud does not take place (Ruankaew, 2016). Business leaders must consider these elements to evaluate possible fraud risk mainly related to top management.

As part of capacity, the employees could use the power of their positions to perpetrate occupational fraud (Rendon & Rendon, 2016). By using their position of

power, employees commit credit card abuse, price/billing arrangements, and bribery.

Moreover, individuals may use their coercive power to influence another employee to

participate in fraud schemes (Albrecht, Holland, Malagueño, Dolan, & Tzafir, 2014).

Top executives could influence an employee to manipulate earnings and commit financial

statement fraud (Albrecht et al., 2014). Business owners should establish adequate

organizational structures to limit top executive power capacity (Albrecht et al., 2014).

Business leaders should establish ethics training and anonymous reporting channels to

detect the undue influence of top management and possible fraud activities (Johansson &

Carey, 2016).

In the capacity element of the fraud diamond, Abdullahi and Mansor (2015) stated

that individuals have the ability, skills, intelligence, and a key position that enables them

to perform the wrongful act. In large companies, top management commits most fraud

events by their key positions (Abdullahi & Mansor, 2015). Managers have the ability to

exercise coercion to subordinates, so managers could surpass rules and controls to

commit fraud. In comparison with the fraud triangle theory, both theories are important

for auditors and business leaders to assess fraud risk (Abdullahi & Mansor, 2015).

However, auditors should focus on the fraud diamond in assessing business areas mainly

controlled by management. Both theories are useful for assessing fraud risk in

organizations, but the fraud diamond has preference over the fraud triangle for activities

controlled by management.

The fraud diamond theory was not the best fit for this study because it focuses on

fraud activities committed by top executives or high-level employees. Managers take

advantage of their positions to commit their wrongful acts and to cover them (McMahon et al., 2016). In this study, the target population was small restaurant owners to explore strategies used to reduce occupational fraud. In small restaurants, most fraud activities consist of misappropriation of assets (e.g., inventory, cash) committed by lower level employees (Law & Kusant, 2014). Lower level employees commit fraud using the opportunity element of fraud triangle (e.g., lack of internal controls), instead of the capacity of their positions to cover their acts (Law & Kusant, 2014). As such, the fraud diamond was not the best fit for this study.

The fraud pentagon. The fraud pentagon, proposed by Olukayode (2016), is an extension and supportive of the fraud triangle and the fraud diamond theories. This model consists of five elements: pressure, rationalization, opportunity, capacity, and personal ethics. Under this model, personal ethics are an additional essential element to previous fraud theories (Olukayode, 2016). Fraud professionals perceive personal ethics as a regulator of the individual's behaviors and actions (Olukayode, 2016). Individuals with low personal ethics will commit fraud as opposed to individuals with high personal ethics.

Business leaders could use the fraud pentagon model to evaluate the risk of employee fraud based on individuals' ethical values (Olukayode, 2016). This model is similar to the fraud scale model of Albretch, Howe, and Romney (1984), discussed later in this sub-section, because it focuses on the individual's ethical values and their propensity to commit fraud. However, Olukayode (2016) associated this model more as an extension of the fraud triangle and fraud diamond theories based on his limited

research. By considering the limited research and validity of the fraud pentagon, this model was not suitable for this study.

Fraud scale model. The fraud scale model, developed by Albretch et al. (1984), is a modification of the fraud triangle theory (Free, 2015). The fraud scale model consists of three elements: pressure, opportunity, and personal integrity. Therefore, the model has the same elements of the fraud triangle but replaces the rationalization element with personal integrity. Personal integrity consists of individual's ethical values (Ruankaew, 2016). If employee integrity is high, the risk of fraud will decrease (Free, 2015). Considering that ethical values have an influence on individual's rationalization process, this model added the integrity as an essential element by replacing the rationalization element.

Business leaders could use the fraud scale model to evaluate the level of fraud risk in each of the three elements (Free, 2015). Therefore, this scale is a useful tool to evaluate risks and to design internal controls to reduce those risks. However, Free (2015) suggested the use of this scale in combination with the fraud triangle to enhance the assessment of fraud risk. Employee rationalization and possible collusion with other employees are essential for the fraud risk assessment (Free, 2015). By using the fraud triangle with this scale, business owners and auditors may consider the rationalization process to enhance the fraud risk analysis.

MICE model. The MICE model, developed by Thomas (2010), is a variation of the fraud triangle theory (Dorminey et al., 2012). This model focuses on the pressure side of the fraud triangle. In this model, money, ideology, coercion, and ego (MICE) are

the individuals' motivations in committing fraud. Money consists of individual's greed, and ego consists of the power over others. In ideology, individuals commit fraud by their convictions (e.g., taxes are unconstitutional). In coercion, individuals are unwilling to commit fraud, but other employees pressure them to participate in the fraud scheme. Dorminey et al. (2012) argued that money and ego are the most common employee motivations to commit fraud.

Dorminey et al. (2012) suggested that business leaders should use the MICE model to evaluate the level of employee motives or incentives to commit fraud. However, the disadvantage of this model is that business owners only evaluate the incentive element of the fraud triangle theory without evaluating the rationalization and opportunity elements when assessing the fraud risk (Dorminey et al., 2012). As a result, the MICE model is a useful tool to reduce occupational fraud, but business leaders should use this model in combination with the fraud triangle theory to address rationalization and opportunity elements.

In summary, most of the theories and business models have similarities with the fraud triangle theory used as a conceptual framework for this study. However, the agency theory focuses on the principal-agent information asymmetry of complex organizational structures (Ndofor et al., 2013). In terms of the fraud diamond, this theory is mainly useful to assess fraud risk in top executives by considering the capacity element (McMahon et al., 2016). Since the target population of this study is small restaurant owners and lower level employees commit most fraud activities, the agency theory and fraud diamond theory were not suitable for this study. In terms of the fraud scale, MICE,

and the fraud pentagon, these models are an evolution of the fraud triangle. Nonetheless, various scholars suggested that these models are useful to assess fraud risk, but only in combination with the fraud triangle theory (Dorminey et al., 2012; Free, 2015). As such, these business models were not the best fit for this study.

The Fraud Triangle and the Fraud Risk Assessment

Business leaders must assess fraud risk to establish effective internal controls to protect organizational resources (Roden et al., 2016). In performing a fraud risk assessment, business leaders and auditors must consider the fraud triangle theory (Mui & Mailley, 2015; Roden et al., 2016). The American Institute of Certified Public Accountants issued the Statement of Auditing Standards No. 99 (SAS 99) to assess fraud risk in financial statements (Trompeter, Carpenter, Desai, Jones, & Riley, 2013). This auditing standard focuses on the fraud triangle elements of financial pressure, rationalization, and opportunity (Roden et al., 2016). In the opportunity area, the auditors should consider internal controls such as a segregation of duties and monitoring (Roden et al., 2016). In the financial pressure area, auditors should evaluate factors such as poor financial performance, rapid asset growth, and stock option compensation that increase the likelihood of fraud risk. In the rationalization factor, the lack of independence of the BOD and a change of external auditors increases the likelihood of employee rationalization to commit fraud (Roden et al., 2016). As a result, the fraud triangle theory is useful to assess fraud risk and design an internal control system.

The fraud risk is higher in small businesses because business owners lack the resources and the expertise to reduce fraud activities (Hess & Cottrell, 2016). In small

businesses, fraudsters have many opportunities to commit fraud. Employees may have different motivations such as greed and financial needs to commit fraud (Hess & Cottrell, 2016). In addition, employees may justify their stealing behaviors as unfair salaries, a sense of ownership of company's assets, or temporary loans. In assessing fraud risk, most of the employee frauds consist of the theft of company assets, an unauthorized use of purchasing cards, an abuse of expense reimbursements, time theft, and kickback arrangements with vendors.

By using the fraud triangle theory, auditors and business leaders must assess fraud risk by focusing on an employee's incentive, rationalization, and opportunity to commit fraud (Trompeter et al., 2013). Auditors and business leaders must evaluate employee bonuses as an incentive to commit financial fraud. In terms of rationalization, auditors and management must focus on the organizational ethical environment that may prevent employees from committing financial statement misrepresentations. In terms of the opportunity factor, auditors and business leaders should evaluate this element using the integrated internal control framework of the COSO. Business leaders should use this framework to design an internal control system to reduce fraud activities.

Integrated Internal Control Framework

In 1992, the COSO issued the Integrated Internal Control Framework to promote financial integrity and to prevent the risk of fraud (Noland & Metrejean, 2014). The members of the COSO are the American Accounting Association, the American Institute of Certified Public Accountants, the Financial Executives International, the Institute of Internal Auditors, and the Institute of Management Accountants. In designing the

internal control system, management should focus on four risks: fraudulent financial reporting, fraudulent nonfinancial reporting, misappropriation of assets, and illegal acts (Rose et al., 2015). The internal control framework consists of five areas including the control environment, risk assessment, control activities, information system, and monitoring (Colbert, 2015; Rittenberq, 2013). Regarding these five areas, the control environment and the control activities focus on the prevention and reduction of employee fraud (Minculete & Chisega-Negrila, 2014; Noland & Metrejean, 2014). Business leaders should use this framework to design their internal control system and to implement strategies to reduce employee fraud activities.

The control environment sets the tone of the organization and influences the conscience of the employees (Laxman, Randles, & Nair, 2014). The components of a control environment include (a) ethical values, (b) a commitment to competence, (c) the management philosophy, (d) organizational structure, (e) assignment of authority and responsibility, and (f) human resources policies. The control activities are the policies and the procedures that promote the management's direction and reduce the risks that face the organization (Laxman et al., 2014). The components of the control activities are (a) performance reviews, (b) information processing controls, (c) physical controls, and (d) segregation of duties. Business leaders should consider internal controls as part of their corporate governance and engage employees in supporting internal control activities (Rittenberq, 2013). In addition, managers should continuously assess the fraud risk to enhance their internal control design and to protect the organization's resources.

Therefore, business leaders may use the internal control framework of COSO to assess

employee fraud risk and design internal control strategies to reduce employee fraud.

Fraud Risk Factors (Red Flags) Related to Employee Fraud

In assessing fraud risk, business leaders must identify risk factors (red flags)

related to employee fraud (Moorthy, Seetharaman, Jaffar, & Foong, 2014). Moorthy et

al. (2014) argued that the individual and organizational factors have a positive

relationship with the employee's intention of committing fraud. In the individual's

factors, business leaders must consider (a) the individual's need, (b) opportunity, and (c)

personal traits (e.g., ethical values) in assessing fraud risk. These factors have

association with the fraud triangle theory (Moorthy et al., 2014). On the other hand,

business leaders also should consider organizational factors such as (a) compensation, (b)

justice, (c) ethical work climate, and (d) co-worker theft punishment. If employees

perceive unfair compensation, injustice, an unethical organizational environment, and a

lack of co-worker theft punishment, their intention to commit fraud will increase. As a

result, managers should consider personal and organizational factors in their fraud risk

assessment.

Managers should consider employee motivations and risk factors to perpetrate

fraud (Mangala & Kumari, 2015). Bonny et al. (2015) stated that the main employee

motivations to commit fraud are a financial hardship, living beyond their means,

gambling, sudden external financial pressure, internal/external pressure to steal, a drug

dependency, and alcohol. In addition, Mangala and Kumari (2015) argued that most

common risk factors are inadequate compensation plans, unusual compensation patterns,

high industry competition, a close relationship with suppliers, poor segregation of duties, ineffective supervision, and weak internal controls. Managers must continuously consider employee motivations and the organization's internal control system in their risk assessment.

Sandhu (2016) argued that managers should identify red flags in employee behaviors. The common red flags related to employee's behaviors are (a) strong ambition, (b) social loneliness, (c) extended working hours, (d) dissatisfaction with their current job, (e) justifying unethical behaviors, (f) personal and financial problems, and (e) living beyond their financial means. Considering the fraud triangle elements, employees may take advantage of working extended hours and their social loneliness to have the opportunity to commit fraud. A strong ambition and personal financial problems are the motivations to commit fraud (Sandhu, 2016). Job dissatisfaction and the justification of unethical behaviors are rationales to perpetrate fraud. As a result, business leaders should evaluate these red flags using the fraud triangle theory (Sandhu, 2016). In short, managers should consider red flags to identify possible fraud activities in their risk assessment and to establish the strategies to reduce occupational fraud.

Potential Themes or Strategies to Reduce Occupational Fraud

Scholars have suggested different strategies to reduce occupational fraud. Some of these strategies consist of the organization's control environment such as the ethical organizational culture (tone at the top) and human resources policies among others (Rendon & Rendon, 2016; Schuchter & Levi, 2015). Other strategies focus on the control and monitoring activities such as a segregation of duties, internal/external audits,

and analytical procedures (Boyle et al., 2015; Trompeter et al., 2014). In the following

sub-sections, I discuss the different suggested strategies to reduce occupational fraud.

Ethical organizational culture (tone at the top). Business owners should

promote commitment to integrity and ethical values as part of their organizational culture

(Rendon & Rendon, 2016). The "tone at the top" is the process when top management

encourages an ethical culture in the organization (Steinmeier, 2016, p. 486). In this

process, the top managers lead by their example demonstrating ethical behaviors and

decisions (Trompeter et al., 2014). Managers communicate their ethical values to the

employees through the code of conducts, their actions, and their behaviors (Halbouni et

al., 2016). An ethical organizational culture is crucial to reduce employee fraud

(Halbouni et al., 2016; Moritz, 2016; Trompeter et al., 2014). The tone at the top is the

most important strategy to reduce occupational fraud because management will reinforce

the importance of ethical behaviors and actions to their employees (Moritz, 2016).

An essential element of an ethical organizational culture is a code of ethics. In

this mechanism, business leaders share the expected standards and behaviors with

employees to promote an ethical environment (McMahon, Pence, Bressler & Bressler,

2016). A code of ethics is an essential strategy to reinforce the belief that it is important

for employees to act ethically (Alleyne & Amaria, 2013; Laxman et al., 2014; McMahon

et al., 2016). Business owners should establish an ethical environment to prevent the

employee's rationalization element of the fraud triangle to commit fraud (Rodgers,

Söderbom, & Guiral, 2014). As a result, business leaders should promote an ethical

environment and implement a code of ethics as an internal control strategy to reduce occupational fraud.

Background checks. Business leaders should use background checks to review the employment history of prospective employees and their prior professional experience to determine their fitness for a job position (Kleiman & Kass, 2014). To reduce possible conflict between the principal-agent relationship, owners must decide which candidate (agent) to hire to avoid an adverse selection risk (Foss & Stea, 2014). Business leaders must check the background of their employees before hiring them to prevent an unfit employee selection (Foss & Stea, 2014). By using background checks, business leaders may reduce the propensity to hire unethical employees, who may commit fraud activities in the organization (Brody, Perri, & Van Buren, 2015). Individuals with high ethical standards have a lower propensity to commit fraud (Puspasari & Suwardi, 2016). Therefore, business leaders should consider this mechanism as part of their human resources policies.

