

**RESEARCH
CORRUPTION CASE HANDLING
TREND
2016**

**“The Failure of
Bureaucratic Reform
and Rise of the Local
Elite Capture
Phenomenon”**



TABLE OF CONTENTS

- Background
- Goal
- Methodology
- Source of Data and Monitoring Time
- Corruption Case Prosecution Trend in 2016



INTRODUCTION



BACKGROUND

1. The information regarding the corruption case handling which handled by the Law Enforcement Officers (LEO) was not published transparently, especially from the Police Force and Attorney General.*

2. The data regarding the amount of corruption case reported was only in the form of statistics accumulated every year and it does not have the details of the corruption cases.

“

**) Based on the Decree of Central Information Commission No. : 03/KEP/J.II/XII/2016 regarding the Ranking of Information Transparency of Public Entities in 2016 by Central Information Commission, Corruption Eradication Commission (KPK) stands on the 10th position with the rating of 86,87 and it is included in the "Towards Informative" category , while Attorney General and Police Force was not included in the top ten.*

GOAL

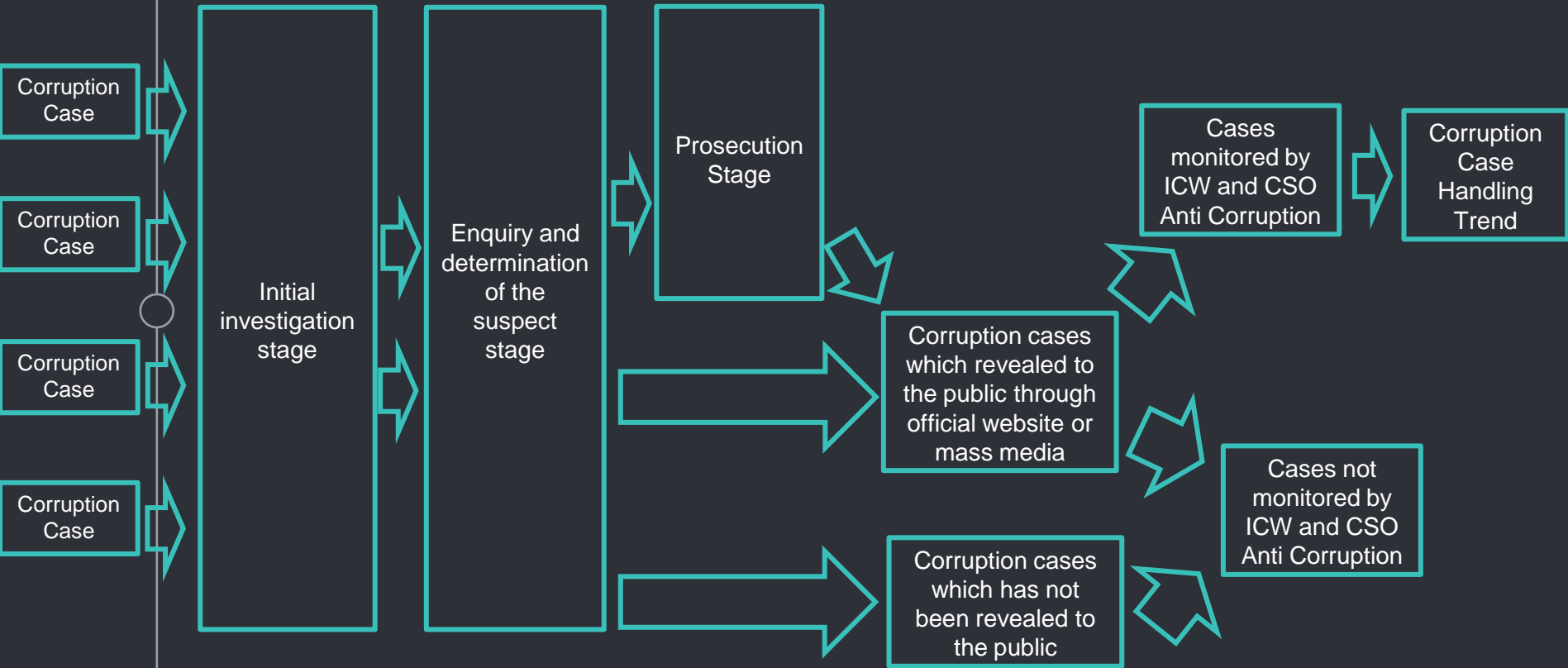
- To conduct a mapping towards the corruption cases which were investigated by the LEO in 2016, including: number of corruption cases, type of corruption handled, total amount of state losses, number of suspects, modus of the corruption, sectors where the corruption happens, position of the corruptor.
- To stimulate the data transparency of corruption case handling in the law enforcement institutions, whether it is in the Police Force, Attorney General, or KPK.



METHODOLOGY

1. Monitor corruption cases in the enquiry stage where the suspect is already determined.
2. Collect data of corruption cases which has been revealed to the public by the LEO, whether through official website or mass media.
3. Conduct a tabulation on the cases which has been revealed to the public and monitored by (Indonesia Corruption Watch) ICW.
4. Compare the statistics on all parameter analysis.
5. Conduct a descriptive analysis on the corruption case enquiry.

