

Part 1:

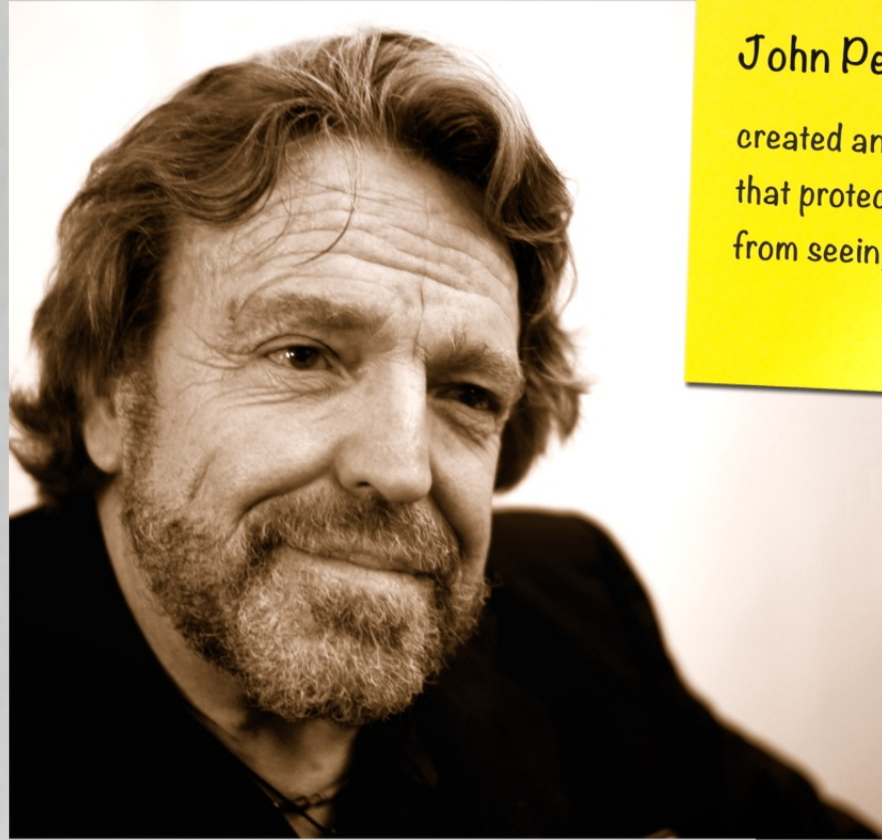
The Simple Model of Rational Crime

What caused
Enron's
collapse?






wishful
blindness



John Perry Barlow

created an ideology
that protected him
from seeing the truth


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Is dishonesty the result
of a few bad apples?

Or is it due to many
people cheating
just a little bit?





What do we know
about cheating,
and how do
we measure it?



The Matrix Test

In each of the 20 boxes below, find a set of numbers that sum up exactly **to 10**. For each box, in which you found the set, circle the numbers and mark the corresponding 'Got It' box below. **See Example** →
For each box you get, you will receive \$0.50.
You have 5 minutes.
On average people solve 4 boxes correctly.

Example		
3.91	0.82	3.75
1.11	1.69	7.94
3.28	2.52	6.25
9.81	6.09	2.46
Got it <input checked="" type="checkbox"/>		

When finished:

