

# **ERADICATING CORRUPTION SAVING STATE FUNDS**

Monitoring Report of KPK Performance  
In the Sectors of Forestry, Taxation, and Money Laundering

Aradila Caesar. Emerson Yuntho. Lalola Easter

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(Cover Material: [www.flickr.com/photos/seagers](http://www.flickr.com/photos/seagers))

**PUBLISHED**

June 2016

**COLLABORATION OF**

Indonesia Corruption Watch and Indonesia Legal Resource Centre

**PUBLISHER**

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## ERADICATING CORRUPTION

### SAVING STATE FUNDS

#### A. INTRODUCTION

Indonesia is one of countries with largest forest area in the world, according to Environment and Forestry Ministry statistics, Indonesia's forest area is 96,480 million Ha or 51,53% of Indonesia's land area. Such an enormous forest area has huge biodiversity and natural resources potential. Despite the abundant natural resources, Indonesia keeps some serious problems. One of them is corruption crime in the forestry sector.

It is reasonably easier for the government to enforce the law in the efforts of improving environment protection effectivity if the approach of corruption as an extraordinary crime is used against forestry crimes. Because, the practice of forestry crimes are result of network and relation between local elites and corporation who collude to get profit. Hence, using the perspectives of forestry and environment laws alone is not sufficient in resolving forestry crimes.

Apart from issues in forestry, it is also important to pay attention to the taxation sector, provided that corruption eradication efforts have so far been focused on spending of state budget. Tax has huge potential to state income. This has also made it a hotbed of greedy culprits of tax official and therefore serious attention is required. The amount of identified corruption cases in the taxation sector has also been an indication that the problems in the sector are very serious.

Corruption Eradication Commission (KPK) as a law enforcement body also has the authority to investigate money laundering cases, especially when the money allegedly comes from corruption in the sectors of forestry, taxation, etc. In the past years, the KPK has increasingly used money laundering approach in resolving corruption cases and indicted harder punishment to corruptors.

### **Monitoring Methods**

Indonesia Corruption Watch (ICW) monitored cases in the sectors of Forestry, Taxation, and Money Laundering investigated by the KPK in the past 12 years (2003-2016). The monitoring is aimed at analyzing KPK's performance in the three sectors. These sectors are crucial because they are very prone to corruption, while at the same also source of huge state income potential.

The main source of data is KPK's Annual Reports (2004-2015) and (online) media reports on corruption cases from the investigation level, prosecution and court.

Generally, there were at least 31 corruption cases (forestry, taxation, money laundering) with 63 convicts and 1 suspect investigated by the KPK during the last 12 years. Of the 31 cases, 12 were corruption in the forestry sector, 5 were related to tax, and 14 were cases charged with the Anti-Money Laundering Law. The total state loss was Rp. 4,7 Trillion with bribery money totaling Rp. 202.957 Billion, SGD 817,000 and USD 6.150 Million.

## **B. MONITORING REPORT**

### **1. Forestry Corruption**

Since the establishment of the KPK in 2003 until May 2016, there were at least 12 corruption cases in the forestry sector that had been investigated by the KPK. Some of them were:

1. Corruption Crime in the implementation of one-million-hectare palm plantation development program in East Kalimantan and the unlawful issuance of timber utilization permits in the 1999 – 2002 period.
2. Corruption Crime surrounding the issuance of Business Permit for Forest Timber Product Utilization-Industrial Plantation Forest (IUPHHK-HTI) years 2001 – 2006 to a number of corporations as well as unlawful gratuity.
3. Corruption Crime on the briberies to to members of Commission IV at the House of Representatives and Forestry Ministry officials in relation to the budgeting process of the procurement of Integrated Radio Communication System (SKRT) at the Forestry Ministry in the years of 2007 – 2008.
4. Corruption Crime on the extortion and acceptance of an amount of illicit funds in relation to the proposal to change the function of the coastal conservation forest in the Musi Banyuasin Regency, South Sumatera Selatan for the construction of the Tanjung Siapi-api Port where members of the House of Representatives were complicit.
5. Corruption Crime in relation to the issuance of IUPHHK-HTI from 2001 to 2003 in Siak Regency to a number of companies by the Siak Regent.
6. Corruption Crime on the illicit giving or promising something to Buol Regent Amran Batalipu in connection to the plantation HGU proposal by PT. Cipta Cakra Murdaya or PT Hardaya Inti Plantation.
7. Corruption Crime surrounding the acceptance of illicit gift in relation to the issuance of a recommendation to swap the function of a forest area in Bogor Regency by PT. Bukit Jonggol Asri with the suspect Bogor Regent Rachmat Yasin.
8. Corruption Crime surrounding the revision proposal on the change of function of a forest area in Riau Province in 2014.
9. Corruption Crime surrounding the change of function of the conservation forest in Bintan Buyu, Bintan Regency, Riau Islands.