CHART OF CORRUPTION CASES WHICH MONITORED BY ICW IN 2016





IMPORTANT FINDINGS



THE PERFORMANCE OF LEO ON HANDLING CORRUPTION CASE IN 2016

Number of Corruption Cases

482 corruption cases

Number of Suspects

1.101 suspects

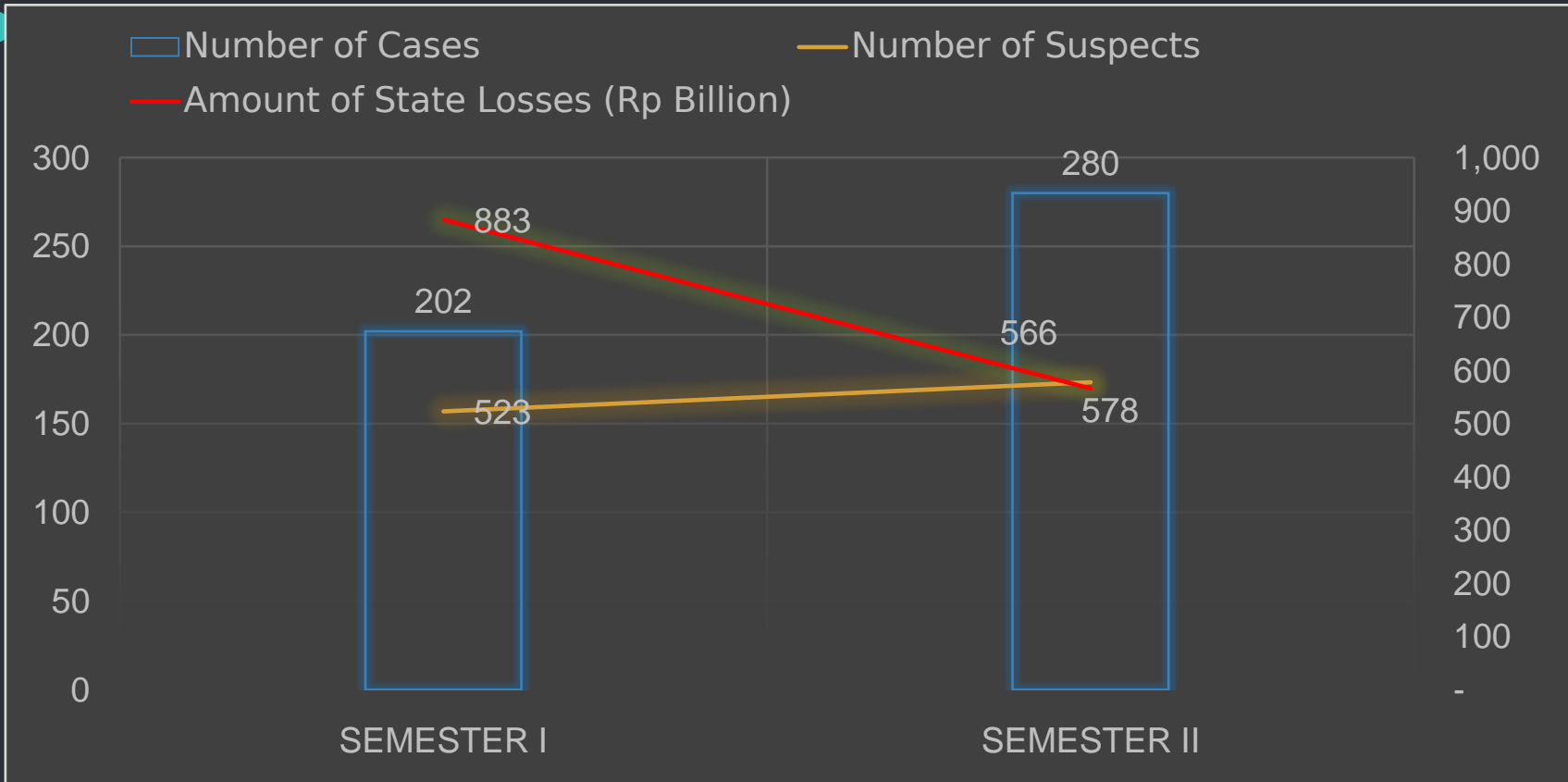
Amount of State Losses

Rp 1.45 trillion

Amount of Bribery

Rp 31 billion

COMPARISON OF CORRUPTION CASE ENQUIRY ON SEMESTER I 2016 AND SEMESTER II 2016



- There is a rise in the number of corruption case enquiry from 202 cases on the first semester to 280 cases on the second semester.
- The number of people determined as a suspect also increases even though it is not significant. On the first semester, LEO could investigate as many as 523 suspects. While on the second semester II, LEO could investigate as many as 578 suspects.
- The amount of state losses is declining because some cases which handled by KPK, Indonesian Supreme Audit Institution (BPK)/ State Development Audit Agency (BPKP) has not determine the amount of state losses

On the second semester 2016, the number of corruption case which loss has not been determined is as many as 90 cases. While on the first semester 2016, the number of corruption case which loss has not been determined is as many as 52 cases.

“

From the 482 corruption cases which has been successfully monitored by ICW, 6 of those cases are the development of cases that was conducted by KPK. Example: E-KTP Case, Akil Muchtar bribery case regarding the election dispute on Buton District, and ratification of Regional Government Budget on District Musi Banyuasin bribery case.

