

Assessment of the Variations of Ghost Employee Fraud in Nigeria: 2008-2015

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Abstract

This study assessed the variations of ghost employee fraud in Nigeria. The study systematically investigated the effects of ghost employee fraud scheme on the Nigerian economy. The study was conducted on employees of Nigerian private and public companies making the population of 3,314,043 prospective respondents (1,672,903 from Private companies; and 1,641,140 from Public companies). Taro Yamane sampling method was used to determine the sample size of 400, and Bowler's proportional allocation method was also used for distribution of questionnaires. The study adopted stratified random sampling technique. The study gathered its data and information through primary and secondary sources. This study analyzed the data collected with descriptive statistical tool and tested hypothesis with F-Test statistical method. The study revealed that family member ghost employee scheme is the most commonly fraud scheme, particularly, in public sector, and that ghost employee fraud has negative effects on the Nigerian economy. Thus, the study concluded that there are evidently variations of dangerous ghost employees in Nigeria, and the fraud emanating from these ghosts has negative effects on her economy. The study therefore recommends that the variations of ghost employee fraud scheme affecting the economy should be identified in order to determine the appropriate strategic preventive measures to adopt.

Keywords: Ghost Employee Fraud, Strategic Preventive Measures, Financial Crimes, Victim Organizations, Economic Performance

1. Introduction

In Nigeria today, fraud has become a common culture in all spheres of life. According to AbdulRaheem, Babaita, and Yinusa (2012), fraud constitutes one of the financial crimes in Nigeria. Financial crimes are forced into existence due to the nature of the economy, and pressures of how to write off poverty for good. For example, Leba (2013) reported that the Nigerian public service at various levels is heavily burdened with a ghost population, who unexpectedly not only write job applications and present themselves for interviews, but who also open bank accounts and collect salaries, despite their human shortcomings.

However, fraud is endemic to organizational life, and its intentionality is knowingly or unknowingly attached to crumbling economy, particularly in developing countries. According to Buckhoff (2006), when fraud emanates from the top of organization, it usually spreads throughout the organization like a cancer. No wonder government and non-governmental corporations have failed in their public deliveries and financial efficiency. Annually, millions of naira is siphoned from government coffers through salary payments to non-existing employees, who have fraudulently been listed on the payroll system, (Heal Nigeria, 2009). Similarly, large firms appear to have been burdened with ghost fraud in Nigeria. It is observed that several efforts to putting this menace on verge of cessation have failed; this is because the techniques adopted lack some elements of intensive strategic approach which may involve getting and hanging the ghost.

As a matter of fact, the imperative of strategic measures to preventing ghost employee fraud is on the high side. This is because; ghost employee fraud is a cancerous scheme that may prompt the collapse of the economy of Nigeria, given the present economic hardship. Nevertheless, these preventing strategies, if effective, will help relieve the burden of financial loss to ghost, and its likely futuristic economic effect. These strategies will cause re-modification in the statement of Iredia (2012) that the story of ghost employees in Nigeria is an unending one.

1.1 Objectives of the Study

The main objective of the study is to investigate the variations of ghost employee fraud scheme in the Nigeria. Thus, the specific objectives of the study are to:

- i. Determine the effects of ghost employee fraud scheme on the Nigerian economic sectors; and
- ii. Investigate strategic preventive measures for the ghost employee fraud scheme.

1.2 Hypotheses of the Study

The study therefore drew up a testable hypothesis that:

- H₀: Ghost employee fraud has negative effects on the Nigerian economy.
- H₁: Ghost employee fraud has positive effects on the Nigerian economy.

2. Literature Review

2.1 Concept of Ghost Employee

Ghost employee fraud is an unlawful financial exercise that involves creating payable ghost on the payroll system. Thus, ghost employee fraud scheme can be viewed as a function of a loose payroll system. According to Dutta (2013), a common fraudulent scheme involving payroll is for Human Resource Managers or payroll managers to create ghost employees. In addendum, Association of Certified Fraud Examiners (2008) described ghost employees as individuals listed in the payroll register who are not providing services, but who are recorded a payroll check. Wells (2009) simplified this that a ghost employee is someone on the payroll system who does not exist as a worker in an organization. Meanwhile, Lowers (2014) expressed that a ghost employee exists only as an identity in payroll records, although the ghost may be a real person who does not actually work for the company. Factually, it is proverbial that no masquerade voices without human backings. Therefore, ghost employee is an artifact of a living employee who is either naturally or accidentally fraudulent. Ghost employees and the fraud schemes are observed as phenomenon with chameleon nature in different nations of the world.