10. Corruption Crime on the extortion case in relation to the procurement of GPS (Geographical Position System) Geodetik at the Forestry Planning Body (BAPLAN) by Muhammad Al Amien Nasution, a 2004-2009 legislator.
11. Corruption Crime in connection to the SKRT procurement for the 69 budget allocations Forestry Ministry in the 2006-2007 budget year.
12. Corruption Crime in connection to the issuance of IUPHHK-HTI to 9 companies Riau Province.

There were at least 12 corruption cases in the forestry sector that had had final court decision. Forestry corruption occurred in the areas of procurement and permit processes. Forestry corruption related to permit processes were difficult to prove because usually it was transactional and behind closed-door. Through permit collusion, illicit businesses were made as if legal while the permit had been issued as a result of illicit negotiation and trade-offs.

Out of the 12 cases, at least 35 suspects were charged. They were regional leaders (8 people), legislators (6), businessmen (10), regional civil servants (10), other (1). Of the 35 people, 34 have been convicted and the other one is still under investigation, namely Edison Marudut who is a suspect on the revision proposal of the change of function of a forest area in Riau Province.

Table 1: Corruption Court Verdicts in Forestry Sector

Verdict	Amount
Light ( <1 year – 4 years)	21
Medium (>4 years – 10 years)	11
Heavy ( >10 years)	2

Although the KPK is serious in investigating corruption cases in the forestry sector, but the distribution of the levels of the verdicts suggest that it can still be improved. Majority of the perpetrators, 21 people, were sentenced to light punishment. Medium punishments were

imposed to 11 people. Regrettably, heavy sentences were only sentenced to 2 convicts, namely Teuku Azmun Jaafar (former Pelelawan Regent) who was sentenced to 11 years imprisonment, and Rusli Zainal (former Riau Governor) with 14 years in jail.

Generally speaking, state losses caused by forestry corruption, as well as the involved bribery, is massive. From the cases investigated by the KPK, the alleged state-losses were Rp 2.2 Trillion with 17,000 SGD and Rp 8.657 Billion used in bribery.

It is reasonable to say that the potential state loss caused by forestry corruption other than the loss identified in the cases investigated by the KPK is far higher. According to ICW's research in 2012 on Corruption and Money Laundering Eradication Performance in the Forestry Sector, the potential state losses in the non-taxation forestry sector from 2004 to 2007 reached Rp 169.797 Trillion. The amount was based on the discrepancy between the potential state income from Reforestation Funds (DR) and Forestry Resources Provision (PSDH), and the actual state income. The State was supposed to get Rp 217.629 Trillion from the opening of 8 million Ha of palm-oil plantation. In reality, the Forestry Ministry only received Rp 47.8 Trillion.

However, according to ICW's records, there is one forestry corruption case which has not been thoroughly resolved by the KPK, namely the corruption surrounding the procurement of SKRT at the Forestry Ministry. As many as seven suspects in this case have been convicted: Putranefo (Director of PT. Masaro Radiokom), Ir. Wandoyo Siswanto (Budget User Authority), Yusuf Erwin Faisal, Hilman Indra, Azwar Chesputra, and Fachri Leluasa (four members of Commission IV at the House of Representatives) as well as Anggoro Widjojo (businessman).

In the case, Anggoro was stated that he was proven to have, not only bribed legislators, but also handed over SGD 40,000, USD 45,000, and 1 traveler cheque worth Rp 50 million, as well as gave 2 unit lift worth USD 58,581 and generator worth Rp 350 million as well as installation

cost worth Rp 206 million, to then Forestry Minister (MS Kaban); and gave USD 20,000 to then head of Finance and Planning Bureau at the ministry, Wandoyo Siswanto; and USD 10,000 to then ministry secretary general Boen Mochtar Purnama. Despite court testimonies and verdict which mention the role of Kaban as then Forestry Minister to receive bribes and illicit gift from Anggoro Widjojo, Kaban has so far escaped any legal charges.

## 2. Taxation Corruption

Since KPK's establishment in 2003 until May 2016, there were at least 5 cases which had been investigated by the KPK. They are:

1. Corruption Crime on the bribery involving tax inspector Karipka Bandung Satu in 2004 related to the attempt to reduce the tax due to be paid by PT Bank Jabar in the 2001-2002 period.
2. Corruption Crime on the giving of illicit gift to Tommy Hindratno in connection to the tax restitution of PT. Bhakti Investama.
3. Corruption Crime on the giving of illicit gift in connection to the tax inspection of PT. Delta Internusa, PT. Nusa Raya Cipta.
4. Corruption Crime on the extortion of taxpayer PT. AHRS.
5. Corruption Crime on the abuse of authority surrounding the tax payment of PT. Bank Central Asia (BCA).

