

# **Corporate Internal Fraud Investigations**

*Empirical Reviews of Examination Maturity*

By

**Petter Gottschalk**

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Examination Maturity

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This book first published 2024

Ethics International Press Ltd, UK

British Library Cataloguing in Publication Data

A catalogue record for this book is available from the British Library

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Print Book ISBN: 978-1-80441-914-4

eBook ISBN: 978-1-80441-915-1

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# Introduction

When there is suspicion of misconduct, wrongdoing, unethical behavior, deviance, or crime, both public and private organizations tend to conduct internal investigations to find out what happened, when it happened, how it happened, why it happened, and who did what to make it happen or not happen. Investigators are charged with the task of reconstructing events and sequences of events by presenting “information about what happened, why it happened, when it happened, who was involved, and what should be done about it” (Hersel et al., 2023: 639). Normally, investigators are expected to draw conclusions regarding their opinion about seriousness or lack of seriousness of incidents, but they should not address potential law violations. The latter is important, since investigators should not take on all the distinct roles found in the criminal justice system of police investigators, public prosecutors, and court judges. “An internal investigation is usually defined as an inquiry conducted by, or on behalf of, an organization in an effort to discover salient facts pertaining to acts or omissions” (Sakowicz and Zielinski, 2023: 650).

Internal investigations have been studied by researchers in a number of countries including Australia (King, 2021), Canada (Schneider, 2006), the Netherlands (Meerts, 2020), Norway (Gottschalk, 2020), Poland (Sakowicz and Zielinski, 2023), and the United Kingdom (Button et al., 2023). The researchers identified a forensic industry that consists of law firms, audit and accounting firms, as well as consulting firms, specializing in helping clients conduct internal investigations.

At the end of their work, corporate investigators typically submit investigation reports to their clients. These reports are normally kept secret for a number of reasons (Gottschalk and Tcherni-Buzzeo, 2017). Only in rare situations do reports become public, especially when it is in the interest of the client organizations to make reports public. Examples include Danske Bank in Denmark by Plesner (2020), International Biathlon Union in Austria by Taylor (2021), Oceanteam in the Netherlands by Sands (2019), Swedbank in Sweden by Clifford Chance (2020), Unibank in Moldova by Kroll (2018), and Wirecard in Germany by KPMG (2020).

This book is based on retrieval of publicly available internal investigation reports that have recently been published. The reviews of these internal investigations are carried out in two steps. The first step is to review the contents of each investigation report regarding allegations and suspicions of potential misconduct. At this first step, all information available in each report is considered trustworthy and applied in an assessment of offender convenience. That is, information retrieved from each report regarding individual suspects – potentially supplemented by other sources such as media coverage – is allocated to the analysis of convenience in an attempt to assess motive, opportunity, and willingness. These three dimensions of convenience – motive based on possibilities or threats, opportunity to commit and conceal wrongdoing, and willingness of deviant behavior – are corners in the convenience triangle (Braaten and Vaughn, 2021; Dearden and Gottschalk, 2021; Gottschalk, 2022; Gupta and Gottschalk, 2022).

Convenience is a concept that was theoretically mainly associated with efficiency in time savings. Today, convenience is associated with a number of other characteristics, such as reduced effort and reduced strain and pain. Convenience is linked to terms such as fast, easy, and safe. Convenience says something about attractiveness and accessibility. Mai and Olsen (2016) measured convenience orientation in terms of a desire to spend as little time as possible on the task, in terms of an attitude that the less effort needed the better, as well as in terms of a consideration that it is a waste of time and effort to spend long hours and substantial resources on the task. Convenience orientation refers to a person's or persons' general preference for convenient maneuvers. A convenience-oriented person is one who seeks to accomplish a task in the shortest time with the least expenditure of human energy (Berry et al., 2002; Farquhar and Rowley, 2009). A convenient individual is not necessarily neither bad nor lazy. On the contrary, the person can be seen as smart and rational (Sundström and Radon, 2015). However, conveniently oriented persons and enterprises might choose illegitimate means to reach their objectives.

The second step is to assess the examination maturity by critically reviewing the internal investigation resulting in the report. The report

is no longer considered trustworthy in the first place. Rather, skepticism is applied towards the contents to enable maturity assessment. The skepticism is concerned with a number of issues. First, it is a matter of whether the mandate for the investigation is relevant and clearly formulated. Next, it is a matter of optimal selection of information sources in the investigation. Furthermore, it is a matter on which basis conclusions are drawn. Examination maturity is assessed by allocating each investigation to one out of several stages of growth. Stages-of-growth models are generally used to study evolutionary paths in various organizational areas (e.g., Hajoary et al., 2023; Iannacci et al., 2019; Molléri et al., 2023; Röglinger et al., 2012; Solli-Sæther and Gottschalk, 2015; Stoiber et al., 2023; Susanto et al., 2023).

