Confiscation of Assets Proceedings of Corruption and Money Laundering Builds Equality and Ends Discrimination in Law Enforcement

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Abstract. Corruption is an extraordinary crime, has a significant impact on the country's economy, creates inequality income and poverty, reducing level trust public to state institutions . Impact The biggest corruption is the loss of state assets that should be used for development and public welfare. misused for personal or group interests disguised as laundering the proceeds of corruption. Confiscation a bunch results corruption and white money laundering eye chain crime corruption , restore state losses created equalize just law . TPPU as act criminal advanced *(action carry on crime)* from act criminal origin *(crime) origin)* corruption that results a bunch illegally laundered and distributed origin he suggested . Expropriation a bunch results Corruption tool music law stop benefit finances enjoyed corruptor , turn off Power For do crime others , disconnect discrimination , building equalize just law restore state losses to realize sustainable development . Law Number 8 of 2010 regulates on the Prevention and Eradication of TPPU. This study aims to analyze the confiscation of illegal assets from corruption whose origins are disguised by money laundering, breaking legal discrimination that contributes to the development of an equal legal system for all parties, breaking the chain of corruption crimes, providing a deterrent effect, restoring state losses, providing fair legal justice.

Keywords: Assets Proceedings, Corruption, Money Laundering

1 Introduction

Confiscation of assets from corruption crimes used in further money laundering crimes is a crucial step in efforts to eradicate corruption crimes in Indonesia. This action is not only aimed at returning state losses, but also to create equality in law enforcement, breaking the chain of discrimination that often occurs in the law enforcement process, not only pursuing Corruptors with imprisonment but also seizing assets, returning them to the state can cut off the power of corruptors to commit other crimes.

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Corruption has a damaging impact on various aspects of national and state life in Indonesia. The impacts of corruption include impacts on the economic, social, political, cultural and law enforcement sectors. Handling corruption in Indonesia is currently still focused on three main aspects, namely; exposing criminal acts of corruption that occur, finding the perpetrators, and punishing the perpetrators with criminal sanctions, especially through imprisonment or detention. Meanwhile, confiscation and seizure of assets resulting from corruption and money laundering have not become an important part of the criminal law system in Indonesia. [1] Development law in international scope of seizure and confiscation of assets resulting from criminal acts and instruments of economic-motivated crime are an important part of the system law criminal acts . The trend of corruption crimes is followed by criminal acts criminal washing Money (*money) laundering*), aims to disguise the proceeds of corruption by using the proceeds of corruption in activities that appear not to violate the law. One of them act the predicate crime of money laundering is often happen in Indonesia is act criminal corruption. [2]

Transparency International has released the results of the 2023 Corruption Perception Index (CPI), where the Corruption Perception Index is an indicator to measure the perception of public sector corruption on a scale of zero (very corrupt) to 100 (very clean) in 180 countries. [3] Transparency International shows that Indonesia's corruption perception index (CPI) was recorded at 34 points in 2023, this decline in the CPI has lowered Indonesia's CPI ranking globally to 115, where in 2022 Indonesia's CPI was ranked 110th in the world.

With the background of the description above that the impact of corruption is very broad for the economy, social, political and legal which results in inequality and injustice. Perpetrators of corruption , disguise the results of their crimes by laundering money so that the results of corruption appear legal. Action criminal money laundering is act criminal advanced *(follow up crime)* from act criminal corruption that results asset illegal laundered For disguise origin his crime with the aim is for the assets to be acquired from corruption looks legitimate and difficult tracked . Seizure asset results corruption disguised by corruptors For stop benefit finances enjoyed by corruptors , deadly Power For do crime others , impoverishing corruptors, restoring state finances, providing a deterrent effect for corruptors, breaking discrimination in law enforcement. In this journal, we will discuss the problem of confiscation of assets from corruption which are used as a further crime of money laundering to build equality and break discrimination in law enforcement.

2 Method

The type of research used is normative legal research, including research on legal principles and comparative legal approaches. As a normative research, legal norms, both international conventions and provisions of positive Indonesian law that regulate the confiscation of assets resulting from corruption crimes used as follow-up crimes *of* money laundering by corruptors with the application of laws on the prevention and confiscation of money laundering crimes.

The research approach is descriptive analysis, describing (describing) and outlining the confiscation of assets resulting from corruption crimes used as follow-up crimes *of* money laundering, building equality and breaking discrimination in law enforcement. The approach used in this study is the statutory approach, referring to secondary data (primary legal materials, secondary legal materials, and tertiary legal materials).

