

# Analysis of Handling State Losses In Corruption Crimes

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**Abstract:** Handling of corruption offenses. Article 4 of Law No. 31 of 1999 states that "The return of state or national financial losses does not eliminate the criminal prosecution of the perpetrators of criminal acts as referred to in Articles 2 and 3. The existence of state losses in a case and the amount of the loss are very important, and currently there is still controversy, both regarding the evidence presented and the interpretation of "state losses" in corruption cases. To determine the amount of state losses in corruption cases, if the case is simple, the determination is made by the Prosecutor's Office. If the case requires a thorough audit, the Audit Board of Indonesia (BPK) or the Financial Supervisory Agency under Article 22 and Article 23 of Law No. 15 of 2004 concerning Examination of State Financial Management and Responsibility jo Article 1 number (16) of Law No. 15 of 2006 concerning the Audit Board of Indonesia regulates the mechanism for compensation in the event of a shortfall or loss of state funds. Law No. 15 of 2016 is contained in BPK Regulation No. 3 of 2007 concerning Procedures for Resolving Compensation for Treasurers jo the Audit Board of Indonesia Regulation No. 2 of 2010 concerning Monitoring of the Implementation of Follow-up Actions on the Results of the Audit Board of Indonesia's Audit under Article 3 paragraph (3). According to the explanation in Law No. 31 of 1999 concerning Eradication of Corruption, state finance refers to all state wealth in any form, whether separated or not, including all parts of state wealth and all rights and obligations arising from it. According to Law No. 31 of 1999, state financial loss is the reduction of state wealth caused by an illegal act, abuse of authority/opportunity or means available to a person due to their position or status, a person's negligence, and/or circumstances beyond human capability (*force majeure*). State losses are defined as a definite and certain shortage of money, valuable papers, and goods as a result of unlawful acts, whether intentional or negligent.

*Keywords: state losses, corruption crimes, financial losses, reimbursement mechanism*

## I. INTRODUCTION

In Indonesia, there is the Republic of Indonesia Law Number 20 of 2001 concerning Amendments to Republic of Indonesia Law Number 31 of 1999 concerning Eradication of Corruption, one of which is where corruption causes financial losses to the state. Financial loss to the state is an element of corruption and an illegal act resulting in a shortage of state assets, whether in the form of money, securities, or goods. Based on Article 1 paragraph 22 of Law Number 1 of 2004 concerning State Treasury, State Loss is the cause, while Financial Loss to the State is the effect. Every financial loss to the state is undoubtedly a state loss, but not every state loss necessarily results in a financial loss to the state. As far as efforts have been made to rescue the state's finances, regarding the authority to determine state losses, there are basically three institutions that can calculate and determine the existence of state losses in corruption cases, namely the Supreme Audit Agency (BPK), the Financial and Development Supervisory Agency (BPKP), and the Corruption Eradication Commission (KPK). In determining state losses, it is necessary to present the results of financial examination reports (LHPKKN) from BPKP or the prosecutor's own calculations. It is recommended that every law governing corruption stipulate that only BPK has the authority to determine the value of financial loss to the state. The modes often used in corrupt financial loss to the state include budget markup, reducing the quantity and quality of goods/services, using funds/budgets not in accordance with their intended purposes, and creating fictitious reports. According to Geodhart, state finances are all periodically established laws that give the government the authority to carry out expenditures for a certain period and indicate the financing tools needed to cover those expenditures (Tjandra, 2016). Referring to the formulation of state finances, there are four approaches to understanding it. Firstly, the object approach, where the scope of state finances includes all the rights and obligations of the state that can be valued in money, including policies and activities in the fiscal, monetary, and separate management of state wealth, as well as anything in the form of money or goods that can be made state property related to the implementation of those rights and obligations. Secondly, the subject approach, where state finances include all the objects mentioned above that are owned by the state or controlled by the central

government, regional governments, state or regional-owned enterprises, and other entities related to state finances. Thirdly, the process approach, meaning that state finances include all the series of activities related to the management of the objects mentioned above, starting from policy formulation, decision-making, and accountability. Fourthly, the objective approach, meaning that state finances cover all policies, activities, and legal relationships related to the ownership and/or control of objects, the term "financial loss to the state" needs to be related to BPK Regulation Number 1 of 2017 concerning State Financial Audit Standards, where state losses can be detected through deviations from legal regulations, fraud, and abuse. In casu a quo, according to Law No. 31 of 1999, financial loss to the State is the decrease in State wealth caused by an illegal act, abuse of power/opportunity or means available to someone due to their position, negligence of a person, and/or caused by circumstances beyond their control.