CORRUPTION CASES IN 2016 BASED ON MODUS

- The most used modus for corruption is embezzlement, as many as 124 cases and caused state loss as much as Rp 205 Billion.
- Though embezzlement is the most used modus, the misuse of authority modus caused bigger amount of state loss (Rp 410 Billion) dan fictitious project modus (Rp 398 Billion)

Modus	Number of cases	Amount of state losses	Amount of bribery
Mark Up	58	Rp 207 billion	-
Embezzlement	124	RP 205 billion	-
Fictitious Report	47	RP 61,8 billion	-
Misuse of budgets	53	109 billion	-
Bribery	35	-	Rp 31 billion
Gratification	2	-	-
Cuttings	16	Rp 49,6 billion	-
Blackmail	8	Rp 84 million	-
Misuse of authority	54	Rp 410 billion	-
Fictitious Project	71	Rp398 billion	-
Dual budgets	2	Rp 1,6 billion	-
Unauthorized collections	11	-	-
Money Laundering	1	Rp 5,3 billion	-
TOTAL	482	Rp 1,45 trillion	Rp 31 billion

CORRUPTION CASES ON ENQUIRY STAGE IN 2016 BASED ON THE TYPE OF CORRUPTION



State Loss

Number of case : 238 cases
Amount of state loss : Rp 1 trillion



Bribery

Number of case: 33 cases
Amount of bribery : Rp 31 billion



Gratification

Number of case : 2 cases
Amount of Gratification : Rp -



Blackmail

Number of case : 7 cases
Amount of state loss : Rp 84 million



Embezzlement in Office

Number of case : 3 cases
Amount of state loss : Rp 2,3 billion



Procurement

Dispute in Procurement

Number of case : 2 cases
Amount of state loss : Rp -



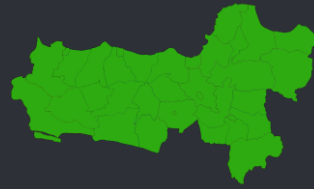
Unknown

Number of case : 197 cases
Amount of state loss : Rp 442 billion

CORRUPTION CASES ON ENQUIRY STAGE IN 2016 BASED ON LOCATION (TOP 10)



EAST JAVA
Number of case: 64 cases
Amount of state losses: Rp 325 billion



CENTRAL JAVA
Number of case : 37 cases
Amount of state losses: Rp 28 billion



WEST JAVA
Number of case : 30 cases
Amount of state losses: Rp 179 billion



NORTH SUMATERA
Number of case : 28 cases
Amount of state losses: Rp 39 billion



SOUTH SULAWESI
Number of case : 27 cases
Amount of state losses: Rp 32,6 billion



SOUTH SUMATERA
Number of case : 21 cases
Amount of state losses: Rp 49 billion



SOUTHEAST SULAWESI
Number of case : 20 cases
Amount of state losses: Rp 6,6 billion