The stages-of-growth model applied in this book to assess examination maturity has the following four levels:

1. *Activity-oriented investigation: The examination is chaotic.* The investigation focuses on activities that may have been carried out in a reprehensible manner. The examiners look for activities and prepare descriptions of these. Then examiners make up their minds whether the activities were reprehensible or not. The investigation at level 1 is often passive, fruitless, and characterized by unnecessary use of resources. At this lowest maturity level, investigators typically attempt to find an answer to the question: What happened? The investigation might cause more confusion than before the examination was initiated. The investigation is typically insufficient, inadequate, surface-oriented, a waste of time, useless, passive, unprofessional, worthless, immature, unacceptable, bad, meaningless, fruitless, awful, and chaotic. The investigation is often a failure and a disaster. The investigation lacks useful results and has little or no value. Investigators typically look where it is easy to find something, rather than searching for relevant information to solve the case. There is abdication from leadership by the client. The investigation report contributes to conflict escalation rather than conflict solution. The report is a biased storytelling of incident by incident without any real substance. There is no mandate enabling



evaluation of investigation work. This stage might deserve the following label: Waste of time.

2. *Problem-oriented investigation: The examination is a mess.* The investigation focuses on an issue that needs clarification. Examiners are looking for answers. Once examiners believe they have found answers, the investigation is terminated. It is important to spend as little resources as possible on the investigation, which should take the shortest possible time. Focus and management are important for success. The client had an unresolved problem, and the client regulates premises for the investigation. There is no room for investigators to pursue other paths than those that address the predefined problem. At this second maturity level, investigators typically attempt to find an answer to the question: How did it happen? Often, little or nothing comes out of the investigation. The investigation is typically random, amateurish, formalities-focused, somewhat beneficial, but not enough, mainly descriptive, problem-oriented, neutral, unsystematic, inadequate, activity-oriented, shortsighted, fruitless, deviations-oriented, reactive, questions-oriented, and messy. The investigation tends to lack scrutiny, is a collection of information without analysis, and has too many assumptions that make conclusions less valid or invalid. The investigation is superficial and very limited. This stage might deserve the following label: Wishful thinking.
3. *Detection-oriented investigation: The examination is a disclosure.* The investigation focuses on something being hidden, which should be revealed. Investigators choose their tactics to succeed in exposing possible misconduct and perhaps even crime. Investigative steps are adapted to the terrain, where different sources of information and methods are used to get as many facts on the table as possible. While level 1 and level 2 are focused on suspicions of wrongdoing, level 3 is focused on suspicions against potential wrongdoers. There are always offenders responsible for misconduct. Level 3 has a focus on exchanges among individuals, while level 2 has a focus on activities. Level 3 is characterized by the search for responsible people who may have

abused their positions for personal or corporate gain. This is a more demanding examination, because suspicions and suspects must be handled in a responsible manner in relation to the rule of law and human rights. Level 3 investigations are active with significant breakthroughs in the examinations. Investigation projects are carried out in a professional and efficient manner. At this third maturity level, investigators typically attempt to find an answer to the question: Why did it happen? Examiners are successful in identifying and documenting some new facts. The investigation has a clear perspective. It is competence-oriented, average, biased, targeted, systematized, integrated, moderate, indifferent, standard, competent, cause-and-effect based causality, revealing, and disclosure-oriented. The investigation is detection-oriented while limited by the mandate. The investigation is reflective, yet only slightly above average. This stage might deserve the following label: Maybe better luck next time.