- (1) Expenditure of a source/national/regional wealth (which can be in the form of money or goods) that should not have been expended;
- (2) Expenditure of a source/national/regional wealth that exceeds the applicable criteria;
- (3) Loss of a source/national/regional wealth that should have been received (including receipt with counterfeit money, fictitious goods);
- (4) Receipt of a source/national/regional wealth that is smaller/less than what should have been received (including receipt of damaged goods, goods of inappropriate quality);
- (5) Emergence of a state/regional obligation that should not exist;
- (6) Emergence of a state/regional obligation that is greater than what should have been;
- (7) Loss of a state/regional right that should have been owned/received according to the applicable rules;
- (8) State/regional rights received that are smaller than what should have been received.

Corruption itself is one of the criminal acts that has a negative impact on the development of a nation, as the crime of corruption not only harms the state finances or the economy but also hinders national development. Pope stated that corruption occurs because important decisions are made based on personal considerations, without considering their impact on the public (Pope, 2000). Initially, the cause of corruption was poverty, so poverty became the root of the problem of corruption, as evidenced by the imbalance between consumptive income and expenditure from the state administration. However, this paradigm has shifted towards the act of corruption itself, which is directed towards the private sector (conglomerates) and high-level bureaucrats whose lifestyles are filled with extravagance. This can be proven by the numerous corruption cases in Indonesia involving officials or individuals who are considered wealthy, which also shows the high amount of state losses caused by corrupt officials. The nature of corrupt behavior is like an endless mystery. It can only be felt and touched (ex-post facto), and its victims are not clearly pointing to individuals. Corruption can only be known, or at least felt. Its perpetrators are mostly done by people with positions of authority, both in government (executive, legislative, and judicial) and in private institutions, but corruptors are so difficult to bring to court.

The presence of the Corruption Eradication Commission (KPK) is highly undesirable for corrupt individuals and aspiring corrupt individuals who are lining up in various state institutions. It cannot be denied that the performance of the KPK and the Corruption Court is so exceptional that it makes corrupt individuals restless. Many corrupt officials, including ministers, members of parliament, law enforcement officials from the police, prosecutors, and judges, are currently behind bars after being named suspects by the KPK. None of them have been acquitted in the Corruption Court, and all have been sentenced to prison. The Republic of Indonesia Law No. 31 of 1999 concerning the Eradication of Criminal Acts of Corruption has introduced the concept of the return of state financial losses (Pardede & Rudi, 2016). This concept is expected to be able to recover state losses, in addition to imposing criminal sanctions on corrupt offenders. There are also additional criminal sanctions in the form of compensation in the amount of the maximum value of the property obtained from the corrupt act.

Based on the review, corruption is a criminal offense based on criminal law doctrine, while the management and responsibility of state finances are based on the doctrine of state administrative law. Both are integrated into the criminal act of corruption of state financial losses in Law No. 31/1999, jo. 20/2001. Threats of criminal sanctions against corrupt offenders are regulated in Article 2 and Article 3 of the Law No. 31 of 1999 concerning the Eradication of Criminal Acts of Corruption, which read as follows: Article 2 paragraph (1) states that "any person who, unlawfully, enriches himself or others or a corporation that can harm state finances or the state economy, shall be punished with life imprisonment or imprisonment for a minimum of 4 (four) years and a maximum of 20 (twenty) years and/or a fine of at least IDR 200,000,000.00 (two hundred million rupiahs) and a maximum of IDR 1,000,000,000.00 (one billion rupiahs)." Article 2 paragraph (2) states that "in the event that the act of corruption as referred to in paragraph (1) is committed in certain circumstances, the death penalty may be imposed." Article 3 paragraph (1) states that "any person who, with the intention of benefiting himself or others or a corporation, abuses the authority, opportunity or means available to him because of his position or

status, which can harm state finances or the state economy, shall be punished with life imprisonment or imprisonment for a minimum of 1 (one) year and a maximum of 20 (twenty) years and/or a fine of at least IDR 50,000,000.00 (fifty million rupiahs) and a maximum of IDR 1,000,000,000.00 (one billion rupiahs)."