CENTRAL
Number of case : 19 cases
Amount of state losses: Rp 211 billion

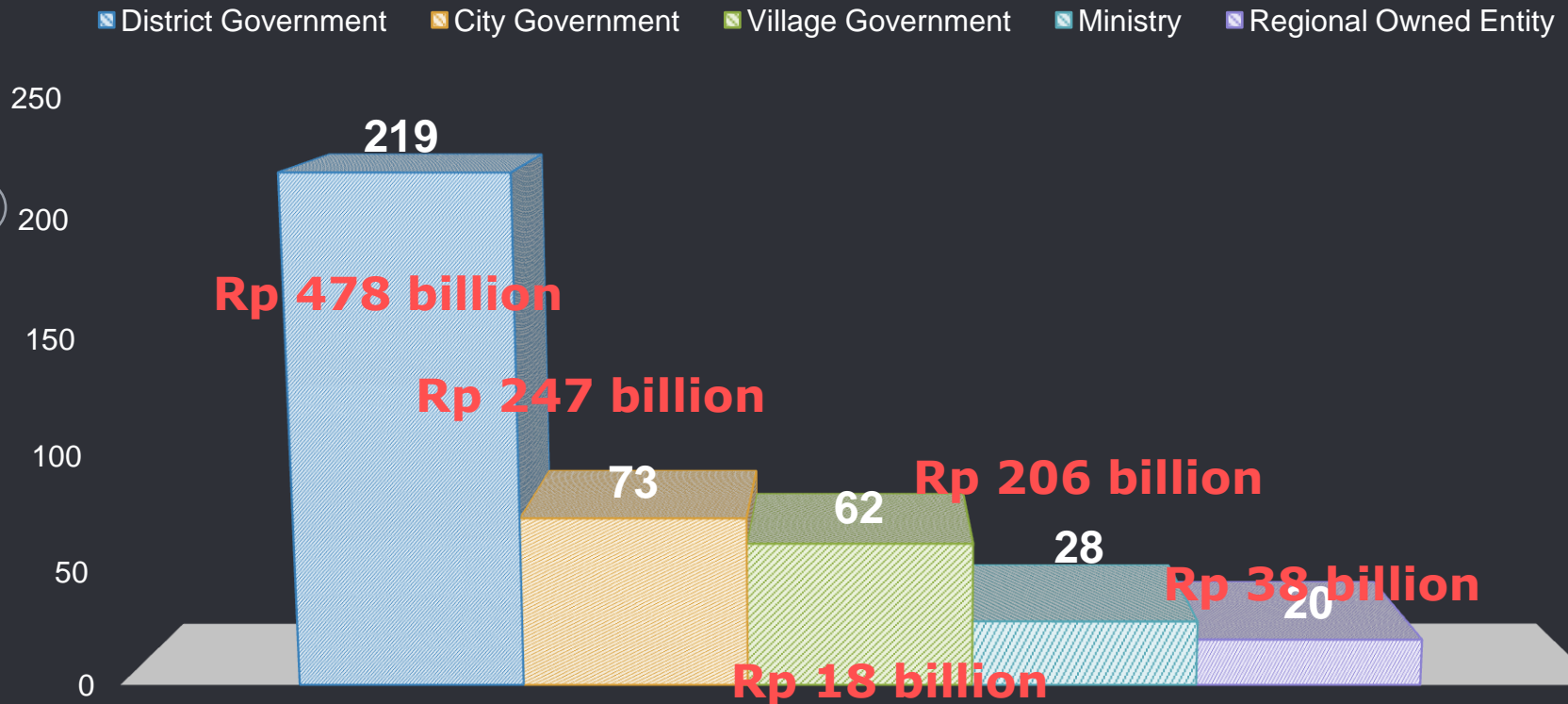


NTT
Number of case : 16 cases
Amount of state losses: Rp 4,3 billion



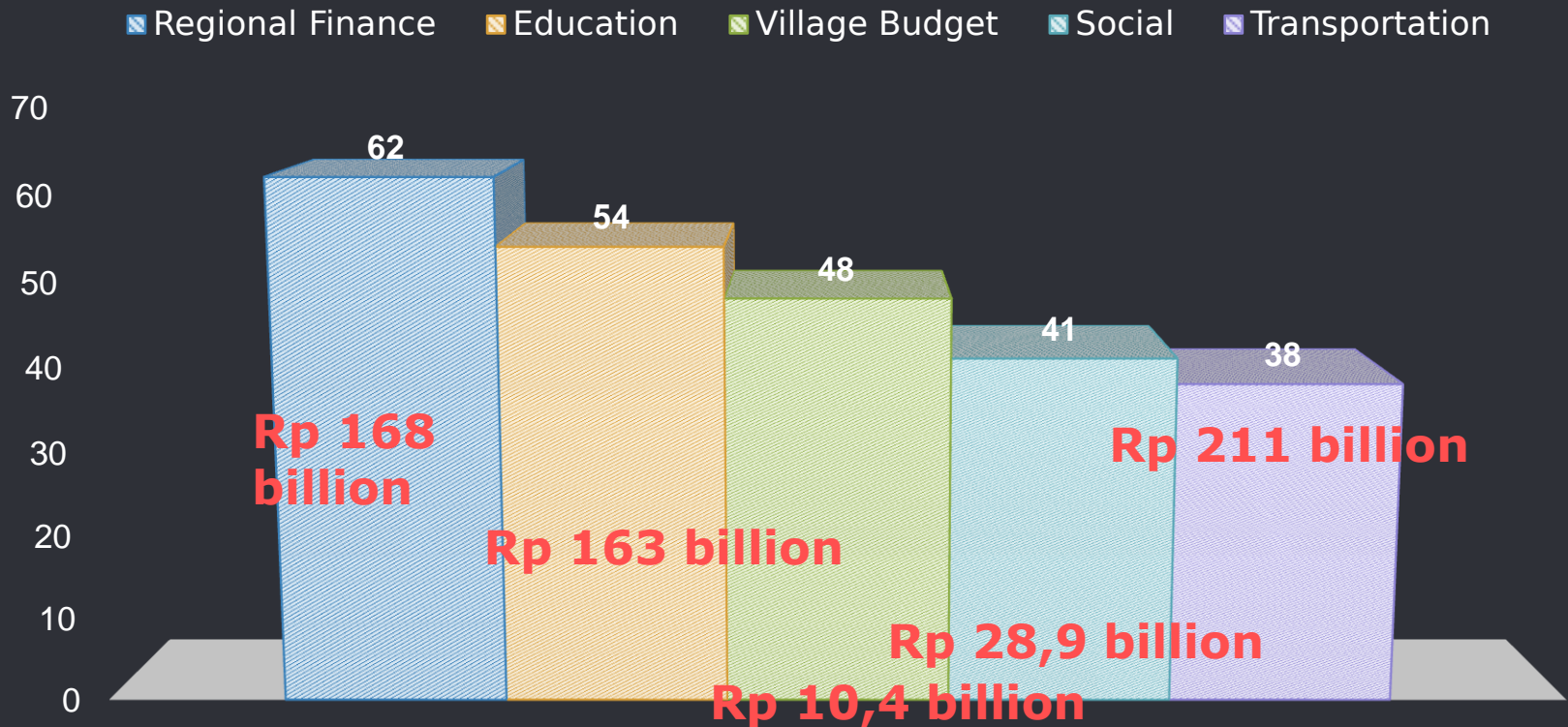
ACEH
Number of case : 15 cases
Amount of state losses: Rp 23 billion

CORRUPTION CASES ON ENQUIRY STAGE IN 2016 BASED ON INSTITUTION (TOP 5)



- District government is the institution which LEO investigate the most regarding corruption. There are 219 corruption cases which happened in the district government with the amount of state losses as much as Rp 478 billion.
- Followed by the city government as many as 73 cases with the amount of state losses as much as Rp 247 billion.
- While Local (village) government becomes one of the institution that is susceptible of the practice of corruption. The corruption in this institution happens mainly after the implementation of the new policy regarding Local (village) budget allocation from central

CORRUPTION CASES ON ENQUIRY STAGE IN 2016 BASED ON SECTOR (TOP 5)



- Regional Finance or Regional Government Budget is the most corrupted public resources. There are 62 cases which are being investigated by LEO. Example case: fictitious travel conducted by regional government official.
- Budget for educational sector is still one of the most susceptible sector of misuse.
- There is an expansion in corruption with the increasing number of Local (village) budget corruption.
- In 2016, the total Local (village) budget that has been disbursed is as much as Rp 47 trillion. Though the amount of state losses is still only Rp 10,4 billion, but the increasing number of Local (village) budget corruption becomes the signal of a new public resources that is susceptible to be corrupted by the Local (village) officials.

