

### Background

Cheating and lying are pervasive phenomena with large societal costs. Financial costs are staggering whether it be tax evasion, Pyramid and Ponzi Schemes or through online scams (1). Cheating and lying forces society to develop costly and demoralizing measures to detect, enforce, punish and incarcerate wrongdoers.

### Objective

The objective of our project is to investigate the underlying motivations for cheating under different contexts and incentive structures by integrating neurophysiological responses into our experiments to better understand the emotional responses to cheating behavior.

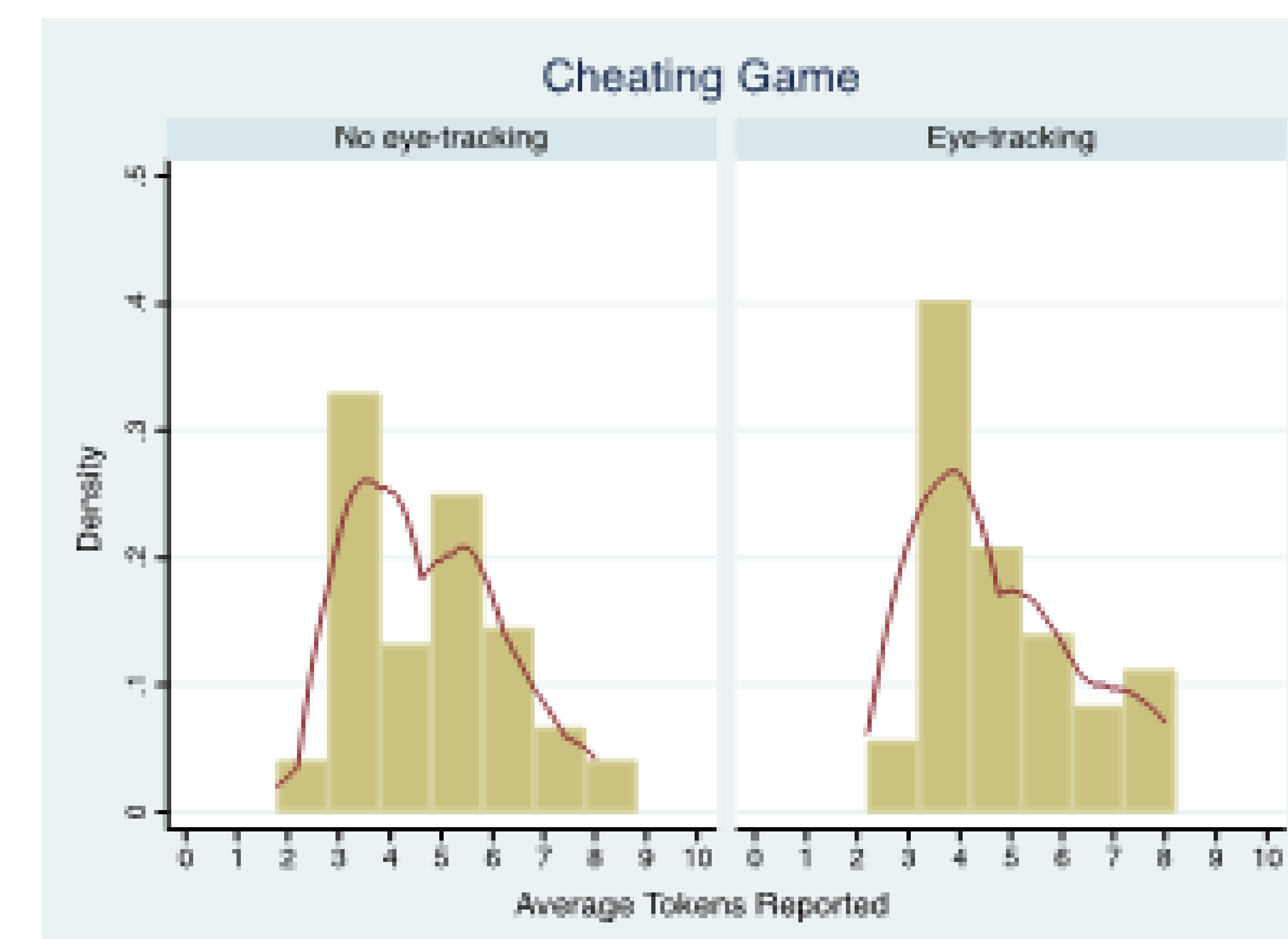
### Preliminary Work

#### *Study 1 – The effects of scarcity on cheating (2) (Prior Work)*

Do people cheat more when they are experiencing scarcity? We found that there are high levels of cheating in both scarcity and abundance environments. We also found out that scarcity does not impact the cheating behavior for oneself or an in-group member; however scarcity eliminates in-group bias through increased cheating for the out-group member.

#### *Study 2 – Does Eye Tracking changes the propensity to cheat?*

Would people cheat during an experiment if they knew researchers were tracking their eyes? In general we did not observe aggregate changes in cheating for the eye tracking treatment group relative to the control.