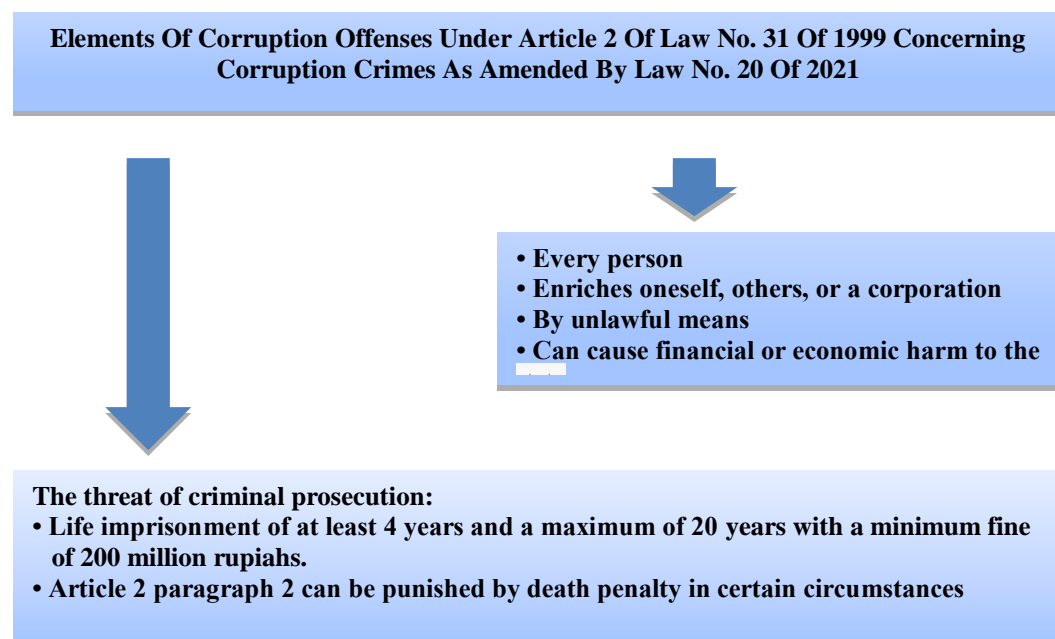
The purpose of eradicating corruption is to return the state's financial losses, which is in accordance with Article 2 paragraph (1) and Article 3 of the Corruption Eradication Law which states that the element that must be fulfilled in revealing the truth of corruption is the state's financial or economic losses. The State Finance Management and Responsibility Examination Law No. 15 of 2004, specifically in Article 10, explains that the calculation of state financial losses is a mandate to provide access and obtain several data that will later be used to request documents related to state finances to be examined by authorized parties. State financial losses themselves have various forms, some examples of which include the state's expenditure of wealth that is larger than it should be, the loss of state wealth without being received, and the decrease in state revenue sources that should have been obtained. The economic losses of the state will be charged to the perpetrator of corruption after a court decision has obtained legal force (*inkracht*). The Supreme Audit Agency has obtained constitutional support from the Indonesian People's Consultative Assembly (MPR) in the Annual Session of 2002, which strengthens the position of the Supreme Audit Agency as the only external audit institution in the field of state finance, namely by issuing MPR Decree No. VI/MPR/2002, which among other things reaffirms the position of the Supreme Audit Agency as the only external audit institution of state finances and its role needs to be strengthened as an independent and professional institution. To support its duties, the Supreme Audit Agency is supported by a set of laws in the field of state finance, namely;

- a. Law No. 17 of 2003 concerning State Finance
- b. Law No. 1 of 2004 concerning State Treasury
- c. Law No. 15 of 2004 concerning the Examination of Management and Responsibility for State Finance.

