

## Research Articles

## Fraud and Extravagant Life Styles Among Bank Employees: Case of Convicted Bank Workers in Nigeria

Shyngle K. Balogun<sup>\*a</sup>, Morekwe Selemogwe<sup>a</sup>, Femi Akinfala<sup>b</sup>

[a] Department of Psychology, University of Botswana, Gaborone, Botswana. [b] Department of Psychology, University of Lagos, Lagos, Nigeria.

### Abstract

Extensive studies have shown fraud to be pervasive in Nigeria. Findings from numerous studies which investigated the typology and occurrence of fraud in the Nigerian financial institutions show that most fraudulent behaviours occur in the banking industry. The researchers however have marginally examined the lifestyles of people who commit these crimes; as such the current study examined the relationship between fraudulent behavior and extravagant lifestyle among convicted bank employees in Nigeria. A total of 600 participants were used for the study, divided into three samples: convicted bankers, non-convicted bankers, and employees other than bankers. Data was collected using demographic questionnaire and the Extravagant Lifestyle Scale (ELAS). The results showed that the convicted bankers had significantly higher ELAS scores than non-convicted bankers and non-bankers ( $F(2,597) = 26.94; p < .01$ ). The results suggest that fraudsters are likely to have extravagant lifestyles as a result of their fraudulent acts and this is also supported by the findings from the prior studies. The findings have implications for bank management and law enforcement, and as such recommendations are provided.

**Keywords:** bankers, extravagant life style, fraud, Nigeria

Psychological Thought, 2013, Vol. 6(2), 252–263, doi:10.5964/psyct.v6i2.68

Received: 2013-04-04. Accepted: 2013-06-17. Published (VoR): 2013-10-25.

\*Corresponding author at: University of Botswana, Department of Psychology, Private Bag UB 0022, Gaborone, Botswana. E-mail: shyngle\_balogun@hotmail.com



This is an open access article distributed under the terms of the Creative Commons Attribution License (<http://creativecommons.org/licenses/by/3.0>), which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited.

## Introduction

Fraud will likely appear on everyone's list of factors obstructing Nigeria's path toward sustainable development; yet, rather than decrease, it has proliferated to all segments of Nigeria, making it the "common cold" of Nigeria's social ills. Like a deadly virus, fraud attacks the vital structures that make for society's progressive functioning, thus putting its very existence into serious peril. This is particularly true for developing countries in that limited but valuable funds and resources that are initially earmarked for industries, hospitals, schools, and other infrastructures are either out rightly embezzled, misappropriated, or otherwise severely depleted through kickbacks and over-invoicing by agents of government. Furthermore, fraud and corruption stifles businesses that are unwilling to engage in this nefarious activity; ironically, it also eventually destroys the companies that yield to this practice, thus halting or at least delaying considerably the march toward economic progress and ultimately sustained development (Gire, 1999). According to Nwankwo (1991), fraud is the number one enemy of the business world. No company is immune to it. It is in all walks of life in government, in the export trade, in shipping transactions, in football and

air tickets, in insurance, everywhere. In the Nigerian environment, fraud is apparent in all industries. It is however rampant in the banking industry (Akinfala, 2005). Although the existence of frauds in the banks is not an uncommon or expected phenomenon, it is the most disturbing problem in the Nigerian banking because of its complexity (Ogwuma, 1985).

Fraud has been defined as a premeditated action to cheat, deceive another person consequently causing harm or loss to the deceived (Robertson, 1976). Fraudulent behavior involves deliberate deception or intent to deceive and the thesaurus expansion of this act states that it contains acts that are false, dishonest, crooked, spurious, counterfeit and bogus. Arising from the definition above is the suggestion by Akinfala (2005) that there is a correlation between fraudulent behavior and extravagant life styles. According to him, many people caught in fraudulent acts do so because of the urge to maintain their extravagant life styles, a predisposition that could not be sustained by their earnings, hence the tendency to engage in fraud in order to maintain these life styles. For example, Omoluabi (1995) argued that a male employee with many wives and no other source of income was prone to fraudulent behaviour especially if the rate at which his statutory wage was increasing did not correspond to the rate at which the members of his family were increasing by the addition of more and more children.

