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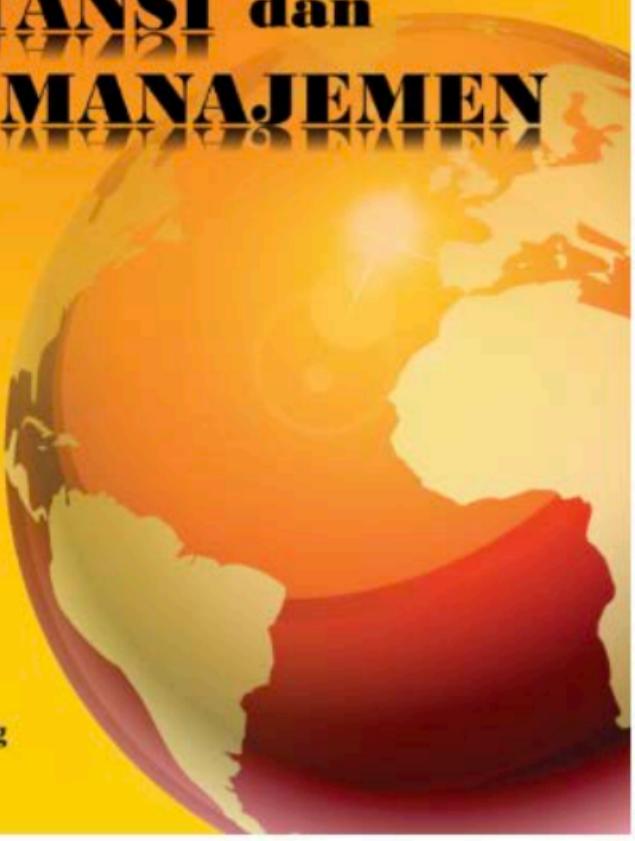
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# Jurnal Riset dan Aplikasi: Akuntansi dan Manajemen

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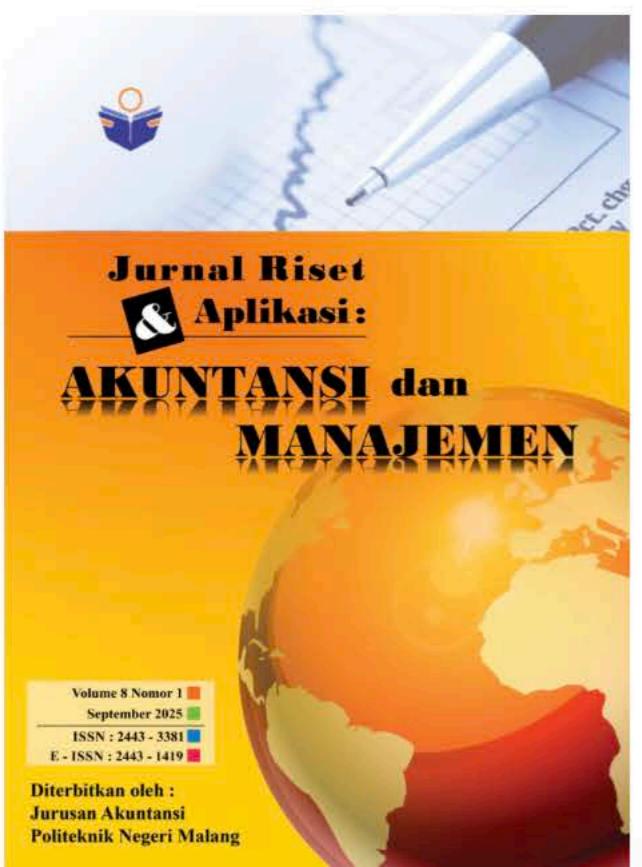
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## Fishy Tech: Netting E-Fishery's Billion-Dollar Fraud through Pentagon Theory Analysis

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### Kata kunci:

*E-Fishery;*  
*Kecurangan Startup;*  
*Modal Ventura;*  
*Pasar Berkembang;*  
*S.C.O.R.E;*  
*Teori Penipuan Pentagon.*

**Abstract:** *Fishy Tech: Netting E-Fishery's Billion-Dollar Fraud Through Pentagon Theory Analysis*

**Purpose:** The causal mechanisms behind startup fraud in Indonesia by analyzing the E-Fishery case through the lens of the Fraud Pentagon Theory.