2.2 Categories of Employee Fraud Behaviour

- i. **Generic Employee Fraud Behaviour:** This kind of fraud is highly cardinal with the blood. It flows with the blood from the arteries through the vein. Employees in this fraud category are conscienceless, and will be unapologetic for repeated fraud activities after a number of pardons.
- ii. **Inherited Employee Fraud Behaviour:** This kind of fraud is mentored by parents, guidance or boss. It is dramatically passed onto employee in such scenario where an employee is instructed by the boss to engage in unlawful acts.
- iii. **Kleptomaniac Employee Fraud Behaviour:** This kind of employee fraud situation is noticeable in Africa, where an employee is pushed around by spell, which is hardly known to the victim, to steal at all times. Such employee always regrets his misdeed and full of repentance at the phase of judgment, but unavoidably reinforces the fraud habits.
- iv. **Employee Fraud Behaviour caused by frustration:** It is apparent in the poverty stricken countries that people survive in the economy by chance. Employees' income may be insufficient to cater for family bills, particularly the basic needs such as food, shelter and clothing. In the case of Nigeria, where employee is fond of unknotting engine bolts, sneaking out edible materials and other organizational properties, it is easy to deduce the nature of the economy.

2.3 Variations of Ghost Employee Scheme in Nigeria

Way back the memory lanes of Africa, series of ghost oriented activities were recorded in political positions, organizations of whatever kinds, societies and even various households. The particular form of ghost employee schemes in Nigeria is yet to be ascertained. This is because, the fraud scheme takes different dimensions based on perpetual brainstorming by the perpetrators. The eight typical variations of ghost employee fraud scheme according to Association of Certified Fraud Examiners (2008) are:

- i. **Fictitious Employee:** This kind of fraud is perpetrated by supervisors who allow the falsification of time sheet. At the end of each month, a payroll check will be diverted or the payment is channeled into the false bank account.
- ii. **Termination ghost employee scheme:** This kind of scheme became feasible when an employee terminates his/her employment for personal reasons without informing the organization's authorities. The perpetrator logically indicates that such employee still work for the victim organization by falsifying the time report. Such perpetrator diverts the payroll check or payment into a falsified bank account.
- iii. **Pre-employment ghost Employee scheme:** This kind of scheme occurs when recruitment and selection have been made, and it appears to the authority of the organization that placement of the selected employees has taken effect from a particular date, but the employees are yet to assume duties. Under this scheme, the employees are placed on payroll for a certain period before their assumption of duties.
- iv. **No-show ghost employee scheme:** As the term implies, the real employee does not show up at work and provide no actual services. This kind of scheme is common in Nigeria, where an employee moonlights during the working hours. Under this scheme, the supervisor enters into agreement with the No-show employee, as to what percent will be taken on the monthly wage.
- v. **Temporary Employees bypass critical hiring control:** These employees exist, but because of the temporary nature of their employment, hiring controls may be bypassed, and control over temporary

employees is usually vested with the local manager making such bypassing uncomplicated, (Association of Certified Fraud Examiners, Ibid).

- vi. **Temporary employees working through agencies:** A temporary agency hires employee on behalf of the organization for an agreed charge. Under this scheme, such agency connives with the requesting manager who approves that the stated kind of contract is valid and accomplished. The requesting manager approves the invoice indicating that the individuals were present and worked the day noted on the vendor invoice, (Association of Certified Fraud Examiners, Ibid). The organization pays the bills, and the agency, manager and the employee benefit from this fraud.
- vii. **Family member ghost employees:** This is a very common kind of Ghost Employee Scheme in Nigerian Public Services, where top management members place name(s) on the payroll. In most cases, the name of a minor who is a family member, such as a baby, is used to divert paycheck or payment into a falsified bank account. Some owners of organizations also perpetrate this fraud to deceive the tax agency or for personal reasons.
- viii. **Unclaimed Payroll Check Scheme:** Under this scheme, a manager terminates the appointment of an employee without formal procedure. Such terminated employee still appears as being effective on the payroll, but the perpetrator claims his/her check.