Background checks are a preventive control in the recruiting process. Human resources managers should review an employee's criminal record and should contact some of their references (Kleiman & Kass, 2014). When contacting former employers, human resources managers should ask "why" the candidate left a previous job. Brody et al. (2015) suggested resume verification, a social media search (e.g., Facebook), a credit check, a reference check, and a criminal record check. Moreover, Brody et al. argued that it is important to use honesty/integrity tests as another pre-employment screening tool to assess individuals' ethical behaviors. By using these strategies, managers may

hire ethical individuals to reduce employee fraud while protecting owners' interests. Managers could reduce occupational fraud with adequate background checks as part of their hiring policies.

Compensation and reward system. Employee compensation and reward systems are essential to motivate employees to attain organizational expected goals (Mihret, 2014). Principals (owners) and employees (agents) may have dissimilar interests and expectations (Ndofor et al., 2013). Employees may perceive an unfair compensation system and may act for their own benefit instead of the owners' interests (Bosse & Phillips, 2016). Considering the misalignment of the principal-agent interest, employees may commit fraud or wrongful acts against the owners' interests (Clor-Proell et al., 2014). Business leaders should establish adequate compensation and reward systems to align principal-agent interests (Mellat-Parast 2013; Ndofor et al., 2013). Some compensation mechanisms are salaries, fringe benefits, stock options, and performance bonuses (Wen-Hsin Hsu & Chih-Hsien, 2013). However, employee rewards are not always monetary. Some reward systems have non-monetary incentives such as better offices, preferred parking spaces, and training trips. As a result, business leaders should identify adequate rewards and compensation for their employees.

Managers should establish compensation and reward systems based on attainable goals. Some fraud indicators are inadequate compensation plans, unusual compensation patterns, unattainable goals, and weak internal controls (Mangala & Kumari, 2015). If employees perceive unattainable goals, they may identify management decisions as unfair, so they may commit fraud for their benefit (Clor-Proell et al., 2014). Therefore,

business leaders should establish compensation and reward systems considering

monetary and non-monetary incentives with attainable goals to reduce employee fraud.

Segregation of duties. Business owners should have an adequate segregation of

duties in their organizational structure to reduce occupational fraud (Ge, Koester, &

McVay, 2017; Lenz & Graycar, 2016; Schchter & Levi, 2015). By using an adequate

separation of responsibilities, one individual will not have sole control of a transaction

(Imoniana et al., 2016). In an effective internal control, managers should segregate (a)

the *authorization* of a transaction, (b) the *recording* of a transaction, and (c) the *custody*

of assets among different employees (Andon et al., 2015; Rose et al., 2015). By

separating responsibilities among different employees, business owners will ensure that

an individual does not have total control over a transaction to commit and cover a fraud

(Rose et al., 2015). Managers will have a counterbalance of employees overseeing each

other to reduce fraud actions.

In terms of the fraud triangle theory, Schuchter and Levi (2015) argued that an

adequate segregation of duties is useful to limit the financial pressure and opportunity

elements of employees to commit fraud. If an employee has a financial pressure, the

individual will avoid committing fraud by perceiving an adequate segregation of duties.

The individual will perceive that other employees may discover the wrongful act.

However, Free (2015) mentioned that the two or more employees might overcome the

segregation of duties strategy by collusion. Employees commit collusion when they

collectively agree to perpetrate fraud using their positions and circumvent the segregation

of duties control (Free, 2015). Therefore, managers should have other control activities in connection to the segregation of duties to detect and reduce employee fraud.

Internal/external audits. Business leaders should perform internal or external audits to detect and discourage employee fraud (Boyle et al., 2015). Internal auditors are employees of the organization while external auditors are independent individuals contracted by the organization. When business leaders establish an internal or external audit process, employees may perceive that management is monitoring them. As such, employees will not have the opportunity to perpetrate the fraud. In this monitoring activity, managers will limit the opportunity element of the fraud triangle, so individuals will restrain to commit the wrongful act (Boyle et al., 2015). However, this strategy is more common in large businesses than small businesses because of the additional cost of recruiting an internal auditor or contracting an external auditor (Whittaker, 2015). Small business owners may apply this strategy based on the availability of financial resources.

Internal or external auditors could perform surprise audits to detect possible fraud activities or patterns (Singh, Best, & Mula, 2013). Gilmore-Allen (2015) suggested surprise audits on information systems to detect unauthorized access to accounting systems and to protect sensitive information such as (a) employees' social security, (b) customers' information, and (c) bank accounts information. Managers should perform surprise audits periodically to ensure that internal controls are working effectively. In terms of accounting systems, managers should perform password verifications, password changes, and regular anti-virus checks (Gilmore-Allen, 2015). By performing surprise

audits, business leaders could protect confidential information of the business, customers, and employees while avoiding fraud.

Internal and external audits are essential monitoring activities to ensure that managers and employees comply with accounting policies and do not commit financial statement fraud (Munteanu, Copcinschi, Luschi, & Laceanu, 2016). Audits are preventive and detecting controls to limit the rationalization and opportunity elements of fraud triangle (Munteanu et al., 2016). Auditors communicate findings and irregularities to principals for corrective actions (Halbouni et al., 2016). The auditing function is a useful corporate governance strategy to align employee actions with owners' interests (Mihret, 2014). As such, audits are an effective mechanism to detect and reduce employee fraud (Halbouni et al., 2016; Mihret, 2014; Trompeter et al., 2014). Business leaders should consider internal or external audits to monitor employee actions while protecting organization resources.

Analytical procedures. Business leaders use analytical procedures as a process to compare financial and nonfinancial data to identify unusual fluctuations or changes (Nia, 2015). One type of analytical procedures consists of comparing account balances from one year to another to identify unusual changes or errors (Nia, 2015). Another analytical procedure includes calculating financial ratios to compare them with prior years or industry benchmark ratios (Nia, 2015). Some of these ratios include inventory turnover, account receivable turnover, earnings per share, return on assets, and return on investments. The main financial ratios to detect financial statement fraud are (a) net profit/equity, (b) inventory/total liabilities, (c) cash/current liabilities, (d) total

liabilities/total assets, (e) sales/fixed assets, (f) inventory/total assets, and (g) cash/current assets (Kanapickienė & Grundienė, 2015). By using these analyses, managers can identify unexpected changes (red flags) that could be indicative of errors or fraud (Halbouni et al., 2016; Singh et al., 2013). As a result, managers could investigate these unusual fluctuations to correct errors or to stop fraud activities.

Mangala and Kumari (2015) suggested analytical procedures as a detective control to identify possible errors or wrongful acts. Halbouni et al. (2016) suggested using analytical procedures in connection to an adequate information technology system to detect unusual transactions or deviations. In combination with accounting systems, managers could create reports to detect fluctuations for investigation and controlling purposes. Auditors should have adequate training in analytical procedures to detect financial fluctuations and fraud (Plumlee, Rixon, & Rosman, 2015). Managers that perform a high amount of financial analysis will have a low amount of fraud cases (Chen, Cumming, Hou, & Lee, 2014). Financial analysis is a useful strategy to reduce the opportunity element of employees to commit fraud (Chen et al., 2014). Employees will notice that managers are monitoring them for fluctuations and unusual transactions.

Managers should use analytical procedures as part of their fraud risk assessment (Mangala & Kumari, 2015). By using analytical procedures, managers could identify areas that have material fluctuations related to asset misappropriations or financial fraud, so they could investigate them and establish adequate safeguards to protect the organization's resources. Nia (2015) argued that analytical procedures are useful to detect financial reporting fraud. Specifically, this technique is useful to identify the

manipulation of inventory, revenues, and the cost of goods in financial statements. Analytical procedures are a useful strategy to assess fraud risk and to detect occupational fraud.

Whistleblowing program. Business leaders use a whistleblowing mechanism to receive information about employee illegal acts such as theft, sexual harassment, or law violations (Near & Miceli, 2016). By using this mechanism, the management may discover employee fraud or wrongful acts (Gao et al., 2015). According to the Sarbanes-Oxley Act of 2002, public entities (that publicly trade their shares in the stock market) must establish a whistleblowing program with an anonymous reporting channel (Jian, Pany, & Reckers, 2013). As a detective internal control, some reporting channels are hotlines, anonymous e-mails, or drop boxes.

Business leaders should determine whether to use a reporting channel managed internally or externally. Employees prefer reporting channels managed externally (e.g., hotline, e-mail) to maintain their confidentiality and avoid retaliation (Gao et al., 2015; Jian et al., 2013). Moreover, managers should disclose any wrongful act detected by a whistleblowing program to all the employees, so employees could perceive that management will investigate their information (Near & Miceli, 2016). By using a whistleblowing program, managers could detect employee fraud, reduce financial losses, increase employee loyalty, and protect the organization's image (Near & Miceli, 2016). Therefore, a whistleblowing program is a useful strategy to reduce occupational fraud.

Prosecution policy. Managers should establish a prosecution policy to demonstrate employees zero tolerance for fraud or wrongful acts (Sabău et al., 2013;

Trompeter et al., 2014). Business leaders should use this strategy to persuade employees

to not commit fraud because management will punish or prosecute them (Mangala &

Kumari, 2015). By using this mechanism, business leaders may dissuade the employees'

rationalization element related to the fraud triangle theory before committing fraud

(Sabău et al., 2013). Managers should report employees' fraud activities to enforcement

authorities to prosecute them. Under this policy, employees will know that management

will not tolerate fraud activities and will punish them. Therefore, business leaders could

use this strategy for occupational fraud deterrence.

In summary, business owners could use different strategies to reduce employee

fraud. Some of the strategies would be preventive controls such as ethical organizational

environment (tone at the top), employee compensation and reward systems, and

background checks. Other strategies consist of detective controls such as

internal/external auditors, whistleblowing programs, and analytical procedures.

However, small businesses have less financial resources versus large businesses to

establish an adequate segregation of duties and internal control strategies to reduce

occupational fraud risk (Hess & Cottrell, 2016). As such, the themes described in this

literature review are useful to explore the strategies used by small restaurant owners to

reduce occupational fraud considering their limited resources.

In this literature review, I included an overview of occupational fraud in small

businesses, small restaurants, and the uniqueness of doing business in Puerto Rico. I also

included recent studies dealing with occupational fraud. In addition, this academic

review included a description of the fraud triangle theory, which will be the conceptual

framework to analyze this business problem. I also evaluated rival theories such as the fraud diamond, the fraud pentagon, the fraud scale model, the MICE model, and agency theory. Considering that lower level employees commit most employee fraud in small restaurants and consists of misappropriation of assets, the fraud triangle theory was the best fit for this study. This literature review also included a description of fraud risk factors (red flags), the internal controls framework, and the potential themes or strategies to reduce occupational fraud. The understanding of these potential themes or strategies was essential to explore the effective strategies used by small restaurant owners to reduce this business problem.

Transition and Summary

In Section 1, I discussed the foundation of this research related to the effective strategies used by small restaurant owners to reduce employee fraud in San Juan, Puerto Rico. Section 1 of this study included the background of the problem, the problem statement, the purpose statement, the research question, the nature of the study, and the significance of this study. In addition, this section included a description of the conceptual framework and an academic literature review of the research topic. The literature review had a description of occupational fraud in small businesses, the uniqueness of doing business in Puerto Rico, recent studies dealing with occupational fraud, the fraud triangle theory, rival/supportive theories, fraud risk factors (red flags), and potential themes or strategies to reduce employee fraud. In Section 2, I discuss the role of the researcher, the research method and design, population and sampling, data collection, data analysis techniques, and the reliability and validity of this study. For

Section 3, I present the study's findings, the application for professional practice,

implications for social change, and recommendations for future research.

Section 2: The Project

In Section 1, I discussed the foundation of this study to explore the effective strategies used by small restaurant owners to reduce employee fraud in San Juan, Puerto Rico. Section 1 included the background of the problem, the problem statement, the purpose statement, the nature of the study, the significance of the study, the conceptual framework, and an academic literature review. In Section 2, I include the purpose statement, the role of the researcher, participants, research method and design, population and sampling, ethical research, data collection instruments, data collection techniques, data analysis, and reliability and validity. In Section 3, I will present the findings of the study.

Purpose Statement

The purpose of this qualitative multiple case study was to explore the strategies used by some business owners of small restaurants to reduce occupational fraud. The target population consisted of business owners of three small restaurants located in San Juan, Puerto Rico, which is a territory of the United States. This population was appropriate because these restaurant owners have experience in establishing successful strategies to reduce employee fraud in their businesses. The findings of this study may help individuals to reduce fraud activities and contribute to social change by reducing crime and unemployment while catalyzing an ethical environment and increasing the trust between community members.

Role of the Researcher

I was the primary data collection instrument. The primary role of the researcher is organizing the research, contacting the participants, collecting data, and analyzing the findings (Malcolm, 2014). The researcher also conducts interviews, transcribes the interviews, and develops codes and themes for data analysis (Sanjari, Bahramnezhad, Fomani, Shoghi, & Cheraghi, 2014). In this qualitative study, I used a semistructured interview protocol with open-ended questions. The rationale of my interview protocol was that participants would openly discuss their strategies to reduce occupational fraud. In addition, I identified common codes and themes for data analysis, obtaining an in-depth understanding of the strategies used by small restaurant owners to reduce employee fraud.

I was familiar with the research topic because I am a certified public accountant with experience in auditing and internal controls to prevent fraud. This experience helped me to frame interview questions and to understand participants' experiences and strategies. I did not have any relationship with participants. The participants did not work at my place of employment. In addition, the participants were none of my former clients.

In terms of ethics, researchers must protect participants, mitigate risks, and maintain confidentiality (Gibson, Benson, & Brand, 2013). Researchers must not cross ethical boundaries with participants and must protect human subjects from harm (Gibson et al., 2013). As such, I adhered to the Belmont Report protocol respecting persons and their confidentiality.

To mitigate biases, researchers must identify their personal biases to understand the opinions and viewpoints of participants and use the same interview techniques and data validation processes for all participants (Marshall & Rossman, 2016; Yin, 2014). Researchers may record interview processes to ensure accurate transcription and data integrity (Yin, 2014). Researchers validate their understandings and findings with participants by member checking (Yin, 2014). In member checking, the researcher provides participants with a summary of the findings and solicits their views of the credibility of these summaries (Yin, 2014). Member checking is the most critical technique to establish accuracy and credibility (Yin, 2014). In this study, I used the same semistructured interview protocol with all participants to mitigate biases and recorded the interviews to transcribe them accurately. Using the member checking technique, participants provided their views on my findings for data accuracy and credibility.

