Property Criminal Law as an Alternative Law in Eradication of Corruption in Indonesia

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Abstract
Corruption is one of the crucial problems in Indonesia until recently. Various efforts of the enactment of criminal law in eradicating corruption in Indonesia have been conducted since 1957. Various penal laws have been adopted, so as the establishment of entities or actors of law enforcement agencies. But it is still without satisfied results. This phenomena is assumed by the fact that classic criminal law is plagued by the problems of formulating the act of criminalization of corruption as well as the high standard of proof in the court, in addition to the difficulty of recovery of loss assets proceeds of the crime. This paper would like to discuss the alternative legal policy of a more effective criminal law which is based on the benefit to the welfare of the people in Indonesia, through out the criminal law concept of penal property which is suspected of originating from criminal offenses.

Keywords: China insurance industry, foreign fund, Challenge

1. Introduction
One of the crucial problems facing Indonesia today is the problem of corruption. Corruption was originally only considered as adverse actions of state financial loss, but then has been considered as a violation of the rights of the social and economic life of the people. Corruption then classified as a crime the eradication of which should be done in extra-ordinary measures. Romli Atmasasmita (2006: 2) said that corruption as a crime can be classified as an extra-ordinary crime, while Jimly As-Shiddiqie (Seno Adjie, 2006: 2) argued that corruption can be compared with a kind of a gross violation of human rights.

The effort to eradicate corruption in Indonesia has been done since the beginning of the state Independence Day, through four legislations. The First was the Regulation of Military Authorities to Dominion of Army, No. Prt / PM-06/1957, 9 April 1957, later became Law No. 24 Prp of 1960. The Second was Law No. 3 of 1971 in the New Order Period (under Soeharto). The Third was in Post-Soeharto era by Law No. 31 of 1999. And the last is Indonesia Law No. 20 of 2001. Even then, the legislation has been reinforced with a super-body agency called the Corruption Eradication Commission (KPK; Komisi Pemberantasan Korupsi). Nevertheless, the problems of corruption are still persisted. This is because of criminal law policy, still using the old principles which criminalize of “the deeds” of the perpetrator with the complicated standard of proof that is beyond a rational doubt, that need to be replaced with the criminal law policy of penal property law, a law system which has more promising benefit for the welfare of the people.

Penal property law begins with the study of criminal law in a quasi-criminal property field, which has been implemented in the developed countries like the United States and the Great Britain. The main essence of the study is that the legal policy need to criminalize the ownership of the properties or assets obtained illegally, or a property that the significant quantitatively rising within a certain time that cannot be explained satisfactorily of the origins (Schwarz, 2000: 354-356).

Such legal policy is an alternative to the concept and theory of the classic criminal law which is only criminalizing “the deeds”, is then applied to fight both white collar crimes and organized crimes which in fact had difficulties in proving criminal cases to pursue the perpetrators. By cutting the line of owning and enjoying those illegal properties, it is assumed that the potential offenders could stop their criminal activities. Thus, the conception of penal property law has an impact both prevention and preclusion to commit the criminal acts.

This research uses normative juridical approach. In a study of normative legal science, there is no need the back up from data or social facts in order to explain laws, for normative legal science does not recognize data or social fact, the only known here is merely the sources of law. So, to explain law or to search the meaning and give the values to the law there are legal concepts and the steps to reach them are normative moves (Nasution, 2008: 87).

The approach done here is based on the rules and theories related to the case of criminal acts of corruption, arranged in line with Law 31/1999 backed by Law No. 20/2001 on criminal acts of corruption and regulated with in Law 31/1999 backed by Law No. 20/2001 on criminal acts of corruption and the handling criminal acts of corruption in the state court in accordance with Law 1/1946 of KUHP.

The main source of this research is legal sources, and not social data or facts, for in a normative legal research something to be explained is legal sources containing normative legal rules. Such legal rules are the followings: Primary legal sources are legal sources developed by a set of hierarchical regulations and verdicts of justice. Primary data acquired through the resources being referred and correlate with this writing, those are: (1)

Secondary legal sources are: (1) books of science of law; (2) journals of law; (3) law study reports; (4) other related sources.