2.4 Consequences of Ghost Employee Fraud Scheme

It no gainsaying that ghost employee fraud scheme has a heavy burden on individual citizens, victim organizations and government. Though, the fraud scheme is observed to have positive financial impact on the economic performance of the beneficiaries. But, some of the likely consequences of ghost employee fraud scheme are as follow:

- i. Growing disruption in the path to economic development;
- ii. Outrageous increase in the rate of unemployment;
- iii. Stigma of low global reputation and trustworthiness;
- iv. Governments at various levels suffer judicious utilization of allocated revenue;
- v. It hampers plans and actions of the victims;
- vi. It leaves corpse on management's path; and
- vii. Causes financial loss and untimely death for victims.

The table I below shows various areas where frauds were perpetrated in Nigeria.

Year	Area Perpetrated	Number of Ghosts	Staff Strength
2008	Power Holding Company of Nigeria	14,835	35,000
2009	Nigeria Customs Service	10,000	20,000
2010	Police Force	100,000	330,000
2011	National Identity Management Commission	4000	10,300
2012	Pension Board	71,133	Across the country
2013	Ministries	46,821	153,019

Source: Adopted from Leba, L. (2013)

The table I above shows that the Power Holding Company paid a specific amount of money to 14,835 ghosts (representing 42.4%) out of the total staff strength of 35,000 in 2008. This implies that the numbers of real workers are 20,165. But in a scenario just as explicable between the period of 2009 and 2013, where 42.4% of employees are ghost across all sectors of the economy, then the economy may witness a shutdown as unemployment rate will skyrocket and sudden drainage of reserve experienced.

2.5 Key Strategies for Preventing Ghost Employee Fraud

According to Lowers (2014), a victim organization can make ghost employee clearly visible if it would implement preventive measures. In agreement with this view, this present study adopted the audit strategies for unmasking the variation of ghost employee fraud schemes from the work of the Association of Certified Fraud Examiners (2008) as follow:

1. The audit strategy to unmask fictitious employee fraud:
 - i. For each person, meet the individual and inspect government-issued identification
 - ii. Search for evidence of work performance.
2. The audit strategy to unmask terminated ghost employee scheme:
 - i. Compare endorsement on the check for the last payroll period to the first payroll period.
 - ii. Compare handwriting on the final time report
3. The audit strategy to unmask a pre-employment ghost employee scheme:

- i. Compare first payment week to other relevant databases to establish a work performance date
 - ii. Interview employees to determine their recollection of their first day or week of work.
 4. The audit strategy to unmask no-show ghost employee scheme:
 - i. Search for evidence of work performance
 - ii. Interview co-workers
 - iii. Examine access security databases for evidence of work performance
 5. The audit strategy to unmask temporary employee bypass critical hiring control:
 - i. Confirm the existence of the employee through a telephone interview
 - ii. Search for evidence of work performance
 - iii. Interview co-workers
 6. The audit strategy to unmask temporary employees working through agencies:
 - i. Examine temporary agency payroll records to ensure that the individual was compensated and that time records support the work location, and
 - ii. Search for evidence of work performance
 7. Audit strategy to unmask family member ghost employee scheme is to search for evidence of work performance.
 8. The audit strategy to unmask unclaimed payroll check scheme:
 - i. Examine checks for false endorsements
 - ii. Compare bank clearing stamps on early checks to last check to see if the bank used to negotiate check has changed.

3. Research Methodology

3.1 Participant

This study adopted survey method. The study was conducted on employees of selected Nigerian private and public companies making the population of 3,314,043 prospective respondents (1,672,903 from Private companies; and 1,641,140 from Public companies) from which 400 respondents were sampled. The study took the period of 2013-2015. The participants were employees from schools, waterworks, hotels, agricultural companies, Electricity Company, foods and beverage companies and so on. The participants include the male sex and the female sex. Considerably, 33.5% and 22.7% of participants have the work experience that is satisfactory to this study because these categories of employees will have deep understandings on how ghost employee fraud is perpetrated in their organizations.