1. Fill out the attached collection slip.
2. Submit both pages to the experimenter, who will check your answers.

1.69	1.82	2.91
4.67	4.81	3.05
5.82	5.06	4.28
6.36	5.19	4.57

Got it ☐

0.46	0.53	1.88
6.13	5.11	3.42
7.05	5.43	4.15
7.15	5.76	4.77

Got it ☐

0.49	0.74	1.17
3.72	2	1.22
3.75	5.22	5.67
8.83	8.23	7.7

Got it ☐

0.47	4.58	2.57
3.15	3.82	4.38
4.94	5.42	5.98
2.95	4.86	7.54

Got it ☐

0.13	0.24	0.41
2.81	1.86	1.2
3.33	3.46	4.07
5.67	5.46	5.18

Got it ☐

0.81	1.31	2.09
4.55	3.75	3.19
5.62	9.41	6.81
7.02	8.48	8.51

Got it ☐

0.17	2.46	2.44
6.02	5.6	2.63
6.05	6.21	6.6
8.22	8.19	7.54

Got it ☐

0.46	1.98	2.38
0.48	1.79	2.48
0.58	1.69	2.59
1.65	0.98	2.94

Got it ☐

0.06	5.07	5.39
1.71	0.03	8.98
2.1	4.96	9.42
4.53	4.65	9.92

Got it ☐

0.85	1.62	1.63
6.06	5.63	1.69
6.25	5.01	1.78
6.36	3.16	1.91

Got it ☐

0.15	0.95	1.31
4.98	2.9	2.88
6.66	6.73	7.67
9.75	9.85	8.17

Got it ☐

0.63	0.65	1.02
2.64	2.34	2.12
2.89	5.98	8.89
9.49	9.37	9.33

Got it ☐

0.14	0.15	0.32
5.51	5.68	0.52
5.48	6.15	0.84
5.28	3.31	1.17

Got it ☐

0.84	1.54	7.28
4.42	3.54	7.18
5.54	4.78	5.55
6.99	6.93	6.76

Got it ☐

0.77	1.47	1.69
3.38	3.18	2.28
3.62	3.01	2.48
3.68	2.93	2.53

Got it ☐

0.63	0.74	2.23
8.05	7.68	3.71
8.31	7.06	4.51
8.45	6.44	5.29

Got it ☐

0.12	0.71	0.74
4.27	3.07	2.27
5.09	5.73	5.82
9.27	7.03	6.79

Got it ☐

0.74	1.93	2.76
7.24	5.03	3.14
7.71	6.38	3.8
8.28	9.18	9.48

Got it ☐

0.14	0.67	2.22
5.96	5.58	5.22
7.04	7.59	9.33
9.77	9.5	8.52

Got it ☐

0.2	2.54	2.8
1.05	2.39	2.96
1.44	2.28	3
1.73	2.19	3.85

Got it ☐



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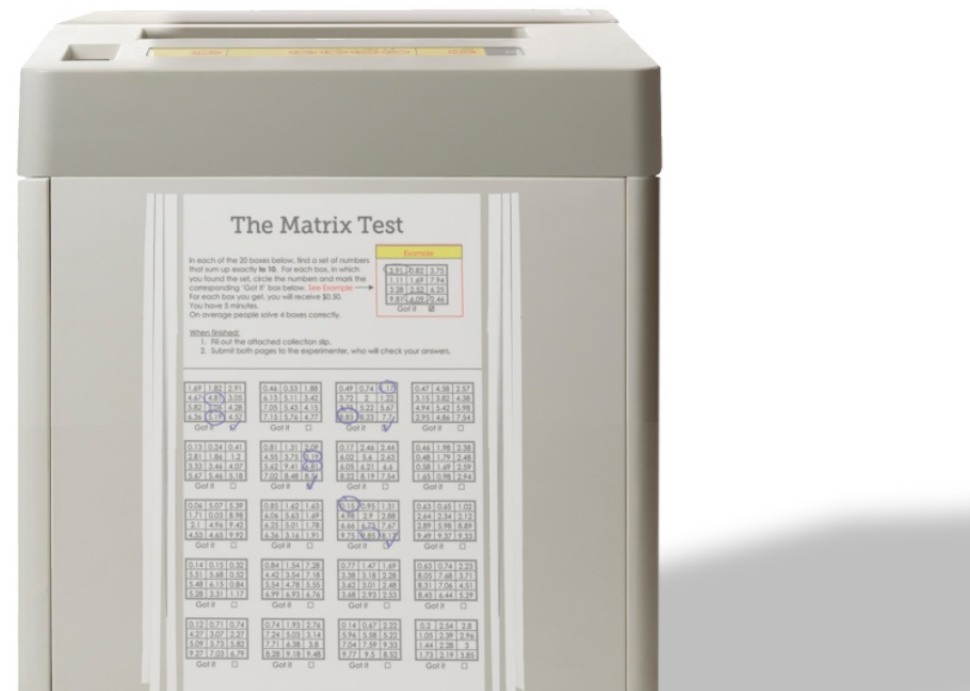
1.69	1.82	2.91	0.46	0.53	1.88	0.49	0.74	1.17	0.47	4.58	2.57
4.67											
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5.48											
5.28											
Got it											
0.12											
4.27	3.07	2.27	7.24	5.03	3.14	5.96	5.58	5.22	1.05	2.39	2.96
5.09	5.73	5.82	7.71	6.38	3.8	7.04	7.59	9.33	1.44	2.28	3
9.27	7.03	6.79	8.28	9.18	9.48	9.77	9.5	8.52	1.73	2.19	3.85
Got it			Got it			Got it			Got it		