In this study of law, the method to gain the data is activities to study related legal sources in order to comprehend the issues or legal problems in the structures and matters of positive laws. Analysis of findings contains explanation on analytical ways describing how data analyzed and how data gathered being used in solving the problems. Data analysis is descriptive analysis begun with clustering data and information in certain order, according to the topics, and then interpreting it to give the meaning of each aspects and how those aspects relate each others and with the whole aspect which is the main research inductively, so that the whole picture could be gained.

Besides getting the whole picture, the next step is to ascertain special documents interesting to investigate, that is, criminal acts of corruption. Therefore, the research becomes more focused and pointed to the more specific issue.

2. Discussion
2.1 Problems of Implementation of Corruption Law Policy in the Court
To understand the implementation of corruption law policy in eradicating corruption in Indonesia, there are some cases of corruption verdicted by the court based on Indonesia Law No. 3 of 1971 and Indonesia Law No. 31 of 1999, backed by Indonesia Law No. 20 of 2001. Those cases are:

2.1.1 Cases verdicted based on Indonesia Law No. 3 of 1971 are as follows:
1) The case of corruption by the use of Fund of BLBI with the defendant Samadikun Hartono, the verdict of State Court of Center of Jakarta in the case No. 1146/Pid.B/2001/PN. Jkt.Pst., dated August 1, 2002.
3) The case of substitution of state logistic body (Bulog) with the defendant Hutomo Mandala Putra, the verdict Reconsideration of MARI with the Case No. 78 PK / Pid / 2000, dated October 1, 2000, that the fault of the defendant HMP a.k.a. Tommy Soeharto un proven to be illegal and convincing enough, and therefore liberated the defendant of all charges of the Attorney.

In those three cases, the charges being accused by the Attorney are around: (1) Primary: Article 1 verse (1) sub a) backed by Article 28 backed by Article 34 sub e) of Indonesian Law No. 3 of 1971 on Eradicating Corruption as Penal Crime backed by Article 64 verse (1) backed by Article 55 verse (1) the first of the KUHP backed by Indonesian Law No. 31 of 1999 backed by the first Article of the KUHP verse (2). (2) Subsidiary: Article 1 verse (1) sub b) backed by Article 28 backed by Article 34 sub e) Indonesian Law No. 3 of 1971 backed by Article 64 verse (1) backed by Article 55 verse (1) the first of the KUHP backed by Indonesian Law No. 31 of 1999 backed by Article 1 verse (2) of the KUHP.

The verdict on those above cases is still influenced by the doctrine of Kant and less balanced by the return of assets being corrupted. Although there are some sentences as retributive money as much as the one being corrupted, it is unclear that there is a guarantee to return it.

The articles of Law being charged by the Attorney is Article 1 verse (1) sub a) the sentences of which are “against the law,” “enrich oneself or others or an institution,” “making the err to the state finance or the state economy.” This article is always accompanied by Article 55 verse (1) and Article 64 verse (1) of Penal Law Book (KUHP), meaning that the corruption always involving more than one doer, and is a continuing act, so that the result of the act is not easy to be found in a temporary proving (reactive) calculation.

2.1.2 Cases of corruption verdicted by Indonesia Law No. 3 of 1971 are as follow:
1) The case of corruption on the buying of Helicopter of the local government of Nangroe Aceh Darussalam (NAD), with the defendant Ir. H. Abdullah Puteh, M.Si., verdicted by the Corruption Designated Court of Central Jakarta Court, Case No. 01/Pid.B/TPK/2004/PN Jkt Pst, dated April 11, 2005.