**Method:** Qualitative methodology combining systematic literature review and case study analysis.

**Results:** E-Fishery systematically inflated revenue by up to 4.8 times actual figures through dual record-keeping systems, nominee companies, and coordinated organizational deception.

**Novelty:** The first systematic application of Pentagon Theory to analyze startup fraud in emerging market contexts, revealing how the five elements interact synergistically.

**Contribution:** Developing enhanced fraud detection and prevention strategies in Indonesia's venture-backed startup ecosystem.

**Abstrak:** *Fishy Tech: Netting E-Fishery's Billion-Dollar Fraud Through Pentagon Theory Analysis*

**Tujuan:** Menganalisis mekanisme kausal di balik penipuan startup di Indonesia melalui pengkajian kasus E-Fishery menggunakan kerangka Teori Fraud Pentagon.

**Metode:** Metodologi kualitatif yang mengombinasikan tinjauan pustaka sistematis dan analisis studi kasus.

**Hasil:** E-Fishery secara sistematis menggembungkan pendapatan hingga 4,8 kali dari angka sebenarnya melalui sistem pembukuan ganda, perusahaan nominee, dan penipuan organisasional terkoordinasi.

**Kebaruan:** Aplikasi sistematis pertama Teori Pentagon untuk menganalisis penipuan startup dalam konteks pasar berkembang dan mengungkap bagaimana kelima elemen berinteraksi secara sinergis.

**Kontribusi:** Mengembangkan strategi deteksi dan pencegahan penipuan yang lebih baik dalam ekosistem startup Indonesia yang didukung modal ventura.



## 1. Introduction

Indonesia's startup ecosystem has experienced explosive growth over the past

decade, attracting billions in investments and creating thousands of jobs [1]. However, this rapid expansion has been accompanied by an

alarming rise in financial fraud cases that threaten to undermine investor confidence and hinder the development of the country's digital economy [2]. The problem of fraud in startups represents a global challenge that transcends borders of time and geography [3], but it manifests in unique ways within Indonesia's emerging entrepreneurial landscape. Recent scholarship has primarily focused on identifying specific factors contributing to entrepreneurial failure, while theoretical frameworks for understanding fraud mechanisms have evolved from Cressey's traditional fraud triangle to more comprehensive models including the Fraud Pentagon Theory [4,5].

Despite growing recognition of fraud risks in entrepreneurial ventures, significant gaps remain in understanding how fraud develops and escalates specifically within emerging market startup ecosystems. Previous research has primarily focused on fraud in established corporations or public companies, leaving the unique characteristics of startup fraud underexplored [7,8]. The failure process in startups remains a "black box" that has yet to be fully understood despite recognition of its importance, particularly from a behavioral perspective [9,10]. Furthermore, limited attention has been paid to understanding how the five elements of the Fraud Pentagon Theory interact synergistically in startup environments, where traditional corporate controls may be underdeveloped and pressure for rapid growth is intense. This research addresses these gaps by providing the first comprehensive analysis of startup fraud in Indonesia through the Fraud Pentagon framework, offering novel insights into how stimulus, capability, opportunity, rationalization, and ego combine to create conditions conducive to sustained deception in venture-backed companies operating within emerging market contexts.

E-Fishery, once valued at approximately USD 1.4 billion and celebrated as Indonesia's first aquaculture technology unicorn,

exemplifies the devastating consequences of financial statement fraud in the startup ecosystem [11]. The company systematically misrepresented its financial performance through dual record-keeping systems, inflating revenue by up to 4.8 times actual figures and involving multiple organizational levels in coordinated deception spanning over six years from 2018 to 2024 [12]. This case provides an unprecedented opportunity to examine how sophisticated fraud schemes develop and persist in startup environments, revealing the complex interplay between individual psychological factors, organizational dynamics, and environmental pressures that enable deceptive behavior to flourish. The E-Fishery scandal has triggered wider repercussions across Indonesia's startup ecosystem, exposing significant weaknesses in regulatory oversight and corporate governance standards while prompting foreign investors to delay planned investments in other Indonesian startups [13].