### Theoretical Perspectives of Criminal Behavior

According to Igbinoia (2003), over the years, theorists have offered a number of explanations for the causes of criminal behavior such as fraud. From a biological perspective; biochemical factors, neurophysiology, genetics and evolutionary view play a role in the etiology of criminal behavior (Siegel, 1998). Among the first researchers to examine the role of biology in criminal behavior is Cesare Lombroso (1835-1909) (as cited in Wolfgang, 1961). The premise of his theory was that criminals had defective physical features that distinguished them from non-criminals (Wolfgang, 1961) which he termed atavism (Gibson, 1982). According to Lombroso, criminals have features associated with lower primates or primitive humans (Shuan, 2003) such as small heads, large jaw and cheek bones, unusual ear sizes and twisted nose. Scheider (2000) points out that Lombroso's theory lacked scientific rigor and it was biological deterministic in its approach. However, he cautions against total rejection of Lombroso theory on the basis that it might offer valuable insight if thoroughly examined. It is important to note that since Lombroso's theory there has been abundant scientific evidence that indicate the role of neurology, physiology and heredity in criminal behavior. There is empirical evidence that points to how brain abnormality predisposes people to crime (Siegel, 1998). For instance, research finding from brain positron emission tomography of murderers who pleaded not guilty by reason of insanity showed a reduced metabolic rate in the prefrontal cortex, superior parietal gyrus, left angular gyrus and corpus callosum (Raine, Buchsbaum, & LaCasse, 1997). These above mentioned brain parts are important in decision making process (Fabian, 2010) and can provide insight into the cognitive processing patterns of criminals. Similarly, a literature review by Brower & Price (2001) shows strong evidence that links aggressive behavior and damaged focal prefrontal cortex. In light of the above findings, biological approaches such as brain imaging data can be used as a platform to understand factors that contribute to the development of fraudulent behavior.

On one end, social approaches have examined how various societal institutions, group affiliations, social values, attitudes and conflicts between cultures of different groups relate to the etiology of criminal behavior. Hirschi's (1969) social bond theory attributes broken social ties to the genesis of criminality. Hirschi noted that there were four main elements in social ties, namely attachment, commitment, involvement, and belief. According to Hirschi's theory, individuals with strong affective attachments, who care about what they might lose if they violate societal norms, who are involved in prosocial activities and who have strong moral beliefs and values are less likely to

engage in criminal behaviors (as cited in Özbay & Özcan, 2006; as cited in Sims, 2002). Hirschi's theory has been criticized for being deterministic (Gottfredson, 2011). The theory implies that the criminals are passive and do not have control over their actions hence the criticisms. Consequently, criticism of Hirschi's theory led the formulation of control theories which, according to Gottfredson, illuminate on how criminals are active participants and how different situations influence their criminal activity. One of the most commonly cited control theory is the self-control theory by Gottfredson & Hirschi (1990). This theory posits that individuals who lack self-control and are self-centered are more likely to commit crime as compared to individuals who are not (Holtfreter, Reisig, Piquero, & Piquero, 2010; Smith, 2004). Individuals who commit crime normally focus on short term gains and not on the long term consequences of their behavior (Morris, Gerber, & Menard, 2011). Despite exploratory evidence that supports the basis of social control theory, the theory has been scrutinized by several scholars (Smith, 2004). According to Morris, Gerber, and Menard (2011), Hirschi has since revised the theory to reflect on how social bonds impact one's decision to commit a crime or not and now the theory is in alignment with social control theory. As conclusion to these biological and social theories, fraudulent behavior therefore is the result of impulsive behavior, lack of appreciation of consequences and lack of social bonds that one would consider as cost when contemplating to commit crime.

Another theory that examines the role of social interactions in development of criminal behaviour is the differential association theory by Edwin Sutherland (1947) which takes on the premise of social learning theory. Differential learning theory proposes that criminal activity is learned thorough interactions with others who we are closely associated with (Boduszek, Hyland, Pedziszczak, & Kielkiewicz, 2012; Vowell & Chen, 2004). Fraudsters therefore learn criminal behaviour from their associates who have positive attitudes toward criminal behaviour. Alongside differential association theory is Burgess and Akers's (1966) differential reinforcement theory that expanded on Sutherland's theory by adding cognitive component; reinforcement and punishment (Curran & Renzetti, 2001). The premise of differential reinforcement theory is that criminal behaviour is strengthened by reinforcement and weakened by punishment (Moore, 2011). Based on this theory, fraudsters are likely to continue to commit crime if they are not punished for their acts. Robert Merton's (1938) Strain theory on one hand attributes fraudulent behaviour to a strain which is produced when there is a gap between one's goals and the means to achieve the goals (Curran & Renzetti, 2001; Siegel, 1998). The strain or stress results in people engaging in criminal behaviour to attain their goals (Vowell & Chen, 2004). According to Merton's theory, lack of opportunities to succeed through legitimate means cause strain for fraudsters and consequently they engage in criminal activities to attain their goals.