Participants

The eligibility criteria for the participants of this study was small restaurant owners in San Juan, Puerto Rico that have experience in using successful strategies to reduce employee fraud in their businesses. To select the study's participants, I contacted the State Department of Puerto Rico to obtain its business registry, a list of organizations doing businesses per industry, employment, and municipality in Puerto Rico. From this registry, I identified the restaurants with fewer than 100 employees located in San Juan, Puerto Rico and purposefully selected 10 businesses based upon recommendations by leaders of the certified fraud examiners (CFE) professionals in Puerto Rico. The CFE professionals have the expertise to prevent and to detect employee fraud in organizations

(Glodstein, 2015; Kramer, 2015). Based on their knowledge and experience, the CFE

professionals recommended small restaurant owners in San Juan, Puerto Rico known to

use successful strategies to reduce employee fraud. As such, I had a list of 10 small

restaurant owners that met the eligibility criteria.

Based on this recommended list, I physically visited each participant at his or her

location until a minimum of three qualified participants gave their informed consent.

Therefore, the participant selection was nonrandom, purposeful, and deliberate. In a

qualitative study, researchers should have a deliberate and purposeful selection of

participants of the population that meet the specific requirements to answer the research

question (Robinson, 2014). A small sample size is adequate to have rich and in-depth

detail of participants' thoughts and experiences (Crocker et al., 2014; Yin, 2014).

To gain access to each participant, I physically visited their restaurants and

contacted them in person. I explained the nature and the purpose of the study and

provided a consent form to provide each participant with an overall understanding of the

study. As stated in the consent form, the participation of restaurant owners was

voluntary, and they did not receive any compensation or incentive. Participants could

also withdraw from the study at any time without any penalty by notifying me by

telephone, e-mail, or in-person. In a qualitative study, researchers should have effective

communication with participants to promote the individual's trust to participate in the

research (Doody & Noonan, 2013; Yin, 2014). By understanding the purpose of a study,

participants increase their engagement and trust in the researcher (Marshall & Rossman,

2016). When contacting participants in person, I explained the importance of the study to increase their trust and willingness to participate in the research.

Researchers should establish an effective relationship with participants for a successful qualitative study (Haahr, Norlyk, & Hall, 2014; Yin, 2014). Researchers should have adequate procedures for the interviewing process, which may include a consent form and interview protocol, to promote an effective relationship with the participants (Marshall & Rossman, 2016; Yin, 2014). Using these procedures, the researcher should promote a clear and open communication with participants (McLevey, 2015). In this study, I followed an interview protocol (see Appendix A) to ensure the consistency of the research questions and the interview process. In addition, I provided each participant with a consent form that he or she had to sign prior to participate in this study, which included my contact information to ensure a constant communication.

Research Method

The methodology for this study was qualitative. Researchers use qualitative methodology to gain an in-depth understanding of a social problem experienced by individuals (Bailey, 2014). Researchers explore individuals' perceptions and experiences by using interviews with open-ended questions (Makrakis & Kostoulos-Makrakis, 2016). Researchers use this method to answer the how and the why questions about the social problem (Yin, 2014). Participants describe their experiences in their own words, so researchers understand social problems or events from the individuals' views and perspectives (Berger, 2015). The qualitative method was adequate for this study because

I explored business owners' strategies to reduce occupational fraud based on their experiences and perceptions.

Two other considered research methods were quantitative and mixed methods (McCusker & Gunaydin, 2015). Researchers use the quantitative method to examine the relationship between variables or predictors to explain a phenomenon by testing a theory (Barnham, 2016; Norris, Plonsky, Ross, & Schoonen, 2015). Researchers investigate the relationship between independent variables and dependent variables by using close-ended questions and testing hypotheses (Barnham, 2016; Martí, 2016). Quantitative research is deductive and allows confirming hypotheses, whereas qualitative research is inductive and involves in-depth exploration (Barnham, 2016). The mixed methods are a combination of quantitative and qualitative methods (Griensven et al., 2014; Sparkes, 2014). In mixed methods, researchers usually use the qualitative approach for developing a hypothesis and use a quantitative method to test that hypothesis (Jervis & Drake, 2014). The quantitative and mixed methods were not appropriate for this study because I was not testing theories, collecting numerical data, or measuring variables. The qualitative methodology was suitable for this study because I explored the strategies used by small restaurant owners to reduce occupational fraud.

Research Design

In this study, I used a multiple case study design. In a case study, researchers explore in-depth an activity, process, or event (Cronin, 2014; Dasgupta, 2015; Yin, 2014). In multiple case studies, researchers examine activities, processes, or behaviors in multiple contexts in natural settings (Vohra, 2015; Yin, 2014). Researchers collect data

through interviews and explore differences within and between cases (Dasgupta, 2015).

By exploring multiple cases, researchers increase the robustness of research findings in

comparison with a single case study (Vohra, 2015; Yin, 2014).

Other qualitative designs that I considered for this study were ethnography,

phenomenology, and a narrative design. In an ethnography design, researchers explore a

cultural group's beliefs and ideas in relation to one or more phenomena (Letourneau,

2015; Reich, 2015). Researchers explore individuals' beliefs and feelings by observation

and interviews (Mannay & Morgan, 2015). In a phenomenological approach, researchers

explore the common experiences and meanings of several individuals about a given

phenomenon or event (Khan, 2014; Quay, 2015; Symeonides & Childs, 2015).

Researchers interview several participants, usually 20 individuals, to understand their

views and understandings of a given phenomenon (Marshall & Rossman, 2016). In a

narrative design, researchers study the life of an individual (Bernard, 2013). Researchers

explore individuals' life experiences and form a narrative (Paschen & Ison, 2014;

Marshall & Rossman, 2016). As such, these qualitative designs were not suitable for my

study because it was not focused on a cultural group's beliefs, individuals' experiences

about a given phenomenon, or narrating life stories. A multiple case study design was

appropriate because I explored the strategies used by multiple owners of small restaurants

to reduce occupational fraud.

Data saturation is an essential process to ensure data sufficiency and validity to

sustain a study's findings (Marshall & Rossman, 2016). Data saturation is the point in

the data collection in which the researcher does not identify new codes or themes

(Hennink, Kaiser, & Marconi, 2017). Although a qualitative research design may have a small sample size, researchers should ensure that no new codes arise from participants' interviews for data saturation (Fusch & Ness, 2015). Researchers should increase the participants until no new codes or themes result from the interview process (Fusch & Ness, 2015). In this study, the owners of three small restaurants participated in the interview process. Based on the CFE leaders' recommendations, these participants had experience in using successful strategies to reduce employee fraud, so they were suitable to answer the research question and reach data saturation. I considered data saturation until no new codes or themes resulted from the interview process. Moreover, I used methodological triangulation by comparing the participant's information with company documents (e.g., employee incident reports, insurance claims, and accounting record losses) to enhance data validity. As such, I considered data saturation and used methodological triangulation to support the validity of this study.

Population and Sampling

The population of this study was business owners of three small restaurants located in San Juan, Puerto Rico that have experience in using successful strategies to reduce employee fraud. I used purposeful sampling to select study participants by using the recommendations of CFE professionals of Puerto Rico. From the CFE recommendations, I physically visited participants at their locations and confirmed that they had implemented successful strategies to reduce employee fraud to validate their eligibility criteria. I explained the nature of the study to participants until a minimum of three qualified participants gave their informed consent.

Purposeful sampling is suitable to identify participants with in-depth knowledge in the research area (Moss, Gibson, & Dollarhide, 2014). In a multiple case study design, the selected sample should include those participants that can best answer the research question and have a significant understanding of the research topic (Marshall & Rossman, 2016; Robinson, 2014). Researchers commonly use purposeful sampling, instead of random sampling, due to the nature and boundaries of case studies (Yin, 2014). Researchers use purposeful sampling in qualitative research to identify and select rich-information cases to explore the research topic (Fusch & Ness, 2015). Purposeful sampling was suitable for this study because I selected participants who have demonstrated effective strategies to reduce occupational fraud and can answer the research question.

In this multiple case study, the sample size consisted of business owners of three small restaurants. In a qualitative study, researchers should focus on the richness of the data (quality) instead of the quantity to gain an in-depth understanding of the research topic (Marshall & Rossman, 2016). Yin (2014) suggested a population of no more than 10 participants as adequate for a multiple case study. Similarly, Crocker et al. (2014) suggested a small sample in multiple case studies to collect rich and in-depth details of participants' thoughts and experiences. As previously described, I selected participants based on the recommendations of CFE professionals. The CFE professionals recommended participants they knew who use successful strategies to reduce employee fraud. As such, the sample size of three business owners of small restaurants was

suitable for this study because participants have demonstrated a rich knowledge about successful strategies to reduce employee fraud.

Considering the small sample size of a qualitative study, researchers should ensure data saturation to support the validity of research findings (Fusch & Ness, 2015; Marshall & Rossman, 2016; Yin, 2014). In this study, I interviewed three business owners of small restaurants that use successful strategies to reduce employee fraud and reviewed company documents related to employee fraud. I considered data saturation until no new codes or themes resulted from the interview process and company documents.

Ethical Research

In a qualitative study, ethical standards are critical elements to ensure the confidentiality and protection of the participants during the research process (Marshall & Rossman, 2016; Yin, 2014). By conducting a study with human subjects, researchers must follow the three ethical principles of the Belmont Report (1979), which are respect for persons, beneficence, and justice (Miracle, 2016). In addition, researchers should follow the ethical standards established by their university's Institutional Review Board (IRB) in conducting the study (Abernethy et al., 2014). I conducted this study after obtaining the approval from the IRB at Walden University (01-16-18-0573893). In addition, I followed the principles of the Belmont Report to ensure ethical treatment of the participants.

The participants of this study were not a vulnerable population, nor were they experiencing any treatment, so they had minimal risk. Researchers should use a consent

letter in which participants make an informed decision to participate and should protect participant's confidentiality (Rock & Hoebeke, 2014). As part of the study's protocol, I used a consent letter for all participants and protected their confidentiality by coding their names and locations.

After obtaining approval from the IRB and receiving the list of possible names from CFE leaders, I physically visited the small restaurants and contacted the participants in person. I explained the nature and purpose of the study and provided the consent form to each participant. The participation of small restaurant owners was voluntary. Participants could withdraw from the study at any time without any penalty by notifying me by telephone, e-mail, or in-person. Participants did not receive any compensation or incentive to participate in this study. To participate in the study, participants had to sign the consent form and return it to me personally or via e-mail.

Researchers should protect the confidentiality of participants by eliminating any reference that connects them or their organizations to the study (Haahr et al., 2014). In the data collection process, I did not reference the names of the participants and organizations in the study. In conducting the interview process, researchers should keep the confidentiality of the respondents (Mealer & Jones, 2014). To ensure confidentiality, I used labels P1, P2, and P3 instead of respondents' names to protect their identities. Similarly, I stored all electronic data, transcripts, and notes on an external USB drive with password access. I stored all collected data in a locked cabinet. I will erase and destroy all data after 5 years to protect participants' confidentiality.

Data Collection Instruments

In a qualitative study, the researcher is the primary data collection instrument (Marshall & Rossman, 2016; Yin, 2014). As a primary data collection instrument, the researcher sees, hears, and interprets the data (Robinson, 2014). Another data collection instrument for this study was a face-to-face semistructured interview protocol (see Appendix A). In a qualitative study, researchers use face-to-face semistructured interviews to explore and gain an in-depth understanding of a research topic (Marshall & Rossman, 2016; Robinson, 2014). By using a semistructured interview, researchers ask open-ended questions to obtain a rich description of the social problem from respondents' perspectives and experiences (Yin, 2014). I used a semistructured interview protocol to gain a rich understanding of the strategies used by business owners of small restaurants to reduce employee fraud based on their perspectives and experiences.

By using an interview protocol, researchers enhance the data collection process and mitigate biases (Yin, 2014). In a semistructured interview protocol, researchers use the same interview techniques and data validation processes with all participants (Marshall & Rossman, 2016; Yin, 2014). Researchers may record interview processes to ensure accurate transcription and data integrity (Bernard, 2013; Marshall & Rossman, 2016). Researchers should take notes during and after interviews to capture participants' thoughts and comments while mitigating personal biases (Yin, 2014). In the interview protocol of this study, I used the same interview questions to explore the successful strategies used by business owners of small restaurants to reduce employee fraud. In addition, I recorded participants' interviews with an audio-recording device to enhance

data accuracy. I used a reflective journal and bracketing techniques to mitigate biases. Researchers use a reflective journal to evaluate their own biases and preconceptions and use bracketing to set aside personal views of the research topic to prevent a biased interpretation of data (Peters & Halcomb, 2015; Sorsa, Kiikkala, & Astedt-Kurki, 2015). I evaluated my own biases and put aside my preconceptions of the research topic in my reflective journal and data analysis. After completing each interview, I reflected on my interview notes and took additional notes to ensure my interpretations represented the participant's responses.

In addition to the semistructured interviews, I enhanced and validated the interview data by examining company documents related to occupational fraud events such as incident reports, insurance claims, and accounting record losses. In multiple case studies, researchers should collect data from two or more sources to attain data triangulation, to enhance data validity, and to confirm research findings (Bernard, 2013; Marshall & Rossman, 2016; Yin, 2014). By using multiple sources of data, researchers can support the validity and reliability of the study (Yin, 2014). In this study, I used company documents to validate data collected from the interview process. By using company records (i.e., occupational fraud incident reports, accounting record losses), I examined whether owner's strategies to reduce occupational fraud obtained from the interview process were effective by validating them with company documents. For example, I validated that participants had no or few employee fraud incident reports, insurance claims, or accounting losses. As such, with the use of company documents, I supported the validity of a participant's strategies to reduce employee fraud.

To enhance the reliability and validity of data collection instruments, I used member checking and methodological triangulation. In member checking, the researcher provides participants with a summary of the findings and solicits their views of the credibility of the summaries (Birt, Scott, Cavers, Campbell, & Walter, 2016; Marshall & Rossman, 2016). Member checking is the most critical technique to establish accuracy and credibility (Yin, 2014). After completing each interview, I reflected on the interview and took additional notes to enhance the accuracy of my interpretations of the participants' responses. The personal reflections are useful to mitigate researcher biases and to enhance the accuracy of participant's responses (Yin, 2014). As stated in the consent form, I sent participants a summary of my findings and interpretations by e-mail within 15 days after the interview. Then, participants reviewed and confirmed my findings by e-mail within 10 days to enhance data reliability.