The charges being accused by the Attorney are: (1) Primary: Article 2 verse (1) backed by Article 18 verse (1) sub a) and b) verse (2) and (3) of Indonesian Law No. 31 of 1999 backed by Indonesian Law No. 20 of 2001 backed by Article 55 verse (1) the first backed by Article 64 verse (1) KUHP. (2) Subsidiary: Article 3 backed by Article 18 verse (1) sub a) and b) verse (2) and (3) of Indonesian Law No. 31 of 1999 backed by Indonesian Law No. 20 of 2001 backed by Article 55 verse (1) the first backed by Article 64 verse (1) KUHP.
In fact, the cases being verdicted by the court based on Indonesian Law No. 31 / 1999 backed by Indonesian Law No. 20 / 2001 is still pointing at the implementation of Panel Law Policy which is not oriented to the escalation of people’s welfare. The charge of the Attorney is still based primarily on the use of Article 2 verse (1) in which the criminal charge is relatively similar to Article 1 verse (1) UU No.3/1971, accompanied by Article 55 verse (1) the first and Article 64 verse (1) of the Penal Law Book (KUHP). It is performed in order to strengthen understanding that corruption penal acts are done by more than one (altogether) doers and are continual acts (Dutch: voortgezette).

2.2 Analysis on the Implementation of the Policy

The verdicts of the judges on the cases being mentioned above are less consideration of the aim of Indonesian Law on Corruption Eradication as blatant or implied in the consideration of related act. The consideration of judges are more to the juridical technicalities on legal and basic postulates, so that the verdicts resulted are not to the specific aims enacted by the law giver.

There are handicaps in some conceptual juridicals based on the policy of Eradicating Corruption Penal Law, laid on the policies of criminalization and giving sanctions. The formulation of corruption charge since the enactment of the Rule of Military Administration of the Central Office of Army and Navy of 1957-1958 is still used without a comprehensive study. The formulation of charge and sanction is still colored by the emotionally laden value judgement approach (Sholehuiddin, 2004: 226) of the legislative policy holders. Consequently, the policy makers could not be able to use penal models in line with the arrangements and aims of penal laws.

Other handicap is in the higher standard of penal proving, that is, beyond reasonable doubt, and rigid in nature. Eventhough there are some other kinds of proving, such as an innovation of adjudication into civil law in certain penal cases concerning business and corporation; something known as a balance probability principle. Such adjudication, in line with reinforcement of investigation, would intensify the charges of corruption cases without ignoring the defendant rights.

Based on such corruption penal cases above, there are some financial loss of the state because of the cases as much as Rp. 438.568.022.461,- with addition of US $ 234,740,632.42. To this the verdict merely said to return the loss of the state to the amount of Rp.14. 204. 000.000,-. It is because that the state loss is posited as the reason of judgment to only in jail terms, and not as a way to determine the amount of properties to be seized (ICW Report, 2006).

In addition, the data of corruption penal acts verdicted by the Court since between 2004 and 2007 are 76 cases, verdicted as guilty are 62 cases (81.58 %), freed 14 cases (18,42 %). The jail penal verdicts are 12 cases verdicted to be jailed more than 5 years (19,35 %), 26 cases are jailed between 2–5 years (41,93 %), and 24 cases verdicted to be in jail less than 2 years (ICW Report, 2006).

In KPK’s Annual Report of December 2006, it is known that the potential of returning state assets being corrupted has already had a permanent legal force (Dutch: inkracht), concerning the seizure of money/goods, substitute money and fines are in the amount of Rp.27.750.057.426,00. The fund being returned to the state treasure is as much as Rp.12.221.271.205,00 (ICW Report, 2006). It is viewed as a small value in comparison to the financial loss mentioned above.

KPK’s Annual Report of December 2007 states that since its foundation in 2003 KPK has save the state financial loss as much as Rp. 37.000.000.000,00. It means that in 2007 the return of state financial asset of KPK’s designated courts only around Rp.15.000.000.000,00. The fund of KPK until the end of 2006 is Rp.294.607.760.574,- and only absorbed 55.77 % of the amount of allocated fund which was Rp.528.295.356.283,- (ICW Report, 2006).

The substitute money being restored to the State Treasure is as much as Rp.1.020,247,521.271,75 and replaced with performing the penal law of jail as much as Rp.125.003.328.063,51. As much as other Rp.7.200.000,00, is paid through the Datun (Bidang Perdata dan Tata Usaha Negara Kejaksan) agung). Sisa uang pengganti (piutang) pada terpidana adalah sejumlah Rp.7.097.302.609.715,11 dan US $ 189,595,187.62 (ICW Report, 2006).