### **Fraud in Nigerian Banking Industry**

The banks have become persistent target for fraudsters because the banks deal in money and since the ultimate ambition of the "want to get rich quick" is to acquire money. Fraud in the banking industry varies according to the method of preparation and perpetration (Akindede, 2011). In Nigeria, bankers are particularly concerned because fraud perpetration is on the increase and continues to acquire greater sophistication. Several types of fraud have been observed within the Nigerian banking sector, with the most common bank fraud being the "Advanced fee/419". Advance fee fraud usually begins with a letter or an email from an unknown person offering the recipient a business proposal (Buchanan & Grant, 2001). Akindede explains that the recipient of the email is normally required to deposit a large sum of money into a particular account to facilitate the initiation of the proposed "business plan" after which the agent/unknown person disappears after the money is deposited. Other types of frauds common in the banking industry which are not exhaustive include cheque fraud, computer fraud, loan fraud, counterfeit securities,

kite flying, fictitious contracts, money transfer fraud, clearing fraud, fixed asset fraud, letters of credit fraud, and account opening fraud (Akindele, 2011; Hamilton & Gabriel, 2012; Owolabi, 2010; Owolabi & Babalola, 2011).

According to Owolabi (2010), between 2003 and 2005 the most frequent fraud cases were fraudulent transfers and withdrawals which made 31.2% (3.087) of bank fraud cases reported at the time. He states that frequency of types of fraud cases tends to change from time to time. For instance, in 2005 forged checks were more rampant and their frequency accounted for 34.01% of bank fraud cases. Akindele (2011) reports that the amount of money that the Nigerian banks have lost through fraud is alarming although it appears that within the last five years fraud cases have declined. He exemplifies his statement by using Bank of Nigeria: the bank had 95 cases of fraud in 1999 with N248.34b loss however in 2002 there were 24 less cases compared those in 1999 but the loss was N231.54b. In extreme cases, where frauds occur frequently, banks have been forced to close down or become distressed (Owolabi, 2010).

Existent research findings show that frauds in Nigerian banks are committed by both staff and non-banking staff. In 2002, 85 bank employees were reported to have been involved in fraudulent behaviors and the number increased to 106 in 2003. Staff members that were involved in the reported fraud cases were mostly those in the core banking operations such as accountants, clerks, supervisors and executive assistants (Akindele, 2011). At times, these crimes are a result of collaborative work between the bank employees and fraudsters (Buchanan & Grant, 2001). The current situation in Nigeria is of concern (Owolabi, 2010); news of frauds or attempted frauds tend to dent the reputation of the banks concerned and reduce the level of confidence the public has in the entire banking system. Consequently, studies have examined factors that contribute to fraudulent behaviors among bank employees. For instance, Owolabi and Babalola's (2011) study revealed that perceived inequality and perceived job insecurity impacted on bank employees' fraudulent intent. This finding is consistent with Merton's theory which attributes criminal behavior to lack of opportunities to succeed through legitimate means. Furthermore, Umaru (2005) is of the opinion that the respect and adoration that fraudsters with extravagant lifestyles are given by some Nigerians to the extent of schools being named after them, encourages fraudulent behavior. Alongside Umaru's statement, some members of the society are likely to model behaviors of fraudsters when they observe fraudsters being positively rewarded for their behavior as highlighted by differential reinforcement theory.

Although data about the socioeconomic lifestyles of fraudsters is available (see Ojedokun & Eraye, 2012), there is scant research examining how lifestyle relates to fraudulent behavior. As such, the current study's main aim was to investigate how extravagant lifestyle relates to fraudulent behavior among bank employees in Nigeria. More specifically, the study examined if there was any difference among charged/convicted bankers, non-charged bankers and non-bankers in terms of their score on a measure of extravagant lifestyle. From the discussions above, it was hypothesized in the current study that bankers charged/convicted for fraud would have significantly higher scores in a measure of extravagant lifestyle [Extravagant Lifestyle Assessment Scale (ELAS)] than non-fraudulent bankers and non-bankers. A preliminary study (Omoluabi & Akinfala, 1999) was conducted to establish a reliable method of measuring extravagant life styles through the development of ELAS bearing in mind the peculiarity of the Nigerian environment and culture.

## Method

### Instruments

Data were collected using the following instruments:

- a. *Demographic Data Questionnaire* contained questions about the participant's sex, marital status, age, job tenure or work experience, job position or position in the office, educational qualification, state of origin and religion.
- b. *Extravagant Life Style Assessment Scale (ELAS)*. It is a 34 item instrument developed by Omoluabi & Akinfala (1999) in a preliminary study. It consists of self-descriptive items to which the participants responded to a 5 point Likert type scale ranging from Strongly agree to Strongly disagree. The preliminary studies (Omoluabi & Akinfala, 1999) indicated that ELAS had Cronbach Alpha internal consistency reliability coefficient of .90 and odd even reliability coefficient of .90.