### Ongoing Research

**The Economics Research Laboratory and the Human Behavior Laboratory are approved to resume data collection after COVID-19 safety protocols were established.**

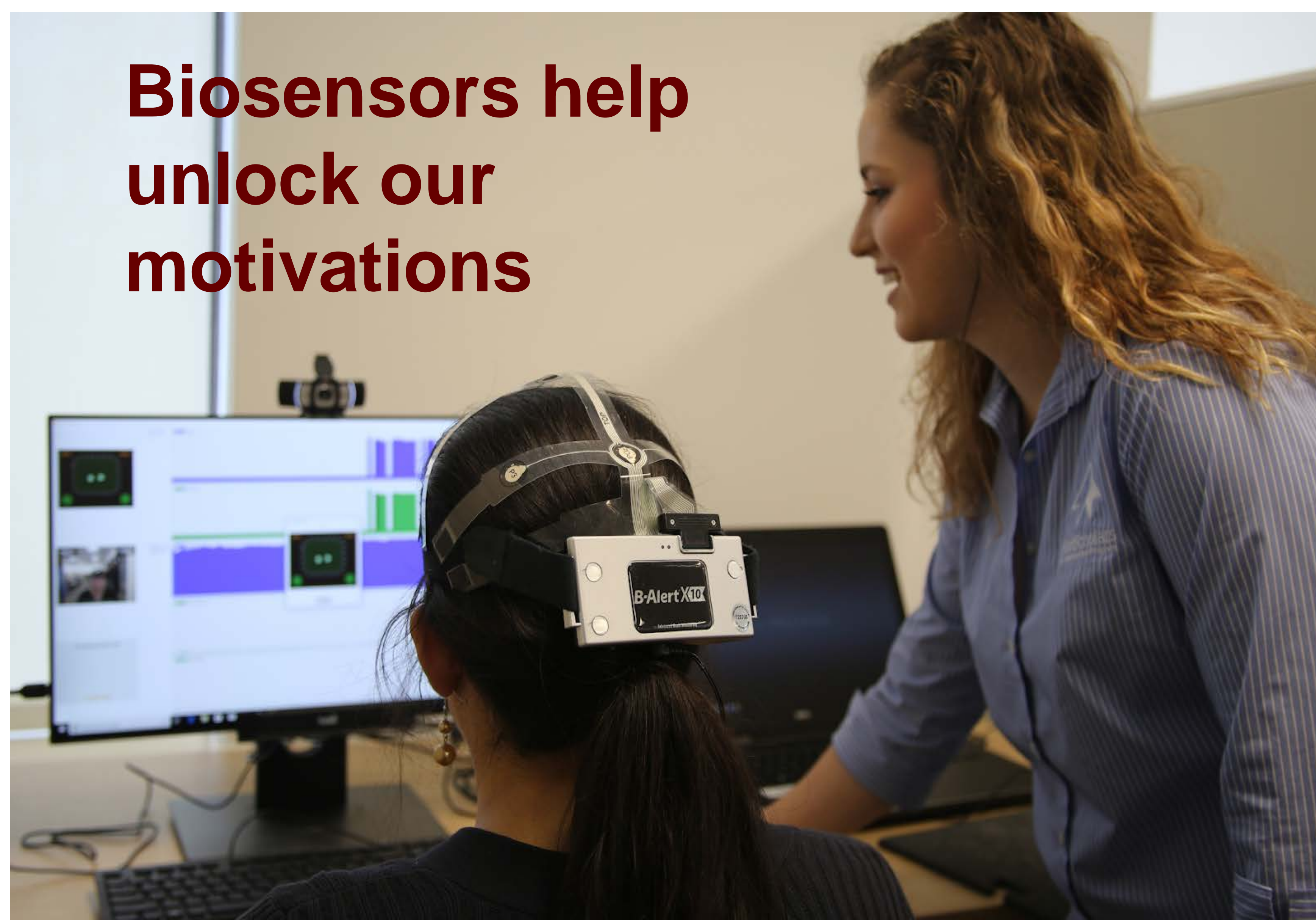
#### *Study 3 – Concealed lies and the dynamics of cheating*

If you could hide your lies and not get caught would you?  
Would someone cheat if they knew for certain they would not be caught?

#### *Study 4 – Stake size the dynamics of cheating*

Does the size of the lie matter? Is someone more likely to cheat if it resulted in them profiting \$50,000 then if the payoff was only \$50? Previous studies suggest no relationship between stake size and cheating(3).

**Biosensors help unlock our motivations**



### Motivation

This understanding the monetary and moral motivations for honest behavior is important for designing institutions that may effectively reduce the propensity to cheat as alternatives to costly monitoring and enforcement.



**References**

(1) Feige, Edgar and Cebula, Richard. 2011. "America's Underground Economy: Measuring the Size, Growth and Determinants of Income Tax Evasion in the U.S." MPRA Paper 29672, University Library of Munich, Germany. (2) Aksoy, B., and M.A. Palma (2019). "The effects of scarcity on cheating and in-group favoritism". *Journal of Economic Behavior and Organization*. 165: 100-117. (3) Abeler, J., Nosenzo, D., and Raymond, C. "Preferences for truth-telling". *Econometrica*. 87(4): 1115-1153.