Furthermore, the State Audit Agency's working mechanism is mandatory, namely conducting audits of state finance to all entities that use state funds. After the mandatory process, there may be cases that are then investigated. The mandatory process is carried out with three things, financial report audit, performance audit, and audit with a specific purpose. The procedures are an annual routine agenda. In the middle of the first semester, a financial report audit is conducted, which may indicate state losses, both in ministries and regions. Here is the flow of the State Audit Agency's work:

- a. Conducting audits of state finance
- b. Submitting LHP to stakeholders
- c. Reporting to law enforcement if criminal elements are found
- d. Monitoring the follow-up of the State Audit Agency's examination.

Diagram1. Diagram of State Losses Management In Corruption Cases (Marwa Mas, 2014)



## II. METHOD

Legal research is a research applied or applied specifically to legal science as a normative science (Hadjon & Djamiati, 2009). To find and discover answers to problems in this research, a case approach and a conceptual approach are used, which refer to the doctrines that have developed in legal science (Marzuki, 2014). From various journals, the author uses a descriptive analysis method in normative juridical legal research, where this research refers to legal norms and regulations as normative foundations related to state losses in corruption crimes in their resolution.

## III. RESULT AND DISCUSSION

The Relationship Between the Return of State Financial Losses and the Handling of Corruption Cases. Then, a systematic approach to positive law is carried out in two ways, namely: a. Vertical systematic approach through legislation from top to bottom b. Horizontal systematic approach, which is related to similar legislation, where state financial losses refer to losses of all state assets in any form that are separated or inseparable, including all rights and obligations arising from two aspects:

1. Being under the control, management, and accountability of state officials both at the central and regional levels
2. Being under the control, management, and accountability of state-owned enterprises (SOEs), foundations, legal entities, and companies that include state capital, or companies that include third-party capital based on agreements with the state.

Based on the understanding or definition of state losses stated in Article 1 clause 22 of Law No. 1 of 2004 concerning state treasuries, it is emphasized that state losses are a shortage of money, securities, and goods, which are real and definite in amount as a result of unlawful acts, both intentionally or negligently. In criminal law, this definition constitutes a material offense because it requires the presence of state losses that are truly real and definite in amount, namely the existence of the phrase "as a result of unlawful acts". In Law No. 31 of 1999, which was amended by Law No. 20 of 2001 concerning the eradication of corruption (the Corruption Law), it adopts a formal offense, namely that corruption is considered to have occurred if the prohibited elements of the act have been fulfilled without taking into account the occurrence of an effect. This can be seen from the phrase "may harm the state finances or economy" in Article 2 clause 1 and Article 3 of the Corruption Law. From this, it can be analyzed that this reinforces the explanation in Article 2 clause 1 of the Corruption Law, which uses the word "may" before the phrase "harm the state finances or economy", indicating that corruption is a formal offense, namely that the existence of corruption is sufficient by the fulfillment of the formulated elements of the act, not by the occurrence of an effect. The theory of formal offense in the Corruption Law means that the prohibited act in Article 2 clause 1 and Article 3 of the Corruption Law is considered to have harmed state finances if the act has the potential to cause state losses, whether or not they actually occur. This is not a measure of whether corruption has occurred, and the prosecutor does not have to prove it in court. In legal theory, there is the principle of *lex specialis derogat legi generale* or special regulations that prioritize the implementation of specific legal regulations over general regulations in regulating the same matter. Thus, actual state losses are not required as long as they are supported by evidence indicating the potential for state losses. The implementation of the Corruption Law overrides the provisions of Article 1 clause 22 of Law No. 1 of 2004 concerning state treasuries as a general provision that regulates the same matter. The increase in corruption cases can be seen from the cases that have been decided by the Supreme Court from 2014-2015, which amounted to 803 cases. This number has increased significantly compared to the previous year. The results of research from the Laboratory of Economics, Department of Economics, Faculty of Economics and Business, Gadjah Mada University, revealed that the 803 cases involved 967 corruption defendants. If calculated from 2001 to 2015, corruption cases that have been decided by the Supreme Court in cassation and judicial review amounted to 2,321 cases. On the other hand, the number of corruptors convicted during that period reached 3,109. This number has increased dramatically compared to the data from 2001-2009. According to the Corruption Perceptions Index, in 2022, Indonesia ranked 96th out of 180 countries with a score of 38 in terms of perceived corruption. At that time, the number of corruption cases that had taken effect was 549 with 831 convicts. The increase in corruption, both in terms of the quantity or amount of state losses and the quality of corruption committed in a modern and systematic manner, has even crossed international borders.