### Setting

This research was conducted in Lagos State, formally capital of Nigeria now moved to Abuja, but Lagos is still the commercial nerve centre of the country. It is also home to major ethnic groups. It is the location of the head offices of most of the banks in the country, including the indigenous banks. It is also the location of the Ikoyi and Kirikiri prisons where convicted fraudsters in the country are kept.

### Sample Selection and Sampling Technique

The target population for this study was convicted bankers, bankers without conviction and non-bankers. Six hundred participants who satisfactorily completed all the research instruments were selected. There were three hundred and twelve male participants (52%) and two hundred and eighty eight females (48%) and their age range was 21-50 years. Most of the six hundred participants (N = 384; 64%) were from monogamous family background and 216 (36%) had polygamous family backgrounds. All the participants had a minimum of school certificate or GCE education and hence they were able to read and understand the questionnaires easily.

The participants were classified into three groups; A, B, and C. Group A consisted of the bankers who had been convicted of fraud, and were in prison. Group B was the control group which consisted of bankers who were still in their various offices without charge or conviction for fraud. Group C was the second control group and consisted of non-bankers, like civil servants, businessmen and women who were also not convicted. They were all selected randomly.

**Group A (convicted bankers)** — To get participants in this group, a letter was sent to the Lagos State Comptroller of Prisons seeking permission to carry out the study at the site. Permission from the prison was granted on the same day by the State Comptroller of Prisons. The research was later conducted at Kirikiri prisons as per approval by the Chief Prisons Welfare Officer (CWO).

**Group B (non-convicted bankers)** — For this group of participants, permission was sought from the Director General of Financial Institution Training Centre (F.I.T.C.) to conduct the research at the site following which the researchers were referred to the Head of Research at (F.I.T.C.) after permission was granted.

**Group C (non-bankers)** — Since this group consisted of employees from various organizations, the participants were recruited from the general population. The researchers went to the Federal Secretariat Ikoyi and Lagos State Secretariat Alausa with 10 research assistants who had been trained and given instructions to distribute the questionnaires.

### Research Design

The research design was an ex post facto survey. The ex post facto design simply means after the fact which means the data come from naturally occurring events and do not result from direct manipulation by the researcher.

The researcher categorizes or assesses the data and probes for relationship (Kantowitz, Roediger, & Elmes, 2005). The aim of an ex post facto design is to gather data in order to describe existing phenomena or facts concerning opinions of subjects for systematic processing.

Systematic processing involves attempts to thoroughly understand any available information through careful attention, deep thinking, and intensive reasoning (Chaiken & Ledgerwood, 2012).

Principal component analysis was utilized to extract the components of the Extravagant Life Style Assessment Scale and descriptive statistics were used to summarize participants' demographic information. Furthermore, an analysis of variance (ANOVA) was utilized to test the above stated hypothesis.

## Results

The focus of the research paper was to correlate the lifestyles of convicted bank workers with tendency to be involved in Fraud (i.e., banking fraud) in order to sustain their life styles. In order to do this, there was a need to measure the life styles that were predictive of this tendency, hence a scale was developed. The psychometric properties of the scale should be established, hence the factorial analysis conducted on the scale. Reporting the scale characteristics in the paper was meant to justify its use.

### Psychometric Properties of the ELAS

Principal components analysis of the Extravagant Life Style Assessment Scale showed that 8 factors with eigenvalues greater than 1 were extracted. The KMO value was .846, thus exceeding the value of .6 recommended in the literature. Bartlett's test of sphericity also attained statistical significance ( $p < .05$ ). Based on these results, this data was considered to be suitable for factor analysis.

The results show that the 8 factors ranged in order of magnitude from 1.03 to 8.77 eigenvalues and they accounted for 60.2% of the total variance for the scale. This tends to suggest the appropriateness of the test (scale) in this study. After varimax rotation, the loading of each of the items of ELAS on each of the 8 factors was found as presented in Table 1.

The procedure adopted by Kaiser (1958) was used with varimax rotation.

However, item 22 (acquiring landed properties) loaded on both factor 1 and factor 2, but had the highest loading on factor 1. As such, the item was retained under factor 1. Item 5 (paying the dues of my social clubs and societies) also loaded on factors 4 and 5, but it had the highest loading on factor 5. As such, the item was retained under factor 5. Factor 2 had only one item (pool betting). In addition, factor 4 had two items.

All of the items that did not load up to 0.4 on a particular factor in ELAS were dropped for further analysis. Lastly, on the 34-item scale, five items - Spraying musicians at parties, Members of my extended family, Special groups/gangs to protect me, Renting accommodation for my girl friends/sexual partners and Consumption of beer and other alcoholic drinks did not load on any factor and were thus removed from further analysis. The remaining 28 items were retained, since they loaded on the extracted eight factors.