The cultural and regulatory environment in Indonesia's startup ecosystem provides additional context for understanding fraud dynamics, as companies face intense competition for limited funding while operating within emerging regulatory frameworks with significant gaps in oversight requirements [14,15]. The "fake it till you make it" ethos that has permeated many technology startups globally appears to be particularly problematic in Indonesia's rapidly evolving technology sector, where governance mechanisms are still developing and the emphasis on rapid growth can incentivize corner-cutting or misrepresentation [6]. These environmental factors interact with the inherent characteristics of startup governance, where power is typically concentrated among founders and early investors. Traditional oversight mechanisms are either absent or ineffective, and information asymmetries between insiders and external stakeholders create substantial opportunities for manipulation and deception.

This research examines the causal mechanisms behind startup fraud in Indonesia by analyzing the E-Fishery case through the comprehensive lens of the Fraud Pentagon Theory, specifically investigating how the five interacting elements of stimulus, capability, opportunity, rationalization, and ego contributed to fraudulent activities in Indonesia's startup ecosystem. The study aims to identify patterns of deception unique to emerging market startup environments and develop insights into enhanced fraud detection and prevention strategies that can inform regulatory oversight and investor due diligence practices. By analyzing how funding structures, corporate governance practices, and information disclosure regimes influenced fraudulent activities in this high-profile case, this research contributes to existing literature by extending fraud analysis into the specific context of Indonesia's evolving startup ecosystem, providing critical insights that bridge the gap between theoretical frameworks and practical implementation of fraud prevention measures in venture-backed companies.

## 2. Method

This research employs a qualitative methodology that combines systematic literature review with in-depth case study analysis to examine startup fraud mechanisms in Indonesia through the theoretical lens of the Fraud Pentagon Theory. The selection of qualitative methodology reflects the interpretive nature of fraud research, where understanding the complex psychological, organizational, and environmental factors behind deceptive behavior requires rich, detailed analysis rather than statistical correlation [1,14]. The study specifically applies the Fraud Pentagon framework, which encompasses five interconnected elements known as S.C.O.R.E (Stimulus, Capability, Opportunity, Rationalization, and Ego), as this theoretical model provides a more comprehensive understanding of fraud causation than

traditional approaches, particularly in startup environments where multiple factors interact to create conditions conducive to deceptive behavior [3,4]. This methodological design aligns with recent scholarship in entrepreneurial finance and fraud research while addressing the unique characteristics of Indonesia's rapidly evolving startup ecosystem, where traditional corporate controls may be underdeveloped and pressure for rapid growth creates distinct vulnerabilities [6,7]. The research design integrates three complementary components that work synergistically to provide comprehensive understanding: systematic literature review of existing academic knowledge on startup fraud mechanisms, analytical examination of the Fraud Pentagon framework and its constituent elements, and detailed case study analysis of E-Fishery's fraud scheme within Indonesia's entrepreneurial context.

Data collection followed a multi-source triangulation strategy designed to ensure comprehensive coverage and validation of findings through cross-verification of information from diverse perspectives and stakeholder groups, a approach that is essential for fraud research where information may be deliberately concealed or distorted [16,17]. Primary data sources included scholarly articles from business, entrepreneurship, and finance journals that provided theoretical frameworks and established knowledge on fraud patterns, with the literature review process focusing particularly on publications addressing startup governance, valuation mechanisms, and fraud theories applicable to entrepreneurial ventures [18,19]. Secondary data encompassed industry reports from Indonesian regulatory bodies to establish market context and identify reported fraud statistics, financial filings including E-Fishery's regulatory disclosures and investor presentations that underwent meticulous examination for discrepancies indicating fraudulent activities, and extensive media

coverage including investigative reports, news articles, and press releases related to the fraud case that underwent content analysis to construct comprehensive case narratives [12,20]. The data collection period spanned from 2013 to 2025, corresponding to the complete timeline of E-Fishery's operations from founding through fraud discovery and regulatory aftermath, enabling longitudinal analysis of how fraud mechanisms evolved over time under changing environmental pressures [15]. E-Fishery was selected as the primary case study through purposive sampling based on several critical criteria: its significance as Indonesia's first aquaculture technology unicorn, the extensive stakeholder impact of its fraud scandal, the availability of sufficient public information including forensic audit reports, and its temporal relevance to current startup governance practices and regulatory frameworks [11].