Of the five cases, 4 have reached final court decisions. Whereas the case on the abuse of power surrounding the tax evasion of taxpayer PT. BCA in 1999 which implicated Hadi Purnomo (former Director General for Taxation) has entered the full-blown investigation phase even though it has been "halted" due to a pretrial decision. There has been no update from the KPK on the case which allegedly cost the state Rp 2 Trillion in losses since the pretrial attempt launched by Hadi Purnomo to annul his suspect status was granted by the South Jakarta District Court.

From all the cases, KPK had charged 15 suspects. As many as 14 of them have been convicted. Most of them were taxation civil servants (9 people). The remaining 5 suspects were from the private sector or businessmen. One of them was former Taxation Director General but the investigation was “halted”. The total state losses from the five cases investigated by the KPK reached Rp 2 Trillion with Rp 6 Billion in bribes.

Looking into the convictions, judges’ verdicts to the suspects of taxation corruption were not much different to those in the forestry sector. Light sentence was the majority (7 people) as opposed to medium sentence (6 people). The heaviest punishment was sentenced to Tommy Hindratno, a taxation official who was sent to jail for 10 years for accepting bribes in connection to the tax restitution of PT. Bhakti Investama. None of the defendant of taxation corruption cases investigated by the KPK was sentenced heavier than 10 years imprisonment.

Table 2: Corruption Court Verdicts in Taxation Sector

<b>Verdict</b>	<b>Amount</b>
Light ( <1 year – 4 years)	7
Medium (>4 years – 10 years)	6
Heavy ( >10 years)	-

Based on these numbers, KPK’s investigations into taxation corruption seem to be too little. This suggests that the KPK has not yet prioritized corruption in the sectors related to state income but rather focusing on state expenditure sectors.

3. Money Laundering

Although it is not the first body to investigate money laundering cases, the KPK has charged the most corruption suspects with multilayered charges, the Anti-Corruption Law and Anti-Money Laundering Law, compared to the police and the prosecutor’s offices. Since its birth in 2003 until May 2016, the KPK had at least investigated 14 corruption cases where the suspects were also charged with money laundering. Among the cases are:

1. Money Laundering Crime of Wa Ode Nurhayati in the corruption/bribery case related to Regional Infrastructure Adjustment Fund (DPID).
2. Money Laundering Crime related to the corruption case surrounding the purchase of PT. Garuda stocks at Mandiri Sekuritas by PT. Permai Raya Wisata, PT. Cakrawala Abadi, PT. Exartech Teknologi Utama, PT. Pacific Putra Metropolitan, PT. Dhamakusumah.
3. Money Laundering Crime of Djoko Susilo (Police Academy Governor) on the corruption case surrounding the procurement of driving simulator at the National Traffic Police Corps in 2011.
4. Money Laundering Crime of Luthfi Hasan Ishaq and Ahmad Fathanah on the corruption case of bribery and illicit promise related to beef import quota at the Agriculture Ministry.
5. Money Laundering Crime of Akil Mochtar on the corruption case of the acceptance of illicit gift related regional election dispute tribunal at the Constitutional Court.
6. Money Laundering Crime of Rudi Rubiandini on corruption case of the acceptance of illicit gift related to Upstream Oil and Gas Regulatory Task Force (SKK Migas) activities 2012-2013.
7. Money Laundering Crime of Nazarudin on the corruption surrounding the construction of the Athlete Village in Jaka Baring, Palembang, South Sumatera.
8. Money Laundering Crime of Anas Urbaningrum on the corruption case of the acceptance of illicit gift related to the National Sports School, Education and Training Center (P3SON) project in Hambalang Village, Bogor, West Java.
9. Money Laundering Crime of Futures Exchange Supervisory Board (Bappebti) Head Raja Sempurnajaya on the corruption case of the acceptance of illicit gift related to the investment dispute involving CV. Gold Aset or PT. AXO Capital Futures.
10. Money Laundering Crime of Bangkalan Regent Fuad Amin on the corruption case of the acceptance of illicit gift related to the natural gas trade agreement for the power plants in Gresik and Gili Timur, Bangkalan, Madura .

11. Money Laundering Crime of Karawang Regent Ade Swara and Nurlatifah on the corruption crime of abuse of power to forcefully ask someone to give something in relation to the issuance of spatial agreement permit (SPPR) of PT. Tatat Kertabumi.
12. Money Laundering Crime of Heru Sulaksono on the corruption crime concerning the ship-loading dock development project at the free-trade area and seaport, 2006-2011 budgeting years.
13. Money Laundering Crime of Ike Wijayanto on the corruption crime who received illicit gift and deducted payments of court officials or treasury as if the court had debts to her.
14. Money Laundering Crime of Tubagus Chaeri Wardana on the corruption crime related to the procurement of health facilities and infrastructures dalam at the Banten Provincial Government.

The KPK has imposed money laundering charges to at least 14 corruption cases where 15 suspects were charged with Anti-Money Laundering Law. M. Nazaruddin, former Democratic Party treasurer and legislator was involved in 2 money laundering cases, namely the purchase of Garuda stocks and the athlete village project.

