

## ABSTRACT

This study aims to examine the efficacy of the Fraud Heptagon model in detecting financial statement fraud within manufacturing companies listed on the Indonesia Stock Exchange (IDX) for the 2021-2024 period. Through the Fraud Heptagon model, seven factors or elements become independent variables of the study, namely pressure, opportunity, rationalization, capability, arrogance, ignorance, and greed. Furthermore, this study uses media exposure as a moderating variable to determine the public's role in influencing the disclosure and mitigation of financial statement fraud.

This study focuses on a population of manufacturing companies under special notation (special monitoring) by the Indonesia Stock Exchange obtained through the IDx website and the Bloomberg Database. Through purposive sampling, a total of 149 observations were selected for an unbalanced panel data analysis. The data was analyzed using Moderated Regression Analysis (MRA) using EViews 12.

The empirical results reveal that capability, ignorance, and greed had a significant influence on financial statement fraud. Conversely, pressure, opportunity, rationalization, and arrogance do not show a significant direct effect on this specific sample. Notably, media exposure was found to significantly weaken the impact of pressure, opportunity, capability, arrogance, and ignorance on fraud. However, it failed to moderate the relationships involving rationalization and greed. These findings underscore the importance of external oversight in curbing fraudulent practices in high-risk companies.

Keywords: financial statement fraud, fraud heptagon model, media exposure, special notation.