Therefore, handling corruption, especially in maximizing the recovery of state losses, requires an integral approach and international cooperation (Hamzah A, 2007).

The Indonesian Forum for Budget Transparency has revealed data on the most corrupt provinces in Indonesia. The results are consistent with those revealed by PPATK some time ago, with DKI Jakarta remaining the most corrupt province. This is based on the publication of the Supreme Audit Agency (BPK) in the second semester of 2011. For 33 provinces, state losses were found to be Rp 4.1 trillion with a total of 9,703 cases. According to the data released, Aceh province ranked second most corrupt after DKI Jakarta, with the top three most corrupt provinces according to Fitra's 2012 data as follows:

1. DKI Jakarta Rp 721 billion
2. Aceh Rp 669 billion
3. North Sumatra Rp 515 billion.

Table 1. Here Are 5 Major Cases That The Writer Attempts To Highlight From The Aspect Of State Losses Caused By Corruption.

Case	The Amount Of State Losses.
Case of land grabbing in Riau, the Attorney General's Office successfully uncovered a corruption case involving PT Duta Palma Group. The owner of PT Duta Palma Group, Surya Darmadi, was named a suspect in the land grabbing corruption case.	The corruption case involving Surya Darmadi will be the biggest in Indonesia with state losses reaching Rp 78 trillion.
The corruption case of Asabri: It is known that the management of PT Asabri arranged transactions in the form of stock investments and mutual funds with private parties. Seven people have been convicted guilty in this case. They are Adam Rachmat Damiri (Asabri's CEO from 2011 to 2016), Sonny Widjaja (Asabri's CEO from 2016 to 2020), and Bachtiar Effendi (Asabri's Investment and Finance Director from 2008 to 2014). Then Hari Setianto (Asabri's Director in 2013-2014 and 2015-2019), Heru Hidayat (Director of PT Trada Alam Minera and Director of PT Maxima Integra), Lukman Purnomosidi (CEO of PT Prima Jaringan), and Jimmy Sutopo (Director of Jakarta Emiten Investor Relation).	In the corruption case of PT Asuransi Angkatan Bersenjata Indonesia or Asabri (Persero), the state suffered a loss of Rp 22.7 trillion.
In the corruption case of PT Asuransi Jiwasraya (Persero), six people have been convicted guilty, namely Hary Prasetyo (Jiwasraya's Finance Director), Hendrisman Rahim (former President Director of Jiwasraya), Syahmirwan (former Head of Investment and Finance Division of Jiwasraya), Joko Hartono Tirta (Director of PT Maxima Integra), Benny Tjokrosaputro (President Director of PT Hanson International), and Heru Hidayat (Director of PT Trada Alam Minera and Director of PT Maxima Integra).	As a result of this corruption case, the state suffered losses of Rp 16.8 trillion.
The Pelindo II corruption case In 2020, the BPK (Indonesia's Supreme Audit Agency) issued a report on state losses due to alleged corruption in Pelindo II (state-owned port operator). The report focused on four projects, not including the procurement of mobile and quay container cranes, which were being investigated for corruption by the Indonesian National Police and the Corruption Eradication Commission (KPK). The case involved the former CEO of PT Pelindo, RJ Lino, who had been a suspect since 2015. He was suspected of abusing his authority by directly appointing HDHM from China to supply three QCC units.	In the report, it is known that four projects at PT Pelindo II caused state losses of up to Rp 6 trillion.
The e-KTP corruption case involved several high-profile figures, including former Speaker of the Indonesian House of Representatives Setya Novanto, Irman Gusman, and Andi Narogong.	Based on BPK's calculation, the state experienced a loss of Rp 2.3 trillion.