3.2 Survey instruments

The study used both primary and secondary data for gathering reliable data and information. The primary sources of data include the personal interview and questionnaire administered. Data was principally gathered through questionnaires. The questionnaires were structured into section **A** and **B**; such that **A** generates information on respondents' personal data while section **B** elicits information on respondents opinion or answers to questions that are related to the subject matter.

3.3 Data collection and Analysis procedure

In order to ensure complete research, the authors interviewed and administered questionnaires after work hour on daily basis. The researchers discovered cold responses based on anxiety of sack threat from the superiors for disclosing facts. The researchers thus promised the respondents some copies of research result to assure confidentiality. To analyze the data gathered for this study; descriptive statistical tool and F-Test statistical method of hypothesis testing were used based on the variation in responses from the study's universe. F-Test formula (F)

$$= \frac{S_1^2}{S_2^2} \text{ such that } S_1^2 = \frac{\sum (X_1 - \bar{X}_1)^2}{n_1 - 1} \text{ and } S_2^2 = \frac{\sum (X_2 - \bar{X}_2)^2}{n_2 - 1}$$

Where $F = \frac{\text{Larger estimate of variance}}{\text{Smaller estimate of variance}}$

\bar{X}_1 = Mean of sample having larger variance; and \bar{X}_2 = Mean for sample having smaller variance.

V_1 = degree of freedom for sample having larger variance

All the hypotheses are tested at 5% or 0.05 level of significance.

3.4 Sampling Technique and Sample Size

The study adopted stratified random sampling technique. The method entailed grouping respondents into strata on

the bases of common characteristics. After grouping, the simple random sampling technique was applied to select the required sample size. For this study, Taro Yamane sampling method was adopted to determine the sample size and Bowler's proportional allocation formula for a simple random sampling.

Taro Yamani formula:

$$n = \frac{N}{1 + N(e)^2}$$

Where n = sample size; N = Population of the study; Error estimate at 5% (0.05); 1 = Constant.

$$n = \frac{3,314,043}{1 + 3,314,043(0.05)^2} = \frac{3,314,043}{1 + 8285.1075} = \frac{3,314,043}{8286.1075} = 399.95 = \text{approximately } 400$$

Bowler's Proportional Allocation formula

$$n_1 = \frac{n(n_1)}{N}$$

Where n = Overall sample size; n₁ = Population of each sex; N = The Total Population.

Respondents from Private Companies

$$\frac{400(1,242,766)}{3,314,043} = 149.9999849 = 150$$

Respondents from Public Companies

$$\frac{400(2,071,277)}{3,314,043} = 250.0000151 = 250$$

3.5 Validity and Reliability of Data

According to Asika (2010), validity of measurement is defined in relation to the measuring instrument. Validity refers to the extent to which differences in observed scale scores reflect true differences among objects on the characteristics being measured, rather than systematic or random errors (Malhotra, 2002). Thus, this study used pilot test technique. The researcher selected 20 respondents identical to the proposed sample group of the main study from the population. The researcher shared the questionnaires to them to score. He demonstrated one questionnaire as an example for these respondents. He then compared the result carefully with each one scored by respondents; 17 out of the 20 (85%) of the respondents made definite decision on the questions. The researcher therefore deduced that the instrument is valid.

Reliability reflects the consistency of a set of item in measuring the study variables/ concepts (Cooper and Schinder, 2001; Field, 2005). Asika (2010) posited that a researcher who designs a measuring instrument should be concerned about how consistent the results he obtains with the instrument are. The researcher also further adopted the test-retest process to enhance the reliability of the instrument. The test-retest was conducted at the study areas where the questionnaires were administered. The questionnaires were received and analyzed, and the results were compared. The researcher was convinced that the instrument was reliable where the results similar.

4. Data Presentation And Analysis

4.1 Analysis of Results

The researchers got the questionnaires spread across the four walls of the state through trustworthy assistants. Table II shows that not all the questionnaires were filled and returned. 400 questionnaires were distributed (150-Private Companies and 250-Public Companies); 352 questionnaires representing 88.0% were returned (112-Private Companies and 240-Public Companies); and 48 questionnaires representing 12.0% were unreturned (38-Private Companies and 10-Public Companies). The researchers therefore based analysis on the returned questionnaires.