Table 3: Profession Distribution of Money Laundering Suspects

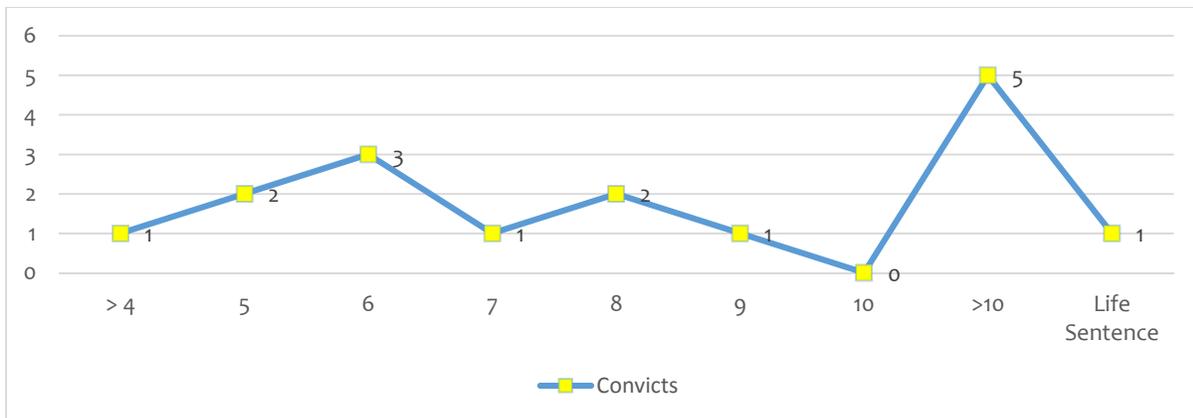
Profession	Amount
Lawmaker	4
Regional Leader	2
Police Officer	1
Businessmen	2
SOE / SKK Migas / Bappebti officials	3
Judge / Court officials	2
Others	1

Table 4: Money Laundering – Corruption Verdicts

Verdict	Amount
Light (<1 year – 4 years)	-
Medium (>4 years – 10 years)	9
Heavy (>10 years)	5
Life	1

Corruption Court verdicts on corruption cases imposed with money laundering charges were more satisfying than the verdicts on forestry and taxation cases. None of money laundering cases left the defendants getting light sentence. Majority (9 people) got medium sentences (from >4 years to 10 years) while heavy sentences (> 10 years to 20 years) were given to 5 defendants. Charging corruptor with Anti-Money Laundering Law also contributed to the life imprisonment sentenced to Akil Mochtar, former Constitutional Court chief justice.

Graphic 1: Verdict Distribution in Money Laundering Cases



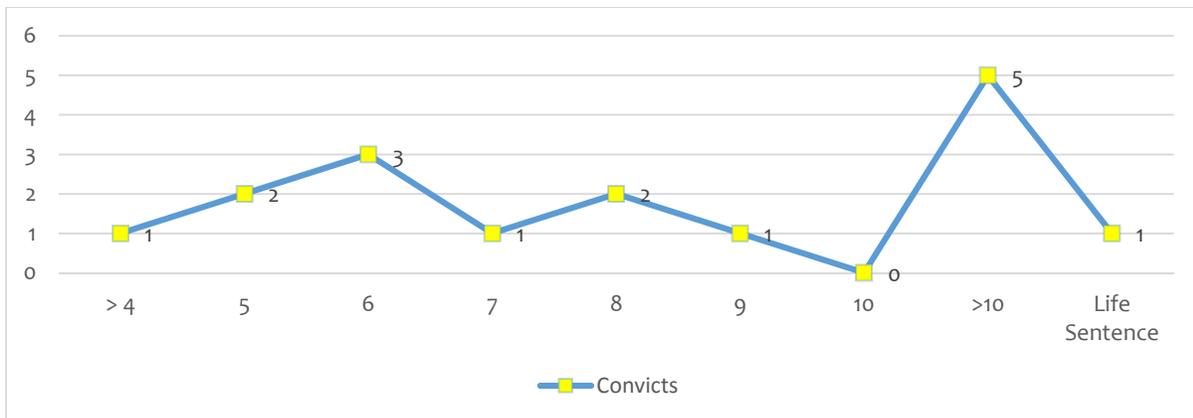
Imposing multi-layered charges, namely Anti-Corruption Law and Anti-Money Laundering Law, to corruptors has made the deterrent effects more optimal. The Anti-Money Laundering Law has enabled the KPK to seize more assets possessed by corruptors and impoverish them. One example was the money laundering case concerning the purchase of PT Garuda stocks at Mandiri Sekuritas involving Muhammad Nazarudin, a Democratic Party politician. The KPK

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Graphic 1: Verdict Distribution in Money Laundering Cases



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managed to seize Nazaruddin's assets worth Rp 390 Billion. Another case was the money laundering of Fuad Amin, Bangkalan Regent, where the KPK seized assets controlled by Fuad worth more than Rp 250 billion.