Based on the 2018 Corruption Enforcement Trend Report by Indonesia Corruption Watch (ICW, 2019), it is noted that the total state losses due to corruption cases in 2018 amounted to IDR 5.6 trillion. Mapping corruption based on the modes that contributed the most to state losses are as follows:

1. Abuse of authority, which resulted in state losses of IDR 3.6 trillion;
2. Mark up, which resulted in state losses of IDR 541 billion;
3. Misuse of budget, which resulted in state losses of IDR 455 billion.

From the above report, it can be seen that corruption is closely related to the abuse of power or influence that a person in a position of authority has deviated from legal provisions, thus causing financial losses to the state (Romli Atmasasmita, 2004).

Table 2. Here are the results based on previous research from several journals that the author has analyzed regarding state losses from various aspects.

Title of The Journal	Analysis of The Discussion in The Journal.
The correlation between the amount of state losses and the lightness of the punishment in corruption cases by Endhy Kristian Saputra (Endhy Kristian Saputra, 2015)	This journal discusses the correlation between the severity of corruption sentences and the amount of state losses determined by judges based on punishment, criminal liability, evidence, and verdicts. The connection between the amount of state losses and the severity of punishments in corruption cases was investigated through interviews with Mr. Samsul Bahri, S.H., an ad hoc judge for corruption cases in Yogyakarta. It was found that the amount of state losses due to corruption does indeed affect the severity of punishment, but it is not absolute. This is because not all of the large state losses due to corruption are enjoyed by the perpetrators alone, as corruption is an act committed together. Thus, the level of involvement of the perpetrators in causing losses to the state or committing corruption is crucial in determining the punishment by the judge. Based on the analysis of the journal, which compared two cases of corruption that both resulted in state losses, it can be concluded that there is a correlation between the amount of state losses and the severity of punishment in corruption cases. Judges often correlate the amount of state losses as a factual aggravating factor in determining the severity of criminal sanctions against corruption perpetrators.
Restitution of State Financial Losses Based on Microeconomic Analysis by A.A. Anggy Tryeza Purnama Ningrum. (A.A. Anggy Tryeza Purnama Ningrum, 2021)	This journal states that the relevance of law to microeconomic analysis can also be used as a consideration for the "cost and benefit ratio" that is needed in the process of forming legislation, as well as the considerations used by law enforcement officials to determine their decisions based on legal considerations and some facts and expert opinions. Through the application of microeconomic analysis, the state can break out of the vicious circle with alternatives that will be beneficial, so that the function of criminal law can open up the concept of criminal law that has been running inefficiently and ineffectively by ignoring the three basic principles in microeconomic analysis that have a correlation to improve societal welfare: maximization, equilibrium, and efficiency. The maximization principle will provide an explanation for someone who has committed a crime by considering a probability between the aspects of profit and loss from the crime that has been or will be committed. The meaning of this profit is the result of the crime and the losses that involve material and immaterial losses suffered by the victim of the crime, which can be an individual, corporation, or even a country, as well as losses that are considered due to arrest and detention. The equilibrium principle contained in microeconomic analysis will provide an overview that originates from the criminal law domain and will show how the judge will impose criminal sanctions on the defendant, whether the prosecution has been able to cover the financial losses incurred by the state. The efficiency principle will provide an overview of whether the criminal punishment imposed by the judge is efficient in terms of punishment given to the perpetrators of corruption, or whether it is more efficient when the perpetrator returns the financial losses incurred by the state.
The translation in English is: Accountability For State Losses In The Perspective Of State Administrative Law by Marojahan JS Panjaitan (Marojahan JS Panjaitan, 2020)	The analysis in this journal states that the settlement of state losses under Law No. 30 of 2014 shows a difference in the way state losses are settled. It is formed by a body called the Government Internal Supervisory Apparatus (APIP), and according to Article 21 of Law No. 30 of 2014, the settlement mechanism can be carried out by filing a request with the State Administration Court. The decision of the High Administrative Court is final and binding, as a final and binding decision of the court.
The Determination of State Loss in Corruption Cases by R. Bayu Ferdian, Mohd. Din, M. Gaussyah (R. Bayu Ferdian et al., 2018)	This journal states that the determination of state losses in corruption cases must go through a calculation process before being recognized as a loss to the state. Calculating state financial losses cannot simply rely on recording or using calculators or other calculation tools, as it involves the term "loss resulting from unlawful acts." The determination of state financial losses should be done through an "examination"