The analytical framework systematically applies each element of the Fraud Pentagon Theory to examine how stimulus pressures from venture capital expectations, sophisticated capability development through organizational design, structural opportunities arising from governance weaknesses, cultural rationalization mechanisms, and ego-driven overconfidence interacted synergistically to create and sustain E-Fishery's deceptive practices over six years [3,21]. Data analysis followed an iterative process of pattern identification, theoretical application, and cross-validation that builds understanding progressively through multiple analytical cycles, beginning with chronological reconstruction of events and identification of critical turning points in the fraud's development, followed by systematic application of Pentagon theory elements to explain observed patterns and behaviors [22,23]. The analysis employed comparative techniques to examine how E-Fishery's fraud characteristics align with or differ from patterns identified in existing startup fraud literature, while contextual

analysis situated findings within Indonesia's specific regulatory, cultural, and economic environment to understand ecosystem-level vulnerabilities that enabled sustained fraud [24,25]. This analytical approach prioritizes thick description and interpretive understanding over quantitative measurement, recognizing that fraud research requires deep engagement with complex human motivations and organizational dynamics that resist simple categorization, ultimately enabling identification of common patterns and unique characteristics of startup fraud in emerging market contexts where regulatory frameworks remain underdeveloped and information asymmetries create substantial opportunities for deception [26,27].

### 3. Results and Discussion

**The E-Fishery Phenomenon: From Unicorn to Cautionary Tale.** E-Fishery's trajectory from promising startup to fraud scandal illuminates the complex dynamics of startup fraud through the Fraud Pentagon framework. Established in 2013 by Gibran Huzaifah and Chrisna Aditya, the company evolved from a modest aquaculture technology startup into Indonesia's first unicorn in the sector, achieving a USD 1.4 billion valuation by July 2023 [11]. The company's core innovation centered on Internet of Things (IoT)-based automatic feeding systems that addressed critical inefficiencies in Indonesia's aquaculture industry, where overfeeding accounts for up to 70 percent of production costs [28]. However, this success story masked a systematic fraud scheme that began as early as 2018 and escalated dramatically over six years.

The Pentagon theory's explanatory power becomes evident when examining how E-Fishery's legitimate business achievements created the perfect conditions for fraud development [3,4]. The company's technical sophistication and market positioning provided both the capability and opportunity

for deception, while its rapid growth and investor expectations generated the stimulus pressures that motivated fraudulent behavior [1,6]. The celebrated status as Indonesia's first aquaculture unicorn fed the ego component [5,29], while the startup ecosystem's cultural acceptance of aggressive growth tactics facilitated rationalization of deceptive practices [7,8]. This case demonstrates that fraud in startup environments emerges not from business failure but paradoxically from the intersection of genuine innovation with environmental pressures that make deception appear rational and achievable [18,19].

**Systematic Financial Manipulation: Scale and Sophistication.** The forensic investigation revealed fraud of unprecedented scale and sophistication in Indonesia's startup ecosystem. For the period January to September 2024, E-Fishery reported external revenue of IDR 12.3 trillion (approximately USD 750 million) while actual revenue was only IDR 2.6 trillion (approximately USD 161 million), representing a revenue inflation factor of 4.8 times [12]. This dramatic distortion escalated over time, with inflation factors growing from 1.7 times in 2021 to 1.4 times in 2022, 1.8 times in 2023, and finally 4.8 times in 2024. The company simultaneously reported pre-tax profits of IDR 261 billion externally while actually operating at a loss of IDR 578 billion during the same period.

The Pentagon framework explains this escalation through the interaction of its five elements [3,4]. The stimulus component intensified with each funding round as investor expectations grew exponentially, creating mounting pressure to demonstrate performance that matched the company's rising valuation [1,30]. The capability element evolved systematically through strategic hiring of personnel specifically to manage fraudulent records, including the recruitment of key individuals to oversee dual bookkeeping systems and the establishment of five nominee companies for

round-tripping transactions [20,21]. The opportunity dimension remained favorable due to limited regulatory oversight for private companies and the technical complexity of aquaculture operations that made verification challenging for investors [14,15]. Rationalization mechanisms adapted to justify increasingly aggressive deception as necessary for market leadership [7,25], while ego-driven confidence prevented realistic risk assessment [23,24].

**The Pentagon Elements in Action: Interconnected Drivers of Deception.** The Pentagon Fraud Framework, which includes five interrelated elements known as S.C.O.R.E. (Stimulus, Capability, Opportunity, Rationalization, and Ego). The S.C.O.R.E framework as the analytical foundation. The following is the analysis using the Pentagon Fraud Framework.