Table 1

The Summary of Factor Analysis of ELAS

		1	2	3	4	5	6	7	8
1. Investment									
V12	Buying expensive cars	.554	-	-	-	-	-	-	-
V20	Building houses	.726	-	-	-	-	-	-	-
V22	Acquiring landed properties	.811	-	-	-	-	-	-	-
V23	Acquiring shares in companies	.708	-	-	-	-	-	-	-
V24	Making overseas trips	.748	-	-	-	-	-	-	-
V25	Saving in foreign banks	.732	-	-	-	-	-	-	-
V26	Starting new business ventures	.615	-	-	-	-	-	-	-
2. Gambling									
V09	Pool betting/gambling		.682	-	-	-	-	-	-
3. Good Life									
V14	Eating good food	-	-	.660	-	-	-	-	-
V15	Enjoying life	-	-	.437	-	-	-	-	-
V16	The needy and less privileged people	-	-	.572	-	-	-	-	-
V32	Taking care of my health	-	-	.724	-	-	-	-	-
V34	Saving for the rainy day	-	-	.684	-	-	-	-	-
4. Religion									
V10	Contributions to church/ mosque activities	-	-	-	.657	-	-	-	-
V17	My aged parents	-	-	-	.585	-	-	-	-
5. Social Activities									
V5	Paying the dues of my social clubs and societies	-	-	-	-	.608	-	-	-
V11	Contributions to my town unions	-	-	-	-	.545	-	-	-
V27	Keeping blackmailers quiet	-	-	-	-	.522	-	-	-
V28	Increasing my social prestige	-	-	-	-	.470	-	-	-
V29	Sporting activities	-	-	-	-	.405	-	-	-
6. Family									
V03	Maintaining many wives	-	-	-	-	-	.677	-	-
V04	Sending many children to school	-	-	-	-	-	.609	-	-
7. Spiritualist									
V07	Political activities	-	-	-	-	-	-	.612	-
V08	Spiritualist and diviners to obtain protection	-	-	-	-	-	-	.807	-
V33	Warding off spiritual/evil attack	-	-	-	-	-	-	.437	-
V01	Dating women	-	-	-	-	-	-	-	.778
V02	Throwing lavish parties	-	-	-	-	-	-	-	.418
V13	Buying expensive clothes	-	-	-	-	-	-	-	.466
	Eigen Value	8.77	3.28	1.92	1.63	1.37	1.27	1.22	1.03
	Percentage Variance Explained	25.8%	9.6%	5.6%	4.8%	4.0%	3.7%	3.6%	3.0%

The results show that there was a high significant difference between the three groups of participants in ELAS with  $F(2,597) = 26.94; p < .01$ , thus the hypothesis of the study was supported. Further analysis using Scheffe Test of multiple comparison (see Table 2) revealed that, with an average ELAS score of 46.545 convicted bankers had a higher ELAS score than non-convicted bankers ( $M = 33.31$ ) and non-bankers ( $M = 39.79$ ). In addition, it was observed that non-bankers had a significantly higher ELAS score than non-convicted bankers.

Table 2

*Scheffé Test of Multiple Comparisons Between the Three Groups of Participants on ELAS*

	A	B	C
Convicted bankers (A)		13.235*	6.755*
Non-convicted bankers (B)			-6.48*
Non-bankers (C)			

\* $p < .01$ .

## Discussion

The study's findings show that the lifestyles of fraudulent convicted bankers appear more extravagant as compared to bankers and non-bankers who have not been charged or convicted of fraud. This finding confirms results by Ojedokun & Eraye (2012) study that showed that university students perceived the lifestyles of fraudsters involved in cyber crime called "yahoo yahoo boys" in Nigeria as being extravagant. The same observation has been made by Umaru (2005). Interesting is that some items captured in ELAS were also reported by the participants in Ojedokun & Eraye (2012) study such as fraudsters' tendency to spend money of luxurious items, to spend money partying and clubbing and investing in some productive ventures. As noted above, according to Merton's (1938) theory, when people do not have means or believe that there are no means to acquire their goals they engage in criminal activities to attain those goals, as such it is not surprising that most fraudsters would score high ELAS scale items that indicate "good life". High score on social activities could also be an indication the individuals could be living a pseudo life that need extra "money" to maintain and hence the individuals commit fraud to maintain that lifestyle.