Compared to verdicts in forestry and taxation corruption cases, verdicts of cases involving money laundering were heavier. This suggests that using Anti-Money Laundering Law as a legal instrument is very effective in imposing heavier punishment to corruption criminals. Regrettably, it was not until the KPK's third leadership period when the body began to combine corruption and money laundering charges. In the future, the KPK needs to intensify the use of money laundering law as an instrument to sentence corruptors with heavier punishments.

#### 4. Corruption by Corporation

When he was still an active KPK deputy chairman, Bambang Widjojanto, after a seminar entitled "Quo Vadis Criminal Law Renewal through Criminal Code bill and Criminal Code Procedure bill" in Jakarta, Tuesday, December 17, 2014, stated:

*"This year, the KPK has still focused on the individuals, but in the future, the KPK will try to take corporation to court, early preparation needs to be done through integrated empowerment of my fellow investigators."*

Unfortunately, it has been 12 years since the birth of the KPK and Bambang has no longer worked for the body, yet no single corporation has been charged the KPK. The Anti-Corruption Law has actually provided the possibility to charge corruption perpetrators from corporation and carried heavy punishments from high fines to shutting down of the corporation.

ICW has recorded there were at least 8 corruption cases where the involvement of corporations should have been delved by the KPK. The public, for example, has cried foul over

corruptor M. Nazaruddin, who was involved in many cases, but had still managed to control his companies from behind bars. The KPK actually had chances to charge corporation in some cases. However, criminalization against KPK leaders had prevented the body from taking corporation to court.

**Table 5: List of Corporations deemed necessary for the KPK to investigate and focus on**

No	Allegedly implicated corporation	Involved corruption cases
1.	20 forestry companies in Riau Province	Permit issuance by Teuku Azmun, et. al.
2.	Adhi Karya and Wijaya Karya	Hambalang Project
3.	Duta Graha Indah (DGI) and Companies owned by Nazaruddin and Neneng	Athlete Village Project
4.	Companies owned by Wawan	Bribery related to a number of projects controlled by Tubagus Wawan
5.	The company owned by the wife of Akil Mochtar	Bribery of Akil Mochtar
6.	PT Alstom Indonesia and 1 Japanese firm (Marubeni)	PLTU Arahan project
7.	PT Kernel and Fossus Energy Limited	SKK Migas projects
8.	PT The Master Steel Manufactory. PT Delta Internusa, PT Nusa Raya Cipta (PT NRC)	Bribery of civil investigators at East Jakarta Taxation Regional Office, namely Mohammad Dian Irwan Nuqisra and Eko Darmayanto

Legally punish corruption by corporation is no impossible. The precedence has begun since 2010 when prosecutors charged a corporation, PT. Giri Jaladhi Wana (PT. GJW), with corruption offences. Banjarmasin District Court Verdict No. 812/ Pid.Sus/ 2010/ PN.Bjm, strengthened by appeal decision by Banjarmasin High Court No. 04/ Pid.Sus/2011/PT/BJM, which punished PT. GJW with Rp 1 billion in fines and temporary closure (6 months) of the company as additional punishment. Since PT Giri corruption case, no other corruption case where corporation was charged either by the police, prosecutors, or the KPK, was heard.

One of the corruption cases put under the attention of the Anticorruption Civil Society Coalition was the forestry corruption in Riau. In this case, those who benefited were not only the individuals but also forestry companies.

In the case which implicated a number of regional leaders and former high-ranking forestry officials in Riau, facts presented in court suggested that the illegal issuance of the permit had illicitly enriched at least 20 companies by Rp 1.3 trillion with state losses amounting Rp 1.7 trillion. The 20 companies were indicated as suppliers of wood to two major timber and paper conglomerates. Facts presented in court also showed that, a number of high-ranking officials at the companies bribed regional leaders or provincial forestry agency officials to smooth the firms' operation.

Even though it was stated that the issuance of the permit was against the law, as a matter of fact, majority of the 20 companies are still in operation until today and never legally charged. The Anti-Corruption Law provides the chance to legally charge corporation which is necessary to give deterrent effects to corporation and at the same time prevent the state budget from suffering more losses.

### C. ANALYSIS

In light of the monitoring of KPK investigation of corruption cases in 3 sectors (Forestry, Taxation, Money Laundering) in the past 12 years, some problems are highlighted.

#### 1. Forestry Corruption

Actors of forestry corruption were dominated by businessmen, regional leaders, and forestry civil servant. The role of regional leaders was central when it came to forestry permit issuance. The authority and power in forestry permit issuance could be abused or traded off with corporation in the forestry sector.

Even though businessmen dominated the suspects, it is regrettable that corporation was still unreachable especially in forestry corruption. Investigation still focused on individuals. Not to mention some of the cases, such as the SKRT case at the Forestry Ministry, where some of the implicated actors were still untouched.