By using methodological triangulation, researchers enhance the validity of the study (Wilson, 2016). Methodological triangulation is a process in which researchers use multiple sources of data to validate study's findings (Wilson, 2016; Marshall & Rossman, 2016). Researchers compare different sources of data to support the validity of the study's results (Wilson, 2016; Yin, 2014). By using methodological triangulation, I compared data collected from participants' interviews, company documents, and journals to enhance the validity and trustworthiness of the collected data.

Data Collection Techniques

The research question of this qualitative study was: What strategies do some small restaurant owners use to reduce occupational fraud? In this multiple case study, the data

collection techniques were a face-to-face semistructured interview protocol and a review of company records. Using a semistructured interview protocol (see Appendix A*)* to answer the research question, I collected data about the successful strategies used by small restaurant owners to reduce employee fraud. Researchers should align interview questions with the research question (Yin, 2014). With the use of a semistructured interview, researchers could collect rich and in-depth information from participants about their experiences and descriptions regarding the research topic (Bernard, 2013; Marshall & Rossman, 2016). After receiving the signed consent form from participants, I conducted face-to-face interviews at participants' locations and recorded the interviews with an audio-recording device to enhance data accuracy. I took notes in a journal to capture participants' non-verbal communication such as gestures and emotions and reflected on my own reactions and biases.

The advantage of using a face-to-face semistructured interview is that researchers could capture verbal and nonverbal reactions, emotions, and behaviors of participants (McIntosh & Morse, 2015). By listening and observing participants, researchers gain an in-depth understanding about the research topic (Yin, 2014). However, Vogl (2013) noted that the disadvantages of using face-to-face semistructured interview include the possibility of inaccurate responses and participant's distractions during the interview process. Other disadvantages of face-to-face interviews include the researcher's inexperience in conducting an interview and the limited time of the interview process (Yin, 2014).

Considering the possible disadvantages of a face-to-face interview, I used company documents (e.g., occupational fraud incident reports, insurance claims) as another data collection technique to validate the data collected from the interview process. By using multiple sources of data, researchers could support the validity and reliability of the study (Bernard, 2013; Marshall & Rossman, 2016; Yin, 2014). The advantages of company documents are that researchers could obtain details about the phenomenon and could corroborate the data collected in the interview process by a triangulation process (Fusch & Fusch, 2015; Yin, 2014). The disadvantages of company documents as a data collection technique include inaccuracy of events or reports included in the documents and participants' deliberate selection of documents to support his or her position (Yin, 2014).

To enhance the reliability and validity of data interpretation, I used member checking. When using the member checking technique, the researcher provides participants with a summary of the findings and requests their views regarding the accuracy of the summaries (Birt et al., 2016; Marshall & Rossman, 2016; Yin, 2014). As stated in the consent form, I sent participants a summary of my findings and interpretations by e-mail within 15 days after the interview. Then, participants had 10 days to review and confirm my findings by e-mail to enhance data reliability. With the use of the member checking technique, I validated my interpretations and findings to enhance the reliability of the study.

Data Organization Techniques

In a qualitative study, researchers should have an adequate data organization to analyze information, support findings, and protect participants' confidentiality (Bernard, Wutich, & Ryan, 2016; Yin, 2014). For my data organization, I used a cataloging/labeling system. I used Microsoft Word and Excel to transcribe, code, and analyze data. Initially, I transcribed each interview in Microsoft Word and hand-coded data to identify patterns and common themes by using color-coded labels. In a coding process, researchers identify words and phrases of data content for additional analysis (Yin, 2014). By using a coding technique, researchers could easier search, compare, and analyze data by identifying patterns and themes (Bernard et al., 2016). With a list of codes, researchers could translate specific details of participants' interviews to broader meanings and themes (Pierre & Jackson, 2014; Yin, 2014). By using Microsoft Excel, I analyzed highlighted coded data to identify common themes and meanings to reach a deep understanding of research topic.

I used a reflective journal with a bracketing process as part of my data organization technique to enhance data reliability and mitigate biases. Researchers should use a reflective journal to evaluate their own biases and preconceptions of the research topic to avoid twisting the study's conclusions (Peters & Halcomb, 2015; Yin, 2014). Researchers should use bracketing to set aside personal views of the research topic to prevent a biased interpretation of data (Sorsa et al., 2015). Prior to the interview process, I evaluated my own biases and preconceptions in a reflective journal. Before

completing each interview, I reflected on my interview notes and took additional notes to ensure my interpretations represent participant responses.

In a qualitative study, researchers should keep the confidentiality of participants (Mealer & Jones, 2014; Yin, 2014). Researchers should assign a generic code to each participant (Johnson, 2015). While conducting the interview process and reviewing company documents, I did not make any reference to the names of participants or organizations using labels like P1, P2, and P3 instead of respondents' names to protect their identities and store all electronic data, transcripts, and notes on an external USB drive with password access. This data was stored in a locked cabinet and on a USB drive for 5 years. After 5 years, I will shred all data and erase all files from the USB to protect participants' confidentiality.

Data Analysis

In this multiple case study, I used methodological triangulation for data analysis. In methodological triangulation, researchers compare multiple data sources to support research findings (Carter, Bryant-Lukosius, DiCenso, Blythe, & Neville, 2014; Yin, 2014). In methodological triangulation, researchers could compare interview data, organizational documents, and published literature to enhance the study's conclusions (Wilson, 2016). I conducted face-to-face semistructured interviews and reviewed company documents for data collection. Using methodological triangulation, I compared data collected from participants' interviews, company documents, and published literature to enhance the validity and accuracy of the study.

Researchers should follow five steps to analyze data (Yin, 2014). These five steps include (a) compiling data, (b) dissembling data, (c) reassembling data, (d) interpreting data, and (e) reaching conclusions. I used Microsoft Word and Excel to code and analyzed data collected from the interviews and documents. Using Microsoft Word, I transcribed interviews and identified patterns for a coding process (dissembling). With the use of a coding process, researchers could interpret specific details of participants' interviews to broader meanings and themes (Bernard et al., 2016; Pierre & Jackson, 2014; Yin, 2014). I also used Microsoft Excel to hand code the data by using colors and to identify common themes (reassembling). I used thematic analysis as part of the sequential process of my data analysis. Researchers use thematic analysis to identify common themes to analyze data and support research findings (Vaismoradi, Turunen, & Bondas, 2013).

After identifying common themes, I compared data with company documents and the published literature. In methodological triangulation, researchers could link interview data, organizational documents, and published literature to enhance data validity (Carter et al., 2014; Wilson, 2016; Yin, 2014). I compared identified themes with company documents and published literature to support the validity of the findings. Researchers also should associate identified themes with the conceptual framework of the study (Borrego, Foster, & Froyd, 2014). By using the conceptual framework, researchers connect and analyze the study's findings with the literature (Borrego et al., 2014; Yin, 2014). I used the fraud triangle theory, discussed in the conceptual framework of this study, to analyze and interpret the meanings of the data collected. As a result, in the

sequential process of my data analysis, I transcribed interview data, identified codes, searched for common themes, compared themes with company documents and literature, analyzed data with the conceptual framework, and issued an analysis report to support research findings.

Reliability and Validity

Reliability and validity are essential concepts to support the research conclusions (Marshall & Rossman, 2016; Yin, 2014). In a quantitative study, researchers rely on numeric and empirical data to test hypotheses and validate results (Marshall & Rossman, 2016). In contrast, researchers in qualitative studies rely on non-numeric data to support a study's findings (Cope, 2014; Yin, 2014). As such, researchers focus on dependability, credibility, transferability, and confirmability to support the reliability and validity of the research process (Kornbluh, 2015; Yin, 2014). By addressing these four concepts, researchers support the trustworthiness of data and promote a rigorous research process.

Reliability

In a qualitative study, researchers ensure reliability by establishing adequate processes that are repeatable and reach consistent outcomes (Cope, 2014). In reliable studies, researchers could replicate the study and get consistent results in similar settings and time (Grossoehme, 2014; Yin, 2014). Researchers should focus on the dependability concept to ensure the reliability of the study (Yin, 2014).

Dependability. In a qualitative study, dependability occurs when other researchers obtain consistent results by using similar processes in a similar setting and time (Grossoehme, 2014; Kornbluh, 2015). In this study, I used an interview protocol

and member checking technique to promote dependability. Researchers should use a rigorous interview protocol, so other researchers could replicate the same processes and obtain similar results (Yin, 2014). I used a detailed interview protocol, so other researchers could replicate the same steps to attain consistent results. For all participants, I asked the same questions and performed the same steps to collect data. By following a rigorous interview protocol, I enhanced the dependability of collected data.

I used member checking to ensure the accuracy of collected data and attain dependability. In a member checking technique, researchers provide participants with a summary of findings and request their views of the credibility of the summaries (Birt et al., 2016). By using the member checking process, participants have the opportunity to review and validate the accuracy of researchers' interpretations and findings (Kornbluh, 2015; Yin, 2014). I sent participants a summary of my findings and interpretations by e-mail within 15 days after the interview. Participants reviewed my summaries and interpretations within 10 days to promote the accuracy of my findings. As such, with the use of the member checking technique, I validated my interpretations and enhanced data reliability.

Validity

In a qualitative study, researchers should validate the collected data to ensure the trustworthiness of findings (Cope, 2014; Elo et al., 2014). Researchers should establish a validation process to support the accuracy of research conclusions (Elo et al., 2014). Researchers should focus on credibility, transferability, and confirmability to promote the validity of the study (Yin, 2014).

Credibility. Credibility consists of the confidence in the research process and findings (Elo et al., 2014). Researchers should establish credibility to support the validity of research findings (Cope, 2014). In this study, I used member checking and methodological triangulation to promote the credibility of the research process and findings. In the member checking technique, researchers provide participants with a summary of the findings to validate their interpretations of collected data (Kornbluh, 2015). By sharing and validating data interpretations with participants, researchers ensure the credibility of the research results (Birt et al., 2016; Yin, 2014). After each interview, I sent participants a summary of my interpretations and findings, so participants had the opportunity to review and validate my interpretations and conclusions. By using member checking, I supported the credibility of my data interpretation.

I used methodological triangulation to ensure the credibility of the study. In methodological triangulation, researchers compare multiple data sources to support research results (Carter et al., 2014; Yin, 2014). Wilson (2016) suggested methodological triangulation to support the credibility of research conclusions. In this study, I compared interview data with company documents and published literature to support the validity of the study's findings. By using methodological triangulation, I ensured the credibility of my interpretations to support the validity of the study.

Transferability. Transferability consists of using and applying a research's data and findings to a future study (Elo et al., 2014). In a quantitative study, researchers generalize findings to future studies (Marshall & Rossman, 2016; Yin, 2014). In

contrast, researchers in a qualitative study may not generalize a study's results (Yin, 2014). A researcher in a qualitative study should not determine the transferability of research findings to apply to another context (Cope, 2014). However, another researcher could determine the transferability of one study to another (Marshall & Rossman, 2016). External users determine the transferability of research findings. In a qualitative study, researchers ensure transferability by providing a rich description of the data collection process and data analysis (Cope, 2014). Researchers also enhance transferability by using a detailed interview protocol (Yin, 2014). In the study, I used a detailed interview protocol, in which external users may consider the transferability to other studies. In addition, I provided rich descriptions of my research process, data collection process, and data analysis to ensure that external users may determine the transferability of research results to another context. By presenting a detailed description of my research process and interview protocol, I ensured the transferability of this study.

Confirmability. In a qualitative study, confirmability consists of the means that other researchers could validate the research results (Elo et al., 2014). Researchers enhance confirmability by using an adequate validation process and audit trail, by which other researchers can confirm the results (Cope, 2014). In terms of validation processes, researchers could use member checking and triangulation to enhance the accuracy and confirmability of data (Yin, 2014). In this study, I had a detailed interview protocol, in which other researchers could follow the steps of data collection process. In addition, I organized all data collected and data analysis using Microsoft Word and Excel to have an audit trail to enhance confirmability. I used member checking techniques to confirm my

interpretations of the interview process with participants. I also used methodological

triangulation by comparing interview data with company documents and published

literature to confirm the study's findings. By using a detailed audit trail, member

checking, and methodological triangulation, I ensured confirmability for this study.

Data saturation. Due to the small sample size of a qualitative study, researchers

should use the data saturation process to support the validity of research findings

(Marshall & Rossman, 2016; Yin, 2014). Data saturation is the point in the data

collection process where the researcher does not identify new codes or themes (Fusch &

Ness, 2015; Hennink et al., 2017). If new codes or themes arise from the collected data,

researchers should increase the sample size until no new codes or themes result from the

data collection process (Fusch & Ness, 2015). In this study, I interviewed three business

owners of small restaurants that use effective strategies to reduce employee fraud and

reviewed company documents related to employee fraud incidents as another data

collection source. I considered data saturation until no new codes or themes resulted

from the interview process and company documents.

I used methodological triangulation as another strategy to attain data saturation.

In methodological triangulation, researchers compare multiple sources of data to validate

study's conclusions (Carter et al., 2014; Yin, 2014). With the use of methodological

triangulation, researchers support data saturation and enhance the validity of the results

(Pierre & Jackson, 2014). In the study, I compared interview data with company

documents and published literature to ensure data saturation and support the validity of

the study's findings.

Transition and Summary

In Section 2, I discussed the details of the research project to explore the effective strategies used by small restaurant owners to reduce employee fraud in San Juan, Puerto Rico. Section 2 of this study included the role of the researcher, the research method and design, population and sampling, data collection, data organization, data analysis techniques, and the reliability and validity of the study. I described the processes to ensure dependability, credibility, transferability, and confirmability to support the reliability and validity of research findings. For Section 3, I present the study's findings, the application for professional practice, implications for social change, and recommendations for action. I present recommendations for future research, my reflections, and study's conclusion.

Section 3: Application to Professional Practice and Implications for Change

Introduction

The purpose of this qualitative multiple case study was to explore the strategies used by some business owners of small restaurants to reduce occupational fraud. Three small restaurant owners from San Juan, Puerto Rico participated in face-to-face semistructured interviews that revealed various strategies they used to reduce employee fraud. To enhance data accuracy, I applied member checking to validate my findings with participants. To support the validity and reliability of the answers, I used methodological triangulation by examining company documents and published literature. Company documents included (a) human resources documents, (b) employee memos, and (c) accounting record losses. Respondents provided practical strategies to establish adequate controls to reduce employee fraud.

Four themes emerged from data analysis. The themes identified were (a) an owner's monitoring is key to reducing employee fraud, (b) analytical procedures are effective tools to decrease occupational fraud, (c) segregation of duties minimizes employee fraud, and (d) communication with employees is essential to reduce fraud. The findings of this study revealed effective strategies that small restaurant owners can use to reduce employee fraud and their associated financial losses.

In this section, I present the findings of my study. Section 3 also includes the applicability to professional practice, the implications for social change, recommendations for action, and recommendations for further research. Finally, I include my reflections and a conclusion of the study.