Table III shows that 195 respondents (55.4%) were male sex; and 157 respondents (44.6%) were female. This result depicted that the study had more male respondents than the female. This is important to the study because Nigerians' traditions place glass ceiling on females, and this means that the male sex had better knowledge of the subject matter than the female since most of them occupy the highest positions on organizational cadre.

The table III also shows that 94 respondents (26.7%) fall within the range of 0 to 10 years of work experience; 118 respondents (33.5%) have 11 to 20 years of work experience; 80 respondents (22.7%) have 21 to 30 years of work experience; 51 respondents (14.5%) have 31 to 40 years of work experience; and 9 respondents (2.6%) have work experience of 41years and above. Considerably, the summation of 33.5% and 22.7% of respondents is satisfactory to this study because these categories of employees will have deep understandings on how ghost employee fraud is perpetrated in their organizations.

Table IV below shows the variations of ghost employees in both private and public companies in Nigeria. 18 respondents (5.1%) from private companies and 11 respondents (3.1%) from public companies opined the

existence of fictitious employees in their organizations; 25 respondents (7.1%) from private companies and 19 respondents (5.4%) from public companies opined the existence of terminated ghost employees; 5 respondents (1.4%) from private companies and 28 respondents (8.0%) from public companies opined the existence of no-show ghost employees in their organizations; 11 respondents (3.1%) from private companies and 53 respondents (15.1%) from public companies opined the existence of temporary employees who bypassed critical hiring control in their organizations; 31 respondents (8.8%) from private companies and 11 respondents (3.1%) from public companies opined the existence of temporary employees who are working through agencies in their organizations; 23 respondents (6.5%) from private companies and 77 respondents (21.9%) from public companies opined the existence of family member ghost employees in their organizations; and 9 respondents (2.6%) from private companies and 31 respondents (8.8%) from public companies opined the existence of unclaimed payroll checks which are channeled by ghosts to their own accounts.

The table V shows that 79 respondents (22.4%) opined that ghost employee fraud has a positive effect on the Nigerian economy; and 273 respondents (77.6%) opined that ghost employee fraud has a negative effect on the Nigerian economy. Scoring the responses above, it could be ascertained that ghost employee fraud is cankerworm to any nation's economy.

The table VI shows the 243 respondents (69.0%) expressed that ghost employee fraud can be prevented; 53 respondents (15.1%) expressed inversely that ghost employee fraud cannot be prevented; and 56 respondents (15.9%) were not sure whether ghost employee fraud can be prevented or not. This result indicates that the menace of ghost employees can be prevented.

Table II: Questionnaires Administration

<i>Questionnaire</i>	Frequency			Percentage
	<i>Private Co.</i>	<i>Public Co.</i>	<i>Total</i>	
<i>Distributed</i>	150	250	400	100
<i>Returned</i>	112	240	352	88.0
<i>Unreturned</i>	38	10	48	12.0

Source: Field Survey, 2015

Table III: Shows brief Demographic Characteristics Of Respondents.

Sex	Frequency			Percentage
	<i>Private Co.</i>	<i>Public Co.</i>	<i>Total</i>	
<i>Male</i>	60	135	195	55.4
<i>Female</i>	52	105	157	44.6
Total	112	240	352	100

Work Experience

<i>0 – 10 years</i>	23	71	94	26.7
<i>11 – 20 years</i>	48	70	118	33.5
<i>21 – 30 years</i>	22	58	80	22.7
<i>31 – 40 years</i>	19	32	51	14.5
<i>41 and above</i>	–	9	9	2.6
Total	112	240	352	100

Source: Field Survey, 2015

Table IV: Responses Regarding the Variations of Ghost Employee Fraud in Nigerian

Variations	Private Co.		Public Co.		Total	
	Freq.	%	Freq.	%	Freq.	%
1. <i>Fictitious Employees</i>	18	5.1	11	3.1	29	8.2
2. <i>Temporary ghost Employee</i>	25	7.1	19	5.4	44	12.5
3. <i>No – show ghost employee</i>	5	1.4	28	8.0	33	9.4
4. <i>Temporary employees bypass critical hiring control</i>	11	3.1	53	15.1	64	18.2
5. <i>Temporary employees working through agencies</i>	31	8.8	11	3.1	42	11.9
6. <i>Family member ghost employee</i>	23	6.5	77	21.9	100	28.4
7. <i>Unclaimed payroll check</i>	9	2.6	31	8.8	40	11.4
	112	31.8	240	68.2	352	100