## 2. Taxation corruption

None of the suspects from the monitored cases was heavily punished. Even though in tax-related cases majority suspects had committed bribery, KPK's prosecutors did not only indict using Article 5 which only carries a maximum penalty of 5 years imprisonment, but also articles on bribery and gratuity (Article 11 and Article 12 Anti-Corruption Law) which carry heavy punishment up to 20 years imprisonment. It was observed that KPK prosecutors demanded heavy punishment, but the corruption court sentenced light penalties.

Based on the numbers of cases and suspects in taxation corruption, the KPK seems to yet to prioritize corruption in the sectors related to state income. Since the birth of the KPK in 2003, it only managed to resolve 5 taxation cases.

## 3. Money Laundering

Imposing multi-layered charges using Anti-Corruption Law and Anti-Money Laundering Law to corruption offenders was proven to be effective in giving stronger deterrent effects in the perspectives of both the punishment and the impoverishment of the corruptors. Nevertheless, in corruption cases where the acts of money laundering were involved, KPK investigators could only charge the active actors. The passive actors of money laundering (those who received assets result of money laundering) have yet to be charged by the KPK until today. To note, Law No 8 on The Criminal Act of Money Laundering Article 5 section 1 states:

*“Anyone, who accepts or who takes the control on placement, transfer, payment, grant, deposit, exchange, or utilizes the Assets of which are known by him or of which are*

*reasonably alleged as the result of the criminal action, as set forth in Article 2 section (1), shall be subject to be sentenced with the imprisonment for no longer than 5 (five) years and fine for no more than Rp1.000.000.000, 00 (one billion rupiah)”.*

In fact, in corruption-money laundering cases, such as the driving simulator procurement case, the beef import quota bribery, health facility procurement in Tangerang, and regional election dispute tribunal bribery at the Constitutional Court, third parties were identified as complicit in benefiting from the acts of money laundering where the KPK should have been able to charge them as passive actors.

The KPK was too late in applying Anti-Money Laundering Law to impose heavier punishment to corruptors. The attempt to charge corruption suspect with Anti-Money Laundering Law was only begun in 2012, while the law has existed since 2002. The KPK should have been able to investigate more than 14 cases. In addition, PPATK data in April 2016 showed that during the period between 2010 and January 2015, the PPATK had handed over 492 Analysis Reports on alleged corruption with money laundering to the KPK.

#### 4. Corruption by Corporation

Law No. 31/1999 jo. Law No. 20/2001 on the Eradication of the Criminal Act of Corruption recognizes corporation as legal subject hence it can be legally held to account. Article 1 section 1 clearly states that corporation is a group people or wealth which is organized be it a legally-registered body or not.

Regulation on criminal responsibility of corporation can be comprehensively seen in Article 20 of the law. Article 20 section (1) Anti-Corruption Law decisively states, “In the event that the criminal act of corruption is committed by or on behalf of a corporation, the lawsuit and the sentence can be instituted against and imposed on the corporation or its board of directors.”

Article 20 section (1) shows that the Anti-Corruption Law has adopted the third model of corporation responsibility, where corporation is seen as the maker hence responsible. In addition, Article 20 section (2) also implements the aggregation theory. It formulates, “The criminal act of corruption is taken to be committed by a corporation in the event that people who are, based on work commit the act and other relations, act in the corporate environment, both personally and collectively.” The main penalty that can be imposed to corporation is limited to fines with the provision of one-third of the maximum punishment as additional penalty.

Looking at the actors, the KPK hasn’t charged corporation as the entity of money laundering offender. The KPK is still focused on probing the active actors of money laundering while Article 6 of Anti-Money Laundering Law provides the chance for the KPK to charge corporation as the actor of money laundering.

*“In the event that Corporation commits the criminal crime of Money Laundering as set forth in Article 3, Article 4, and Article 5, the sentence shall be subject to the Corporation and/ or Corporation Control Personnel.”*

Deterrent effects to corporation will also be very effective if the Anti-Money Laundering Law is cumulatively used with Anti-Corruption Law. Article 7 Anti-Money Laundering Law stipulates:

- Primary sentence, which is sentenced to the Corporation, shall be the fine sentence for no more than Rp100.000.000.000, 00 (one hundred billion rupiahs).
- In addition, other than fine sentence as set forth in section (1) above, against the Corporation shall also be sentenced with additional sentence as follow: a. announcement of judge’s verdict; b. suspension on the overall or partial business activity of the Corporation; c. revocation of the business license; d. dissolution or restriction of the Corporation; e. Confiscation of the Corporation’s assets for the State; and/or f. Corporation takeover by the State.

#### D. CLOSING

As recommendation, in the future, the KPK should remain focused in the forestry and taxation sectors and resolve the cases thoroughly. Issues surrounding state income from natural resources should be KPK's main attention in order to save potential state income. KPK's focus on state expenditure should be more balanced towards state income sectors. This aim is to maximize state income potential which has so far been lost due to corruption.