CORRUPTION CASES BASED ON PROCUREMENT AND NON PROCUREMENT



Procurement

PROCUREMENT

Number of case
195 cases

Amount of state
losses

Rp 680 billion

Amount of bribery

Rp 23,2 billion



NON PROCUREMENT

Number of case
287 cases

Amount of state losses

Rp 769 billion

Amount of bribery

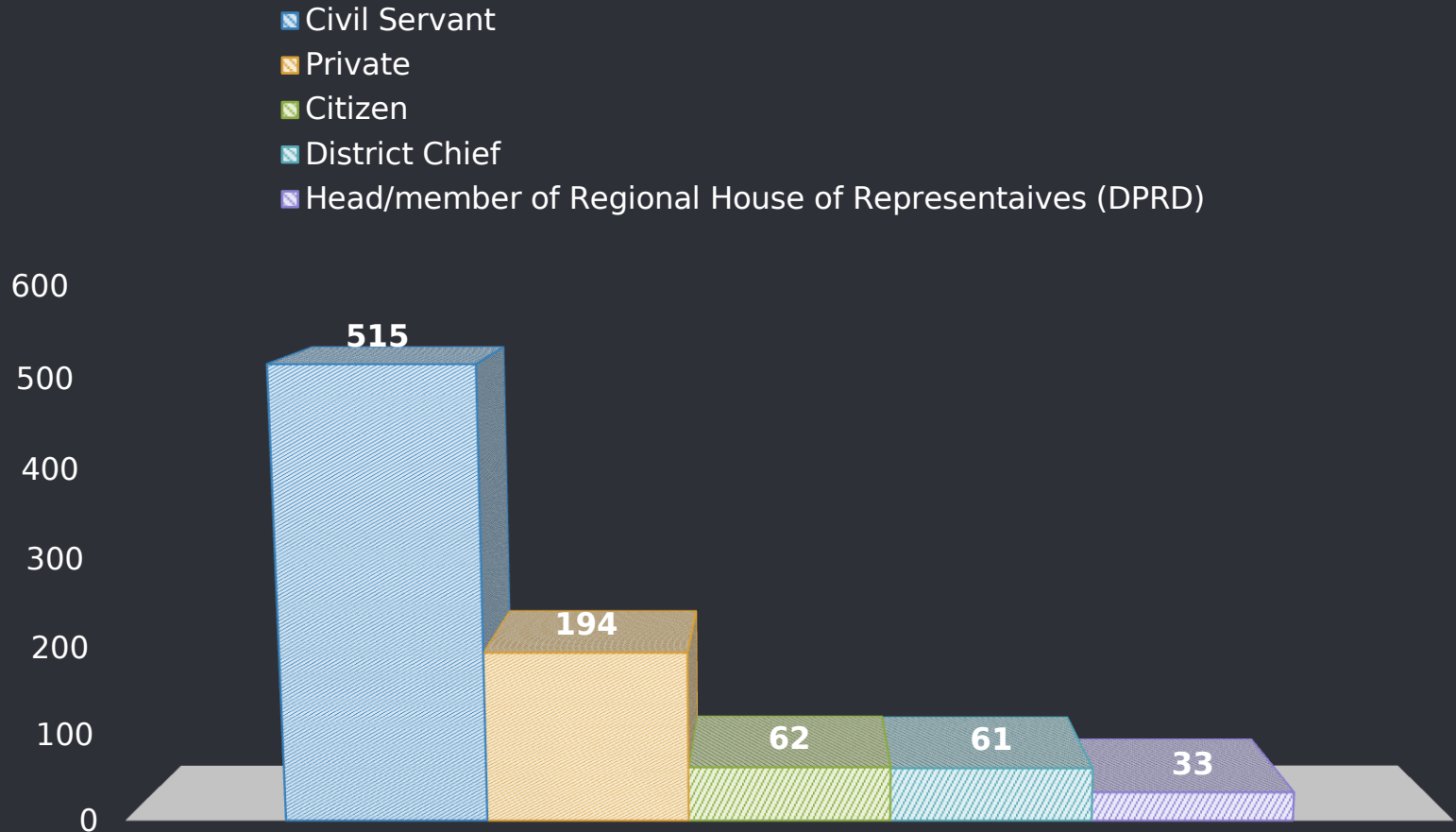
Rp 7,8 billion

- Around 41% of corruption happens on procurement process. Though the procurement process was conducted online, but corruption can still happen on the arrangement of the estimated price that has been marked up or if there is a conflict of interests similar to the corruption case which done by the Mayor of Madiun, Bambang Irianto and Regent of Nganjuk, Taufiqurrahman.