Based on the explanation above, in the view of the return of state financial loss, it is hard to believe that the policies of eradicating corruption in the practice of court in Indonesia have given economic benefits for people’s welfare.

2.3 Philosophical Basis and Formulation of the Norms

Philosophical legal basis of the penal property law concerning Corruption can be found in the UNCAC 2003 which was ratified and approved by Indonesian Law No. 7 of 2006. Article 20 of the Convention states that each participating country considers adopting legislative measures and other measures as may be necessary to establish criminal offenses, when some one committed intentionally, and unlawfully enrich themselves (illicit enrichment). That is, a significant increase of the assets of a public official, which can not be explained reasonably related to a legitimate income. If the article of this Convention intended to be adopted into a positive
law of Indonesia, it would need to be supported by legal principles of the new legislation as well as legal procedures and institutions with the necessary resources in order to bring about the effective results to establish the matter (World Bank, 2003: 4).

The formulation of norms in the criminalization of that properties needs to be grounded by a legal principle that "the legal protection of individual and group properties of people, in effect applies only to the properties acquired legally". In other words, the property rights acquired illegally is not feasible to obtain a legal protection. Furthermore, such criminalization must be supported by the "standard of proof" and "the burden of proof" for evidentiary. By applying the standard of proof (the principle of balance possibility) the burden of proof is shifting from prosecutor to the owner of the assets (as a claimant), the principles of "presumption of innocence" as well as principles of "self-incrimination" guaranteed by the Constitution of Indonesia (UUD 1945) are not violated (Robertson-Snape: 1999: 7-9).

In the context of the Terms of Reference of the UNCAC has been ratified, it is necessary to regulate the process of law and institutions which will perform deprivation (expropriation) of assets. In the US legal system is known as "asset forfeiture", especially of the deprivation of the assets in terms of civil law forfeiture in which in rem is an alternative to the deprivation of penal law (criminal law forfeiture), meaning in personam. UNCAC 2003 Section 31 requires the government to stipulate laws that allow freezing, confiscating the property result of corruption. The law on forfeiture of the asset would include provisions for: (1) Confiscation an asset of the corruption which has been converted to other’s asset (Article 31, paragraph 4); (2) Confiscation of the combined assets until it reaches a value resulting from corruption, when that assets of corruption mingled with legitimate funds (Article 31, paragraph 5); (3) Confiscation of assets or other benefits resulting from corruption or assets derived from corruption (Article 31, paragraph 6).

UNCAC 2003 does not discriminate between civil law foreclosure and the confiscation of criminal cases, and requires the state to take action "with coverage broadest based system of domestic law" to be able to confiscate the assets resulted of corruption (Article 31). Foreclosure procedures should include the authority of the court to give orders to the bank to obtain the records of banking, financial and commercial (Article 31, paragraph 7). Furthermore, countries should consider to always in consistence with the principles of domestic laws, reversing the burden of proofs, which requires the owner to explain the origins of earnings alleged as a result of crime or other assets in the possible to be seized (Article 31, paragraph 8).

Thisphilosophical grounding is in line with the Welfare State theory adopted by the Constitution of the Republic of Indonesia (UUD 1945) pointing that the state is obliged to realize the welfare of its people. Here, the state acts as a regulator and provider of goods and services needed by the people, but still upholding the law (Dicey, 1959: 50). Hence, the criminal law policy tries to achieve legislation that is appropriate to the circumstances of the present situation (ius constitutum) and for the future (ius constituum). The criminal law policy eradicating corruption should reduce the “incentives” for the reason of giving and accepting bribes. This policy does not only strengthen the supervision after the corruption occured, it also increases the likelihood of the disclosure and prosecution of corrupt practices (Rose-Ackerman, 1999: 7).

Changing concepts of criminal law policy in the eradication of corruption is important, which originally centered on the interests of the state (state-centered policy) changed into criminal law policy that maintains a similar distance between the state and the private sector (equal-footing approach) (World Bank, 2003: viii). Changes in criminal law policy is in line with the UN Convention against Corruption (UNCAC) Year 2003, stating that corruption is no longer merely about the state sector (public sector), it is also the private sector one. Changes in criminal law policy must be expressed in the state legislation, as a consequence of the ratification of the UN Convention. Based on the description above, the theory of “law as a social and bureaucratic engineering” is relevant and can be used as a normative philosophical foundation, aiming at improving people's welfare.