4. *Value-oriented investigation: The examination is a clarification.* The investigation focuses on value created by the examination, where the investigation is an investment by the client with an expectation of benefits exceeding costs. The ambition of the investigation is that the result will be valuable to the client. The value can lie in clean-up, change, simplification, renewal, and other measures for the future. The investigation also focuses on being justifiable. A number of explicit considerations are identified and practiced throughout the inquiry. The investigation has in addition a focus on explicit decisions regarding knowledge strategy, information strategy, system strategy, and configuration strategy. By explicit strategic choices, the investigation becomes transparent and understandable to the parties involved and affected. It is often examiners in interdisciplinary teams who are to contribute to value creation for the client. Level 4 investigations are characterized by the active use of strategies, with significant and decisive breakthroughs in the inquiries, which lay the foundation for learning and value creation in the client's organization. The value may, for example, be that detected deviations and wrongdoings become sanctioned and corrected in a satisfactory manner. At lev-

el 4, detection, disclosure, clarification, and solution are seen in context. There will be less to detect in the future if prevention is strengthened. It will be better in the future if the case is completely resolved. The examiners create value by proper investigation. Value is created before, during and after the investigation. Before the investigation, risk understanding and prioritization are developed. During the investigation, method understanding is developed. After the investigation, barriers are built against wrongdoing, holes are closed, routines are developed and practiced, and evaluation is established on a continuous basis. At this top maturity level, investigators try to find the answer to the questions: What went wrong, what can the client learn, and how can wrongdoing be prevented from happening again in the future? Examiners at level 4 are able to reconstruct past events and sequences of events completely. The investigation is responsible, detailed, conscientious, enough, professional, neutral, unprejudiced, integrated, proactive, preventive, mature, competent, systematic, professional, explorative, immaculate, expedient, truth seeking, facts-based, complete, independent, and clarifying. The investigation adds value. The investigation is thorough and works well. This stage might deserve the following label: Time well spent. The investigation is an investment. The investigation makes a valuable contribution to the client organization, where investigation benefits exceed investigation costs. The investigation is optimal, innovative, profitable, strategic, extraordinary, outstanding, provident, value-oriented, advanced, learning-focused, valuable, irreversible, truth-based, socially responsible, exceptional, excellent, perfect, exemplary, and a profitable investment. The investigation is a masterpiece and enrichment for the client and society. The investigation is complete and influential. The investigation is strategically a success. This stage might deserve the following label as well as the first-mentioned label for time well spent: Here's my money.

Reviewing internal investigations is important as Gottschalk (2021: 31) found that surprisingly often examiners conclude that minor but not serious wrongdoing has taken place:

Empirical evidence from Norway documents that the media disclose a significant fraction of crime stories that later result in prosecution and conviction of white-collar offenders. Empirical evidence from Norway does not document any contribution from fraud examiners in private policing of economic crime, as they typically conclude with misconduct, but no crime, often to the satisfaction of their clients.

Conclusions stating that minor but not serious wrongdoing has taken place seem to satisfy the client and cause the police to stay away from investigating cases. Therefore, the topic addressed in this book regarding skeptical reviews of internal investigations is important to learn about both successful investigations and investigations that represent failures.

However, in exceptional cases, the opposite can occur, where the client wants a verdict despite lacking evidence. This was probably the case when fraud examiners at an audit firm for the minor amount of USD 10,000 concluded that a foundation had abused state funding. In the aftermath, fraud examiners Ole Jakob Øgland and Frode Krabbesund at Ernst & Young (EY) were asked to justify their initial conclusion regarding the head of the foundation, Shabana Rehman, and they were paid another USD 140,000 to do so. While the founder died of cancer shortly after, she was honored by a state funeral in the city hall of Oslo in Norway. After the funeral, investigative journalists reviewed the work by the examination consultants and found that the client had trusted the initial report so strongly that they decided to terminate funding after two hours (Solli and Hjønnvåg, 2023). The fraud examiners denied commenting to the investigative journalists (Stavrum, 2023). A commentator wrote: “At EY, serious mistakes have no consequences: Ole Jakob Øglænd and Frode Krabbesund should be exposed to an external investigation” (Ørjasæter, 2023). “Maybe they both should be reported to the police” (Gottschalk, 2023). One year after Shabana Rehman deceased, the debate about her destiny caused by the EY investigators went on (e.g., Slettholm, 2023; Stephansen, 2023). It was “not the first time the investigators at EY harmed innocent people” (Gottschalk, 2023). While

the funding stopped and the following bankruptcy occurred in November 2020, and the state funeral took place in January 2023, the Office of the Auditor General of Norway considered in July 2023 looking into the role of EY investigators as well as public administration officials in the Born Free matter as it regarded both a state directorate and a government ministry (Solli and Hjørnevåg, 2023).