“

- *Though procurement is already using an electronic mechanism (e-procurement), unfortunately corruption still happens.*

NUMBER OF CORRUPTOR WHICH DETERMINED AS SUSPECTS (TOP 5)



- Around 47% of corruptors are civil servants.
- The second highest corruptors are private where most of them are linked with tender manipulation and bribery.
- While citizen and District Chiefs become the third most who does corruption.

PERFORMANCE OF LEO INVESTIGATORS IN 2016



Number of case : 307 cases
Number of suspect: 671 suspects
Amount of state losses: Rp 949 billion
Amount of bribery: Rp -



Number of case: 140 cases
Number of suspect : 327 suspect
Amount of state losses : Rp 337 billion
Amount of bribery : Rp 1,9 billion



Number of case : 35 cases
Number of suspect : 103 suspects
Amount of state losses : Rp 164 billion
Amount of bribery : Rp 29,1 billion





- *In 2016, Attorney General's budget for handling one case until it is complete is as much as Rp 200 million. The details are as follows, Rp 25 million for investigation stage, Rp 50 million for enquiry stage, Rp 100 million for prosecution stage, and Rp 25 million for execution stage.**
- *While the Police Force has a budget to handle a corruption case from investigation to enquiry as much as Rp 208 million.***
- *For KPK, it has an enquiry budget as much as Rp 12 billion for a projection of 85 cases. Hence, the allocation budget for handling every case is as much as Rp 141 million.****

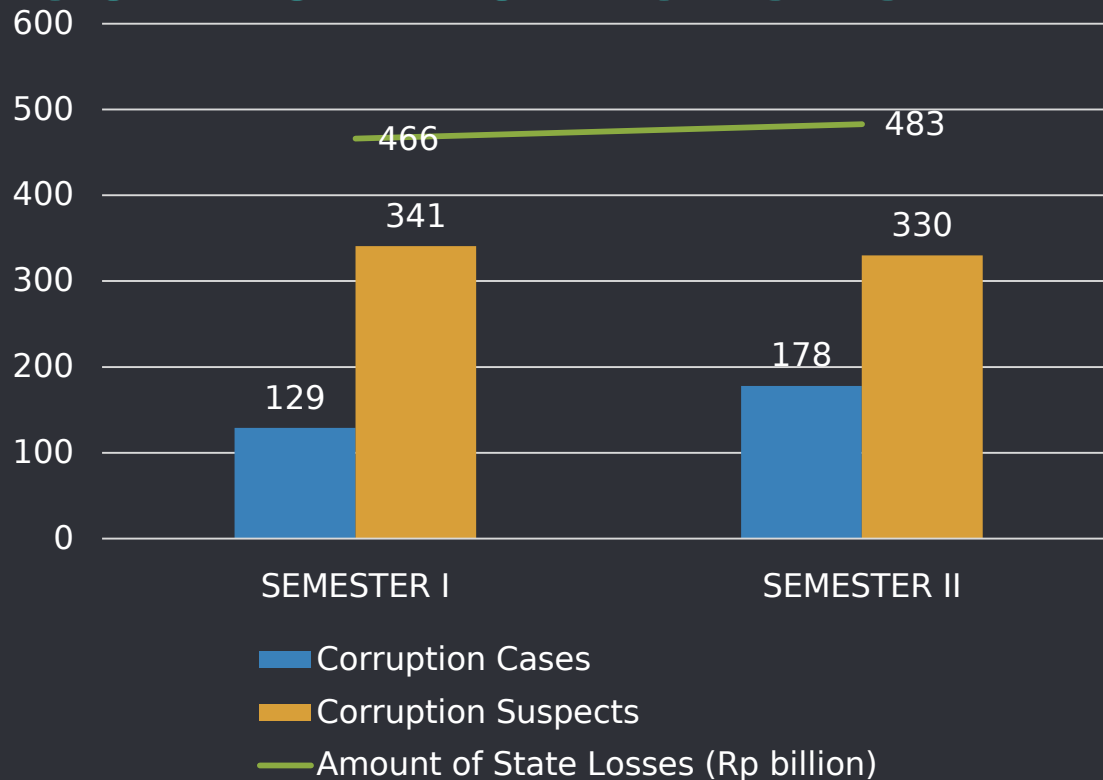
Source:

** Result of National Workshop on the Governance of Corruption Case Handling in 2016.*

*** Result of information request conducted in 2015.*

**** Result of National Workshop on the Governance of Corruption Case Handling in 2016.*

ATTORNEY GENERALS INVESTIGATORS PERFORMANCE ON CORRUPTION CASES IN 2016



State Losses

Number of case : 168 cases
 Amount of state losses: Rp 577 billion



Blackmail

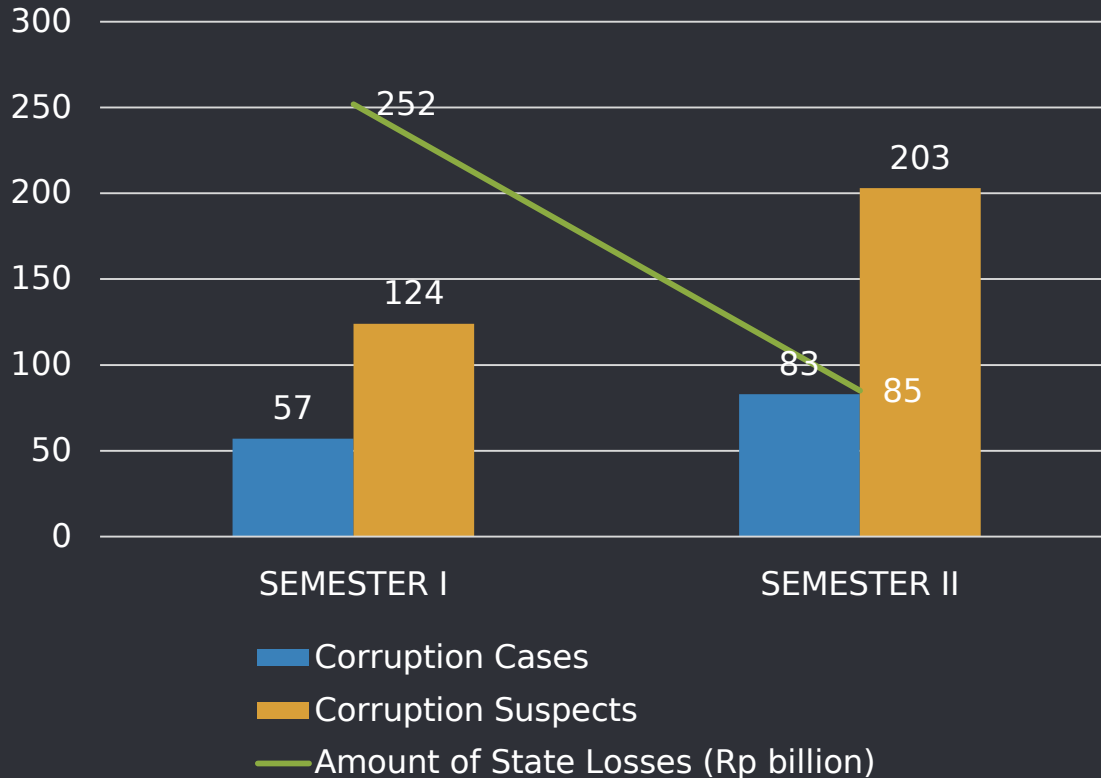
Number of case : 2 cases
 Amount of state losses: Rp -



Embezzlement in Office

Number of case: 1 case
 Amount of state losses: Rp 1,7 billion

POLICE FORCES INVESTIGATORS PERFORMANCE ON CORRUPTION CASES IN 2016



State Losses

Number of case : 64 cases
 Amount of state losses :
 Rp 263 billion



Bribery

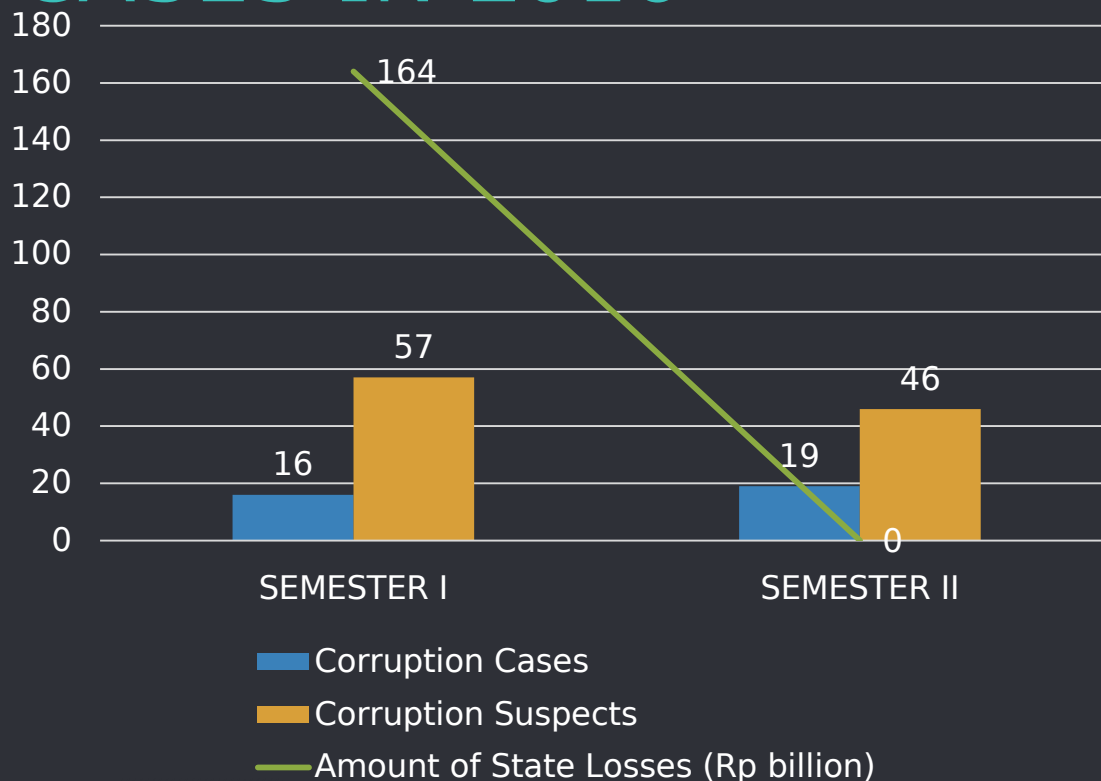
Number of case: 8 cases
 Amount of bribery : Rp
 1,9 billion



