

Goethe-Universität Frankfurt am Main
Fachbereich Wirtschaftswissenschaften

Professur für Betriebswirtschaftslehre,
insbesondere e-Finance

Prof. Dr. Peter Gomber

Theodor-W.-Adorno-Platz 4
RuW, Postfach 69
D-60629 Frankfurt am Main

Telefon +49-69-798-34683
Telefax +49-69-798-35007
E-Mail gomber@wiwi.uni-frankfurt.de

<http://www.efinance.wiwi.uni-frankfurt.de>

Master Thesis: Revealing the Main Drivers of Financial Misconduct

White-collar crime in financial markets not only causes billions of dollars in financial damage every year, but also poses a significant threat to investors' confidence in financial markets. A rising stream of academic literature addresses this issue and particularly investigates the phenomenon of financial misconduct (e.g., fraud committed by brokers or financial advisors). Thereby, studies identified different factors that increase the likelihood of white-collar workers committing financial misconduct. Specifically, researchers identified social factors (e.g., place of residence), employer characteristics (e.g., misconduct frequency at the firm level), and personal experience (e.g., own misconduct experience, criminal history, financial situation) as drivers of financial misconduct. However, all of the studies investigated only one or at most a few of the potential drivers of financial misconduct so that a comprehensive analysis that reveals the main drivers is yet to be conducted.

Therefore, the goal of this master thesis is to combine different data sets to investigate the main drivers of white-collar workers for committing financial misconduct. Thereby, some of the necessary data sets will be provided whereas others need to be obtained by the student herself. In the first part of the thesis, the student is expected to present a detailed review of the academic literature on white-collar crime with a focus on financial misconduct and drivers for committing misconduct. In the empirical part of the thesis, the student will investigate the explanatory power of a comprehensive set of characteristics and factors related to broker and financial advisor misconduct.

Supervisor: Dr. Benjamin Clapham

Literature:

- Andersen, S., Hanspal, T., & Nielsen, K. M. (2018). Do Financial Misconduct Experiences Spur White-Collar Crime?. *Working Paper*.
- Dimmock, S. G., Gerken, W. C., & Graham, N. P. (2018). Is fraud contagious? Coworker influence on misconduct by financial advisors. *The Journal of Finance*, 73(3), 1417-1450.
- Dimmock, S. G., Gerken, W. C., & Van Alfen, T. D. (2021). Real estate shocks and financial advisor misconduct. *The Journal of Finance* (forthcoming).
- Lausen, J., Clapham, B., Siering, M., & Gomber, P. (2020). Who is the next “Wolf of Wall Street”? Detection of financial intermediary misconduct. *Journal of the Association for Information Systems*, 21(5), 1153-1190.
- Parsons, C. A., Sulaeman, J., & Titman, S. (2018). The geography of financial misconduct. *The Journal of Finance*, 73(5), 2087-2137.