

# The Role and Effort of Public Prosecutor Service To Eradicate Corruption and Money Laundering in Indonesia <sup>1</sup>

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## **I. INTRODUCTION**

Corruption in Indonesia is broadening extensively. It creates negative impact for country and nation of Indonesia in international community.

Indonesia has had great international attentions because of the increasing of corruption as extraordinary crime and the status of Indonesia as one of non cooperative countries in fighting money laundering. This condition was caused by in that time Indonesia did not have proper regulation to rule money laundering.

Indonesian Government then realizes international attentions on those crimes are very significant, therefore the effort to fight both corruption and money laundering is having serious concern. It can be seen from the continuous change on various laws concerning corruption and money laundering.

The amendment of Corruption Law was made after Indonesia ratified *United Nations Against Corruption 2003* with Law Number 7 Year 2006. This convention is a substantive element for the draft of Corruption Eradication Law, as substitution for Law Number 31 Year 1999 concerning *The Corruption Eradication as amended by Law Number 20 Year 2001*. At this moment, the draft has settled for discussion to House of Representatives. It includes the draft of Money Laundering Law, as substitution for Law Number 15 Year 2002 concerning *The Crime of Money Laundering as amended by Law Number 25 Year 2003*.

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## **II. LAW ENFORCEMENT OF CORRUPTION**

Corruption eradication means actions to prevent and handle corruption by coordination, supervision, monitor, inquiry, investigation, accusation and adjudicative process, including society participation in accordance with procedures regulated by law.

In corruption eradication effort, repressive actions will not work properly without prevention effort, as scheme of public awareness on dangerous effects of corruption and finally to raise anti-corruption enthusiasm in every level society.

Eradication corruption in Indonesia is conducted by Public Prosecution Service, Police and Corruption Eradication Commission. In this scheme, Audit Board as auditor has a strategic position to audit state assets loss as well as state finance loss caused by corruption, besides having authority to give expert testimony in the trial.

According to year 2007 and 2008 data, corruption cases handled by Public Prosecution Service, Police and Corruption Eradication Commission as follows:

### **1. Public Prosecution Service**

Year 2007

- Investigation : 636 cases

- Prosecution : 512 cases

Year 2008

- Investigation : 1.348 cases

- Prosecution : 1.114 cases

### **2. Police**

Year 2007

- Investigation : 155 cases

Year 2008

- Investigation : 190 cases

### **3. Corruption Eradication Commission**

Year 2007

- Investigation : 29 cases

- Prosecution : 24 cases

Year 2008

- Investigation : 53 cases

- Prosecution : 43 cases

In 2008 until May 2009, Public Prosecution Service had successfully saved state finance to the amount of Rp 3.471.743.102.079,55 (*three trillion four hundred seventy one billion seven hundred forty three million one hundred two thousand seventy nine rupiahs fifty five*) and US \$ 18,000,000 (eighteen million US dollars). Meanwhile in 2008, Provincial Public Prosecution Services in all around Indonesia had also successfully saved state finance to the amount of Rp 72.625.733.604, 57 (*seventy two billion six hundred twenty five million seven hundred thirty three thousand six hundred four rupiahs fifty seven*).

Those amounts of loss by corruption can be revealed through auditor assistance. In order to increase optimization against corruption, the public prosecutor service has implemented policies such as:

- Initiating special unit to investigate corruption cases at Attorney General Office of Republic of Indonesia and provincial public prosecution service in all around Indonesia.
- Conducting comparative study of corruption eradication in USA.
- Initiating supervision section and handling of corruption cases control.

Whereas preventive effort as earlier prevention of corruption is conducted through improving existing system such as good governance relates bureaucracy reform, education and law information to improve public legal awareness on destruction aspect of corruption. By this effort, it is expected the culture of anti-corruption will rise and create anti-corruption character.

Meanwhile, the effort to change society mind set and behavior is managed by giving understanding of bad impact about corruption as a public enemy. Therefore, this crime shall be terminated by law bureau of relevant institutions in form of providing law information and improving legal system.

This cooperation has been implemented by Law Information Centre of Attorney General Office and National Youth Organization to create 7.456 (seven thousand four hundred fifty six) honesty canteens. In this form, everyone can take the item, pay based on the price and take the change by oneself. The purpose is to build honest value for pupils in early age relates to protection of legal offences like corruption.

Since those actions are being implemented, as a result day by day, the corruption index gets high and higher as follow:

- Year 2007 : 2,3
- Year 2008 : 2,6

Thus target in 2009 will increase rapidly with Public Prosecution Service optimization program especially for quality, quantity and state assets recovery.

### **III. LAW ENFORCEMENT OF MONEY LAUNDERING**

Similar with other countries, Indonesia has also huge concern to protect and fight money laundering. It can be seen from the application of Law Number 15 Year 2002 concerning *The Crime of Money Laundering* as amended by

Law No. 25 Year 2003. This law prohibits money laundering and provides heavy punishment, for instance criminalizing every stage of money laundering process:

1. Placing the cash derived from criminal activity into a financial system.
2. Transferring assets derived from criminal activity.
3. Spending assets derived from criminal activity.

The authority of public prosecution service in handling money laundering is to prosecute based on police investigation. The source comes from the Result of Analysis of Financial Transaction Report which indicates money laundering from Indonesia Financial Transaction Report and Analysis Centre (INTRAC). According to handling cases report of Money Laundering, there are 6 (six) cases in 2007 and 10 (ten) cases in 2008. For period 2009, there are 12 cases until April.

In corruption investigation, Public Prosecution Service usually finds indication of money laundering, however according to Money Laundering Law, this institution has no authority to investigate the predicate crime and must pass it to Police investigator. In order to give a solution, the draft of Money Laundering Law has accommodated this problem by giving the authority for predicate crime investigator to conduct money laundering investigation as well.

Since the crime of money laundering usually known as follow up crime, consequently it must be proved its predicate crime in advance. However, in fact, 18 (eighteen) of several money laundering cases handled by public prosecution service was adjudicated without concerning the authentication of its predicate crime.

In order to maximize money laundering eradication, there are a few policies is implemented, for instance:

1. Money laundering is being classified into special crime, the completion in this case is under supervised Attorney General cq. Deputy Attorney General for General Crimes.
2. Improving collaboration among relevant institutions relates to prevent and eradicate money laundering.
3. Planning an integrated and accurate reporting system of money laundering handling cases, so it creates credible database for money laundering cases.

The application of other efforts to support the optimize money laundering eradication are:

1. Regarding to Attorney General Regulation Number: Per-001/A/JA/09/2005 Date: September 8, 2009, Attorney General Office of Republic of Indonesia has initiated the anti-terrorism and transnational crimes task force that including money laundering unit, so it can be expected the handling of money laundering cases is under supervised by public prosecutors in this task force.
2. In order to improve the ability of public prosecutors for handling money laundering cases, there has been applied advance trainings including to overseas, for example financial investigation training, eradication of terrorism financing and money laundering training, prosecution money laundering training, and workshop of the preparation of predicate crime investigator for investigating money laundering.

#### **IV. CONCLUSION**

Public Prosecution Service as one of law enforcement institutions is required its role to prevent and eradicate not only corruption but also money laundering. The eradication process seems to compete against the increasing

of various modus operandi in sophisticated scheme and must be handled in extraordinary scheme as well.

Public Prosecution Service has implemented preventive and repressive efforts to eradicate corruption through several strategic policies in order to get the acceleration of corruption and money laundering eradication.

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