1.69	1.82	2.91
4.67	4.81	3.05
5.82	5.06	4.28
6.36	5.19	4.57

Got it



Only the sides of the paper were shredded.




On average,
people solve
4 problems,
but report
solving 6.

57
38
98
54

8
8
9
4

Got it ☐



Lots of people cheat
just a little bit.





Gary Becker

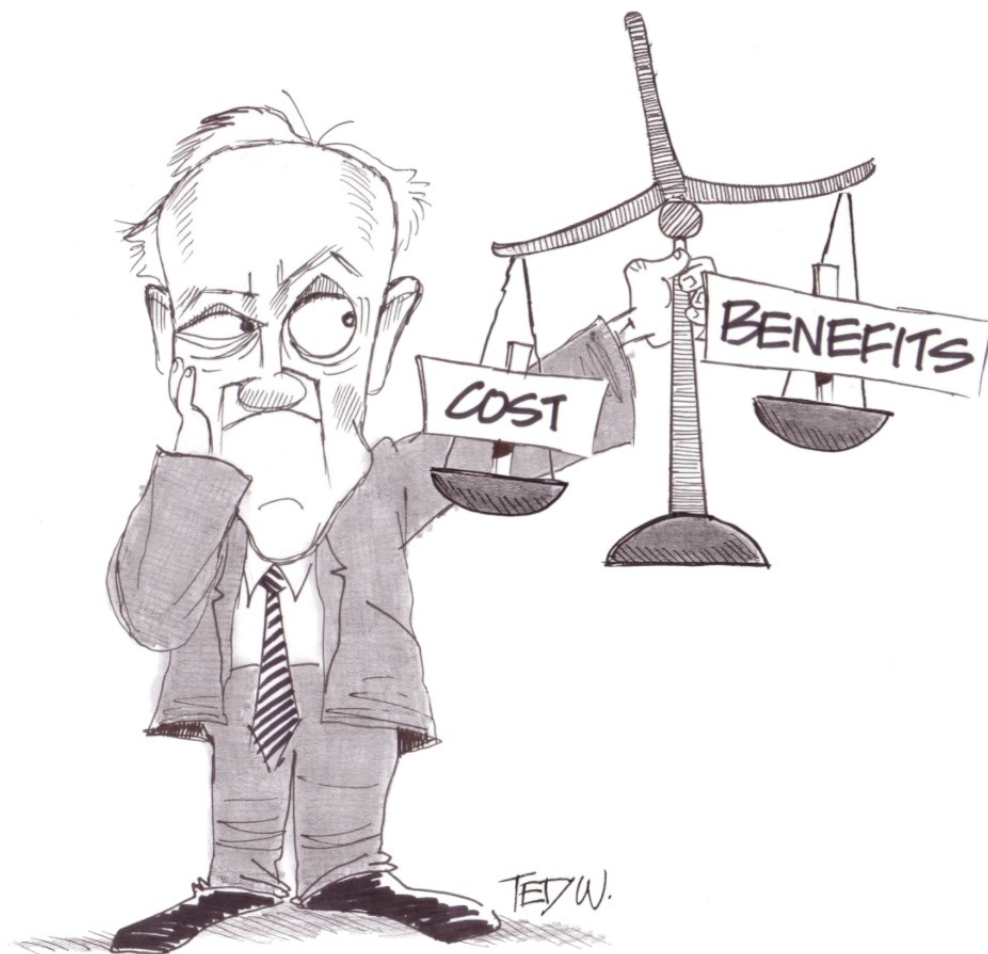
*Professor, University
of Chicago*

**Nobel Prize for
Economic Sciences,
1992**

**cost/benefit
analysis:**

weighing the
benefit of being
on time against
the possible costs
of getting caught





How much
money do you
stand to gain?