Given that most fraud cases occur in banks and the majority of the cases involve bank staff, one would think that bank employees are more likely to desire extravagant lifestyles than non-bankers as such it is surprising that non-bankers scored highly on this scale than non-convicted bankers. On one end, this finding is an indication that the "disease" is pervasive in the society. Furthermore the finding equally suggests that the non-banking employees could have vicariously learned fraudulent behavior from their associates given that the enormity and pervasiveness of the problem. The above findings also confirm that certain ways of life can be adequately considered as extravagant especially in Nigeria where there seem to have been a kind of value orientation misplacement on ephemeral things. Though these may serve some socio-psychological supportive role, the sustenance of this in present economic situation facing Nigeria may account for why corruption and fraudulent tendencies abound in the country. Analysis of the ELAS revealed that the tendencies mentioned were all as a result of meeting social obligation. There is nothing wrong with these if the individual has the means to sustain extravagant lifestyle which is judiciously and fairly accounted for (i.e.) within their salaries and wages but the situation within the country seems to suggest high incidence of corruption and fraud. Item 27 on the ELAS scale asks about keeping blackmailers quiet and the results show that the convicted bankers scored higher on this item compared to the non-convicted employees. One would then wonder if the individual has the means and acquired his money legally, why they would want to keep blackmailers quiet if they have nothing to hide. The answer is obvious.



## Recommendations

In light of the study's findings and given that the banks are the target of most frauds, it is hereby recommended that the management of banks should place a lot of attention on the internal and external causes of fraud, fraud prevention method within a bank, between two branches of banks. The management should also make use of the various psychological methods, procedures and instruments that identify potential, suspected and apprehended fraudsters to screen for potential employees. Special attention should be given to the lifestyles of potential employees to reduce negligence of hiring fraudsters whose intention is to work in banks to steal money to maintain their lifestyle. Management should also examine factors in the work environment that predispose employees to commit fraud such highlighted in [Owolabi & Babalola \(2011\)](#) study. Furthermore, in light of [Akindele's \(2011\)](#) findings, the importance of proper supervision of subordinates particularly in a sensitive unit such as Cash and Teller (C&T) cannot be over-emphasized. More importantly, in assigning responsibilities to officers, consideration must be given to experience and proper job understanding. In addition, bank staff, especially tellers should always be swift enough in ensuring that suspected fraudsters are not allowed to walk away without being arrested.

The need to pay special attention to instruments, e.g. Cheques with queer features cannot be over-emphasized. The process of cheque confirmation should be strengthened and adhered to strictly. This will ensure that no stolen cheque presented for payments is successfully paid. The Police, CBN, NDIC, and bank management should also set up a fraud Investigation in order to bring sanity to the banking system in Nigeria. In addition, [Buchanan & Grant \(2001\)](#) are of the opinion that such efforts also need to be complemented by collaboration with the international community in light of several international fraud syndicates that Nigerians are involved in. There is also a need for both the government and the private sector to be positive role models; they should be transparent and be accountable ([Bamidele, Joseph, & Oresajo, 2013](#)) in order to restore faith in the Nigerian banking sector. Lastly, more research is needed to investigate the relationship between fraud and extravagant lifestyle. One of the main key questions for future research endeavors should be: Does extravagant lifestyle predispose people to fraudulent behavior or is fraudulent behavior a determinant of extravagant lifestyle?

## References

- Akindele, R. I. (2011). Fraud as a negative catalyst in the Nigerian banking industry. *Journal of Emerging Trends in Economics and Management Sciences*, 2(5), 357-363.
- Akinfala, F. O. (2005). *Fraudulent behaviours among bank employees in Nigeria: A psychological analysis* (Unpublished doctoral dissertation). Department of Psychology, University of Lagos, Akoka, Nigeria.
- Bamidele, T. B., Joseph, A. I., & Oresajo, A. L. (2013). Corruption in Nigeria: An impediment to achieving the millennium developmental goals. *Journal of Economics and Sustainable Development*, 4(1), 10-16.
- Boduszek, D., Hyland, P., Pedziszczak, J., & Kielkiewicz, K. (2012). Criminal attitudes, recidivistic behaviour, and the mediating role of associations with criminal friends: An empirical investigation within a prison sample of violent offenders. *Europe's Journal of Psychology*, 8(1), 18-31. doi:10.5964/ejop.v8i1.296
- Brower, M. C., & Price, B. H. (2001). Neuropsychiatry of frontal lobe dysfunction in violent and criminal behaviour: A critical review. *Journal of Neurology, Neurosurgery, and Psychiatry*, 71(6), 720-726. doi:10.1136/jnnp.71.6.720