Source: Field Survey, 2015

Table V: Responses Regarding the Effect of Ghost Employee Fraud on Nigerian Economy

Response	Frequency			Percentage
	Private Co.	Public Co.	Total	
<i>Positive</i>	26	53	79	22.4
<i>Negative</i>	86	187	273	77.6
Total	112	240	352	100

Source: Field Survey, 2015

Table VI: Responses Regarding the Prevention of Ghost Employee Fraud

Response	Frequency			Percentage
	Private Co.	Public Co.	Total	
<i>Yes</i>	79	164	243	69.0
<i>No</i>	21	32	53	15.1
<i>Not Sure</i>	12	44	56	15.9
Total	112	240	352	100

Source: Field Survey, 2015

From Table V

X_1	$(X_1 - \bar{X}_1)$	$(X_1 - \bar{X}_1)^2$	X_2	$(X_2 - \bar{X}_2)$	$(X_2 - \bar{X}_2)^2$
26	-30	900	53	-67	4489
86	30	900	187	67	4489
$\sum = 112$	$\sum = 0$	$\sum = 1,800$	$\sum = 240$	$\sum = 0$	$\sum = 8978$

$$\bar{X}_1 = \frac{\sum X_1}{n_1} = \frac{112}{2} = 56; \text{ and } \bar{X}_2 = \frac{\sum X_2}{n_2} = \frac{240}{2} = 120$$

$$F = \frac{S_1^2}{S_2^2} = \frac{1800}{8978} = 0.2005$$

$$V_1 = n_1 - 1 = 2 - 1 = 1 \quad V_2 = n_2 - 1 = 2 - 1 = 1$$

At 5% level of significance for $V_1 = 1$ and $V_2 = 1$; F-table value = 161.45

4.1.1 Hypothesis Tested Result and Decision

The Calculated F-Test value on the hypothesis was less than the F-Test table value, that is, **F-Test cal 0.2005 > F-Test tab 161.45**. We, therefore, accept the null hypothesis and reject the alternative hypothesis. We then deduce that ghost employee fraud has negative effects on the Nigerian economy.

4.2 Discussion of Findings

Findings from this present study reveal that family member ghost employees' scheme is the most rampant in the Nigerian sectors. Though, this form of fraud seems to be more pervasive in public sector. The study further shows that public sector has more of "no-show ghost employees, temporary employees who bypassed critical hiring control and ghost who channel unclaimed payroll check" than the private sector. Otherwise, "fictitious employees, termination ghost employees and temporary employees working through agencies are schemes that are more prominent with the private sector.

This present study discovered that ghost employee fraud has negative effects on the Nigerian economy. This implies that ghost employee fraud have contributed to various hazards in the Nigerian economy through increasing unemployment and loss of financial resources. A study by Okoye and Gbegi (2013) pinpointed that the impact of fraud and financial related crimes on the Nigerian economy are enormous when we consider the high rate of crimes and the amount involved especially on the area of advance fee fraud or 419 or Nigeria letter. Thus, a consensus can hold that fraud of whatever kind is a driver of economic fall, and the reason for tribulation in most economies of nations in Africa. This is because the grand ground of fraud in Africa provides a basis for most people that *have* to exercises power on the *have-not* in a fraudulent way, forcing the *have-not* to live below one dollar per week. The problem is that these people called the *have* are the custodians of the payroll system. They create ghosts easily within their power.

This present study discovered that ghost employee fraud can be prevented in Nigeria if appropriate strategic preventive measures are adopted. Thus, this study addressed the findings of Othman et al. (2014) that failure to check and monitor the payroll process creates loopholes for ghost employees' fraud. This present study also proffers solution to the problem discovered by Albrecht and Albrecht (2003) that employees are in the best position to detect fraud, but are unsure of where and whom to refer suspected cases of fraud to when they happen; and that as a matter of fact, some employees believe that reporting fraud will be considered a disgrace.

