

Application of the Money Laundering Law to Corruption Crimes

Sri Rizki Wardani¹ Galih Pratama Siregar²

¹EHMRI Institute

²State Islamic University of North Sumatra

E-mail: hasnabintu@gmail.com siregargalih3@gmail.com

Info Artikel	Abstract
<p>Article History Received : 2022-07-05 Revised: 2022-07-12 Published: 2022-07-30</p> <p>Keywords: <i>Money Laundering (TPPU), Corruption, Law Enforcement, Reversed Burden of Proof, Asset Confiscation, State Finance</i></p>	<p>This study examines the application of the Anti-Money Laundering Law (AML) in handling corruption in Indonesia. Corruption not only results in state financial losses but is also often accompanied by perpetrators' attempts to conceal the proceeds of crime through money laundering mechanisms. Therefore, the AML Law plays a strategic role as a legal instrument in tracing, freezing, and confiscating assets resulting from criminal acts. This study uses a normative juridical method with a statutory approach and case analysis. The results show that the application of the AML Law can broaden the scope of law enforcement, not only against the main perpetrators but also parties involved in the flow of illegal funds. In addition, the reverse burden of proof mechanism makes it easier for law enforcement officials to identify irregularities in the perpetrators' assets. However, its implementation still faces various obstacles, such as weak coordination between institutions and the complexity of tracking financial transactions. Therefore, optimizing the application of the AML Law is necessary to increase the effectiveness of corruption eradication and support the recovery of state losses.</p>

I. INTRODUCTION

Corruption is a form of extraordinary crime that has spread systematically across various sectors of life in Indonesia. This crime not only causes losses to state finances but also has widespread social, economic, and political impacts. In practice, efforts to eradicate corruption often face various obstacles, particularly in the process of tracing and recovering assets that have been diverted, hidden, or disguised through complex financial transactions.

In this context, Law Number 8 of 2010 concerning the Prevention and Eradication of Money Laundering (AML) plays a crucial role as a legal instrument strengthening the handling of corruption. The implementation of the AML Law is considered strategic because it empowers law enforcement officials to trace, freeze, and confiscate the proceeds of crime that have been diverted into various forms of assets. Thus, corruption eradication efforts are not solely focused on punishing perpetrators but also on recovering state losses.

This approach is in line with the principles

stipulated in the United Nations Convention Against Corruption (UNCAC) 2003 which has been ratified by Indonesia through Law Number 7 of 2006. In addition, money laundering practices are often used to disguise the origins of criminal proceeds through formal financial systems, such as banking, investment, and property transactions, so synergy between law enforcement agencies is needed.

II. RESEARCH METHODS

Study This study uses a normative juridical method with a statute approach and a case approach. The statutory approach is carried out through an analysis of various regulations related to corruption and money laundering, particularly the Anti-Money Laundering Law (AML) and other relevant regulations. The case approach is used by examining relevant court decisions to gain an understanding of the application of the AML Law in the practice of handling corruption cases.

The data sources in this study are secondary data, including primary legal materials, such as laws and court decisions; secondary legal materials, such as books, scientific journals, and

previous research results; and tertiary legal materials, such as legal dictionaries and encyclopedias. Data collection was conducted through library research, while data analysis was conducted qualitatively by systematically reviewing and interpreting legal materials to draw conclusions that align with the research problem.

III. RESULTS AND DISCUSSION

A. Research result

Corruption in Indonesia is complex and systemic, and is often accompanied by attempts to conceal the proceeds of crime through money laundering (TPPU) mechanisms. Corruptors generally exploit the modern financial system to disguise the origins of their assets through placement, layering, and integration, making it difficult for law enforcement to trace them.

The implementation of Law Number 8 of 2010 concerning Money Laundering (TPPU) has proven effective in strengthening corruption eradication efforts, particularly through the "follow the money" approach. With this approach, law enforcement focuses not only on the act of corruption, but also on the flow of funds and the parties involved in enjoying the proceeds of crime. In addition, provisions regarding the reverse burden of proof make it easier to uncover irregularities in the perpetrator's assets. However, this study also found that the effectiveness of the implementation of the TPPU Law still faces several obstacles, such as a lack of coordination between institutions, limited financial tracking technology, and the complexity of cross-border transactions. Therefore, it is necessary to strengthen synergy between law enforcement agencies, optimize the role of financial intelligence, and increase international cooperation so that the implementation of the TPPU Law in corruption crimes can run optimally.