Payment per
"correct" answer:

1: .10

2: .25

3: .50

4: \$1.00

5: \$2.00

6: \$5.00

7: \$10.00

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3.62	3.01	2.48
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Got it ☐

0.63	0.74	2.23
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0.2	2.54	2.8
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1.44	2.28	3
1.73	2.19	3.85

Got it ☐







What is the
probability
you will
get caught?



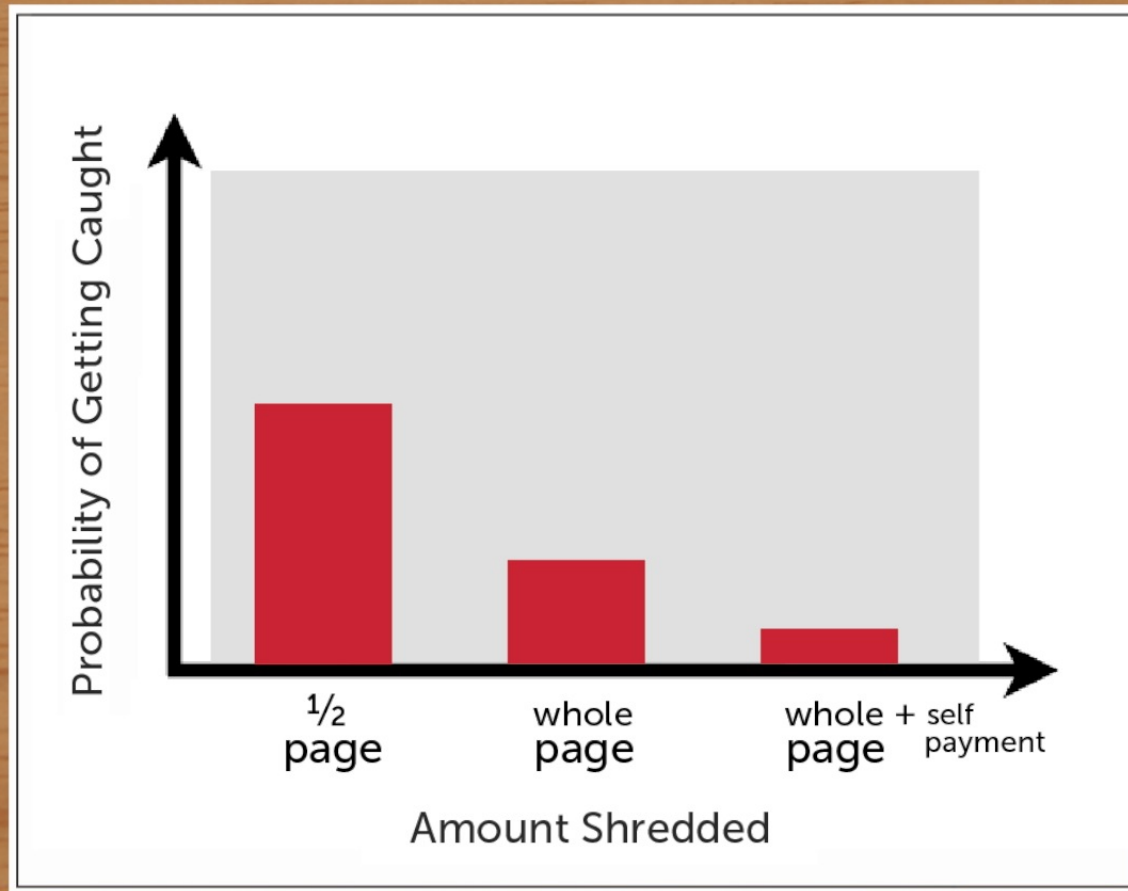
Group 1
shredded
half a page,
submitted
the other half