4.3 Implications of the Study

This present study reveals that fraud takes varying dimensions which makes it almost impossible to tackle it holistically. The point is that if the category of employee fraud behavior is not pinpointed, then the probability that the fraud practice will be hurt is below 50%. Hence, the present study will expose victims to the categories of employee fraud behavior; enabling total eradication of ghost employee fraud scheme.

This present study aptly reveals the forms of ghost employee fraud that may occur around the globe. It is confident enough that this study exhumes ghost fraud tactics that have enveloped many victim organizations for several years. Thus, it will enhance deep knowledge in the typical variations of ghost employee fraud scheme.

The present study exposes government and organizations (profit-oriented and non-profit organization) to the consequence of not being proactive against ghost fraud scheme. Thus, the study proffers preventive strategies that will enable any victim to tackle whatever variation of ghost employee fraud scheme it contends with.

This present study will be relevant to students, victim organizations or government, practitioners or policy makers including experts who may want to conduct further research.

4.4 Suggestions for Future Study

Paradoxically, the issue of fraud is an inbuilt problem of mankind or otherwise. There are varying categories of employee fraud behavior which needs the attention of researchers, experts and/or psychic. Thus, further study should investigate how fraud behavior of employees can be revolutionalized into acceptable behavioural standard. Further study should investigate better ways through which the strategic preventive measures for ghost employee fraud can be effectively and efficiently implemented.

4.5 Limitations of the Study

Virtually, the tested hypothesis for the study was done with the certain risk of being wrong. Therefore, the inference made based on the statistical method (F-Test) is not 100% accurate. Thus, the study made provision for error measured at about 5%. This made the study's decision concrete to a reasonable extent.

One big limitation of this present study is that it is not a guarantee towards placing verge of cessation on ghost employee fraud scheme. The study only discovered that ghost employee fraud has negative effects on the economy, and suggests appropriate strategic preventive measures.

Another limitation is that the suggested strategic preventive measures may gather no moss if there is no fair climate for its adoption. A good scenario is when a perpetrator entrusted with the adoption of the strategic

preventive measures; the whole process may become frustrated.

The sample size for the study is another limitation. Despite the huge population of the study, only small portion of it was surveyed. This may affect the quantity of data and information that was gathered.

5 Conclusion

The issue of ghost employee fraud is as pathetic as the insurgency facing Nigeria. It has contributed various hazards in the Nigerian economy through increasing unemployment and loss of financial resources that could be necessary for developmental activities. The grand ground of fraud in Africa, particularly in Nigeria, provides a basis for most of the influential people who are in the custody of the payroll system to create ghosts and impoverish the victim organizations easily within their power.

There are evidently variations of dangerous ghost employees in Nigeria, and the fraud emanating from these ghosts has negative effects on her economy. The fraud scheme has denied Nigerian labor force of being gainfully employed to earn a living. Meanwhile, the effort of governments towards job creation and economic welfares of the people will be frustrated if the fraud scheme persisted. This ghost employee fraud scheme can only be prevented in Nigeria if appropriate strategic preventive measures are adopted.

5.1 Recommendations

Based on the result of findings, this study recommended that:

- i. Nigeria, including other developing countries, should identify the variations of the ghost employee fraud scheme affecting the economy in order to determine the appropriate strategic preventive measures to adopt.
- ii. Victims of ghost fraud scheme should adopt strategic measures to prevent the appearance of ghost on payroll system.
- iii. The payroll task should be decentralized in such a way that no one-person-one-office has total control over the payroll system.
- iv. The governments including victim organizations should establish adhoc committee/team that will embark on impromptu visit to checkmate activities of all kind and the payroll system, and give report on a quarterly basis.
- v. Managers/Administrators should discharge their duties by taking steps out of their offices and walk round departments to perform secretive daily appraisal of employees and departments. This approach will make managers/administrators conversant with events within the work environment.

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APPENDIX

Respondents Suggested Preventive Measures on Ghost Employee Fraud Scheme

- i. Periodic check on the payroll system.
- ii. Effective management by walking around approach.
- iii. Effective regular departmental head-count.
- iv. Decentralization of payroll functions.
- v. Encouragement of information supplied through suggestion box.