B. Discussion

Corruption in Indonesia has evolved into an extraordinary crime that is systemic, structured, and widespread across various sectors. Corrupt practices occur not only within the central government but also extend to local governments, public institutions, and even the private sector (PRATIWI, 2021). This indicates that corruption has shifted from an individual crime to a collective crime involving extensive networks (LUBIS & SIREGAR, 2023).

Legally, the crime of corruption is regulated by Law Number 31 of 1999, which was amended by Law Number 20 of 2001. In this provision, corruption is understood not only as an act of unlawful self-enrichment but also includes abuse of authority that has the potential to harm the state's finances and economy (YULIANTI, 2021). The broad scope of this regulation indicates that corruption is a serious problem that can threaten national stability.

The impact of corruption is significant. From an economic perspective, corruption causes inefficiency in resource management, reduces the quality of development, and hinders investment. From a social and political perspective, corruption erodes public trust in government, weakens the legitimacy of state institutions, and widens social inequality (SULISTIYA & ARIFIN, 2024).

Although Indonesia has various law enforcement agencies, such as the Corruption Eradication Commission (KPK), the Prosecutor's Office, and the National Police, efforts to eradicate corruption still face several obstacles. One of the main obstacles lies in the limitations of conventional approaches, which tend to focus solely on proving criminal acts, without balancing this with optimal efforts to trace and uncover the proceeds of crime (ARIFIN, 2022).

Corruptors generally exploit developments in the modern financial system to conceal the proceeds of their crimes. Common methods include using accounts in the names of third parties, investing overseas, establishing shell

companies, and purchasing assets that do not align with their wealth profile. This situation makes it difficult for law enforcement officials to prove the link between the perpetrator and the corrupted assets (BASRI & WULANDARI, 2023).

Thus, eradicating corruption requires an approach that is not only oriented towards following the suspect, but also following the money (HIDAYAT, 2021).

Law Number 8 of 2010 concerning the Prevention and Eradication of Money Laundering (AML) provides a strong legal basis for tracing and prosecuting the proceeds of crime. This law serves as a complementary instrument in eradicating corruption because it addresses the financial aspects of criminal acts.

Through the Money Laundering Law, law enforcement officers have the authority to: Trace the flow of funds resulting from criminal acts, Freeze suspicious financial transactions, Seize and confiscate assets resulting from crime (KURNIAWAN, 2021).

The application of the Money Laundering Law (AML) provides a stronger deterrent effect than the Corruption Eradication Law alone. This is because the perpetrator not only loses their freedom but also loses all the proceeds of their crime, which were the primary motivation for corruption (NUGROHO, 2022).

The crime of money laundering is carried out through systematic stages, namely:

Placement is the initial stage where the proceeds of crime are introduced into the financial system, for example through cash deposits into banks. Layering is the stage of separating the funds from their original source through a series of complex transactions, such as transfers between accounts, the use of fictitious companies, or cross-border transactions. Integration is the stage of incorporating the funds into legitimate economic activities, making them appear legitimate, for example through property or business investments.

In the context of corruption, these three stages are used to disguise the origins of wealth, making it difficult for law enforcement to trace. Therefore, understanding these patterns is key to uncovering organized corruption (PRATIWI, 2021).

The Money Laundering Law provides a number of important breakthroughs in law enforcement, including: Expansion of the object of criminal acts to include various types of crimes, including corruption, The possibility of handling cases without having to wait for a decision on the original crime, Implementation of a reverse burden of proof system (Article 77).

The reverse burden of proof system authorizes judges to require defendants to explain the origins of their assets (SIREGAR & HARAHAHAP, 2024). If the defendant is unable to prove that the assets were legally obtained, the assets can be considered proceeds of crime.

This provision is crucial in corruption cases, as there is often a gap between official income and the perpetrator's actual wealth. Despite its advantages, the implementation of the Money Laundering Law still faces several obstacles, including:

Lack of coordination between agencies

The synergy between the Corruption Eradication Committee (KPK), the Financial Transaction Reports and Analysis Center (PPATK), the Police, and the Prosecutor's Office is not yet optimal, thus hampering the exchange of information.

Technological limitations Modern financial transaction tracking requires a sophisticated financial intelligence system (LUBIS & SIREGAR, 2023).