Corporate internal fraud investigations represent extraordinary examinations of suspicions of misconduct and wrongdoing with goal-oriented data collection based on a mandate defined by and with the client. The purpose is to clarify facts, analyze events, identify reasons for incidents, and evaluate system failure and individual misconduct. There are different levels of corporate internal fraud investigations as outlined above: activity investigation, problem investigation, evidence investigation, and value investigation (Sakowicz and Zielinski, 2023: 654):

These levels represent the successive stages of maturity of an internal investigation. An activity investigation is focused exclusively on activities that may have been performed in a reprehensible way (answering the question: What happened?), and the next level, problem investigation, is focused on problems and issues that must be solved and clarified (answering the question: How did it happen?). The latter model does not merely seek information about the irregularities that have occurred, but also seeks to answer the question of what has caused them. The evidence investigation level refers to internal investigations that are focused on revealing something that is kept hidden, and therefore on uncovering a kind of corporation's secret mentioned earlier. Gottschalk points out that in this model, "Examiners choose their tactics to ensure success in the disclosure of any possible misconduct and white-collar crime. They are looking for the unknown." The additional goal is to answer the question of why wrongdoings occurred. The last level, value investigation, is focused "on the value for the client being created by the investigation" and its purpose is "to create something that is of value to the client; it may be valuable new knowledge, the

settling of disagreements about past events, external opinions, and input to change management processes.” Notwithstanding the above, each level of internal investigation results in a “product” – usually a report or a memorandum – which can serve as a source of evidence in future criminal proceedings. A report resulting from an internal investigation should include, at a minimum, a presentation of the scope of the investigation, the established chronology of events, the methodology adopted for the examination, the collection of documents, data, and other information on which the report’s assertions were based, as well as recommendations for the corporation’s further conduct.

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## Chapter 1

# Benefits Fraud by Politicians in Parliament

Parliamentarians in Norway have access to several special benefits (Gottschalk, 2023b). One benefit is commuter housing where the parliamentarians from outside the capital have free accommodation in apartments located in Oslo. Another benefit is salary after leaving parliament while waiting to find a new job. A third benefit is free travel when participating in political rallies and other events related to being politicians. However, politicians were accused of renting out their homes when staying in parliamentary apartments in Oslo, which is not according to benefit rules. They were accused of not telling the parliamentary administration that they had started in new jobs, and thus were not entitled anymore to a salary from the parliament. They were accused of private travel charged to the parliament (Eidesvik and Oterholm, 2023; Schjerpen, 2023; Strandberg et al., 2023).

An internal investigation was conducted by the office of the auditor general of Norway (Riksrevisjonen, 2023). The mandate for the investigation focused on whether current or former representatives of the Norwegian parliament – Storting in Norwegian – have applied for or been awarded benefits in violation of the Storting Allowances Act or other regulations or guidelines established by the Storting, or in breach of signed agreements. The mandate also addressed the administration in the parliament regarding the administrative handling of matters concerning the allocation of benefits and the management of the financial arrangements for Storting representatives more generally.

Not only were the parliamentarians thus facing accusations and allegations (Alstadheim, 2023). Also, the parliament itself was accused of fraud. The parliament was accused of tax evasion by not paying tax on allowances (Heldahl and Knutsen, 2023):

The Storting passed a new tax law, but did not pay the tax itself. They kept it secret from the tax agency. In 2018, the Storting

skimped on the tax for almost six months. When they found out about the mistake, they started paying the correct tax, but did not tell the tax authority about the money they owed. This is revealed in an interview Nettavisen has done with auditor general Karl Eirik Schjøtt-Pedersen.

Fraud is a type of financial crime referring to unlawful and intentional making of a misrepresentation to induce somebody to do something that otherwise would not have been done (Elisha et al., 2020). As argued by Zabyelina (2023: 5), “despite their wealth, white-collar criminals commit crimes seeking personal, organizational, or financial benefits, often with little fear of or concern with legal ramifications”. Other types of financial crime include corruption and theft (Gottschalk, 2010).

The Storting is Norway’s national assembly and consists of 169 parliamentarians who are elected every four years. The representatives of the Storting hold Norway’s foremost positions of trust and receive remuneration for the position they have as parliamentarians. The presidency of the Storting has overall responsibility for administrative matters within the framework adopted by the Storting itself. The administration at the Storting has the task of ensuring that the parliamentarians are awarded salary and other benefits in accordance with laws and regulations. It follows from the Norwegian constitution §65 that every Storting representative shall receive remuneration determined by law for participating in the Storting. Supplementary provisions on the representatives’ remuneration and a number of other financial benefits are described in the Storting Allowances Act.