activity, as it embodies independence, objectivity, and professionalism based on examination standards in carrying out a process. This is in accordance with the formulation in Article 1 number 1 of Law No. 15/2004, which states: "Examination is the process of identifying problems, analyzing, and evaluating independently, objectively, and professionally based on examination standards to assess the truth, accuracy, credibility, and reliability of information regarding the management and financial responsibility of the state." Furthermore, in cases suspected of corruption, the calculation of state financial losses refers to the technical guidelines of the BPK investigative examination, which are divided into three stages: preparation (preparation of examination programs, creation of task letters), implementation (understanding the case built, evaluating and analyzing evidence), and reporting. The determination of state losses is the jurisdiction of the judge in the trial. Determination is made through two approaches, namely through consideration of "the value of state losses" and "additional criminal penalties for the return of state losses." The process of returning state financial losses due to corrupt actors is done through three approaches: 1. Civil Approach - this can be seen in the provisions of Article 32 paragraph (1), which stipulates that if the investigator finds and believes that one or more elements of corruption are not supported by sufficient evidence, while there has been an actual loss to the state, the investigator shall immediately submit the investigation files to the State Prosecutor to file a civil lawsuit or submit them to the affected agency to file a lawsuit. 2. Criminal Approach - besides, in terms of confiscation, it is regulated in Law No. 8 of 1981 concerning the Criminal Procedure Code, namely in article 38, which regulates that confiscation is only carried out by investigators with the permission of the local district court chairman as stipulated in paragraph (1), with exceptions as stipulated in paragraph (2) without prejudice to the provisions of paragraph (1); Article 39 regarding objects that can be seized; Article 42 regarding the authority of investigators to order persons who possess seized objects to surrender the objects for examination purposes; 3. Forfeiture Approach - in the case of forfeiture due to corrupt actors, the provisions are regulated in Article 38 paragraph (5), which stipulates that if the defendant dies before the verdict is handed down and there is sufficient evidence that the defendant has committed corruption, the law on the public prosecutor's demand for the confiscation of seized goods is determined. Article 38 paragraph (6) stipulates that the determination of confiscation as referred to in paragraph (5) cannot be appealed, while article 38B paragraph (2) stipulates that if the defendant cannot prove that the assets referred to in paragraph (1) were not obtained through corruption, the assets shall be deemed to have been obtained through corruption and the judge has the authority.

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The Relationship between the Return of State Financial Loss and the Handling of Corruption Cases by Forti Perdana Putra Zega (forti perdana putra, 2017)

Government policy in handling corruption crimes. If viewed from Article 4 of Law No. 31 of 1999, it is stated that "The return of state financial losses or the national economy does not eliminate the criminal offense of the perpetrator as referred to in Article 2 and Article 3, then creates other legal norm disparities, as regulated in Article 22 and Article 23 of Law No. 15 of 2004 concerning the Examination of State Financial Management and Responsibility in conjunction with Article 1 number (16) of Law No. 15 of 2006 concerning the State Audit Board regulates the mechanism of compensation in case of a shortfall or loss of state funds, further regulations on Law No. 15 of 2016 are contained in BPK Regulation No. 3 of 2007 concerning Procedures for Resolving Compensation for Treasurers in conjunction with the State Audit Board Regulation No. 2 of 2010 concerning Monitoring of the Implementation of Follow-up Actions on Audit Results of the State Audit Board. Article 3 paragraph (3) mentions a 60-day time limit for financial compensation.

