

ABSTRACT

Information in financial statements is a source that plays a role in decision making and as a medium of communication for companies. The information contained in financial reports must be comparable, verifiable, understandable, relevant and timely. This causes the company to take various actions so that the financial statements reflect an ideal and healthy financial condition. This situation encourages fraudulent financial statements.

This study aims to determine the effect of pressure proxied by financial stability, opportunity proxied by nature of industry, rationalization proxied by total accrual to total asset, capability proxied by change of director, arrogance (arrogance) proxies for CEO duality and collusion (collusion) proxies for political connections for financial statement fraud before and during the Covid-19 pandemic in property and real estate sector companies listed on the Indonesia Stock Exchange.

The population in this study is the property and real estate sector which is listed on the Indonesian Stock Exchange. The number of samples in this study were 45 companies for 4 (four) years and produced 180 samples. The sampling technique is purposive sampling. The data analysis method used was logistic regression analysis and different test using SPSS software.

The results of this study indicate that the variables of pressure, opportunity, rationalization, capability, arrogance, and collusion simultaneously affect financial reporting fraud. The partial test results show that pressure and rationalization have an effect on fraudulent financial reporting. Meanwhile, opportunity, capability, arrogance, and collusion partially have no effect on fraudulent financial reporting.

For academics, it is hoped that this research will provide information to readers regarding fraudulent financial statements. Then for the next researcher can do with a wider scope, other proxies, as well as data and time periods that have not been studied by previous researchers.

Keywords: *fraud hexagon, fraudulent financial statements*