**Stimulus: Venture Capital Pressure and Survival Imperatives.** The stimulus component manifested most clearly in E-Fishery's funding timeline and the existential pressures facing management [3,31]. CEO Gibran Huzaifah's later admission that the company faced imminent collapse in 2018, being "three months away from running out of cash," reveals the acute financial pressure that triggered initial fraudulent activities [29,32]. The decision to inflate revenue by 20 to 25 percent during the Series A funding round represents what fraud researchers identify as the critical transition point where temporary misrepresentation becomes systematic deception [4,6].

The Pentagon theory illuminates how this initial stimulus created a self-perpetuating cycle [3,19]. Each successful funding round based on inflated figures generated new stimulus pressures as management faced impossible expectations derived from fabricated benchmarks [1,30]. The involvement of prestigious investors including SoftBank Vision Fund 2, Temasek Holdings, and Sequoia Capital India after the Series C round in 2022 exponentially increased these pressures [33,34]. The

achievement of unicorn status paradoxically intensified rather than relieved stimulus pressures, as management confronted the impossibility of justifying a USD 1.4 billion valuation built fundamentally on falsified data while maintaining confidence among sophisticated institutional investors [35,36].

**Capability: Organizational Infrastructure for Systematic Deception.** E-Fishery's fraud demonstrates exceptional capability across multiple dimensions that enabled sustained deception over six years [18,21]. The establishment of dual financial record-keeping systems required advanced accounting knowledge, sophisticated database management skills, and strategic understanding of audit procedures and investor due diligence processes [12,17,23]. The technical sophistication extended beyond simple revenue manipulation to encompass the creation of parallel operational metrics, with the company claiming deployment of over 400,000 smart feeding devices when actual deployment was approximately 24,000, and only 6,300 were operational [24,32].

The organizational capability developed systematically through strategic personnel decisions designed to distribute both workload and risk associated with maintaining fraudulent records. The recruitment of AHR as VP of Corporate Finance and Investor Relations in August 2020, TTA as Head of Financial Controller in January 2021, and later WK as division head in December 2021 created dedicated infrastructure for financial manipulation with clear reporting relationships and specialized responsibilities [20]. The involvement of approximately ten employees in the fraudulent scheme indicates that capability extended beyond individual expertise to encompass organizational culture and systematic processes that normalized deceptive practices. The establishment of five nominee companies in January 2022 for round-tripping transactions represents the most sophisticated demonstration of

capability, revealing advanced understanding of corporate finance, regulatory compliance, and transaction structuring.

**Opportunity: Governance Gaps and Regulatory Weaknesses.** The opportunity element in E-Fishery's case illuminates fundamental structural weaknesses in startup governance that create environments conducive to fraud. Unlike publicly traded corporations with established audit committees and regulatory oversight mechanisms, E-Fishery operated by typical startup governance models where power concentrates among founders and early investors, traditional oversight mechanisms are either absent or ineffective, and information asymmetries between insiders and external stakeholders create substantial opportunities for manipulation [1].

The regulatory environment in Indonesia's startup ecosystem provided additional opportunities through limited oversight requirements for privately held technology companies. The engagement of reputable audit firms including PricewaterhouseCoopers and Grant Thornton proved insufficient to detect sophisticated dual record-keeping systems, highlighting gaps in audit procedures for private companies compared to public entities [37]. The technical complexity of IoT-based aquaculture technology created information asymmetries that enabled management to make operational claims difficult to verify independently, particularly given geographical dispersion across multiple provinces and the emerging nature of the aquaculture technology sector where industry benchmarks and performance standards remain poorly established.

**Rationalization: Cultural Normalization and Moral Licensing.** The rationalization component reveals how startup culture and environmental factors normalized deceptive practices through sophisticated psychological justification mechanisms [4,16,19]. Gibran Huzaifah's public statements following fraud discovery

demonstrate classic rationalization patterns, including claims that falsifying numbers was "a common practice among Indonesian startups" and that deception would "ultimately benefit fishermen and employees" [13,22,31]. These justifications reflect moral licensing, where perpetrators frame fraudulent behavior as serving higher purposes or benefiting disadvantaged groups [26,38].