- Buchanan, J., & Grant, A. J. (2001). Investigating and prosecuting Nigerian fraud. *United States Attorneys' Bulletin*, 49(6), 39-47.
- Burgess, R. L., & Akers, R. L. (1966). A differential association-reinforcement theory of criminal behaviour. *Social Problems*, 14(2), 128-147. doi:10.2307/798612
- Chaiken, S., & Ledgerwood, A. (2012). A theory of heuristic and systematic information processing. In P. A. M. Van Lange, A. W. Kruglanski, & E. T. Higgins (Eds.), *Handbook of theories of social psychology* (Vol. 1). doi:10.4135/9781446249215
- Curran, D. J., & Renzetti, C. M. (2001). *Theories of crime* (2nd ed.). Boston, MA: Allyn & Bacon.
- Fabian, J. M. (2010). Neuropsychological and neurological correlates in violent and homicidal offenders: A legal and neuroscience perspective. *Aggression and Violent Behavior*, 15(3), 209-223. doi:10.1016/j.avb.2009.12.004
- Gibson, M. S. (1982). The 'female offender' and the Italian school of criminal anthropology. *Journal of European Studies*, 12(47), 155-165. doi:10.1177/004724418201204701
- Gire, J. T. (1999). A psychological analysis of corruption in Nigeria. *Journal of Sustainable Development in Africa*, 1(2). Retrieved from <http://www.rrojasdatabank.info/corrupt.htm>
- Gottfredson, M. R. (2011). Sanctions, situations, and agency in control theories of crime. *European Journal of Criminology*, 8(2), 128-143. doi:10.1177/1477370810392968
- Gottfredson, M. R., & Hirschi, T. (1990). *A general theory of crime*. Palo Alto, CA: Stanford University Press.
- Hamilton, D. I., & Gabriel, J. M. O. (2012). Dimensions of fraud in Nigeria quoted firms. *American Journal of Social Management Sciences*, 3(3), 112-120. doi:10.5251/ajsms.2012.3.3.112.120
- Hirschi, T. (1969). *Causes of delinquency*. Berkeley, CA: University of California Press.
- Holtfreter, K., Reisig, M. D., Piquero, N. L., & Piquero, A. R. (2010). Low self-control and fraud offending, victimization, and their overlap. *Criminal Justice and Behavior*, 37(2), 188-203. doi:10.1177/0093854809354977
- Igbinovia, P. E. (2003, November). *The criminal in all of us: Whose ox have we not taken?* Synopsis of inaugural lecture conducted from University of Benin, Benin City, Nigeria. Retrieved from <http://www.nuc.edu.ng/nucsite/File/ILS%202003/ILS-106.pdf>
- Kaiser, H. F. (1958). The varimax criterion for analytic rotation in factor analysis. *Psychometrika*, 23(3), 187-200. doi:10.1007/BF02289233
- Kantowitz, B. H., Roediger, H. L., & Elmes, D. G. (2005). *Experimental psychology* (8th ed.). Belmont, CA: Thomson/Wadsworth.
- Merton, R. K. (1938). Social structure and anomie. *American Sociological Review*, 3(5), 672-682. doi:10.2307/2084686
- Moore, M. (2011). Psychological theories of crime and delinquency. *Journal of Human Behavior in the Social Environment*, 21(3), 226-239. doi:10.1080/10911359.2011.564552
- Morris, R. G., Gerber, J., & Menard, S. (2011). Social bonds, self-control, and adult criminality: A nationally representative assessment of Hirschi's revised self-control theory. *Criminal Justice and Behavior*, 38(6), 584-599. doi:10.1177/0093854811402453

