



Corruption and it's Prevention in State-Owned Enterprises (BUMN) Jiwasraya Insurance

Daniel Kristanto Sitorus

Faculty of Law, Universitas Sebelas Maret, Surakarta, Indonesia
Ketingan, Jl. Ir. Sutami No. 36, Kec. Jebres, Kota Surakarta, Central Java, Indonesia, 57126
danielkristantositorus@student.uns.ac.id

Pujiyono Suwadi

Faculty of Law, Universitas Sebelas Maret, Surakarta, Indonesia
Ketingan, Jl. Ir. Sutami No. 36, Kec. Jebres, Kota Surakarta, Central Java, Indonesia, 57126
pujihuns@staff.uns.ac.id

Adi Sulistiyono

Faculty of Law, Universitas Sebelas Maret, Surakarta, Indonesia
Ketingan, Jl. Ir. Sutami No. 36, Kec. Jebres, Kota Surakarta, Central Java, Indonesia, 57126
adi-r4@uns.ac.id

Abstract— *BUMN Insurance (State-Owned Enterprises) is a company owned and managed by the government. PT Asuransi Jiwasraya, with allegations of corruption in financial management and investment funds using stock manipulation, made misfortunes the state adding up to IDR 16.81 trillion, and experienced inability to pay strategy installments that were expected. The exploration technique utilized is the humanistic legitimate examination strategy (non-doctrinal) puts the aftereffects of perceptions on friendly reality not to be set as broad recommendations or significant premises. BUMN corruption cases in the insurance sector cannot be separated from their connection to moral standards in the public service bureaucracy. Weaknesses in OJK supervision of BUMN insurance businesses in preventing criminal acts of corruption and the urgency for the Attorney General Office to be actively involved in supervision.*

Keywords— *Corruption in BUMN Insurance; Jiwasraya Insurance; Supervision*

I. INTRODUCTION

BUMN Protection (State-Claimed Endeavors) is an organization possessed and overseen by the public authority. PT Asuransi Jiwasraya (Persero) is a state organization in the protection business area. In view of article 7 of official law Number 40 of 1965 concerning the Foundation of the State Insurance Agency Jiwasraya,[1] that's what it expresses "The point of the organization is to assist with building the public economy in the field of life coverage as per a directed economy, by focusing on the requirements of individuals, towards a fair society. also, flourish tangibly and profoundly.

The problem faced by BUMN is rampant corruption. In the records of the Debasement Annihilation Commission (KPK), from 2004 to In 2019 at least 73 corruption cases originating from state-owned companies had been handled. Meanwhile, based on the records of the Ministry of BUMN, in 2021 there were at least 159 cases of corruption with 53 suspects that occurred within this state-owned company.[2]

It can't be rejected that the Jiwasraya case is firmly connected with mistakes in the administration of speculations that are considered to be impulsive and inadequate oversight by the OJK as well as the administrative job of other related organizations. The Head legal officer's Office (Kejagung) examination concerning the Jiwasraya case toward the finish of 2019 - mid 2020 expressed that there was an infringement of the prudent guideline in money management. On Walk 20 2020, the Incomparable Review Organization (BPK) delivered a computation of state misfortunes because of the Jiwasraya case arriving at IDR 16.81 trillion. The misfortunes comprised of misfortunes because of corporate shares worth IDR 4.65 trillion and common asset speculations worth IDR 12.16 trillion.

Policing the Jiwasraya case evidently likewise affected the people actors in the capital market, particularly the individuals who are straightforwardly impacted by the most common way of hindering, endlessly taking protections records and protections sub-accounts. As an underlying work to follow Jiwasraya's monetary administration and speculation finances in a few organizations in the 2008 - 2018 period, the Prior has obstructed various SIDs (Single Financial backer ID) from financial backers who own or purchase protections connected with Jiwasraya.

Based on the problem of failure to pay insurance policies by insurance companies, the author is interested in conducting research on how ideal legal supervision is in state-owned insurance companies in Indonesia and tries to conduct dissertation research with the title "Strengthening Supervision of State-Owned Enterprises (BUMN) Insurance Businesses in Preventing Actions Corruption Crime".

II. LITERATURE REVIEW

Corruption is a phenomenon that continues to occur in Indonesia. Data obtained from Indonesia Corruption Watch shows that corruption law enforcement in Indonesia is still experiencing quite significant dynamics. The trend of decreasing the number of corruption cases that occurred from 2017 to 2018 seems to have lasted for years. This condition can be seen in corruption cases handled by law enforcement officials in Indonesia in 2019. Taking action against corruption cases in Indonesia is a legal effort that the government can carry out to ensure the accountability and professionalism of state administrators in managing state finances so that it does not cause problems, decrease economic growth, or disrupt the stability of development. However, the government has the authority and obligation to provide public services from state funds. Several forms of corruption that can be identified through the Corruption Law include (a) bribery, (b) embezzlement in office, (c) extortion, (d) fraudulent acts, and (e) gratification.[3]

If we refer to the concept of law enforcement put forward by Jimly Asshiddiqie,[4] law enforcers have a primary obligation to ensure that legal subjects will base their actions on applicable legal norms. This concept is also supported by the understanding that law is an instrument used to provide a sense of justice. So, in this case, Satjipto Raharjo also emphasized the importance of the effectiveness of law in providing justice. These thoughts regarding law enforcement efforts can then be seen to limit the effectiveness of their implementation when we use Friedman's perspective.