In uncovering and resolving as well as making the perpetrators of corruption cases become more deterrent - especially those related to taxation and forestry - the KPK should use the instruments of money laundering law more intensively. Combining the case with money laundering, in addition to facilitate the legal proving, also has an impact in aggravating punishment to the suspects, including the seizure and confiscation the proceeds of corruption as an attempt to impoverish corruptors. Money laundering regulation should be used in corruption case because majority of corruption cases involve an attempt to "launder" the proceeds of corruption.

The KPK should re-evaluate past forestry and taxation cases deemed unresolved or stuck. The KPK should re-investigate MS Kaban (former Forestry Minister) and Hadi Purnomo (former Director General for Taxation) for the sake of thoroughly completing past cases.

To optimize the use of Anti-Money Laundering, the KPK also needs to charge all the actors (active and passive). The spirit to impoverish corruptors needs to be expanded to the family members and associates of the corruptors who also benefit from the proceeds of corruption.

It is time for the KPK to charge corporation involved in corruption to help optimize the efforts of corruption eradication.

#### **APPENDIX 1**

## LIST OF CORRUPTION CASES IN FORESTRY SECTOR INVESTIGATED BY KPK

No.	CASE	NAME	POSITION	VERDICT	STATE LOSS/BRIBES
1.	Development of palm-oil plantation, East Kalimantan	Suwarna Abdul fatah	Former East Kalimantan governor	1,5 years	346 Billion
		Matias	Director of PT. Surya Damai Group	1,5 years	
		Uuh Ali Yudin	Regional Head of Forestry and Plantation Ministry	4 years	
		Robian	Acting Head of Provincial Forestry Agency	4 years	
		Waskito Suryodibroto	Director General for Forest Cultivation at Forestry and Plantation Ministry	2,5 years	
2.	Issuance of IUPHHK-HT	Tengku Azmun Jaafar	Pelalawan Regent, Riau	11 years	1,2 Trillion
		Syuhada Tasman	Head of Riau Provincial Forestry Agency 2002-2003	5 years	
		Burhanudin Husin	Head of Riau Provincial Forestry Agency 2005-2006 / Kampar Regent	2,5 years	
		Asral Rachman	Head of Riau Provincial Forestry Agency 2004-2005	5 years	
3.	SKRT project bribery	Anggoro Widjojo	Owner of PT. Masaro Radiokom	5 years	20 Ribu Dollar Singapura
		Azwar Chesputra, Hilman Indra, Fachri Andi leluasa (all three of them were convicted in the Tj. Siapi-api port case)			
4.	Transfer of Function of Air Telang Beach Mangrove forest for the development of Tanjung Siapi-api seaport	Sarjan Taher	Member of House of Representatives, Commission IV	4,5 years	-
		Yusuf Erwin Faisal	Member of House of Representatives, Commission IV	4,5 years	
		Azwar Chesputra	Member of House of Representatives, Commission IV	4 years	
		Fachri Andi Leluasa	Member of House of Representatives, Commission IV	4 years	
		Hilman Indra	Member of House of Representatives, Commission IV	4 years	
		Chandra Antoni Tan	Businessman	3 years	
		Syahrial Oesman	Former South Sumatra governor	1 years	

		Dharna Dachlan	Civil servant of South Sumatra Province	4 years	
5.	Issuance of IUPHHK-HT Siak Regency	Arwin AS	Siak Regent	4 years	300 Billion
6.	Bribery related to the Right to Cultivate of (HGU) PT. Hardaya inti Plantation in Buol Regency	Amran Batalipu	Buol Regent	7,5 years	3 Billion of bribes
		Hartati Murdaya	Businesswoman	2 years 8 months	
		Yani Ansori	GM for marketing PT. HIP	1,5 years	
		Toto Lestiyo	PT. Hardaya Inti Plantation director	2 years	
		Gondo Sujono	PT. HIP operational director	1 year	
7.	Bribery related to land swap of forest area in Bogor Regency	Rachmat Yasin	Former Bogor Regent	5,5 years	5 Billion of bribes
		Yohan Yap	Private sector	1,5 years	
		Cahyadi Kumala	Director of PT. Sentul City	5 years	
		M. Zairin	Former head of Bogor Regency Forestry Agency	4 years	
8.	Revision proposal of transfer of function forest area in Riau Province	Annas Ma'mun	Riau governor	6 years	500 Million and 156,000 Singaporean Dollar
		Gulat Medali Emas Manurung	Chairman of Indonesia Palm-Oil Farmer Association	3 years	
		Edison Marudut Marsadauli	Democratic Party Provincial Treasurer / Businessman	-	
9.	Bribery related to Transfer of function of forest area in Bintan Regency	Azirwan	Bintan Regency Regional Secretary	2,5 years	33,000 Singaporean Dollar, 67 Million
10.	Extortion related to BAPLAN's GPS procurement	Al Amin Nasution	Member of House of Representatives, Commission IV	8 years	-
11.	SKRT procurement	Wandojo Siswanto	Former Financial and Planning Head at the Forestry Ministry	3 years	89,6 Billion
		Putranefo Prayugo	PT Masaro Radiokom director	6 years	
12.	Issuance of IUPHHKHT	Rusli Zainal	Riau governor	14 years	265 Billion