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From the research analysis above, it can be seen that with the various cases of corruption causing state losses, the Indonesian government has regulated various legal provisions against corruption that cause state losses in the anti-corruption law. This can be seen in the criminal sanctions imposed on perpetrators of corruption in Law Number 31 of 1999 concerning the Eradication of Corruption Crimes in Articles 2 and 3, which state as follows: Article 2 paragraph (1), Article 1 paragraph (22) of Law Number 1 of 2004 concerning State Treasury which refers to state losses and Law Number 15 of 2006 concerning the Audit Board in Article 1 paragraph (15) in Chapter I of General Provisions related to State/Regional Losses, further regulations on Law No. 15 of 2016 are contained in Audit Board Regulation No. 3 of 2007 regarding Procedures for Resolving Compensation for Losses Against Treasury in conjunction with Audit Board Regulation No. 2 of 2010 regarding Monitoring of Follow-Up Actions on the Results of Audit Board Examinations. Therefore, an analysis of the settlement of corruption crimes against state losses through criminal and civil procedures is found. If the provisions in Law No. 30 of 1999 concerning the Eradication of Corruption Crimes are observed, it appears that there is no explanation of what is meant by state losses. In Article 2 paragraph (1) of Law No. 31 of 1999, it is

only stated that it can harm the state's finances or economy. In the explanation of Article 32, it is also stated that state financial losses are losses that can already be calculated based on the findings of authorized agencies or appointed public accountants. With the formal formulation of corruption crimes in Article 2 paragraph (1) of Law No. 31 of 1999, even if the corruption proceeds have been returned to the state, the perpetrator of corruption crimes will still be brought to trial and punished. The formulation of corruption crimes as a formal offense means that financial or economic losses to the state do not have to occur, because a formal offense is considered to have been completed with the prohibited actions and penalties prescribed by law. In Law No. 30 of 2002 concerning the Corruption Eradication Commission, Article 6 states that the Commission has the task of coordinating with authorized agencies in the eradication of corruption crimes. In the Explanation of Article 6 of Law No. 30 of 2002, "authorized agencies" include the Audit Board, Financial and Development Supervisory Board, State Officials' Wealth Audit Commission, inspectorates in government departments or non-departmental government agencies. From the above explanation, it is clear that the Audit Board is one of the agencies authorized to calculate state financial losses, but it does not determine the existence of state financial losses. The determination of state financial losses is the sole authority of the judge who adjudicates it.

#### IV. CONCLUSION

In Law Number 31 of 1999 concerning Eradication of Corruption Crimes as amended by Law Number 20 of 2001 concerning Changes to Law Number 31 of 1999 concerning Eradication of Corruption Crimes, the definition of corruption is stipulated in Article 2 paragraph (1) and Article 3. Article 2 paragraph (1) of Law Number 31 of 1999 defines corruption as: "any person who, unlawfully, enriches themselves or others or a corporation that may harm state finances or the national economy, shall be punished with life imprisonment or imprisonment for a minimum of 4 (four) years and a maximum of 20 (twenty) years and/or a minimum fine of IDR 200,000,000.00 (two hundred million rupiahs) and a maximum of IDR 1,000,000,000.00 (one billion rupiahs)." The loss to state finances refers to a shortage of money, securities, and tangible assets, the exact amount of which is certain, as a result of intentional or negligent unlawful acts. The loss to the state is not only related to a shortage of money but also to all state assets that can be valued in money. This is in line with the definition of state finances as mentioned in Article 1 number 1 of Law Number 17 of 2003 concerning State Finances. The calculation of the loss to state finances in the decision in quo is not only based on the results of the audit by the BPKP. Mechanisms for the return of state financial losses are carried out, one of which is the issuance of a Decree by the BPK on the Assessment of State Financial Loss and/or Determination of Parties Obligated to Pay Compensation in the settlement of state loss compensation. The connection between the amount of state losses and the severity of the punishment in corruption cases is based on aggravating and mitigating factors in the judge's decision (Bambang Sutiyo and Sri Hastuti Puspitasari, 2005). In relation to the settlement of state financial compensation in the perspective of state administrative law, Article 59 of Law Number 1 of 2004 concerning State Treasury states that the return of state financial losses cannot stop the handling of corruption cases. Article 4 of Law Number 31 of 1999 concerning Eradication of Corruption Crimes emphasizes that the return of state financial losses and/or the national economy does not eliminate the punishment of perpetrators of corruption crimes (Chaerudin et al., 2008).

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