

ABSTRACT

This study aimed to examine fraud diamonds which are pressure, opportunity, rationalization, and capability in fraudulent financial statements.

This type of research is descriptive verification causality. The unit of analysis is mining companies listed on the Indonesia Stock Exchange from 2011-2015. The data collection technique is purposive sampling and obtained 35 samples of data. This study uses logistic analysis techniques.

The results show that pressure, opportunity, rationalization, and capability have an effect on fraudulent financial statements simultaneously. Partially, only leverage which is a pressure indicator has an effect on fraudulent financial statements. Roa, change of receivables, independent, rationalization, and capability do not have an effect on fraudulent financial statements.

Keywords: fraud diamonds, fraudulent financial statements.