3 Results and Discussion

3.1 The Impact of Corruption in Indonesia

The impact of corruption results in slow economic growth, decreased investment, increased poverty and increased income inequality in society. Corruption can also reduce the level of happiness of society in a country. [4] The impacts of corruption include;

1. The impact on the economic sector can be a hindrance growth economy and investment, creating economy cost high, lower quality public goods and services, reducing state revenue from sector taxes and increase the national debt. [5]
2. Impact, Expanding gap social and economic, improving poverty and unemployment. [6] Lower quality public services, especially in the fields of education and health, create absence justice and discrimination in access service public. [7]
3. Impact Politics, weakening trust public to government, hindering enforcement law, creating instability politics, destructive legitimacy government and values democracy.
4. Impact culture, eroding moral values and integrity social, destructive ethos work and professional. [8] Corruption No only harm state finances, but also has an impact wide in various aspect Community life, creating gap social, economic and discrimination in enforcement law.

The decline in Indonesia's Corruption Perception Index (CPI) indicates that public perception of corruption in public office and politics is worsening. State financial losses due to corruption in Indonesia are a serious problem that has a wide impact on the economy and public welfare. Based on data from Indonesia Corruption Watch (ICW), state losses due to corruption cases over the past ten years have reached Rp238.14 trillion. [9] There are 10 major corruption cases in Indonesia, which resulted in large state losses, namely; [10]

1. Corruption in land grabbing in Riau, by Surya Darmadi, Owner of PT Duta Palma Group together with the former Regent of Indragiri Hulu (Inhu) for the 1998-2008 period, land grabbing covering an area of 37,095 hectares, state losses reached IDR 78 trillion.
2. Corruption of PT Trans-Pacific Petrochemical Indotama (TPP), with state losses reaching 2.7 billion US dollars or around Rp. 37.8 trillion, former Head of BP Migas, Raden Priyono and former Deputy for Financial, Economic and Marketing of BP Migas, Djoko Harsono have been sentenced to 12 years in prison.

3. Corruption of PT Asabri by arranging stock and mutual fund investment transactions together with private parties, causing state financial losses of Rp 22.7 trillion.
4. Corruption of PT Asuransi Jiwasraya (Persero) failed to pay policies to Saving Plan investment customers amounting to Rp 12.4 trillion. Resulting in state financial losses of Rp 16.8 trillion.
5. Bank Century corruption, the provision of Short-Term Funding Facilities (FPJP) to Bank Century has caused state losses of Rp 689.394 billion, and the determination as a bank with a systematic impact has caused state losses of Rp 6.742 trillion.
6. Pelindo II Corruption In 2020, the BPK issued a report on state losses from four projects at PT Pelindo II amounting to IDR 6 trillion.
7. Corruption of East Kotawaringin Regent Supian Hadi, abusing his authority in issuing mining business permits to three companies, namely; PT Fajar Mentaya Abadi, PT Billy Indonesia and PT Aries Iron Mining. The permits issued in 2010 to 2012 resulted in state financial losses of Rp 5.8 trillion and 711,000 US dollars.
8. Corruption of the Bank Indonesia Liquidity Assistance Certificate (SKL BLBI) in 2004, Syafruddin issued a letter of fulfillment of obligations or called SKL to Sjamsul Nursalim, the controlling shareholder of BDNI, who had obligations to BPPN. The value of state financial losses amounted to Rp. 4.58 trillion.
9. Corruption of electronic ID cards, based on BPK calculations, the state loss is IDR 2.3 trillion.
10. Hambalang project corruption. BPK audit results state losses amounting to IDR 706 billion.

Corruption has a negative impact on almost all aspects of life, destroying the economic system, democracy, politics, law, government, and social order of society, so that corruption must be viewed as an extraordinary crime *(extra ordinary crime)* that requires extraordinary efforts *(extra ordinary effort)* to eradicate it. Corruption is always correlated with money and power. The perpetrators usually have power, whether political, economic, bureaucratic, legal or other powers. [11] Corruption not only causes financial losses, but also affects the quality of public services and increases social inequality. Injustice in the distribution of wealth makes the rich richer, while the poor are increasingly poor.

3.2 Confiscation of Assets Proceedings of Corruption and Money Laundering

Confiscation of assets from corruption and money laundering is an important issue in law enforcement in Indonesia. Money laundering crimes (TPPU) are often used as a tool by corruptors to hide and transfer assets obtained illegally. Asset Confiscation is a legal process in which the state takes over assets obtained through corruption, with the aim of returning state financial losses and preventing the perpetrators from enjoying the proceeds of crime. [12] The main goal of perpetrators of corruption is to gain significant financial gain in a short time, without going through the legal process of obtaining assets that are as much as possible, to maintain a luxurious lifestyle. [13] Perpetrator corruption use money laundering as a strategy to hide and divert assets acquired illegally from results Corruption, some the common way used by the perpetrator corruption in the money laundering process, namely;

1. Placement
   Put Money In System Finance , actors corruption place the money crime to in system formal finance . This can done with method deposit cash to bank account or buy instrument finance like check journey . The destination is For separate money from source the original. [14]
2. Separation (Layering)
   After the money is placed, the perpetrator will do a series transaction complex finance For disguise origin fund proposal. Transferring money between bank accounts, both within and also abroad, as well as make transfers between countries to avoid detection by the authorities enforcer law. Perpetrator often use someone else's name or company fictitious For do transactions, so that identity original fixed fund owner hidden, for example with purchase asset property or vehicle on someone else's name.
3. Integration
   Using Laundered Assets as if originate from legitimate sources. They can sell or rent purchased property with the proceeds corruption, so that produce income that appears legal.