Cross-border transactions Many assets resulting from corruption are placed abroad, thus requiring effective international cooperation.

Differences in understanding the law

Different interpretations of the provisions of the Money Laundering Law can hamper implementation in the field. Strategies for

Optimizing the Implementation of the Money Laundering Law: To increase the effectiveness of the Money Laundering Law's implementation in eradicating corruption, several strategic steps are required, namely:

Strengthening coordination between law enforcement agencies. Improving data integration and cooperation between the Corruption Eradication Commission (KPK), the Financial Transaction Reports and Analysis Center (PPATK), the Police, and the Prosecutor's Office.

Increasing technological and human resource capacity; developing financial intelligence systems and enhancing the competence of law enforcement officers; strengthening international cooperation; expanding cooperation in cross-border asset tracking and recovery; optimizing the application of the reverse burden of proof; maximizing the use of this mechanism to uncover illicit wealth (BASRI & WULANDARI, 2023).

Integrating the Corruption Eradication Law and the Money Laundering Law as a Comprehensive Approach: The simultaneous implementation of the Corruption Eradication Law and the Money Laundering Law constitutes a comprehensive strategy for eradicating corruption. The Corruption Eradication Law serves to prosecute perpetrators for their actions, while the Money Laundering Law serves to prosecute the proceeds of crime.

This approach ensures that:

Perpetrators receive criminal penalties, assets obtained from crimes can be confiscated, and state losses can be recovered. Therefore, eradicating corruption is not only focused on punishment, but also on recovering state losses and preventing future crimes.

IV. CONCLUSION AND SUGGESTIONS

A. Conclusion

Based on the discussion above, it can be concluded that corruption in Indonesia is an extraordinary crime that is systemic, structured,

and involves extensive networks across sectors. The complexity of corruption lies not only in the act itself, but also in the perpetrators' efforts to conceal the proceeds of crime through various modern financial mechanisms. This situation makes conventional approaches to eradicating corruption that focus solely on the perpetrators less effective.

In this context, the implementation of the Anti-Money Laundering Law (AML) plays a strategic role in strengthening anti-corruption efforts. Through a "follow the money" approach, law enforcement officials can trace the flow of funds, freeze, and confiscate assets resulting from crime, thereby not only punishing perpetrators but also eliminating the economic benefits that are the main motive for corruption. The money laundering mechanism, which includes the placement, layering, and integration stages, shows that corruption has a complex and organized pattern, thus requiring comprehensive legal instruments to uncover it.

Furthermore, the introduction of the reverse burden of proof provision in the Money Laundering Law represents a significant breakthrough in addressing evidentiary difficulties, particularly regarding the improper origins of assets. However, the implementation of the Money Laundering Law still faces various obstacles, such as weak inter-agency coordination, technological limitations, and challenges to international cooperation.

Therefore, optimizing the implementation of the Money Laundering Law through strengthening inter-institutional synergy, enhancing technological and human resource capacity, and fostering international cooperation is crucial. Integrating the Corruption Eradication Law and the Money Laundering Law as a comprehensive approach is expected to increase the effectiveness of corruption eradication, not only in terms of enforcement but also in

recovering state losses and preventing future crimes.

B. Suggestion

Based on the discussion of the systemic and complex characteristics of corruption, as well as the limitations of conventional approaches to enforcement, a strengthened corruption eradication paradigm is needed that focuses not only on the perpetrators but also on the proceeds of crime. Therefore, the implementation of the "follow the money" approach needs to be optimized through more effective integration of the Corruption Eradication Law and the Money Laundering Law in every law enforcement process.

Furthermore, stronger coordination is needed between law enforcement agencies such as the Corruption Eradication Commission (KPK), the Financial Transaction Reports and Analysis Center (PPATK), the Police, and the Attorney General's Office (AGO) to facilitate faster and more accurate information exchange and asset tracking. Strengthening financial intelligence technology systems is also an urgent need to address the growing complexity of modern financial transactions, including cross-border transactions.

From an academic perspective, further research is needed in the field of economic and financial criminal law, focusing more on global technology- and financial-based crime patterns. This is crucial for enriching legal theory and practice in responding to the ever-evolving dynamics of corruption and money laundering.

Thus, efforts to eradicate corruption are expected to be not only repressive, but also preventive and sustainable through strengthening the legal system, technology, and the development of relevant science.

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