Presentation of the Findings

The central research question of this multiple case study was: What strategies do some small restaurant owners use to reduce occupational fraud? I conducted face-to-face semistructured interviews with three small restaurant owners to understand what strategies are effective for reducing employee fraud. Through member checking participants validated the findings of my interview process to enhance data accuracy. Using Microsoft Word and Excel, I transcribed interview data, identified codes, and searched for common themes for data analysis. With the use of methodological triangulation, I compared emergent themes with company documents and published literature to support the validity and reliability of study's results.

The four themes that emerged from data analysis were (a) owner's monitoring is key to reducing employee fraud, (b) analytical procedures are effective tools to decrease occupational fraud, (c) segregation of duties minimizes fraud, and (d) communication with employees is essential to decrease fraud. The results of this study showed alignment with the elements of the conceptual framework of the fraud triangle (Cressey, 1953). The findings from this research also aligned with studies discussed in the literature review.

Theme 1: Owner's Monitoring is Key to Reducing Employee Fraud

An owner's monitoring was the first theme that emerged from data analysis as a way to reduce employee fraud. All three participants mentioned that the owner's monitoring is an essential strategy to reduce occupational fraud because employees will observe that owners watch them and avoid committing fraud. The theme of owner's monitoring emerged 94 times from the interview data. Table 1 presents the frequency in

which owner's monitoring was a topic of discussion during the interviews and the

percentage of interview questions answered. Participant 2 discussed an owner's

monitoring in all seven questions or 100% of the questions. Participant 1 and Participant

3 mentioned an owner's monitoring in six of the seven interview questions or 86% of the

responses.

Table 1

Number of Times Owner's Monitoring Discussed

Questions where participants discussed an owner's monitoring	Times discussed	% of responses
Participant 1, Interview questions 1, 2, 3, 4, 6, 7	39	86%
Participant 2, Interview questions 1, 2, 3, 4, 5, 6, 7	25	100%
Participant 3, Interview questions 1, 2, 4, 5, 6, 7	30	86%

The owner's monitoring strategy ties to the conceptual framework of the fraud

triangle. Specifically, this strategy aligns with the opportunity element of the fraud

triangle. In this element, individuals analyze the viability in committing fraud without

other individuals notice their wrongful acts (Schuchter & Levi, 2015). The opportunity

element is the main driver of individuals in committing fraud (Schuchter & Levi, 2015).

Business owners should monitor employees to limit the opportunity element of the fraud

triangle (Lokanan, 2015; Schuchter & Levi, 2015). Participant 1 stated, "When you have

the owner monitoring in the workplace, you basically eliminate the threat." Participant 3

noted, "Without owners monitoring, employees can tell that the owner is not watching

us." Lokanan (2015) stated that the opportunity is the principal element in which business leaders have control to prevent the wrongful acts.

To implement this strategy, participants mentioned the use of cameras, internal audit of transactions, and use of family members to monitor employees. These implementation strategies to monitor employees align with the published literature (Boyle et al., 2015; Ding et al., 2015; Morales et al., 2014). In terms of cameras, the three participants use cameras and surveillance systems to monitor employees. Participant 1 noted, "Cameras are very effective because you know that employees are aware of cameras." Participant 2 also supported this implementation strategy and stated, "I use cameras in different areas. For example, I use a camera at the top of the cash register and another camera in the receiving area of merchandise." Morales et al. (2014) suggested a surveillance system to limit the opportunity element of individuals, so employees will perceive management monitoring a continuous activity. In small restaurants, Law and Kusant (2014) argued that business owners should use cameras as part of their internal control system to protect the cash and inventory.

As another implementation strategy of an owner's monitoring, participants articulated the use of internal audits of transactions. Specifically, participants suggested internal audits of purchasing and selling transactions. Participant 2 noted, "I continuously count and reconcile the inventory to ensure that you have the proper amounts and how your employees are using the inventory." Participant 3 mentioned, "We check what it is coming, purchasing, or selling and be sure that employees are putting them into the system." Using internal audits, employees perceive that

management monitors them (Boyle et al., 2015). In this monitoring activity, managers will limit the opportunity element of the fraud triangle, so individuals restrain from committing wrongful acts (Boyle et al., 2015). Singh et al. (2013) also suggested internal audits to detect possible fraud activities or patterns of employees.

The three participants also mentioned the use of family members to implement the owner's monitoring strategy. Participant 1 mentioned, "When I, my father, or anyone of my family is working at the restaurant, I believe that this is the best way to prevent fraud." Participant 3 also supported this implementation strategy and mentioned, "When the workers see you or your family checking things every day, they know that you watch them." These findings align with a recent study of employee fraud in small businesses. Ding et al. (2015) suggested family-controlled monitoring to employees to minimize occupational fraud in small businesses. Small businesses controlled by the family had less employee fraud events than nonfamily-controlled businesses (Ding et al., 2015).

Theme 1 ties with the conceptual framework of the fraud triangle, the published literature, and recent studies of occupational fraud in small businesses. Using this strategy, business owners limit the opportunity element of the fraud triangle to restrain individuals from committing fraud (Lokanan, 2015; Schuchter & Levi, 2015). To implement the owner's monitoring strategy, participants suggested the use of cameras, internal audit of transactions, and use of family members to monitor employees and reduce fraud.

Theme 2: Analytical Procedures are Effective Tools to Decrease Fraud

A second theme that emerged from the data was analytical procedures as effective tools to decrease employee fraud. Analytical procedures consist of the process of comparing financial and nonfinancial data to identify unusual fluctuations or changes (Nia, 2015). All participants articulated that analytical procedures are effective tools to decrease employee fraud. Table 2 shows the frequency in which analytical procedures were a topic of discussion during the interviews and the percentage of interview questions answered.

Table 2

Number of Times Analytical Procedures Discussed

Questions where participants discussed analytical procedures	Times discussed	% of responses
Participant 1, Interview questions 1, 2, 4, 5	22	57%
Participant 2, Interview questions 1, 3, 4, 5, 6	25	71%
Participant 3, Interview questions 3, 5, 6,	17	43%

Participants mentioned analytical procedures to reduce employee fraud in the areas of inventory and sales transactions. The analytical procedures strategy to reduce employee fraud aligns with the published literature (Chen et al., 2014; Halbouni et al., 2016; Mangala & Kumari, 2015). For the inventory, all participants implemented this strategy by performing continuous physical counts and comparing quantities with accounting records to identify unusual differences. By performing inventory

reconciliations, employees may restrain from committing fraud because managers could catch them (Chen et al., 2014). Halbouni et al. (2016) suggested to use analytical procedures in connection with accounting computer systems to detect unusual transactions or deviations. Participant 2 said, "I continuously reconcile the inventory with the system to ensure that I have the proper amounts and how my employees are using the inventory." Participant 1 noted, "If I have an inventory mismatch, then something happened." Participant 3 also mentioned, "An inventory check is effective because people working for you know that you are behind them every moment." By doing continuous reconciliations, business leaders may reduce employee fraud because employees will perceive that owners could detect their wrongful acts (Chen et al., 2014).

In the sales area, Participant 2 and Participant 3 implemented an analytical procedures strategy by performing a reasonableness test. Mangala and Kumari (2015) suggested reasonableness tests as a detective control to identify possible errors or wrongful acts. In this process, participants compared actual sales with the expected inventory consumption to generate those sales. If business owners do not attain their target profits based on estimated consumptions, the unexpected differences could indicate errors or possible fraud (Halbouni et al., 2016; Singh et al., 2013). Participant 3 said, "Sometimes employees give something for free to get better tips, and I make reasonableness tests to detect them." Participant 2 mentioned, "With this strategy, I identify those employees that do not charge some food or beverage and give them free to customers to get better tips." Using analytical procedures in the sales area, owners can timely detect employee fraud to reduce their financial losses.

Documents of accounting records provided by Participant 2 and Participant 3 showed annual average losses due to inventory shortages of $34,000 and $22,000, respectively. Participants (P2, P3) identified inventory shortages from the reconciliation process and recorded in the accounting system. In the United States, the annual average financial loss for occupational fraud in small businesses is $154,000 (Glodstein, 2015). As such, the average financial losses of participants were less than the average loss of small businesses, which supports the effectiveness of their strategy. Using analytical procedures, participants reduced their losses significantly in comparison with the average of small businesses.

The analytical procedures strategy ties to the conceptual framework of the fraud triangle. This strategy aligns with the rationalization and opportunity elements of the fraud triangle (Schuchter & Levi, 2015). In the rationalization element, individuals deliberate committing the wrongful acts for their needs instead of the needs of the others (Schuchter & Levi, 2015). All participants implied that employees might not charge items to customers to get better tips or steal inventory for their own benefit, which is consistent with the rationalization element (Schuchter & Levi, 2015). In terms of the opportunity element, employees analyze the possibility of committing fraud without other individuals noticing their acts (Schuchter & Levi, 2015). Analytical procedures are a useful strategy to reduce the opportunity element of employees to commit fraud (Chen et al., 2014). Employees will notice that managers could detect them by fluctuations and unusual transactions.

Theme 2 ties with the conceptual framework and the published literature as an effective business practice (Chen et al., 2014; Halbouni et al., 2016; Mangala & Kumari, 2015; Schuchter & Levi, 2015). By performing analytical procedures, business owners may limit the rationalization and opportunity elements of the fraud triangle to restrain employees in committing fraud (Chen et al., 2014; Schuchter & Levi, 2015). To implement analytical procedures strategy, participants suggested inventory reconciliations and reasonableness tests of sales to timely detect employee fraud and reduce financial losses.

Theme 3: Segregation of Duties Minimizes Employee Fraud

Data from interviews and business documents revealed segregation of duties as a useful strategy to minimize employee fraud. In segregation of duties, business owners separate responsibilities among different employees to ensure that an individual does not have total control over a transaction to commit and cover a fraud (Rose et al., 2015). All three participants mentioned that segregation of duties is a helpful strategy to minimize fraud. The theme of segregation of duties emerged 78 times from the interview data. Table 3 shows the frequency in which segregation of duties was a topic of discussion during the interviews and the percentage of interview questions answered.

Table 3

Number of Times Segregation of Duties Discussed

Questions where participants discussed segregation of duties	Times discussed	% of responses
Participant 1, Interview questions 1, 3, 4, 5, 6	34	71%
Participant 2, Interview questions 1, 2, 4, 7	20	57%
Participant 3, Interview questions 1, 2, 3, 5, 6, 7	24	86%

Participants mentioned segregation of duties to minimize employee fraud mainly in the areas of the cash register and sales transactions. The strategy of segregation of duties aligns with the published literature as an effective mechanism to minimize occupational fraud (Andon et al., 2015; Imoniana et al., 2016; Rose et al., 2015). Managers should segregate the *authorization* of a transaction, the *recording* of a transaction, and the *custody* of assets among different employees (Andon et al., 2015; Rose et al., 2015). In the cash register, all participants mentioned that only one employee handles the cash to minimize employee fraud. To implement this strategy, Participant 1 and Participant 2 mentioned that waiters record sales orders in the system, but a different employee handles the cash register. Participant 1 mentioned, "One employee handles the cash register to avoid that waiters steal cash." Participant 2 noted, "A good strategy is that only one person collect the cash in the restaurant." By segregating responsibilities among different employees, business owners will ensure that an individual does not have total control over a transaction to commit fraud (Rose et al., 2015).

In sales transactions, Participant 1 and Participant 3 implemented the segregation of duties strategy by assigning to one person the authorization of sales discounts and cancellations to reduce fraud. Participants (P1, P3) mentioned that usually the owner or a manager authorizes a sales discount or cancellation in the system. Participant 3 explained that sometimes a customer tells a waiter to keep the change of a ticket as a tip, and the employee goes back to the system to cancel the order or give a sales discount in order to receive a higher tip and commit fraud. Participant 1 stated, "I only could authorize cancellations in the system, so I could ask employees the reasons for the cancellations." By using segregation of duties in sales transactions, Participant 1 and Participant 3 articulated that it minimizes unrecorded sales and misuse of inventory. Rose et al. (2015) and Imoniana et al. (2016) stated that an adequate segregation of duties is a useful strategy to decrease fraud because employees will not have total control over a transaction to commit and cover their wrongful acts.

Documents of personnel provided by Participant 1 and Participant 3 revealed employees' job descriptions and procedures manuals that support the segregation of duties strategy. Internal memos and communications of Participant 1 also showed reminders to employees about the authorization process of sales discounts and cancellations. The findings of company documents to implement the segregation of duties strategy aligns with published literature (Laxman et al., 2014). Business leaders should have an adequate organizational structure, assignment of authority and responsibility, and human resources policies to reduce occupational fraud (Laxman et al.,

2014). By having an adequate segregation of duties, Laxman et al. (2014) stated that business leaders influence the conscience of the employees to reduce fraud risk.

Segregation of duties strategy also ties to the conceptual framework of the fraud triangle. Schuchter and Levi (2015) argued that an adequate segregation of duties is useful to limit the financial pressure and opportunity elements of employees. If an employee has a financial pressure, the individual will avoid committing fraud by perceiving an adequate segregation of duties. Individuals will perceive that other employees may discover the fraud (Schuchter & Levi, 2015). By having adequate segregation of duties, managers will prevent employees from committing fraud because individuals will not control the entire process of a transaction.

Theme 3 aligns with the published literature and the conceptual framework (Andon et al., 2015; Imoniana et al., 2016; Rose et al., 2015; Schuchter & Levi, 2015). By establishing an adequate segregation of duties, business leaders may limit the financial pressure and opportunity elements of the fraud triangle to prevent employee fraud (Schuchter & Levi, 2015). Participants mainly suggested an adequate segregation of duties for the cash register, sales discounts, and cancellation of sales transactions to reduce misappropriation of cash, unrecorded sales, and misuse of inventory. Business documents also revealed the use of employee job descriptions, procedures manuals, and internal memos to implement segregation of duties strategy.

Theme 4: Communication with Employees is Essential to Reduce Fraud

Business documents and interview data showed that effective communication with employees is an essential strategy to reduce employee fraud. Effective

communication with employees is essential to promote an ethical culture and reduce

fraud (Halbouni et al., 2016). All three participants articulated that communication is an

essential strategy to minimize fraud. The theme of communication with employees

emerged 63 times from the interview data. Table 4 shows the frequency in which

communication with employees was a topic of discussion during the interviews and the

percentage of interview questions answered.

Table 4

Number of Times Communication Discussed

Questions where participants discussed communication	Times discussed	% of responses
Participant 1, Interview questions 4, 5, 6	27	43%
Participant 2, Interview questions 4, 5, 6, 7	16	57%
Participant 3, Interview questions 3, 4, 5, 6, 7	20	71%

Participants articulated that communication is an essential strategy to decrease

fraud by notifying employees about new control strategies and informing employees

about organizational policies and procedures. The strategy of communication aligns with

the published literature (McMahon et al., 2016; Moritz, 2016; Rendon & Rendon, 2016).