2.4 Possible Implementation on the Legal System in Indonesia

The concept of criminal law policy on eradication of corruption to achieve the welfare of the Indonesian people in the future is a criminal law policy concept that promotes a balance between asset recovery and punishment to perpetrators (criminal, civil, and administrative punishment). The concept covers the policy of criminalization and law enforcement policies, in addition to an adjustment policy with the UN Convention Year 2003 which had been ratified. It is also an effort to create a better legislation to combat corruption in Indonesia.

The concept of criminalization policy is necessary to revise and adjust the existing law into the following three matters: (1) All forms of bribery either in active-bribery or passive-bribery, whether committed by public officials both domestic and foreign, as well as bribery in private sectors; (2) The forms of deeds of public officials who are trading their influence and extortion to the people in the name of bureaucratic processes by public officials (racketeering influence); and (3) Ownership of significant properties by public officials that cannot be explained by legitimate origin (illicit enrichment). Here, an expansion to the criminalization of corruption in the private sector needs to be done, for the law enforcement in the field of corruption are often
faced difficulties by the thinness of the difference between private and public concepts. In contrast to the crime in general, corruption has no real victims to make a complaint, everyone involved in a relationship that could gain benefits and interests in time of which still maintaining the secrecy of the activities.

The concept of law enforcement policy in eradicating corruption in Indonesia includes evidentiary problems and the burdens of proofs, forfeiture (confiscation) and appropriation of properties (asset forfeiture) gained from the corruptive acts. This is necessary in the investigation and prosecution of the crimes that it could be done within a legal framework. Such policies are not only capable to increase the possibility to prosecute and punish the perpetrators, those are also in accordance with the principles of Indonesia's national laws and international conventions.

Strategies of asset recovery are major breakthrough in the concept of this policy. In the context of the eradication of corruption in Indonesia, however, the issue of restitution of asset would face the problems in itself, conceptually and explicitly. Thus, the term return on assets (asset recovery) needs special attention in the process of the enactment of acts of eradication corruption in the future.

Indonesia's legal system does not recognize the laws against the foreclosure of civil suit against the proceeds of crime, except on a limited basis to seize assets of the crime, it has been proven that it is known only after completion case decided by the Court (Article 38 of Law No. 20 of 2001 about changes Law 31/1999 on the Eradication of Criminal Acts of Corruption). Therefore, the things needed by Indonesia are the followings: (1) A law that allow the confiscation in civil suit cases (civil-forfeiture) on revenues generated from crime, including corruption, drug-related crime, illegal logging, human trafficking and money laundering; (2) A procedure to protect the assets taken over, cashed or liquidated assets being seized, and to secure that income to be used for the welfare of the people.

To meet the needs of the civil law on foreclosure, it is necessary to learn the rules and procedures on civil foreclosure in the United States. The subject of foreclosure is the result (the income) on a variety of crimes, including terrorism, drug trafficking, money laundering, fraud, embezzlement, corruption, robbery and others (18 US Code Section 981). In addition, the seizure may also include some of the crimes were committed abroad, such as drug trafficking, bribery, embezzlement, banking fraud, human trafficking, and others who may be extradited [18 US Code Sections 981 (a) (1) (C); 1956 (c) (7) (B)]. This foreclosure is not substitution of the assets, but only regards to properties resulting from or involved in crime. Foreclosure as it was only within the limits of power on jurisdiction in-rem, the court could have power over the property, either in the US territory or outside, where courts outside the United States territory has acted in accordance with the need of the US [28 US Code Section 1355 (b) (2)].

Any properties could be foreclosed are deprived by the letter of the court before trial [18 US Code Section 981 (b), 983 (j)]. The standard amount of properties could be greater than the properties acquired while drug offenses carried out, and the absence of other sources to obtain these properties apart from drug trafficking activities. [21 US Code Section 853 (d)]. The advantage of the civil foreclosure requires the existence of criminal sentences to be able to seize properties of the criminals, either they are fugitive or they are died.