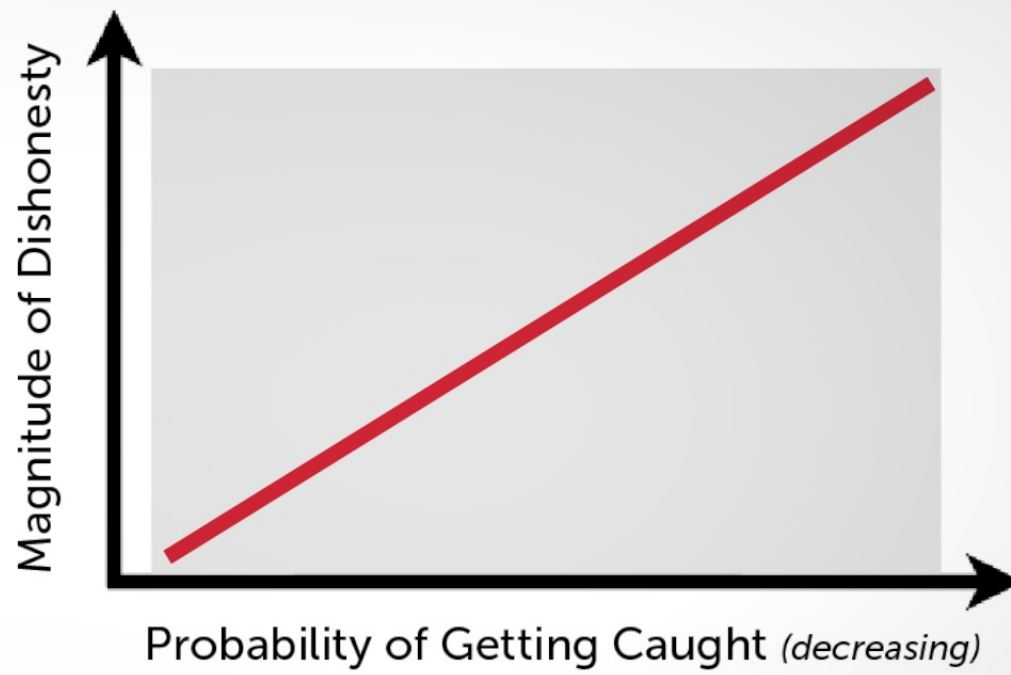
Group 2
shredded the
whole page

Group 3
shredded the
whole page,
paid themselves

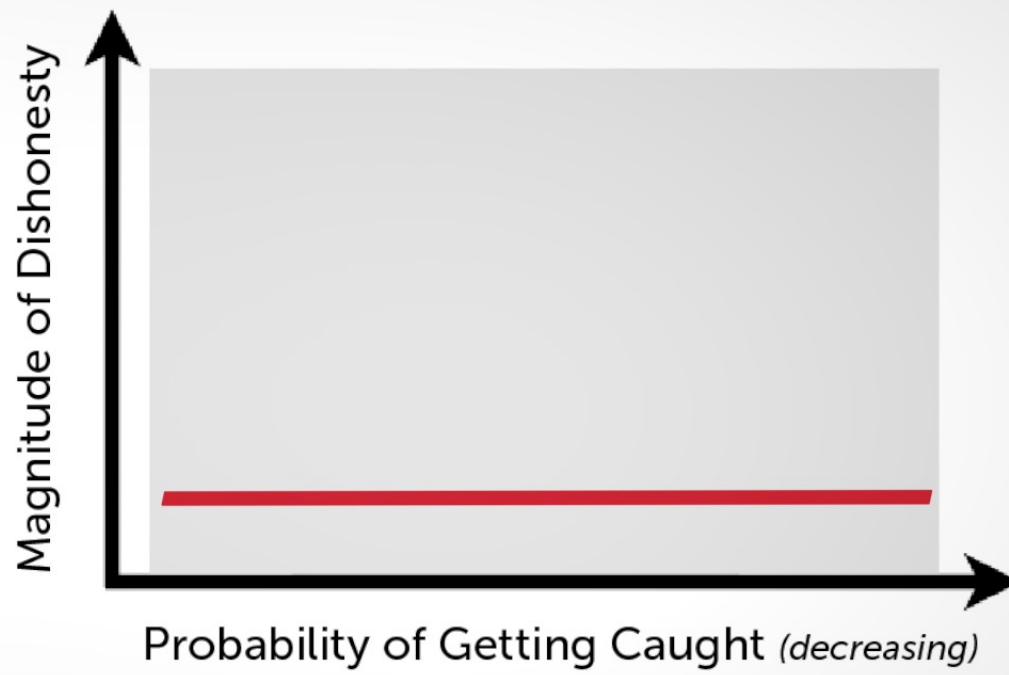




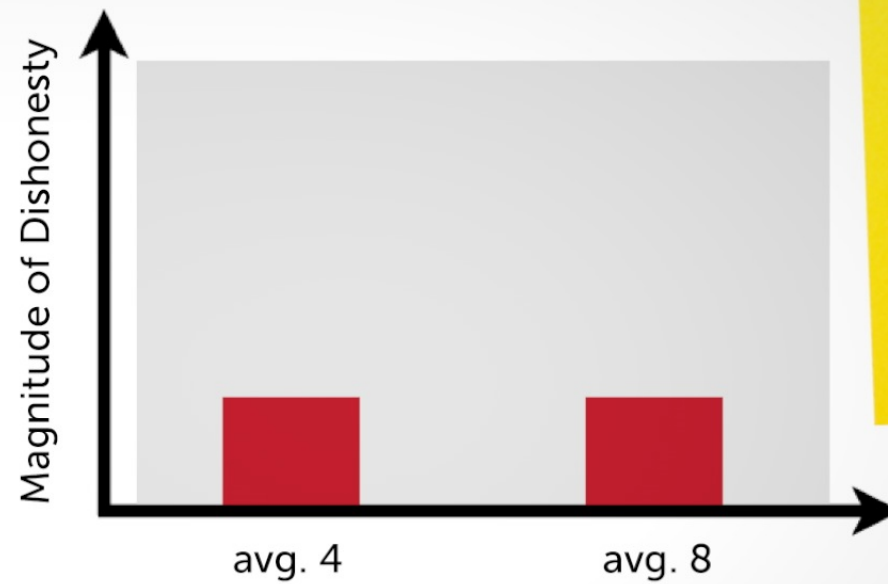
Expected Results



Actual Results

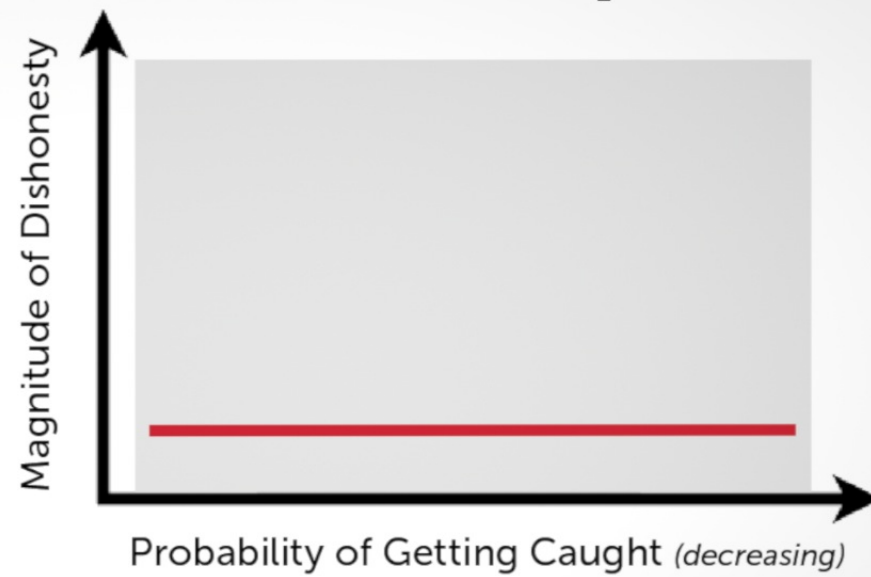


Impact of Social Comparison



No difference:
in both conditions,
people solved 4
but reported 6.

Impact of Potential Consequences



Impact of Reward



We need a new economic model of dishonesty that doesn't solely rely on cost-benefit analyses:

1) rewards



2) probability of getting caught



3) punishment