McMahon et al. (2016) stated that business leaders must communicate to employees

about the expected organizational standards, behaviors, and policies in order to minimize

occupational fraud. Participants (P1, P2) mentioned that they notify employees about the

implementation of every new fraud reduction strategy, so individuals notice new internal

controls and management monitoring. Participant 2 mentioned, "For example, I

communicate with them about a new camera or a new measurement instrument of liquor

in the bar area for the best control." Participant 1 stated, "If I tell the employee that a

new camera is installed, you know that they will not commit fraud." By communicating

new control strategies, employees will perceive that management monitors them

(Schuchter & Levi, 2015). By using effective communication, Moritz (2016) stated that

management reinforces the importance of ethical behaviors and actions to their

employees.

Personnel documents provided by Participant 1 and Participant 2 also revealed

internal memos and employees' procedures manuals that support the communication

strategy to minimize employee fraud. Participants (P1, P2) mentioned the use of written

communication for procedure manuals, policies, and employee memos to minimize

wrongful acts. Participant 2 stated, "Employees receive written instructions of rules or a

memo of situations." Participant 1 mentioned, "Employees have to sign the receipt of

memos, so they will not have an excuse in a future event." Business leaders should have

an effective communication of human resources policies and procedures to reduce fraud

(Laxman et al., 2014). By having written communication of policies and procedures,

business owners promote commitment to employee integrity and ethical behaviors in the

organization (Rendon & Rendon, 2016).

Effective communication with employees to reduce fraud also ties to the

conceptual framework of the fraud triangle (Schuchter & Levi, 2015). Effective

communication is useful to limit the rationalization and opportunity elements. With an

adequate communication of policies and procedures to employees, business owners

promote an ethical environment to prevent the employee's rationalization element of the

fraud triangle to commit fraud (Rodgers et al., 2014). By communicating to employees

about the implementation of new fraud reduction strategies, business owners will limit

the opportunity of employees to commit fraud because individuals will perceive that

management watches them (Schuchter & Levi, 2015). Effective communication with

employees about policies and procedures is essential to promote an ethical environment

and reduce fraud.

Theme 4 aligns with the conceptual framework and the published literature as an

effective business practice (McMahon et al., 2016; Moritz, 2016; Rendon & Rendon,

2016; Schuchter & Levi, 2015). With effective communication with employees, business

leaders may limit the rationalization and opportunity elements of the fraud triangle theory

in minimizing fraud (Rodgers et al., 2014; Schuchter & Levi, 2015). For effective

communication with employees, participants suggested written communication of

policies, procedure manuals, and employee memos. Participants also suggested to

informing employees about new control strategies, so that individuals will know that

management monitors them and be reluctant to commit fraud.

Applications to Professional Practice

Occupational or employee fraud is a global business risk reducing organizations'

profitability (Morales et al., 2014). Occupational fraud risk is higher in small businesses

than large businesses because owners lack strategies to implement an effective control

system (Hess & Cottrell, 2016). In small restaurants, Law and Kusant (2014) also noted

that owners lack internal controls to reduce fraud risk. Small business owners seek information to reduce employee fraud in their organizations (Peltier-Rivest & Lanoue, 2015). The findings of this study include relevant information and practical strategies to establish adequate controls to reduce employee fraud. This research may provide useful information to other small restaurant owners to successfully implement fraud reduction strategies in their businesses.

To enrich professional practice, the study's findings provide significant and actionable recommendations for small restaurant owners to minimize employee fraud. This study contributes to applied business practice by presenting four different fraud reduction strategies. Strategies included owner's monitoring, analytical procedures, segregation of duties, and effective communication with employees as useful initiatives to establish an internal control system. Law and Kusant (2014) argued that small restaurant owners must establish effective controls to reduce fraud risk in their businesses. Data obtained from interviews and documents also revealed how to implement these strategies, so small restaurant owners may follow these actions in establishing their internal control system. With the use of study's findings, small business leaders could develop internal control standards and improve internal control policies to reduce fraud risk.

By applying research's findings to business practices, small restaurant owners also may decrease financial losses associated with employee fraud. Data from business documents also revealed that participants significantly reduced their financial losses associated with fraud in comparison with the average losses of small businesses.

Glodstein (2015) mentioned that small business should establish effective controls to reduce financial losses associated with occupational fraud. With the application of study's findings, business owners may establish effective controls to minimize employee fraud and decrease financial losses associated with this business risk.

Implications for Social Change

The results of this study may contribute to social change by reducing crime and unemployment while fomenting an ethical environment and increasing the trust between community members. Olaison and Meier (2014) noted that fraud activities have a negative impact on communities because individuals could lose their businesses, jobs, and confidence in the institutions. Speziale (2014) also stated that business failures and high unemployment increase crime activity in the community. A reduction in fraud activities may have positive social implications by decreasing unemployment and crime rates while promoting safety and an ethical environment in the community.

Sloan et al. (2016) stated that individuals lose trust in other community members in areas of high crime rates. Individuals avoid starting new initiatives and organizations due to crime activity (Sloan et al., 2016). The successful fraud reduction strategies identified in this study may have positive social implications by reducing fraud activities, business failures, unemployment level, and criminality rate while promoting trust between community members and their institutions. By reducing fraud and fomenting an ethical environment, individuals may increase their confidence in the community and collaborate to positively improve the society as a whole.

Recommendations for Action

The findings of this study revealed effective strategies used by small restaurant owners to reduce occupational fraud. Current and future small restaurant owners may consider recommendations of this study to reduce employee fraud in their organizations. I recommend four strategies to reduce occupational fraud that emerged from this research.

One recommendation is a constant owner's monitoring to reduce employee fraud. To implement this strategy, business owners may use surveillance systems, internal audits of transactions, and assistance of family members to monitor employees. Using this strategy, employees will perceive that managers monitor them and will be restrained from committing fraud. A second recommendation is the application of analytical procedures as an effective tool to detect fraud. To implement analytical procedures, owners may perform inventory reconciliations and reasonableness tests of sales to timely detect employee fraud and minimize financial losses. A third recommendation is an adequate segregation of duties to decrease employee opportunity to commit wrongful acts. An adequate segregation of duties is essential for the cash register, inventory, and sales transactions in order to reduce misappropriation of cash, unrecorded sales, and misuse of inventory. Owners may use job descriptions, procedures manuals, and internal memos to implement this strategy. The final recommendation is effective communication with employees. Business leaders should communicate to employees every new control or surveillance so individuals perceive that managers monitor them.

Owners may use written policies, procedure manuals, and internal memos for effective communication with employees.

By implementing these recommended strategies, small restaurant owners and business professionals may reduce employee fraud and minimize associated financial losses. I will disseminate the findings of this study to small restaurant owners and business professionals through (a) academic journals, (b) business journals, and (c) accounting journals. In addition, I intend to present the findings through professional conferences, trainings, and written materials to business leaders and professionals. By attending these conferences and trainings, business leaders and professionals can expand their knowledge about effective strategies to reduce occupational fraud and minimize associated financial losses.

Recommendations for Further Research

The purpose of this qualitative multiple case study was to explore the strategies used by some business owners of small restaurants to reduce occupational fraud. The findings of this study were from interviews and business documents of three small restaurant owners of San Juan, Puerto Rico. As a limitation of a qualitative methodology, research findings may not apply to other geographical areas or contexts. Recommendations for future research include additional qualitative research in other geographical areas or contexts and quantitative research to examine and verify the strategies identified in this qualitative study.

Conducting qualitative research in other geographical areas or contexts may provide different strategies to reduce employee fraud. For this reason, I recommend

conducting similar multiple case studies in small restaurants in other geographical areas.
In terms of different contexts, I also recommend conducting similar qualitative studies in
areas that recently had a natural disaster. In the geographical area of this study,
participants experienced a category 4 hurricane 4 months before the data collection
process began. During the interview process, participants sometimes referred to this
natural disaster. As such, I also recommend further research to explore the strategies
used by small business owners operating in natural disaster areas to reduce employee
fraud.

By conducting a quantitative study, researchers may also examine and verify the
implementation strategies identified in this study to reduce occupational fraud.
Participants mentioned different implementation strategies to reduce fraud such as
surveillance systems, internal audits, inventory reconciliations, segregation of duties, and
procedure manuals among others. Therefore, I recommend conducting quantitative
research to verify the relevance of these implementation strategies or the existence of
other factors that could result in reducing employee fraud.

Reflections

My decision to study strategies for reducing employee fraud in small restaurants
emerged from my personal and professional experiences. During my first job experience,
I witnessed how the owner dismissed employees for taking merchandise or misusing
inventory. As an accountant, business owners also mention how employee fraud is a
major problem in their businesses. These experiences increased my interest to identify
effective fraud reduction strategies to help small business owners to decrease their

financial losses. As a preconceived idea, I thought that an effective surveillance system was the key to reduce fraud. However, I set aside my personal biases as a researcher, and the findings of this study revealed different successful strategies to reduce employee fraud.

During my journey at Walden University, the courses and faculty developed my research skills and increased my knowledge regarding business practices. The doctoral study allowed me to understand the importance of the research process and to share participants' experiences to enhance professional practices and serve the community. While conducting this research, participants demonstrated great enthusiasm and commitment by sharing their experiences and strategies so other business owners could increase their knowledge to reduce fraud risk. With the study's findings, I hope that business owners may implement effective fraud reduction strategies and decrease their associated financial losses. Reflecting on my doctoral study, I will always thank my committee in shaping my research skills and supporting me during this process. As an influence of my Walden University experience, I expect to continue helping others to expand the body of knowledge and contribute to a positive social change.

Conclusion

The purpose of this qualitative multiple case study was to explore the strategies used by some business owners of small restaurants to reduce occupational fraud. The findings of this study indicated four strategies to reduce employee fraud, (a) owner's monitoring, (b) analytical procedures, (c) segregation of duties, and (d) effective communication with employees. Participants indicated significant elements that business

owners should consider to implement these strategies. The use of surveillance systems, internal audits, and family members are essential elements to implement an effective owner's monitoring. Participants also noted the implementation of analytical procedures and an adequate segregation of duties for cash, inventory, and sales transactions. For the communication strategy, owners may consider written policies, procedure manuals, and internal memos. Employee fraud is a continuous business risk affecting organization's profitability. The results of this study may provide valuable knowledge for small business leaders to implement fraud reduction strategies in their control systems and minimize financial losses associated with fraud. Business leaders may effectively reduce this business risk while promoting organizational profitability and success. By using the findings of this study, business leaders and professionals may reduce occupational fraud, increase profits, and promote trust among community members to positively improve the society as a whole.

References

Association of Certified Fraud Examiners. (2014). *Report to the nations on occupational fraud and abuse.* Retrieved from http://www.acfe.com/rttn/ docs/2014-report-to-nations.pdf

Abdullahi, R., & Mansor, N. (2015). Fraud triangle theory and fraud diamond theory: Understanding the convergent and divergent for future research. *International Journal of Academic Research in Accounting, Finance, and Management Sciences, 5*(4), 39–45. doi:10.6007/ijarafms/v5-i3/1823

Abernethy, A. P., Capell, W. H., Aziz, N. M., Ritchie, C., Prince-Paul, M., Bennett, R. E., & Kutner, J. S. (2014). Ethical conduct of palliative care research: Enhancing communication between investigators and Institutional Review Boards. *Journal of Pain & Symptom Management, 48*, 1211–1221. doi:10.1016/j.jpainsymman.2014.05.005

Albrecht, C., Holland, D., Malagueño, R., Dolan, S., & Tzafrir, S. (2014). The role of power in financial statement fraud schemes. *Journal of Business Ethics, 131*, 803–813. doi:10.1007/s10551-013-2019-1

Alleyne, B., & Amaria, P. (2013). The effectiveness of corporate culture, auditor education, and legislation in identifying, preventing, and eliminating corporate fraud. *International Journal of Business, Accounting, & Finance, 7*(1), 34–62. Retrieved from http://www.iabpad.com/IJBAF/index.htm

Andon, P., Free, C., & Scard, B. (2015). Pathways to accountant fraud: Australian evidence and analysis. *Accounting Research Journal, 28*(1), 10–44. doi:10.1108/arj-06-2014-0058

Assiotis, A., & Krambia-Kapardis, M. (2014). Corruption correlates: The case of Cyprus. *Journal of Money Laundering Control, 17*, 260–268. doi:10.1108/jmlc-01-2014-0006

Bailey, L. F. (2014). The origin and success of qualitative research. *International Journal of Market Research, 56*, 167–184. doi:10.2501/ijmr-2014-013

Barnham, C. (2016). Quantitative and qualitative research: perceptual foundations. *International Journal of Market Research, 57*, 837–854. doi:10.2501/ijmr-2015-070

Berger, R. (2015). Now I see it, now I don't: Researcher's position and reflexivity in qualitative research. *Qualitative Research, 15*, 219–234. doi:10.1177/146879411246847

Bernard, H. R. (2013). *Social research methods: Qualitative and quantitative approaches* (2nd ed.). Thousand Oaks, CA: Sage.

Bernard, H. R., Wutich, A., & Ryan, G. W. (2016). *Analyzing qualitative data: Systematic approaches* (2nd ed.). Thousand Oaks, CA: Sage.