Lawrence M. Friedman is one of the philosophies who developed standard thinking for measuring the effectiveness of law enforcement efforts.[5] To see whether the government has implemented a legal rule effectively, Friedman requires assessing the law's structure, substance, and culture. This third factor is an important corridor to ensure that the laws made can effectively achieve the objectives for which they were made. In this case, the legal substance is related to the content of regulations that the government has designed. Then, the legal structure is the part that correlates with the government organs or agencies tasked with implementing the policy. Finally, legal culture is a factor in the environment where people live. This last factor then influences people's compliance with the rules made by the government. Apart from that, legal culture will also determine the model of legal action that society will take when discussing social problems. In this study, the effectiveness of corruption law enforcement in Indonesia will be used to analyze the challenges in improving corruption prevention in BUMN.

III. METHOD

The research method that the author use is the sociological legal research method (non-doctrinal) places the results of observations on social reality not to be placed as general proportions or major premises,[6] looking for patterns of relationships which are carried out not to determine the basis for justifying the enactment of an abstract norm or concrete decision, but rather the pattern of relationships between various phenomena that manifest the law in reality. This research uses an approach socio-legal research which requires various social and legal disciplines to study the existence of positive (state) law. Socio-legal research studies carry out textual studies, articles in laws and regulations and policies,[7] investigated fundamentally and made sense of their significance and suggestions for legitimate subjects. The lawful subject in this exploration depends on the object of study, in particular the administrative capability of state-possessed protection organizations in Indonesia.

IV. DISCUSSIONS AND RESULTS

A. *Corruption Crimes at BUMN Jiwabaya Insurance*

Jiwabaya Insurance is a state-owned company operating in the insurance sector. AJS is an Indonesian State-Owned Enterprise headquartered in Jakarta. Jiwabaya Insurance is first life insurance company in Indonesia, founded in 1859. Insurance business is a business activity that operates in the fields of[8]:

- a. Insurance Business, a monetary administrations business that, by gathering public supports through gathering insurance installments, gives security to individuals from the public who use protection administrations.
- b. Insurance business support businesses, which provides brokerage and insurance loss assessment services.

In light of the consequences of the examination of the PT case. Jiwabaya Protection (Persero) is known to have committed this extortion by 7 (seven) individuals and 13 enterprises as speculation supervisors. The PT Asuransi Jiwabaya debasement case started when the BUMN put resources into shares and common assets in

2014-2018. Venture the executives is done by speculation directors, to be specific 13 enterprises that have been named as suspects. Shared reserves gave by 13 venture supervisors contain stock portfolios.

The technique utilized for this situation by Heru Hidayat as President Magistrate of PT Trada Alam Minera and Benny Tjokrospautro was stock control. In the interim, another culprit, to be specific Fakhri Hilmi as Top of the Capital Market Oversight Division 2A at the Monetary Administrations Authority (OJK), is associated with knowing about the wrongdoing. Be that as it may, Fakhri is associated with not doing oversight by disregarding data in regards to stock control.

Indonesia Debasement Watch (ICW) is planning the burden of criminal demonstrations of defilement that are involved by regulation implementers in the examination cycle. In view of Regulation Number 31 of 1999 jo. Regulation Number 20 of 2001 concerning the Destruction of Defilement Violations (UU Tipikor) contains 7 (seven) kinds of debasement. The sorts of defilement include: 1). State monetary misfortunes; 2). Bribery; 3). Theft in office; 4). Extortion; 5). Deceitful demonstrations; 6). Irreconcilable circumstance in acquisition; and 7). Gratification.

In view of ICW observing outcomes, regulation implementers most frequently use articles in regards to state monetary misfortunes with a sum of 146 cases or around 86.3 percent. The quantity of suspects named utilizing this article was 303 individuals or around 81.4 percent and from the list items, obviously there are still not very many who use illegal tax avoidance instruments as a work to return the resources of corruptors.[9] This is obviously counterproductive when the public authority intends to ruin corruptors, however when there is resource seizure, current realities in the field don't utilize the tax evasion article. This actually intends that in its execution the public authority has not had the option to make a decisive move to kill defilement and has just made talks.