Source: Indonesia Corruption Watch, 2016

## APPENDIX 2

### LIST OF CORRUPTION CASES IN TAXATION SECTOR INVESTIGATED BY KPK

No.	CASE	NAME	POSITION	DEMANDED	VERDICT	BRIBES
1	PT. Bank Jabar tax reduction	Roy Yuliandri	Tax inspector	7,5 years	3 years	2,5 Billion
		Muhammad Yazid	Tax inspector	7,5 years	2 years	
		Dien Rajana Mulya	Tax inspector	7,5 years	1,5 years	
		Dedi Suwardi	Tax supervisor	12 years	6 years	
		Eddi Setiadi	Head of Bandung Tax Inspection Office	12 years	6,5 years	
		Umar Sjarifudin	Former Bank Jabar General Director	6 years	7 years	
2.	PT. Bhakti Investama tax restitution	Tommy Hindratno	Tax official	5 years	3,5 years	285 Million
		James Gunarjo	Staff PT. Agis Elektronik	-	3,5 years	
3.	PT. Delta Internusa and PT. Nusa Raya Cipta	Eko Darmayanto	Tax civilian investigator	13 years	9 years	SGD 600,000, 3,25 Billion, USD 150,000
		M. Dian Irwan	Tax civilian investigator	13 years	9 years	
		Effendi kumala	Financial Manager of PT. The Master Steel	-	2 years	
		Teddy Muliawan	Manager Keuangan PT. The Master Steel	-	2 years	
		Diah Soembedi	Director of PT The Master Steel	5 years	2,5 years	
4.	Extortion of taxpayer by tax official	Pargonoriyadi	Tax civilian investigator	6 years	4,5 years	Extortion of 600 Million
5.	PT. Bank Central Asia	Hadi Purnomo	Director General for Taxation	Under investigation. Pretrial decision by South Jakarta District Court annuls Hadi Purnomo's suspect status. Approximate state loss is Rp 2 trillion		State loss 2 Trillion

Source: Indonesia Corruption Watch, 2016

### APPENDIX 3

#### LIST OF MONEY LAUNDERING CASES INVESTIGATED BY KPK

No.	CASE	NAME	POSITION	VERDICT	NOTES
1.	Money laundering related to the purchase of PT Garuda stocks at Mandiri Sekuritas	Muhammad Nazarudin	Democratic Party treasurer	4 years 10 months	KPK confiscated assets worth 390 Billion
2.	Money laundering related to Driving Simulator	Djoko Susilo	Traffic Corps Head	18 years	State losses 121,8 Billion
3.	Money laundering and bribery related to beef import	Luthfi Hasan Ishaq	PKS President	16 years	Bribes 40 Billion
		Ahmad Fathanah	Businessman	16 years	
4.	Money laundering related to regional election dispute tribunal	Akil Mochtar	MK chief justice	Life sentence	Bribes 3 Billion
5.	Money laundering at SKK Migas	Rudi Rubiandini	SKK Migas head	7 years	Bribes 200 Ribu Dollar Sin, US\$ 900 Ribu, US\$ 522.500
6.	Money laundering related to Athlete Village project	Muhammad Nazarudin	Democratic Party treasurer	6 years	State losses 54,7 Billion
7.	Money laundering related to P3SON	Anas Urbaningrum	lawmaker	14 years	Bribes 116 Billion and US\$ 5,26 Million
8.	Money laundering related to CV. Gold Aset investment	Syahrul Raja Sampurna	Bappebti Head	8 years	-
9.	Natural gas Money laundering	Fuad Amin	Bangkalan regent	13 years	Rp. 250 Billion worth of Assets was seized. Bribes 18 Billion
10.	Money laundering related to SPPR	Ade Swara	Karawang regent	6 years	Bribes 5 Billion
		Nurlatifah	Wife of Ade Swara	5 years	
11.	Money laundering related to construction of seaport	Heru Sulaksono	PT. Nindya Karya	8 years	State losses 313.345 Billion

12.	Money laundering related to health facilities in Banten	Tubagus Chaeri Wardana	Businessman	5 years	30 Billion
13.	Money laundering and bribery related to illicit money collection	Ike Wijayanto	PHI Bandung clerk	9 years	Bribes 325 Million
14.	Money laundering DPID	Wa Ode Nurhayati	lawmaker	6 years	Bribes 6 Billion

Source: Indonesia Corruption Watch, 2016