Birt, L., Scott, S., Cavers, D., Campbell, C., & Walter, F. (2016). Member checking: A tool to enhance trustworthiness or merely a nod to validation? *Qualitative Health Research, 26*, 1802–1811. doi:10.1177/1049732316654870

Bonny, P., Goode, S., & Lacey, D. (2015). Revisiting employee fraud: Gender, investigation outcomes and offender motivation. *Journal of Financial Crime, 22*, 447–467. doi:10.1108/JFC-04-2014-0018

Borrego, M., Foster, M. J., & Froyd, J. E. (2014). Systematic literature reviews in engineering education and other developing interdisciplinary fields. *Journal of Engineering Education, 103*(1), 45–76. doi:10.1002/jee.20038

Bosse, D. A., & Phillips, R. A. (2016). Agency theory and bounded self-interest. *Academy of Management Review, 41*, 276–297. doi:10.5465/amr.2013.0420

Boyle, D. M., DeZoort, F. T., & Hermanson, D. R. (2015). The effect of alternative fraud model use on auditors' fraud risk judgments. *Journal of Accounting and Public Policy, 34*, 578–596. doi:10.1016/j.jaccpubpol.2015.05.006

Brazel, J. F., Jones, K. L., Thayer, J., & Warne, R. C. (2015). Understanding investor perceptions of financial statement fraud and their use of red flags: Evidence from the field. *Review of Accounting Studies, 20*, 1373–1406. doi:10.1007/s11142-015-9326-y

Brody, R. G., Perri, F. S., & Van Buren, H. J. (2015). Further beyond the basic background check: Predicting future unethical behavior. *Business and Society Review, 120*, 549–576. doi:10.1111/basr.12074

Button, M., Blackbourn, D., Lewis, C., & Shepherd, D. (2015). Uncovering the hidden cost of staff fraud: An assessment of 45 cases in the UK. *Journal of Financial Crime, 22*, 170–183. doi:10.1108/jfc-11-2013-0070

Carter, N., Bryant-Lukosius, D., DiCenso, A., Blythe, J., & Neville, A. J. (2014). The use of triangulation in qualitative research. *Oncology Nursing Forum, 41*, 545–547. doi:10.1188/14.ONF.545-547

Chen, J., Cumming, D., Hou, W., & Lee, E. (2014). Does the external monitoring effect of financial analysts deter corporate fraud in China? *Journal of Business Ethics, 134*, 727–742. doi:10.1007/s10551-014-2393-3

Clor-Proell, S. M., Kaplan, S. E., & Proell, C. A. (2014). The impact of budget goal difficulty and promotion availability on employee fraud. *Journal of Business Ethics, 131*, 773–790. doi:10.1007/s10551-013-2021-7

Colbert, J. (2015). Professor retired, but the university kept paying her! *Journal of Business Case Studies, 11*(3), 115–122. doi:10.19030/jbcs.v11i3.9293

Cope, D. G. (2014). Methods and meanings: Credibility and trustworthiness of qualitative research. *Oncology Nursing Forum, 41*(1), 89–91. doi:10.1188/14.ONF.89-91

Cressey, D. R. (1986). Why managers commit fraud. *Australian & New Zealand Journal of Criminology, 19*, 195–209. doi:10.1177/000486588601900402

Crocker, T., Besterman-Dahan, K., Himmelgreen, D., Castañeda, H., Gwede, C. K., & Kumar, N. (2014). Use of semistructured interviews to explore competing demands in a prostate cancer prevention intervention clinical trial. *The Qualitative Report, 19*(1), 1–16. Retrieved from http://tqr.nova.edu/tqr/

Cronin, C. (2014). Using case study research as a rigorous form of inquiry. *Nurse Researcher*, *21*(5), 19–27. doi:10.7748/nr.21.5.19.e1240

Dasgupta, M. (2015). Exploring the relevance of case study research. *Vision: The Journal of Business Perspective, 19*, 147–160. doi:10.1177/0972262915575661

Di Guardo, M. C., Marrocu, E., & Paci, R. (2016). The effect of local corruption on ownership strategy in cross-border mergers and acquisitions. *Journal of Business Research, 69*, 4225–4241. doi:10.1016/j.jbusres.2016.03.002

Ding, S., Qu, B., & Wu, Z. (2015). Family control, socioemotional wealth, and governance environment: The case of bribes. *Journal of Business Ethics, 136*, 639–654. doi:10.1007/s10551-015-2538-z

Doody, O., & Noonan, M. (2013) Preparing and conducting interviews to collect data. *Nurse Researcher, 20*(1), 28–32. Retrieved from http://rcnpublishing.com/journal/nr

Dorminey, J., Fleming, A. S., Kranacher, M.-J., & Riley, R. A. (2012). The evolution of fraud theory. *Issues in Accounting Education, 27*, 555–579. doi:10.2308/iace-50131

Elo, S., Kaariainen, M., Kanste, O., Polkki, T., Utriainen, K., & Kyngas, H. (2014). Qualitative content analysis: A focus on trustworthiness. *SAGE Open, 4*(1), 1–10. doi:10.1177/2158244014522633

Federal Reserve Bank of New York. (2016). *Puerto Rico small business survey.* Retrieved from https://www.newyorkfed.org/medialibrary/media/

Foss, N., & Stea, D. (2014). Putting a realistic theory of mind into agency theory: Implications for reward design and management in the principal-agent relations. *European Management Review, 11*(1), 101–116. doi:10.111/emre.12026

Frazer, L. (2012). The effect of internal control on the operating activities of small

restaurants. *Journal of Business & Economics Research, 10*, 361–374.

doi:10.19030/jber.v10i6.7027

Free, C. (2015). Looking through the fraud triangle: A review and call for new directions.

Meditari Accountancy Research, 23, 175–196. doi:10.1108/medar-02-2015-0009

Free, C., & Murphy, P. R. (2014). The ties that bind: The decision to co-offend in fraud.

Contemporary Accounting Research, 32(1), 18–54. doi:10.1111/1911-3846.12063

Fusch, P. I., & Ness, L. R. (2015). Are we there yet? Data saturation in qualitative

research. *The Qualitative Report, 20*, 1408–1416. Retrieved from

http://tqr.nova.edu/tqr/

Gao, J., Greenberg, R., & Wong-On-Wing, B. (2015). Whistleblowing intentions of

lower-level employees: The effect of reporting channel, bystanders, and

wrongdoer power status. *Journal of Business Ethics, 126*(1), 85–99.

doi:10.1007/s10551-013-2008-4

Ge, W., Koester, A., & McVay, S. (2017). Benefits and costs of Sarbanes-Oxley Section

404(b) exemption: Evidence from small firms' internal control disclosures.

Journal of Accounting and Economics, 63, 358–384.

doi:10.1016/j.jacceco.2017.01.001

Gibson, S., Benson, O., & Brand, S. L. (2013). Talking about suicide: Confidentiality and

anonymity in qualitative research. *Nursing Ethics, 20*(1), 18–29.

doi:10.1177/0969733012452684

Gilmore-Allen, A. (2015). Tech fraud and the small business. *Internal Auditor, 72*(1), 20–21. Retrieved from http://www.theiia.org/intauditor/

Glodstein, D. (2015). Occupational fraud: Misappropriation of assets by an employee. *Journal of the International Academy for Case Studies, 21*(6), 125–129. Retrieved from http://www.alliedacademies.org/the-international-academy-for-case-studies/

Griensven, H. V., Moore, A. P., & Hall, V. (2014). Mixed methods research: The best of both worlds? *Manual Therapy, 19*, 367–371. doi:10.1016/j.math.2014.05.005

Grossoehme, D. H. (2014). Overview of qualitative research. *Journal of Health Care Chaplaincy*, *20*(1), 109–122. doi:10.1080/08854726.2014.925660

Gullkvist, B., & Jokipii, A. (2013). Perceived importance of red flags across fraud types. *Critical Perspectives on Accounting, 24*(1), 44–61. doi:10.1016/j.cpa.2012.01.004

Gulnur, T., & Kent, G. (2016). Authority relinquishment in agency relationship. *Journal of Marketing, 80*(3), 42–59. doi:10.1509/jm.12.0349

Gunduz, M., & Önder, O. (2013). Corruption and internal fraud in the Turkish construction industry. *Science and Engineering Ethics, 19*, 505–528. doi:10.1007/s11948-012-9356-9

Halbouni, S. S., Obeid, N., & Garbou, A. (2016). Corporate governance and information technology in fraud prevention and detection. *Managerial Auditing Journal, 31*, 589–628. doi:10.1108/MAJ-02-2015-1163

Haahr, A., Norlyk, A., & Hall, E. O. (2014). Ethical challenges embedded in qualitative research interviews with close relatives. *Nursing Ethics, 21*(1), 6–15. doi:10.1177/0969733013486370

Hennink, M. M., Kaiser, B. N., & Marconi, V. C. (2017). Code saturation versus meaning saturation. *Qualitative Health Research, 27*, 591–608. doi:10.1177/1049732316665344

Hess, M. F., & Cottrell, J. H. (2016). Fraud risk management: A small business perspective. *Business Horizons, 59*(1), 13–18. doi:10.1016/j.bushor.2015.09.005

Imoniana, J. O., Feitas, E. C. D., & Perera, L. C. J. (2016). Assessment of internal control systems to curb corporate fraud - evidence from Brazil. *African Journal of Accounting, Auditing, and Finance, 5*(1), 1. doi:10.1504/ajaaf.2016.077592

Jervis, M., & Drake, M. (2014). The use of qualitative research methods in quantitative science: A review. *Journal of Sensory Studies, 29*, 234–247. doi:10.1111/joss.12101

Jian, Z., Pany, K., & Reckers, P. J. (2013). Under which conditions are whistleblowing best practices best? *Auditing: A Journal of Practice & Theory, 32*, 171–181. doi:10.2308/ajpt-50451

Johansson, E., & Carey, P. (2016). Detecting fraud: The role of the anonymous reporting channel. *Journal of Business Ethics, 139*, 391–409. doi:10.1007/s10551-015-2673-6

Johnson, T. P. (2015). *Handbook of health survey methods*. Hoboken, NJ: John Wiley & Sons.

Kanapickienė, R., & Grundienė, Ž. (2015). The model of fraud detection in financial statements by means of financial ratios. *Procedia - Social and Behavioral Sciences, 213*, 321–327. doi:10.1016/j.sbspro.2015.11.545

Karim, Z. A., Said, J., & Bakri, H. H. M. (2015). An exploratory study on the possibility of assets misappropriation among royal Malaysian police officials. *Procedia Economics and Finance*, *31*, 625–631. doi:10.1016/s2212-5671(15)01150-8

Kavoura, A., & Bitsani, E. (2014). Methodological considerations for qualitative communication research. *Procedia: Social and Behavioral Sciences, 147*, 544–549. doi:10.1016/j.sbspro.2014.07.156

Khan, S. N. (2014). Qualitative research method - Phenomenology. *Asian Social Science, 10*, 298–310. 10.5539/ass.v10n21p298

Kleiman, L. S., & Kass, D. (2014). Employer liability for hiring and retaining unfit workers: How employers can minimize their risks. *Employment Relations Today, 41*(2), 33–41. doi:10.1002/ert.21451

Kramer, B. (2015). Trust, but verify: Fraud in small businesses. *Journal of Small Business and Enterprise Development, 22*(1), 4–20. doi:10.1108/jsbed-08-2012-0097

Kornbluh, M. (2015). Combatting challenges to establishing trustworthiness in qualitative research. *Qualitative Research in Psychology, 12*, 397–414. doi:10.1080/14780887.2015.1021941

Law, M., & Kusant, R. (2014). An exploration of small business restaurants knowledge and skills to prevent fraud. *Journal of Finance and Accountancy, 17*(1), 1–15. Retrieved from http://aabri.com/jfa.html

Laxman, S., Randles, R., & Nair, A. (2014). The fight against fraud. *Internal Auditor, 71*(1), 49–53. Retrieved from http://www.theiia.org/intauditor/

Le, Y., Shan, M., Chan, A. P. C., & Hu, Y. (2014). Overview of corruption research in construction. *Journal of Management in Engineering, 30*(4), 30–37. doi:10.1061/(asce)me.1943-5479.0000300

Lenz, P. J., & Graycar, A. (2016). Stealing from the boss: Who is looking? *Journal of Financial Crime, 23*, 613–623. doi:10.1108/jfc-09-2015-0053

Letourneau, J. L. H. (2015). Infusing qualitative research experiences into core counseling curriculum courses. *International Journal for the Advancement of Counseling, 37*, 375–389. doi:10.1007/s10447-015-9251-6

Lokanan, M. E. (2015). Challenges to the fraud triangle: Questions on its usefulness. *Accounting Forum, 39*, 201–224. doi:10.1016/j.accfor.2015.05.002

Makrakis, V., & Kostoulos-Makrakis, N. (2016). Bridging the qualitative–quantitative divide: Experiences from conducting a mixed methods evaluation in the RUCAS programme. *Evaluation and Program Planning, 54*(1), 144–151. doi:10.1016/j.evalprogplan.2015.07.008

Malcolm, M. (2014). A critical evaluation of recent progress in understanding the role of the research-teaching link in higher education. *Higher Education, 67*, 289–301. doi:10.1007/s10734-013-9650-8

Mangala, D., & Kumari, P. (2015). Corporate fraud prevention and detection: revisiting the literature. *Journal of Commerce and Accounting Research, 4*(1), 52–62. doi:10.21863/jcar/2015.4.1.006

Mannay, D., & Morgan, M. (2015). Doing ethnography or applying a qualitative
technique? Reflections from the waiting field. *Qualitative Research, 15*, 166–182.
doi:10.1177/1468794113517391.

Marshall, C., & Rossman, G. B. (2016). *Designing qualitative research* (6th ed.).
Thousand Oaks, CA: Sage.

Martí, J. (2016). Measuring in action research: Four ways of integrating quantitative
methods in participatory dynamics. *Action Research, 14*, 168–183.
doi:10.1177/1476750315590883

McCusker, K., & Gunaydin, S. (2015). Research using qualitative, quantitative or mixed
methods and choice based on the research. *Perfusion, 30*, 537–542.
doi:10.1177/0267659114559116

McIntosh, M. J., & Morse, J. M. (2015). Situating and constructing diversity in
semistructured interviews. *Global Qualitative Nursing Research, 2*(1), 1–12.
doi:10.1177/2333393615597674

McLevey, J. (2015). Understanding policy research in liminal spaces: Think tank
responses to diverging principles of legitimacy. *Social Studies of Science, 45*,
270–293. doi:10.1177/0306312715575054

McMahon, R., Pence, D., Bressler, L., & Bressler, M. S. (2016). New tactics in fighting
financial crimes: Moving beyond the fraud triangle. *Journal of Legal, Ethical &
Regulatory Issues, 19*(1), 16–25. Retrieved from
http://www.alliedacademies.org/public/journals

Mealer, M., & Jones, J. (2014). Methodological and ethical issues related to qualitative telephone interviews on sensitive topics. *Nurse Researcher, 21*(4), 32–37. doi:10.7748/nr2014.03.21.4.32.e1229

Mellat-Parast, M. (2013). Quality citizenship, employee involvement, and operational performance: An empirical investigation. *International Journal of Production Research, 51*, 2805–2820. doi:10.1080/00207543.2012.656333

Méndez-Lázaro, P. A., Terrasa-Soler, J. J., Torres-Peña, C., Guzmán-González, P., Rodríguez, S., Alemán, M., & Seguinot, T. (2014). Tourism and climate conditions in San Juan, Puerto Rico, 2000-2010. *Ecology and Society, 19*(2). 4–11. doi:10.5751/es-06380-190211

Minculete, G., & Chisega-Negrila, M. (2014). Features of internal/managerial control in public organizations. *Journal of Defense Resources Management, 5*(2), 139–146. Retrieved from http://journal.dresmara.ro/

Mihret, D. G. (2014). How can we explain internal auditing? The inadequacy of agency theory and a labor process alternative. *Critical Perspectives on Accounting, 25*, 771–782. doi:10.1016/j.cpa.2014.01.003

Miracle, V. A. (2016). The Belmont report: The triple crown of research ethics. *Dimensions of Critical Care Nursing, 35*, 223–228. doi:10.1097/dcc.0000000000000186

Mohamed, N., & Handley-Schachelor, M. (2014). Financial statement fraud risk mechanisms and strategies: The case studies of Malaysian commercial companies.

