

## **ABSTRACT**

*The financial report is a note issued by the company every year, where this report contains the company's performance for a full year. This financial report then becomes useful information for the company's internal and other stakeholders. However, in reality, financial statements can be manipulated by the company where the contents of the financial statements are not in accordance with the actual company conditions. Fraud in the financial statements can be in the form of materially adding or subtracting several points. As a result of this, it can mislead some users of financial statements in making decisions.*

*This study aims to determine the effect of hexagon fraud on fraudulent financial statements in transportation and logistics companies listed on the Indonesia Stock Exchange for the period 2017 – 2021. The data used for this study are audited annual financial reports obtained from the Indonesia Stock Exchange website. The population in this study were transportation and logistics companies for the 2017 – 2021 period. The sampling technique was purposive sampling and 12 companies were obtained with a 5-year research period, resulting in 60 samples and outliers have been made with the remaining 51 samples. The data analysis method used is panel data regression analysis method.*

*The results of research using Eviews 12 show that pressure proxied by financial stability, opportunity proxied by ineffective monitoring, and rationalization proxied by change in auditors has a significant effect on fraudulent financial statements. Meanwhile, capability proxied by change in director, arrogance proxied by the number of CEO photos, and collusion proxied by cooperation with the government has no effect on fraudulent financial statements.*

**Keywords:** *fraudulent financial statements, fraud hexagon*