The rationalization evolved from initial survival-based justifications to elaborate narratives about market leadership and industry transformation [39,40]. What likely began as temporary measures to overcome short-term funding challenges became systematic deception rationalized as necessary sacrifice to advance aquaculture technology and support Indonesian farmers [27,41]. The "fake it till you make it" culture prevalent in technology startups provided external validation for deceptive practices by framing them as standard entrepreneurial tactics rather than fraudulent behavior [6–8]. The involvement of prestigious investors and audit firms provided additional rationalization cover by suggesting that sophisticated professionals had validated the company's approach and performance metrics [1,36].

**Ego: Unicorn Status and Invincibility Complex.** The ego dimension manifested through the development of arrogance and perceived invincibility that enabled management to persist with fraudulent behavior despite mounting risks and stakeholder scrutiny. E-Fishery's achievement of unicorn status and celebration as Indonesia's first aquaculture technology unicorn likely reinforced management's sense of superiority and special status, creating psychological conditions where normal ethical and legal constraints seemed less applicable [4].

The systematic expansion and sophistication of the fraud scheme demonstrate psychological confidence that detection could be avoided indefinitely. The

willingness to mislead sophisticated institutional investors and prestigious audit firms reflects extraordinary confidence in personal abilities and immunity from consequences. The entrepreneurial culture's celebration of risk-taking, disruption, and rule-breaking as positive traits may have enabled management to rationalize fraudulent behavior as innovative approaches to performance reporting, consistent with broader narratives about challenging conventional wisdom and established practices.

**Synergistic Interactions: The Pentagon as Dynamic System.** The E-Fishery case demonstrates that the Pentagon elements operate as a dynamic, interconnected system rather than independent factors. The relationship between stimulus and capability illustrates how external pressures drove development of sophisticated fraud capabilities, which then enabled more ambitious responses to ongoing stimulus pressures. Enhanced fraud capabilities facilitated management's ability to address larger stimulus pressures through more elaborate deceptive schemes, creating feedback loops where capability development escalated fraud schemes beyond their original scope.

The interaction between opportunity and rationalization shows how structural governance weaknesses provided both practical opportunities for fraud and psychological justification for deceptive behavior. The limited oversight requirements in Indonesia's startup ecosystem suggested that fraudulent practices were acceptable or at least tolerated, creating mutual reinforcement between environmental conditions and psychological justifications. The ego component interacted powerfully with both stimulus and capability elements, enabling management to interpret stimulus pressures as challenges to overcome through superior capabilities rather than constraints requiring realistic strategy adjustment.

**Ripple Effects: How E-Fishery's**

### **Fraud Reveals Ecosystem-Wide**

**Vulnerabilities.** The E-Fishery case reveals systematic vulnerabilities within entrepreneurial ecosystems that create incentives and opportunities for deceptive behavior, particularly in emerging market contexts where regulatory frameworks and cultural norms around business practices may be less developed. The venture capital funding model's emphasis on rapid growth and exponential scaling creates inherent pressures that incentivize fraudulent behavior when actual performance falls short of investor expectations. The mismatch between venture capital expectations and operational realities in complex sectors like aquaculture technology creates situations where fraud appears to be the only viable means of maintaining funding and organizational survival.

The information asymmetry inherent in venture capital relationships becomes particularly problematic in emerging technology sectors where investors may lack technical expertise necessary to evaluate company claims effectively. The regulatory environment in emerging markets often lacks sophisticated oversight mechanisms necessary to detect and prevent sophisticated fraud schemes, particularly in technology sectors where traditional regulatory approaches may be inadequate. The cultural dimension of startup ecosystems can contribute to fraud risk through normalization of aggressive business practices and celebration of rapid growth regardless of underlying sustainability or ethical considerations.

### **Strengthening the Nets: Strategic**

**Frameworks for Fraud Prevention.** The E-Fishery case provides critical insights for developing more effective fraud detection and prevention strategies in startup environments. The dual record-keeping system demonstrates the need for audit procedures specifically designed to detect systematic financial manipulation in technology companies with complex

operational structures. Traditional audit approaches that rely primarily on management-provided information may be inadequate for detecting fraud schemes where management has deliberately created parallel information systems designed to deceive external stakeholders.

The involvement of multiple employees in coordinated deception highlights the importance of developing fraud detection strategies that identify organizational patterns rather than focusing exclusively on individual misconduct. The systematic nature of fraud requires analysis of organizational behavior patterns, communication flows, and decision-making structures that may indicate coordinated deceptive activities. Effective fraud prevention requires attention not only to structural and procedural controls but also to underlying attitudes, incentives, and justification mechanisms that enable deceptive behavior to flourish in competitive entrepreneurial environments.