Policing the Jiwasraya case clearly additionally affected capital market players, particularly the people who were straightforwardly impacted by the most common way of hindering, endlessly seizing protections records and protections sub-accounts. As an underlying work to follow Jiwasraya's monetary administration and speculation finances in a few organizations in the 2008 - 2018 period, the Head legal officer's Office has hindered various SIDs (Single Financial backer Recognizable proof) from financial backers who possessed or bought protections connected with Jiwasraya.

B. Insurance supervision by Bapepam LK and OJK and the Attorney General's Office

1. Bapepam-LK

Bapepam-LK or known as the Capital Market and Monetary Foundation Administrative Organization which has the undertaking of completing preparation, guideline and oversight of exercises as well as planning and carrying out approaches and specialized normalization in the field of monetary organizations, as per strategies laid out by the Priest of Money, and in light of legal guidelines - substantial greeting.[10]

Bapepam-LK is also an institution that has enormous authority because it has police powers as Civil Servant Investigators (PPNS) and can act and have the authority to use power.

2. Financial Services Authority (OJK)

After promulgation of the OJK Law, there has been a shift in the function of regulating and supervising Insurance Company from Minister of Finance to the OJK. Article 55 paragraph (1) of the OJK Law reads as follows: "Since December 21 2012, the capabilities, obligations and authority for the guideline and management of monetary administrations exercises in the Capital Market, Protection, Benefits Asset, Funding Foundations and Monetary Administrations areas Others changed from the Pastor of Money and the Capital Business sectors and Monetary Establishments Administrative Organization to the OJK." [11]

OJK's capability connected with protection is to coordinate a coordinated administrative and administrative framework for movements of every sort in the monetary administrations area. In completing management, OJK does routine reviews and unique assessments by requesting that insurance agency submit customary reports to the Monetary Administrations Expert as; Month to month Reports, Quarterly Reports, Semester Reports and Different Reports submitted as per the arrangements specified in the Monetary Administrations Authority Guidelines or other legal arrangements which require the accommodation of the report being referred to and the Yearly Report should be presented no later than April 30 of the next year.

The motivation behind management of Jiwasraya Insurance by the Monetary Administrations Authority, first is to safeguard buyers, on account of protection purchasers are additionally called contract holders. Second, it is trusted that the oversight completed by the Monetary Administrations Authority can forestall strategic policies in the monetary administrations area that can hurt shoppers. The execution of the power of the Monetary Administrations Authority as an administrative organization in protection can be done by:

- a. Preventive, namely in the form of rules, guidance guidelines and direction to financial services business actors.
- b. Repressive, namely in the form of inspections, investigations and implementation of sanctions.

BUMN carrying out internal supervision needs to pay attention to the principles of good corporate governance, so that for every action or policy that comes from the board of directors, there needs to be

supervision from commissioners who are fully responsible for the implementation of the company by the directors.

3. Attorney General Office (JAGUNG)

Has a role in the supervisory function as stipulated in Article 35 of Indonesian Attorney General's Office and specifically in the field of the Directorate of Junior Attorney General for Special Crimes (JAMPIDSUS) currently making CIA regulations or guidelines (Corruption Impact Assessment) where the function of the Prosecutor's Office is not only to take action. However, it also carries out studies and guidance on the objects or places of the organization so that there are no errors in authority.

From the investigation results regarding the theory of legal effectiveness in enforcing corruption within BUMN, the analysis emphasizes the elements that Friedman has put forward. Based on these standards, society's legal culture still needs to be more professional in its duties as public officials. For this reason, the government emphasizes Jiwasraya as one of the BUMNs that can carry out its role as a public service provider well. This concept can be seen in the legal substance that regulates the establishment of Jiwasraya. Furthermore, finally, as an effort to increase accountability and professionalism in work that is far from corruption, the government has also established various institutions tasked with supervising the performance of officials serving at Jiwasraya through Bapenpam-LK, OJK, and the Prosecutor's Office.

V. CONCLUSION

In view of the consequences of the clarification over, the creator can reason that Defilement can be supposed to be very inclined to happening, particularly in the public help area, for example, in the BUMN area which is one of the public specialist co-ops. This BUMN is a state-possessed undertaking whose capital is all or the vast majority of which is claimed by the state through direct interest beginning from isolated state resources. The supervisory role of economic supervisory institutions is very necessary in preventing corruption in state-owned enterprises (BUMN) in the insurance business, especially in the role of internal supervision by the OJK which must be further improved. In matters relating to statutory regulations and financial administration, activities such as socialization and assistance are very necessary to increase the capacity of supervisory objects in *carrying out their duties*. Corruption cases that often occur in the BUMN sector include practices such as abuse of authority, bribery, gratification, embezzlement in office, extortion, fraudulent acts, conflicts of interest, giving rewards based on collusion and nepotism and the use of state money for personal interests. BUMN corruption cases in the insurance sector cannot be separated from their connection to moral standards in the public service bureaucracy. An act of corruption that occurred was actually very contrary to the principles and values of Pancasila, which is the ideal foundation of the Indonesian nation as the moral foundation in state life.

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