The substance of penal property normatively, should be formulated in laws. It is also in eradicating corruption, the core of which is to criminalize the assets acquired illegally, or it is a capital appreciation of public officials significantly within a certain time, and it is not coming from the income of the public officials legally. As for the legal basis of the evidentiary regulated, it is specifically solved by adopting the standard of proofs in balance of probability principle in order to replace the standard of proofs on beyond a reasonable doubt. Thus, the shifting of the burden of proofs to the owner of property does not conflict with the presumption of innocence and self-incrimination which is guaranteed by the Constitution.

In this context, essentially, the defendant is the property of doubtful origin, or suspected to originate from a crime. Plaintiff is represented by the state attorney, while the owner of property enjoyed the position as the third party (claimant). The result of investigation gave an indication of "a strong suspicion" over the ownership of the assets of a public official, that suspected obtained from the proceeds of crime (corruption). That concept has the same meaning of "probable cause" and/or "prima-facie" evidence, an Anglo-Saxon legal system concept.

The Court held a hearing, listening to the prosecutions of the Attorney. The court, then called the parties concerned, including the owners, to explain the origins of the treasure of wealth at the issue. If the owner failed to provide information and reasonable evidence on the origins of such property, the judge ruled expropriation of the asset for the country, which should be used for such public welfare as public health care, public education and other public services. In a proportion of the seizures, it can be used for the investigation and prosecution costs, as well as providing incentives to the law enforcement officials.

The failure of the owner to prove the origins of their property, could not be the basis to sue criminal charges to the person concerned. The principle of "win-win solution", which is commonly practiced against business crime and corporations in the United States, was emerged. But it is a new thing in the science and practice of criminal law policy. Conversely, if the owner (claimant) could provide a reasonable evidence about
the origins of the property, the judge could acquit, and that property was not seized so that the freeze on the assets could be unfrozen.

Starting a claim of assets is suspected to be obtained from the crime, investigators should conclude their strong suspicion in terms of probable cause which is the same as the standard for a detention for person, or house seizures, namely: "a cornerstone reasonable to suspect that a person has committed or had committed a crime, or that somewhere contain a certain items related to something criminal acts". The strong suspicion of vocations is more than a bare suspicion but still less than proof (evidence) that would be corroborate with indictments before the Warrant or the Warrant being issued. In the context of combating corruption, the strong presumption that can be obtained from the reporting assets of public officials at the beginning of his time, compared to the property they have once he served within a certain time, or after they stopped at the office concerned. If investigators find that there is a significant increase, then an initial investigation and prosecution can be done. Added value is “significant” that need to be set firmly in the norms of legislation, in order to plunder the properties resulted the above-mentioned objectives.

3. Conclusion
1. The policies of Laws on the Eradication of Criminal Acts of Corruption in the practices of the courts in Indonesia are still unoriented to encourage people’s welfare. In certain verdicts the influence of Kantianism is bigger than the philosophy of utilitarianism. Those are obvious in considering the criminal elements and judgments of jail penal punishment whic is more prioritized than that of returning corrupted assets.
2. The concept of policies in eradicating Criminal Acts of Corruption in the future would posit Indonesia’s welfare, if it prioritizes a balance of returning corrupted assets (asset recovery) and other punishments. Such concept of policies integrate the policies of criminalizing properties gained by corruption, policies upholding laws with balanced probability as a standard of proving and policies of seizing the assets in rem for the will of people’s welfare.
3. Penal property law comes into one's vision of the alternatives of criminal law policy to eradicate corruption in Indonesia. Therefore, if an ordinary criminal investigation is not experiencing difficulties and deadlock against proving the existence of "the criminal act", the "wrong of the act" or "a legal responsibility (liability) of the doer" which can be attributed to someone, then ordinary prosecution of criminal acts can be applied. This alternative of penal property law could keep hunting the properties derived from the proceeds of corruption, which cannot be pursued throughout a classic criminal law standard of proof. So, there is no safe place for perpetrators of corruption to hide their illegal properties.
4. This brief description could be one of the initial thoughts on alternative solutions in criminal law to eradicate corruption in Indonesia, which is perceived as less effective at the very moment.

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