Benefits fraud by politicians in the Norwegian parliament Stortinget was initially not detected by formal control mechanisms such as accounting and audit that tend to focus on procedures rather than substance contents in transactions. It was investigative journalists at two major Norwegian newspapers who detected wrongdoing, which caused both incarceration of two parliamentarians and later the report by Riksrevisjonen (2023) that is reviewed in this chapter. As discussed by Gottschalk

(2021), investigative journalists detect one-third of all financial wrongdoing by members of the elite in the Norwegian society.

This chapter provides a case study of the recent benefits fraud scandal among Norwegian parliamentarians who received various payments they were not entitled to. The theoretical perspective is convenience, which refers to a value-like construct that influences behavior and decision-making (Mai and Olsen, 2016). Conceptualization and examination of convenience theory on a case-by-case basis is an important research task. Convenience theory is an emerging theoretical perspective to explain the phenomenon of white-collar crime where convenience was first introduced as a core concept by Gottschalk (2017) and later expanded by Gottschalk (2022). Recently, the theory has been reviewed (e.g., Chan and Gibbs, 2020; Hansen, 2020; Oka, 2021; VasIU, 2021; VasIU and Podgor, 2019) and applied by several scholars such as Asting and Gottschalk (2022), Braaten and Vaughn (2021), Davidsen and Kvam (2023), Dearden and Gottschalk (2021, 2023), Desmond et al. (2022), Gupta and Gottschalk (2022), Qu (2021), Saad et al. (2022a, 2022b), Stadler and Gottschalk (2022), and Sterri and Borge (2022). Reference to the theory of convenience is already made in numerous research publications.

The evidence that is presented and evaluated in this case of parliamentarians' convenience comes from the report of the Norwegian auditor general's internal investigation as well as from various media reports. The theoretical goal of the article is to examine the case through the lens of convenience theory. After the presentation of convenience theory, this article continues by reviewing the internal investigation among parliamentarians. Then fraud motives, opportunities, and willingness for deviant behavior are identified in the case as dimensions in convenience theory.

This article adds to research regarding similar scandals elsewhere, such as the UK parliament expenses scandals that deserve mention. For example, Graffin et al. (2013) studied falls from grace and the hazards of high status at the British MP expense scandal and its impact

on parliamentary elites. Ten years later, Flinders and Anderson (2022: 119) contested the current conclusion that “despite the public anger it ignited, the MPs expenses scandal actually had little impact on British politics” by arguing that “the impact of the scandal was far more significant and multi-dimensional than has generally been recognized”.

## **Internal Investigation Outcome**

The internal investigation at the Norwegian parliament Stortinget ended up with a 201-pages report by the national audit office regarding the Storting’s financial arrangements for representatives (Riksrevisjonen, 2023). The main topics in the report are commuter housing for representatives having their homes outside the capital Oslo, salary payment for representatives after they have left their final term in the parliament, and travel expenses when representing their political party or the parliament. The main conclusion has the elements:

- The presidency of the Storting has not had sufficient control over whether the schemes have been administered in a satisfactory manner.
- The Storting’s administration has administered regulations, information and control in a very deficient manner.
- Several of the Storting representatives have not been aware of the independent responsibility involved in making use of the financial arrangements.

The media reported on the investigation; for example Schjerpen (2023) wrote:

The national audit office came out on Thursday with a devastating report which revealed major errors related to the financial arrangements at the Storting. The national audit office directed strong criticism of the leadership at the Storting, both at the presidency and the administration. Management has not had good enough control over the schemes and has managed

them in a bad way, the national audit office claims. Both Storting president Masud Gharakhani and Storting director Kyrre Grimstad say they agree that this is worthy of criticism, and that several measures to clean it up have been initiated.

The most attention involved an annex in the report starting on page 136 regarding named individuals abuse of benefits. A total of 62 parliamentarians are presented in the report by name and by their economic deviance. Most of them are told in the report that they have to pay back money to the Storting. One of them was parliamentarian Jan Arild Ellingsen (Riksrevisjonen, 2023: 56):

Ellingsen received severance pay in the period January 1 to December 31, 2018. Ellingsen had other income and was paid remuneration of NOK 35,550 in 2018. The remuneration was earned during the post-parliament period. His tax return for 2018 shows that Ellingsen had capital income of NOK 506,292 during the period in which he received severance pay: NOK 74,956 in income for renting out property in the period January 1 to November 1, 2018, and NOK 431,336 in profit from the sale of two properties in October and November 2018 respectively. Ellingsen continuously informed the Storting's administration about the remuneration he received, and the severance pay was truncated for him. The national audit office is not aware that Ellingsen informed the administration about his capital income during the benefit period. In June 2022, Ellingsen received a request from the Storting's administration to pay back NOK 506,292 of the severance pay due to the capital income he was paid in 2018. He paid back this entire amount in autumn 2022.