Procedia - Social and Behavioral Sciences, 145, 321–329.

doi:10.1016/j.sbspro.2014.06.041

Mohamed, N., & Handley-Schachelor, M. (2015). Roots of responsibilities to financial

statement fraud control. *Procedia Economics and Finance, 28*(1), 46–52.

doi:10.1016/s2212-5671(15)01080-1

Moorthy, M. K., Seetharaman, A., Jaffar, N., & Foong, Y. P. (2014). Employee

perceptions of workplace theft behavior: A study among supermarket retail

employees in Malaysia. *Ethics & Behavior, 25*(1), 61–85.

doi:10.1080/10508422.2014.917416

Morales, J., Gendron, Y., & Guénin-Paracini, H. (2014). The construction of the risky

individual and vigilant organization: A genealogy of the fraud triangle.

Accounting, Organizations and Society, 39, 170–194.

doi:10.1016/j.aos.2014.01.006

Moritz, S. (2016). Taking the best route to managing fraud and corruption risks. *The EDP

Auditing, Control, and Security, 53*(3), 5–7. doi:10.1080/07366981.2016.1148997

Moss, J. M., Gibson, D. M., & Dollarhide, C. T. (2014). Professional identity

development: A grounded theory of transformational tasks of counselors. *Journal

of Counseling and Development, 92*(1), 3–12. doi:10.1002/j.1556-

6676.2014.00124.x

Mui, G., & Mailley, J. (2015). A tale of two triangles: Comparing the fraud triangle with

criminology's crime triangle. *Accounting Research Journal, 28*(1), 45–58.

doi:10.1108/ARJ-10-2014-0092

Munteanu, V., Copcinschi, L., Luschi, C., & Laceanu, A. (2016). Internal audit -

    determinant factor in preventing and detecting fraud related activity to public

    entities financial accounting. *Knowledge Horizons. Economics, 8*(2), 14–21.

    Retrieved from http://orizonturi.ucdc.ro/online.html

Murphy, P. R., & Free, C. (2016). Broadening the fraud triangle: Instrumental climate

    and fraud. *Behavioral Research in Accounting, 28*(1), 41–56. doi:10.2308/bria-

    51083

Ndofor, H. A., Wesley, C., & Priem, R. L. (2013). Providing CEO's with opportunities to

    cheat: the effects of complexity-based information asymmetries on financial

    reporting fraud. *Journal of Management, 41*, 1774–1797.

    doi:10.1177/0149206312471395

Near, J. P., & Miceli, M. P. (2016). After the wrongdoing: What managers should know

    about whistleblowing. *Business Horizons, 59*(1), 105–114.

    doi:10.1016/j.bushor.2015.09.007

Nia, S. H. (2015). Financial ratios between fraudulent and non-fraudulent firms:

    Evidence from Tehran stock exchange. *Journal of Accounting and Taxation, 7*(3),

    38–44. doi:10.5897/JAT2014.0166

Noland, T. G., & Metrejean, E. (2013). The importance of the control environment:

    Expense account fraud at Blue Grass Airport. *Journal of Business and Economics

    Research, 11*(2), 97–105. doi:10.19030/jber.v11i2.7622

Norris, J. M., Plonsky, L., Ross, S. J., & Schoonen, R. (2015). Guidelines for reporting quantitative methods and results in primary research. *Language Learning, 65*, 470–476. doi:10.1111/lang.12104

Olaison, L., & Meier Sørensen, B. (2014). The abject of entrepreneurship: Failure, fiasco, fraud. *International Journal of Entrepreneurial Behavior & Research, 20*, 193–211. doi:10.1108/ijebr-09-2013-0143

Omar, N., Johari, Z. A., & Hasnan, S. (2015). Corporate culture and the occurrence of financial statement fraud: A review of literature. *Procedia Economics and Finance, 31*, 367–372. doi:10.1016/s2212-5671(15)01211-3

Omar, M., Nawawi, A., & Puteh-Salin, A. A. (2016). The causes, impact and prevention of employee fraud. *Journal of Financial Crime, 23*, 1012–1027. doi:10.1108/JFC-04-2015-0020

Paschen, J.-A., & Ison, R. (2014). Narrative research in climate change adaptation: Exploring a complementary paradigm for research and governance. *Research Policy, 43*, 1083–1092. doi:10.1016/j.respol.2013.12.006

Peltier-Rivest, D., & Lanoue, N. (2015). Cutting fraud in Canadian organizations. *Journal of Financial Crime, 22*, 295–304. doi:10.1108/jfc-11-2013-0064

Peters, K., & Halcomb, E. (2015). Interviews in qualitative research. *Nurse Researcher, 22*(4), 6–7. doi:10.7748/nr.22.4.6.s2

Pierre, E. A. S., & Jackson, A. Y. (2014). Qualitative data analysis after coding. *Qualitative Inquiry, 20*, 715–719. doi:10.1177/1077800414532435

Plumlee, R. D., Rixom, B. A., & Rosman, A. J. (2015). Training auditors to perform analytical procedures using metacognitive skills. *The Accounting Review, 90*, 351–369. doi:10.2308/accr-50856

Puerto Rico Department of Economic Development and Commerce. (2016). *A guide to doing business in Puerto Rico.* Retrieved from http://www.bgfpr.com/documents/AGuidetoDoingBusinessinPR-ll.pdf

Puspasari, N., & Suwardi, E. (2016). The effect of individual morality and internal control on the propensity to commit fraud: Evidence from local governments. *Journal of Indonesian Economy and Business*, *31*, 208–219. Retrieved from https://jurnal.ugm.ac.id/jieb

Quay, J. (2015). Learning Phenomenology with Heidegger: Experiencing the phenomenological starting point as the beginning of phenomenological research. *Educational Philosophy and Theory, 48*, 484–497. doi:10.1080/00131857.2015.1035632

Rahman, R. A., & Anwar, I. S. K. (2014). Types of fraud among Islamic banks in Malaysia. *International Journal of Trade, Economics and Finance, 5*, 176–179. doi:10.7763/ijtef.2014.v5.365

Reich, J. A. (2015). Old methods and new technologies: Social media and shifts in power in qualitative research. *Ethnography, 16*, 394–415. doi:10.1177/1466138114552949

Rendon, J. M., & Rendon, R. G. (2016). Procurement fraud in the US Department of Defense. *Managerial Auditing Journal, 31*, 748–767. doi:10.1108/maj-11-2015-1267

Rittenberq, L. E. (2013). COSO 2013. *Internal Auditor, 70*(4), 60–65. Retrieved from http://www.theiia.org/intauditor/

Robinson, O. C. (2014). Qualitative research in psychology sampling in interview-based qualitative research: A theoretical and practical guide. *Qualitative Research in Psychology, 11*(1), 37–41. doi:10.1080/14780887.2013.801543

Rock, M. J., & Hoebeke, R. (2014). Informed consent: Whose duty to inform? *Medsurg Nursing, 23,* 189–194. Retrieved from http://www.medsurgnursing.net/cgibin/ WebObjects/MSNJournal.woa

Roden, D. M., Cox, S. R., & Joung-Yeon, K. (2016). The fraud triangle as a predictor of corporate fraud. *Academy of Accounting & Financial Studies Journal, 20*(1), 80–92. Retrieved from http://www.alliedacademies.org/public/journals/

Rodgers, W., Söderbom, A., & Guiral, A. (2014). Corporate social responsibility enhanced control systems reducing the likelihood of fraud. *Journal of Business Ethics, 131*, 871–882. doi:10.1007/s10551-014-2152-5

Rose, M., Sarjoo, P., & Bennett, K. (2015). A boost to fraud risk assessments. *Internal Auditor, 72*(3), 22–23. Retrieved from http://www.theiia.org/intauditor/

Ruankaew, T. (2016). Beyond the fraud diamond. *International Journal of Business Management & Economic Research, 7*, 474–476. Retrieved from http://www.ijbmer.com/

Sabău, E. M., Șendroiu, C., & Sgârdea, F. M. (2013). Corporate anti-fraud strategies:

    Ethic culture and occupational integrity. *Cross-Cultural Management Journal,*

    15(2), 59–65. Retrieved from http://cmj.bxb.ro

Sandhu, N. (2016). Behavioural red flags of fraud – A qualitative assessment. *Journal of*

    Human Values, 22, 221–237. doi:10.1177/0971685816650579

Sanjari, M., Bahramnezhad, F., Fomani, F. K., Shoghi, M., & Cheraghi, M. A. (2014).

    Ethical challenges of researchers in qualitative studies: The necessity to develop a

    specific guideline. *Journal of Medical Ethics and History of Medicine, 7*(14), 1–6.

    Retrieved from http://ijme.tums.ac.ir/

Schuchter, A., & Levi, M. (2015). Beyond the fraud triangle: Swiss and Austrian elite

    fraudsters. *Accounting Forum, 39*, 176–187. doi:10.1016/j.accfor.2014.12.001

Singh, K., Best, P., & Mula, J. (2013). Automating vendor fraud detection in enterprise

    systems. *The Journal of Digital Forensics, Security, and Law, 8*(2), 7–42.

    Retrieved from http://www.jdfsl.org

Sloan, C., Caudill, S. B., & Mixon, F. G. (2016). Entrepreneurship and crime: The case of

    new restaurant location decisions. *Journal of Business Venturing Insights, 5*(1),

    19–26. doi:10.1016/j.jbvi.2015.12.003

Sorsa, M. A., Kiikkala, I., & Astedt-Kurki, P. (2015). Bracketing as a skill in conducting

    unstructured qualitative interviews. *Nurse Researcher, 22*(4), 8–12.

    doi:10.7748/nr.22.4.8.e1317

Sparkes, A. C. (2014). Developing mixed methods research in sport and exercise

    psychology: Critical reflections on five points of controversy. *Psychology of Sport*

    and Exercise, 16(1), 49–58. doi:10.1016/j.psychsport.2014.08.014

Speziale, N. (2014). Does unemployment increase crime? Evidence from Italian

    provinces. *Applied Economics Letters, 21*, 1083–1089.

    doi:10.1080/13504851.2014.909568

Steinmeier, M. M. (2016). Fraud in sustainability departments? An exploratory study.

    Journal of Business Ethics, 138, 477–492. doi:10.1007/s10551-015-2615-3

Symeonides, R., & Childs, C. (2015). The personal experience of online learning: An

    interpretative phenomenological analysis. *Computers in Human Behavior, 51*,

    539–545. doi:10.1016/j.chb.2015.05.015

Timofeyev, Y. (2015). Analysis of predictors of organizational losses due to occupational

    corruption. *International Business Review, 24*, 630–641.

    doi:10.1016/j.ibusrev.2014.11.007

Trompeter, G. M., Carpenter, T. D., Desai, N., Jones, K. L., & Riley, R. A. (2013). A

    synthesis of fraud-related research. *Auditing: A Journal of Practice & Theory*, *32*,

    287–321. doi:10.2308/ajpt-50360

Trompeter, G. M., Carpenter, T. D., Jones, K. L., & Riley, R. A. (2014). Insights for

    research and practice: What we learn about fraud from other disciplines.

    Accounting Horizons, 28, 769–804. doi:10.2308/acch-50816

Vaismoradi, M., Turunen, H., & Bondas, T. (2013). Content analysis and thematic

    analysis: Implications for conducting a qualitative descriptive study. *Nursing &*

    Health Science, 15, 398–405. doi:10.1111/nhs.12048

Vogl, S. (2013). Telephone versus face-to-face interviews mode effect on semistructured

    interviews with children. *Sociological Methodology, 43*, 133–177.

    doi:10.1177/0081175012465967

Vohra, V. (2014). Using the multiple case study design to decipher contextual leadership

    behaviors in Indian organizations. *The Electronic Journal of Business Research*

    Methods, *12*(1), 54–65. Retrieved from http://www.ejbrm.com

Wellhausen, R. L. (2017). The political economy of US territories and Indian country.

    PS: Political Science & Politics, 50, 510–514. doi:10.1017/s1049096516003097

Whittaker, J. (2015). Undercover employer: Is it ever ok to put your staff under covert

    surveillance? *Strategic HR Review, 14*, 226–229. doi:10.1108/shr-09-2015-0071

Wilson, V. (2016). Research methods: Triangulation. *Evidence Based Library and*

    Information Practice, 11(1), 66–68. doi:10.18438/b86s5f

Yin, R. K. (2014). *Case study research: Designs and methods* (5th ed.). Thousand Oaks,

    CA: Sage.

Appendix A: Interview Protocol

Interview Protocol

I will interview the owners of three small restaurants located in San Juan, Puerto Rico that have experience in establishing effective strategies to reduce occupational fraud. I will use a semistructured face-to-face interview at each participant's location. By asking the same open-ended questions, I will use the following protocol:

1. I will introduce myself to each participant as a doctoral student at Walden University and will explain the purpose of my study and the interview.

2. I will give each participant a copy of the consent form prior to the interview.

3. I will remind each participant that I will not reveal personally identifiable information in the study and will destroy all data after 5 years to maintain the confidentiality.

4. I will remind each participant that the interview will be audio-recorded and will last approximately 45 minutes.

5. I will ask the participant if he or she has questions before starting the interview.

6. I will turn on the audio recording device.

7. Then, I will ask each participant the same interview questions (see Appendix B) in the same order.

8. I will observe participant's non-verbal communication such as tone of voice, behaviors, and gestures.

9. I will write reflective notes during the entire interview process.

10. I will conclude the interview and stop the audio recording.

11. I will remind the participant about the member checking process, in which I will contact participants by e-mail within 15 business days with my interpretation of the data collected, so participants will have an opportunity to validate the accuracy of the information. The participant will have 10 days to review and confirm the findings or add any additional information by e-mail.

12. I will reiterate to the participant my contact information for possible questions or concerns.

13. I will thank the interviewee for participating in the study.

Appendix B: Interview Questions

Interview Questions

Interview Questions:

1. What strategies have you used to reduce occupational fraud?

2. What strategies have you used that are less effective in reducing occupational fraud?

3. What strategies are you currently using that are most effective in reducing occupational fraud?

4. What are the critical aspects you consider before implementing occupational fraud reduction strategies?

5. What procedures have you followed when implementing your occupational fraud reduction strategies?

6. What challenges or barriers have you experienced when implementing occupational fraud reduction strategies?

7. What other information would you like to add regarding strategies to reduce occupational fraud in small restaurants?