The case emphasizes the need for enhanced oversight requirements for venture-backed companies seeking substantial capital, particularly in emerging technology sectors where traditional regulatory approaches may be inadequate. Regulatory enhancements should balance fraud prevention needs with legitimate requirements for operational flexibility and confidentiality in innovative companies. The development of industry-specific benchmarks and verification standards could reduce opportunities for operational misrepresentation while supporting legitimate innovation and growth.

## **4. Conclusion**

This comprehensive analysis of E-Fishery's fraud through the Fraud Pentagon Theory framework reveals how sophisticated deception schemes develop and persist in venture-backed startup environments through the synergistic interaction of five critical elements. The research demonstrates that E-Fishery's systematic financial manipulation,

which inflated revenue by up to 4.8 times actual figures through dual record-keeping systems and nominee companies over six years, emerged not from simple greed or desperation but from complex interactions between stimulus pressures created by venture capital expectations, sophisticated capability development through strategic organizational design, structural opportunities arising from governance weaknesses in Indonesia's regulatory environment, cultural rationalization mechanisms that normalized aggressive business practices, and ego-driven overconfidence that prevented realistic risk assessment. The findings reveal that fraud in startup ecosystems follows predictable patterns where initial modest misrepresentations evolve into elaborate schemes involving multiple organizational levels and sophisticated financial engineering, creating self-perpetuating cycles of deception that become increasingly difficult to detect and break as company valuations and stakeholder expectations escalate. Unlike traditional fraud cases that emerge from failing businesses, the E-Fishery scandal demonstrates how fraud can paradoxically develop within genuinely innovative companies where technical legitimacy provides perfect cover for financial manipulation, making detections particularly challenging for investors and auditors who see tangible products and satisfied customers alongside fabricated financial performance.

The theoretical contribution of this research extends fraud analysis into the specific context of emerging market startup ecosystems, providing the first comprehensive application of Pentagon Theory to understand how venture capital funding structures, cultural factors, and regulatory frameworks interact to create conditions conducive to sustained deception in entrepreneurial environments. By bridging the gap between theoretical frameworks and practical implementation, this study offers

original insights that advance our understanding of how traditional fraud theories apply in modern startup contexts where rapid growth pressures, information asymmetries, and governance weaknesses create unique vulnerabilities not adequately addressed by existing literature. The practical contributions include the development of enhanced fraud detection strategies specifically tailored to venture-backed companies, recommendations for improved due diligence procedures that address the sophisticated dual record-keeping systems revealed in this case, and policy insights for regulatory authorities seeking to strengthen oversight requirements for privately held technology companies without stifling innovation. The research provides critical guidance for entrepreneurs, investors, regulators, and policymakers by revealing how ecosystem-level factors including funding pressures, governance structures, and cultural norms can combine to create environments where fraud becomes a rational response to competitive pressures, thereby enabling the development of more effective prevention mechanisms that address both individual and systemic risk factors in rapidly evolving entrepreneurial ecosystems.

The limitations of this study include its focus on a single case within Indonesia's specific cultural and regulatory context, which may limit the generalizability of findings to other emerging market startup ecosystems with different institutional frameworks and business practices. While the E-Fishery case provides rich insights into fraud dynamics, future research should examine multiple cases across different countries, industries, and regulatory environments to validate the broader applicability of Pentagon Theory in startup contexts and identify cultural or institutional factors that may influence fraud development patterns. Additionally, this research relies primarily on publicly available information and media reports, suggesting that future studies could benefit from direct access to

internal company documents, interviews with key stakeholders, and real-time observation of fraud prevention mechanisms in action. Future research directions should explore the temporal dynamics of fraud development more systematically to understand decision points where companies choose corrective action versus continued deception, investigate how emerging technologies can be leveraged for both fraud execution and detection in startup environments, and examine the effectiveness of different prevention strategies across various startup development stages and funding structures. Research examining the long-term impact of high-profile fraud cases on investor behavior and ecosystem development would also provide valuable insights for understanding how markets adapt to and learn from major deception schemes, while cross-cultural studies could reveal how different business cultures and regulatory approaches influence fraud risks and prevention effectiveness in global venture capital markets.

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