

ABSTRACT

Fraud is a deliberate act that causes a person or a group to gain a certain advantage. Fraud in the financial statements is one type of fraud that often occurs. It certainly can make a mistake in decision making. This study aims to analyze the fraud of financial statements in the perspective of pentagon fraud in the factors of pressure, opportunity, rationalization, capability, and arrogance. Population in this research is mining company listed in Indonesia Stock Exchange. The data of the research are 29 sample companies with the 2012-2016 selected using purposive sampling technique. The analytical technique used is logistic regression using SPSS 24 software.

The results showed that simultaneously the pressure, opportunity, rationalization, capability, and arrogance factor has an influence on the fraudulent financial statement. Partially only total debt to total assets (leverage) which is an influential pressure factor. While ACHANGE, BDOUT, change of auditor, auditor opinion, change of directors, the number of CEO pictures in the annual report does not affect the fraudulent financial statements

Keywords: fraudulent financial statements, pressure, opportunity, rationalization, capability, arrogance, pentagon fraud