Some of the fraudulent parliamentarians were detected ahead of the national audit office investigation as exemplified by Ellingsen in the quote above. Some other fraudulent parliamentarians were detected and exposed for the first time in the investigation report. An example is Bengt Morten Wenstøb (Riskrevisjonen, 2023: 50) who claimed that the administration should know, while he did not inform the administration:

Wenstøb received resignation benefits in the period October 1 to December 31, 2017. The resignation benefit was not truncated for other income during the benefit period. Wenstøb had other income and earned fees and remuneration totaling NOK 23,712 during the resignation period. Wenstøb was appointed by the Storting to sit on a committee for a four-year period. He has informed the national audit office that he therefore took it for granted that the Storting's administration was aware of the remuneration he received for this work. The national audit office is not aware that Wenstøb informed the Storting's administration about other income during the resignation period.

The office of the auditor general, here also named the national audit office, is an audit agency of the Norwegian parliament (the Storting). They are unique, as they are the only institution that can provide the Storting with a comprehensive and independent audit of various government agencies and activities. It was unique in this instance that the presidency of the Storting asked the office to investigate the Storting itself. That had never happened before.

Examiners formulated five recommendations to the Storting leadership for the future (Riksrevisjonen, 2023: 20):

- Clarity in regulations regarding the Storting's financial arrangements for the representatives.
- That the representatives receive correct and appropriate information and guidance on how to understand the regulations.
- That the Storting's administration follows up and controls the use of the commuter housing scheme.
- That the Storting's administration follows up those who receive resignation benefits and severance pay, and ensures that the benefits are correctly truncated.
- That relevant documentation remains kept, safeguarding the rights of the representatives, and ensure that management can conduct follow-up in a reassuring manner.

When this chapter later assesses the maturity of the investigation, the above recommendations represent in themselves lacking clarity since they are so extremely general in their formulations that people at the Storting might find them useless without any real value. While it is easy to agree with the recommendations, it is difficult to understand what specifically should be done differently in the future compared to the past.

## **Assessment of Offender Convenience**

The motive of illegitimate financial gain by a parliamentarian might be economic possibilities or threats. Possibilities can make wrongdoing a convenient way to achieve ambitions and goals based on greed. Greed reflects the needs and desires that humans construct socially, and greedy persons perceive that the needs and desires never become completely covered or contended (Goldstraw-White, 2012). Greed can be an extraordinarily strong quest to get increasingly more of something, and there is a strong preference to maximize wealth (Haynes et al., 2015; Sajko et al., 2021).

One offender in parliament admitted greed. He had been a minister in the government and represented the Christian democratic party. Kjell Ingolf Ropstad admitted greed by tax evasion. He was registered as living at home with his parents outside the capital to avoid tax on his minister apartment in Oslo. Media reported that “Ropstad admits ‘tax trick’ with the cabinet residence” (Norum et al., 2021), and that “Ropstad says he wanted to exploit the system” (NTB, 2022).

The opportunity structure for an offender consists of both committing wrongdoing and concealing wrongdoing. According to the theory of convenience (Gottschalk, 2022), high status and resource access are enablers of committing wrongdoing in an organizational setting. Status is an individual’s rank within a formal or informal hierarchy (Kakkar et al., 2020; McClean et al., 2018).

At the Storting, neither the presidency nor the administration has the role of employer towards parliamentarians. People elect the represent-



atives. They have a high status inside the Storting where the role of presidency as well as administration is to coordinate work and serve the politicians rather than make decisions on their behalf. Parliamentarians do not have to accept control by the management at Stortinget in all matters except financial issues.

According to the theory of convenience (Gottschalk, 2022) institutional deterioration and decay, as well as lack of guardianship, oversight and control are enablers of concealing wrongdoing in an organizational setting. The statement that “the Storting’s administration has administered regulations, information and control in a very deficient manner” (Riksrevisjonen, 2023: 10) illustrates such enablers. Generally, concealment refers to the process by which an organization deliberately or unintentionally increases the costs of identifying relevant information (Jia et al., 2023).