Blackmail

Number of case: 4 cases
 Amount of state losses: Rp 9
 million

KPK'S INVESTIGATORS PERFORMANCE ON CORRUPTION CASES IN 2016



KPK
Komisi Pemberantasan Korupsi



State Losses

Number of case : 6 cases
Amount of state losses: Rp 164 billion



Bribery

Number of case: 24 cases
Amount of state losses: Rp 29,1 billion



Procurement

Conflict of Interests in Office

Number of case : 2 cases
Amount of state losses : Rp -

“

Based on ICW's monitoring during 2016, KPK successfully conducted "caught in the act" operations 17 times. The suspects caught are Member of House of Representatives (DPR), Chairman of Regional Representative Board (DPD), prosecutor and civil servants working in the court. At least 2 of the prosecutors and 6 civil servants caught, some of them are Chairman of the District Court and Ad Hoc Judge.

The amount of the state losses in the second semester especially from the enquiry conducted by KPK is not yet known. This is because on the second semester KPK is prone to conduct sting operation(s).

CORRUPTION CASE ENQUIRY TIMELINE IN 2016

Alleged bribery case regarding the sugar import quota involving Irman Gusman, Chairman of DPD.

Alleged corruption case on National Social and Healthcare Security in Subang, involving Regent of Subang, Ojang Suhandi and a Prosecutor from West Java High Attorney.

Alleged corruption case on the mining license in Southeast Sulawesi involving the North Sulawesi Governor, Nur Alam.

Alleged corruption case on the development of Pasar Besar Madiun involving the Mayor of Madiun, Bambang Irianto.

Alleged corruption case on the "Cetak Sawah Ketapang" case conducted by Tim Saber Pungli involving AKBP Brotoseno,

Alleged corruption case on the sale of assets of PT Panca Wira Usaha (Regional Owned Enterprise) involving ex-minister of State Owned Enterprise, Dahlan Iskan.

Alleged bribery case of a project in Ministry of Public Work and Public Housing involving member of Commission V DPR from Indonesian Democratic Party of Struggle (PDIP) fraction, Damayanti Wisnu Putranti.

Alleged bribery case on the procurement of satelit monitoring in Bakamla involving Eko Susilo Hadi as the Deputy of Information, Law, and Cooperation in Bakamla

Alleged bribery case on the 12 Roads Project in West Sumatera involving member of Commission III DPR, I Putu Sudiartana.

Alleged bribery case regarding the corruption case which handled by Janner Purba as the Judge for Corruption Cases in District Court in Bengkulu.

Alleged bribery case regarding the Creation of Regional Regulation involving the Chairman of Commission D DPRD DKI Jakarta, Mohamad Sanusi.

Alleged corruption case on the development of Grand Indonesia Complex handled by Attorney General Office.

CONCLUSION

- Corruption case enquiry increases from the first semester to the second semester of 2016, both from the number of cases and number of suspects. But there is a decrease on the state losses. This happened because they have not calculated the state losses for some of the cases.
- During 2016 KPK successfully conducted "caught in the act" operations 17 times. Some of them involving Member of DPR, Member of DPRD, judge, and prosecutor.
- In general, LEO still focusses on using article 2 and article 3 Corruption Act in handling corruption cases.
- Interesting fact, KPK is starting to use the article regarding Conflict of Interests in procurement to handle corruption which involves Mayor and Regent, besides the trend of using the article regarding money laundering and gratification.
- In reality, e-procurement is still unable to prevent corruption.

● (Continued)

- The fact that many civil servants conducted corruption, it shows that the bureaucratic reform agenda, especially in regional area (District/City Government) was not effective.
- The involvement of private corruptor shows that there is a collusion between civil servants and business owners, especially on budget planning and procurement.
- The expansion of corruption cases to the Local (village) level shows the rise of the local elite capture phenomenon.

RECOMMENDATION

- The need to increase the coordination between LEO with BPK or BPKP in calculating the amount of state losses especially in providing evidence needed by BPK/BPKP to calculate the amount of state losses.
- LEO needs to develop the use of new articles and other types of corruption, other than article 2 and 3 regarding state losses.
- Especially Attorney General and Police Force, they need to develop "caught in the act" strategy and the use of articles regarding money laundering and gratification to maximize *asset recovery* and the mission to impoverish corruptors.
- For KPK, they need to focusses to handle corruption which happens on the Law Enforcement Institutions such as Attorney General and Police Force.

● (Continued)

- Government and Government Procurement of Goods and Services Agency (LKPP) needs to support *open-contracting policy* so that the procurement process are more transparent and easily monitored. Also, we need to maximize the use of e-catalogue to suppress the corruption on procurement.
- DPR needs to rethink on the agenda to revise the Civil Servants Act and the proposal to dissolve the Civil Servants Commission remembering that bureaucratic corruption regional government is high. On the other hand, DPR and Central Government needs to strengthen the position of Civil Servants Commision so that the supervision of regional bureaucracy is more effective.
- Central Government and Association of Business Owners need to develop a code of ethic and business ethics, also improve the quality of business competition so the collusion between civil servants and business owners could be suppressed.
- Central Government, in this case Ministry of Finance and Ministry of Internal Affairs needs to design a better participation strategy for the residents of villages, so that the residents are involved in the planning and monitoring the development of the vilage to suppress the local elite capture phenomenon.



THANK YOU

- Contact Person:
- Febri Hendri (081219867097)
- Wana Alamsyah (087878611344)