- Nwankwo, G. O. (1991). *The Nigerian financial system*. London, United Kingdom: Macmillan.
- Ogwuma, P. A. (1985). Problems and prospects of the Nigerian banking industry. In Financial Institutions Training Centre. (Eds.), *Developing a healthy banking system in Nigeria: Papers & proceedings of the 1985 Bank Directors' Seminar* (pp. 57-73). Lagos, Nigeria: Editor.
- Ojedokun, U. A., & Eraye, M. C. (2012). Socioeconomic lifestyles of the yahoo-boys: A study of perceptions of university students in Nigeria. *International Journal of Cyber Criminology*, 6(2), 1001-1013.
- Omoluabi, P. F. (1995). Psychological strategies for detecting and preventing fraud in organisations. In R. Egwuonwu (Ed.), *Corporate financial risk exposure management* (pp. 391-421). Lagos, Nigeria: Stride Association.
- Omoluabi, P. F., & Akinfala, F. O. (1999). *Extravagant Life Assessment Scale (ELAS): Development and validation*. Unpublished manuscript, Department of Psychology, University of Lagos, Lagos, Nigeria.
- Owolabi, S. A. (2010). Fraud and fraudulent practices in Nigeria banking industry. *African Research Review*, 4(3), 240-256. doi:10.4314/afrev.v4i3.60263
- Owolabi, A. B., & Babalola, S. S. (2011). Effect of perceived inequality and perceived job insecurity on fraudulent intent of bank employees in Nigeria. *Europe's Journal of Psychology*, 7(1), 99-111.
- Özbay, Ö., & Özcan, Y. Z. (2006). A test of Hirschi's social bonding theory juvenile delinquency in the high schools of Ankara, Turkey. *International Journal of Offender Therapy and Comparative Criminology*, 50(6), 711-726. doi:10.1177/0306624X05283525
- Raine, A., Buchsbaum, M., & LaCasse, L. (1997). Brain abnormalities in murderers indicated by positron emission tomography. *Biological Psychiatry*, 42(6), 495-508. doi:10.1016/S0006-3223(96)00362-9
- Robertson, J. C. (1976). *Fraud awareness auditing*. Chicago, IL: Richard D. Irwin.
- Scheider, M. C. (2000). Moving past biological determinism in discussions of women and crime during the 1870s-1920s: A note regarding the literature. *Deviant Behavior*, 21(5), 407-427. doi:10.1080/01639620050085825
- Shuan, L. H. (2003). Criminology—scientific/psychological approaches to crime. *Journal of the Royal Malaysia Police Senior Officers' College*, 2003, 47-55. <http://rmpckl.rmp.gov.my/Journal/BI/criminology.pdf>
- Siegel, L. J. (1998). *Criminology: Theories, patterns, and typologies* (6th ed.). Belmont, CA: West/Wadsworth.
- Sims, R. L. (2002). Ethical rule breaking by employees: A test of social bonding theory. *Journal of Business Ethics*, 40(2), 101-109. doi:10.1023/A:1020330801847
- Smith, T. R. (2004). Low self-control, staged opportunity, and subsequent fraudulent behavior. *Criminal Justice and Behavior*, 31(5), 542-563. doi:10.1177/0093854804267092
- Sutherland, E. (1947). *Principles of criminology* (4th ed.). New York, NY: Harper & Row.
- Umaru, I. A. (2005). *Effects of fraud in the banking industry (a case study of Union Bank Nig. PLC)* (Unpublished master's thesis). Department of Business Administration, Ahmadu Bello University, Zaria, Nigeria.
- Vowell, P. R., & Chen, J. (2004). Predicting academic misconduct: A comparative test of four sociological explanations. *Sociological Inquiry*, 74(2), 226-249. doi:10.1111/j.1475-682X.2004.00088.x

Wolfgang, M. E. (1961). Pioneers in criminology: Cesare Lombroso (1835-1909). *The Journal of Criminal Law, Criminology, and Police Science*, 52(4), 361-391. doi:10.2307/1141263

## About the Authors

Prof. **Shyngle K. Balogun**, PhD, graduated with BSc, (Hons.) in Psychology in 1984 from the University of Ibadan, Nigeria. After the Compulsory National Service for a year, he went back to the same university for his Msc. (1986) and PhD (1991). Balogun who joined the same Department as a Teaching Assistant in February 1988, has specialized in Applied Experimental Social Psychology. He became full staff member in November 1988 as an Assistant Lecturer, and rose through the rank to be a full professor of Psychology in 2003. Balogun who was the Dean of the Faculty of the Social Sciences, University of Ibadan between 2010 and 2012, has published widely in applied social psychology, in local and international outlets. His inaugural Lecture, which he delivered in 2011 was titled 'Dancing in the Social Jungle'. Balogun is currently on Sabbatical leave with University of Botswana for the year 2013.

**Morekwe Selemogwe**, has a BA degree in Psychology, Women Studies and a minor in Gay and Lesbian Studies from Towson University in Maryland, USA. She also has MA in Clinical Psychology and post graduate certificate in Stress Management that she has attained from Roosevelt University, Chicago, USA. She, in July 2013, graduated with PhD in Forensic Clinical Psychology. Her research interests include gender and LBT issues, forensic mental assessments, criminal behaviour and trauma related issues. M.s Selemogwe is a Lecturer at the Psychology Department at University of Botswana. Postal address: University of Botswana, Department of Psychology, Private Bag UB 0022, Gaborone, Botswana. E-mail address: selemogwe@mopipi.ub.bw

**Femi Akinfala**, PhD, graduated in 1989 with Bsc, (Hons) in Psychology from the University of Ibadan, Nigeria. He proceeded to University of Lagos to obtain his MSc in Industrial Psychology, worked briefly in the banking sector before joining the teaching staff of the Department of Psychology, University of Lagos. He obtained his PhD in 2005 from the same Department. He has published widely both locally and internationally. Postal address: University of Lagos, Department of Psychology, University Road, Lagos 23101, Nigeria. E-mail address: femiakinfala@yahoo.com