“The regulations the representatives of the Storting have had to deal with have been and still are very complicated” (Birkevold, 2013). This is in line with the perspective of rule complexity. Rule complexity can create a situation where nobody is able to tell whether an action represented wrongdoing or a criminal offense. It is impossible to understand what is right and what is wrong. Some laws, rules, and regulations are so complex that compliance becomes random, where compliance is the action of complying with laws, rules, and regulations. The regulatory legal environment is supposed to define the boundaries of appropriate organizational conduct. However, legal complexity is often so extreme that even specialist compliance officers struggle to understand what to recommend to business executives in organizations (Lehman et al., 2020). “Not even the Storting’s administration has had an overview and control” (Birkevold, 2013).

In previous years, several parliamentarians were singled out regarding financial abuse of commuter housing, and they had to resign from minister positions in the government and other leading political positions. However, in the aftermath, it is not obvious that there was wrongdoing. For example, the resignation of Ropstad two years earlier might have been unjustified (Strandberg et al., 2023: 4):

The national audit office places decisive emphasis here on the fact that, according to regulations at the time, it was sufficient to be either registered with the official home address or the actual residency outside the distance limit of 40 kilometers from the Storting. This means that, for example, Kjell Ingolf Ropstad was entitled to commuter accommodation, since he was formally registered in the boy's room with his parents.

This adds to the institutional deterioration and decay at the Storting, where some prominent politicians resigned without obvious reasons in the aftermath (Birkevold, 2023):

In particular, the scheme with severance pay where resigned parliamentarians can keep their full salary for up to three months after leaving and up to 66 percent of their salary for up to a year, has been exposed to a lot of mess. It is worth noting that, on the other hand, the national office has not uncovered illegal use of commuter housing. In other words, neither Hadia Tajik (Labor party), Kjell Ingolf Ropstad (Christian party) nor former Storting president Eva Kristin Hansen (Labor party) have broken the regulations, even though all three resigned or became pressured to do so precisely because of housing issues.

The ambiguity in assessments causing decay also derived from moral values (Birkevold, 2023):

Of course, this also shows that there is sometimes a difference between formal rules and assessments of a more "moral" nature. After all, Ropstad's old boys' room was used as an address precisely to be able to get commuter housing, and regardless of whether there was formally an opportunity to do so, most people understand that it could not possibly be the intention of the scheme.

This quote is interesting, because keeping trusted and privileged positions is not only a matter of compliance but sometimes also a matter of conformance that contributes to the ambiguity in the destiny of parlia-

mentarians. Simply stated, representatives do not know whether adhering to rules and regulations is sufficient, or whether they need to adhere to moral norms as well. Compliance refers to meeting legal and other formal obligations, while conformance refers to meeting and potentially exceeding societal and other informal norms and obligations (Durand et al., 2019).

In addition to institutional deterioration and decay, there was a lack of guardianship, oversight and control. “The presidency of the Storting has not had sufficient control over whether the schemes have been administered in a satisfactory manner” (Riksrevisjonen, 2023: 10). Lack of control includes travel expenses (Riksrevisjonen, 2023: 124):

In several cases, the travel bills for reimbursement of car allowance lack sufficient information for the Storting’s administration to check that they are correct. There are weaknesses in the Storting’s administration’s control of breakfast deductions for overnight stay in hotels, the use of taxis, and commuting trips during the Storting representatives’ non-meeting period.

Two politicians had ended up in prison because of breach of benefits regulations. Mazyar Keshvari from the right-wing people’s party ended up in prison in 2021 for fake statements, while Hege Haukeland Liadal from the labor party ended up in prison in 2022 for fake statements (Langved et al., 2023). One reason for the lack of control was the reliance on trust (Riksrevisjonen, 2023: 121):

In one court sentence, it is pointed out that there are significant similarities between the two cases. In both cases, incorrect information has been given on travel invoices, and the risk of detection has been minimal. The system of travel allowance is based on trust and is based on the assumption that the individual representative delivers travel bills that are real and contain correct information. Errors in travel bills do not have to be deliberate actions, but can be unconscious errors on the part of representatives.

The trust-based system of lacking controls implies that the Storting is vulnerable to both deliberate and unconscious errors on the part of representatives. Trust refers to the acceptance of vulnerability to another's action (Baer et al., 2021). Trust is the willingness to be vulnerable and accept risk in relationships (Kuvaas, 2023). Trust implies that vulnerability is accepted based upon positive expectations of the motives and actions of another. Controlling a trusted person is often considered both unnecessary and a signal of mistrust. Kim et al. (2009: 401) defined trust as "a psychological state comprising the intention to accept vulnerability based on positive expectations of the intentions or behavior of another". Trust is associated with dependence and risk (Chan et al., 2022: 307):

The trustor depends on something or someone (the trustee or object of trust), and there is a possibility that expectations or hopes will not be satisfied, and that things will go wrong. Trust is not absolute, but conditional and contextual.

The third and final dimension in the convenience triangle after motive and opportunity is willingness for deviant behavior (Gottschalk, 2022). "Several of the Storting representatives have not been aware of the independent responsibility involved in making use of financial arrangements" (Riksrevisjonen, 2023: 10), thereby potentially disclaiming responsibility by not being completely culpable (Sims and Barreto, 2022).

Hege Haukeland Liadal from the labor party ended up in prison in 2022 for fake statements (Langved et al., 2023). She had charged private travels to Stortinget. She justified her deviance by claiming that she always had combined private visits with political meetings (NTB, 2023):

Liadal wrote travel bills for several of the board meetings in Utsira and in Stavanger, and explained this by saying that the position was part of her role as representative of the Storting. The court came to the conclusion that the board position was private in nature, which gave no claim to remuneration for the Storting. Liadal pointed out that all travel activity was counted

as part of a Storting representative's work – in what were then the current regulations at the Storting.

-I always had meetings with others as a Storting representative, but I also wrote quite openly that there has been a board meeting in the company, precisely to show openness about it, Liadal points out in a text message. She adds that this was not taken into account.

-I chose not to appeal, because I wanted to put the case behind me, learn from it and move on, writes Liadal.

The perception of innocence was expressed by several parliamentarians when confronted in the media. For example, Eidesvik and Oterholm (2023: 8) reported:

-I have acted in good faith and unfortunately misunderstood the scheme on severance pay. I would also like to point out the lack of follow-up and information from the Storting's administration, says Rigmor Andersen Eide.

In this third and final dimension of convenience theory is willingness for deviant behavior that is based on a perceived ability to justify your own actions and a perceived ability to neutralize any potential guilt feeling. It is a matter of innocence based on justification and neutralization (Gottschalk, 2022). In a justification, the actor admits responsibility for the act in question but denies its pejorative and negative content (Schoen et al., 2021: 730):

People use justification mechanisms to protect their sense of self. People who sincerely believe that they are a specific kind of person but routinely demonstrate behaviors that indicate otherwise may avoid cognitive dissonance and maintain their sense of self by using justification mechanisms that allow them to "explain away" their behavior.

In neutralization, the offender denies the guilty mind (Benson, 1985) by application of various neutralization techniques. Sykes and Matza (1957) introduced a number of neutralization techniques that have been

expanded in recent years. Offenders disclaim responsibility for misconduct, refuse damage from misconduct, refuse victim from misconduct, condemn those who criticize, apologize by higher loyalties, claim blunder quota, claim legal mistakes, claim normality of action, claim entitlement to action, claim solution to dilemma, argue necessity of crime, claim role in society, perceive being victim of incident, gather support for deviance, and claim rule complexity.

As mentioned above, rule complexity can create a situation where nobody is able to tell whether an action represented wrongdoing or a criminal offense. It is impossible to understand what is right and what is wrong. Some laws, rules, and regulations are so complex that compliance becomes random, where compliance is the action of complying with laws, rules, and regulations (Lehman et al., 2020). Rule complexity serves in convenience theory both as an explanation for the lack of oversight and as an explanation for neutralization of guilt.

Some attempt to blame others for their own wrongdoing. This is in line with attribution theory where the blame game is about misleading attribution to others (Eberly et al., 2011). Attribution is concerned with how individuals make judgments about responsibility (Piening et al., 2020). Linked to the blame game is shaming, where suspects express social disapproval of innocent individuals, thereby attempting to gain social control on perceptions of wrongdoing (Amry and Meliala, 2021).

Several parliamentarians applied the neutralization technique of claiming legal mistake (Eidesvik and Oterholm, 2023: 8):

- I can't bear to argue anymore about this matter, and I will pay back. Although I believe that this is completely wrong, Per Roar Bredvold told the local newspaper Glåmdalen in 2022.

Erik Skutle stated back in 2019: -I probably disagree with their legal assessment, but I accept it and will deal with it.

Jan Arild Ellingsen's lawyer, John Christian Elden, believes it is unfortunate that the national audit office does not take a position on whether the Storting's demand for repayment was legitimate: -That the Storting with retroactive effect for the whole