Corruption is *an extraordinary crime* that is dangerous and has an impact on the progress and development of Indonesia, so it needs maximum handling for good governance. [15] In the crime of money laundering, there are special characteristics that distinguish it from other crimes, namely that the crime of money laundering is *a follow-up crime*, while the proceeds of crime that are processed for money laundering are called *core crimes* or *predicate offenses* or some call them *unlawful activities*. So in fact, a principle must be understood that it is impossible for money laundering to occur without *a predicate offense*.

Predicate offense is the use of proceeds of crime committed or processed through money laundering, the Money Laundering Crime Act is regulated in Article 2, which consists of 23 types of crimes and added to all crimes that carry a criminal penalty of 4 years and above. [16] " In the investigation process, evidence should be found of the origin of the assets suspected of being the predicate crime, in the investigation process the investigator will find evidence of the predicate crime and the proceeds of the predicate crime linked to the act of money laundering as regulated in Article 3, Article 4 or Article 5 of Law Number 8 of 2010, concerning the Prevention and Eradication of the Crime of Money Laundering.

The predicate crime as one of the elements of the crime of money laundering must be proven, so that evidence must be sought regarding the predicate crime that the assets obtained come from one of the predicate crimes regulated in Article 2 paragraph (1). This understanding is important in relation to the principle of *no money laundering without predicate offense* . The crime as referred to in Article 2 paragraph (1) as a crime (*predicate offense*) and *money laundering* or TPPU as *a follow-up crime* , and *the predicate offense* and *money laundering* must be proven together in one trial.

3.3 Legal Instruments for Confiscation of Assets Proceedings of Corruption and Money Laundering in Indonesia

The main goal of perpetrators of corruption is to obtain as much wealth as possible. Confiscation of assets from corruption and money laundering in Indonesia is regulated through various legal instruments aimed at combating corruption crimes and ensuring that assets obtained from the proceeds of corruption crimes cannot be enjoyed by the perpetrators. Law Action Criminal Money Laundering in Indonesia is regulated in Constitution Number 8 In 2010, about prevention and eradication of crime criminal money laundering . It is runway law main in eradication money laundering in Indonesia. Law This define money laundering and establishing sanctions for the perpetrators involved in activity said . Anyone who hides or disguise origin proposal treasure known wealth as results act criminal can charged criminal prison up to 20 years and a fine up to Rp. 10 billion .

Constitution act criminal money laundering provides authority to institutions such as the Reporting and Analysis Center Transaction Finance (PPATK) for do analysis and reporting related transaction suspicious , and give base for enforcer law For confiscate treasure alleged wealth originate from act criminal . Purpose of return loss country For restore assets acquired in a way illegal in order to be able to return to the community, confiscating assets , so that perpetrator No can enjoy results crime in term long time .

Law of the Republic of Indonesia Number 31 of 1999 which has changed with Law of the Republic of Indonesia Number 20 of 2001, concerning eradication act criminal corruption . [17] give base for foreclosure assets acquired through practice corruption , assets obtained in a way illegal can confiscated as part from the legal process to perpetrator corruption . In dealing with act criminal money laundering and expropriation asset cross-country, Indonesia is also involved in cooperation international with various institutions , including the Financial Action Task Force (FATF) and other countries, to increase effectiveness enforcement law and exchange information in handle act criminal money laundering .

Instrument law robbery asset results corruption and money laundering in Indonesia reflects effort Serious government For eradicate crime corruption and money laundering . With existence Constitution Action criminal money laundering , and laws eradication act criminal corruption expected can strengthen system law and improve effectiveness enforcement law in return lost assets consequence act criminal corruption and money laundering build equality and decide discrimination in enforcement law.

3.3 Build Equality Breaking up Discrimination Law Enforcement Action Criminal Corruption

The confiscation of assets from corruption and money laundering is an important step in building equality and ending discrimination in law enforcement in Indonesia. Mechanism robbery asset results corruption and money laundering include efforts to commit Identification and Tracking of Suspected Assets originate from act criminal corruption.

After asset identified, institution enforcer law such as the Corruption Eradication Committee, Investigators act criminal corruption Police and Prosecutor's Office can submit application foreclosure to court. Successful assets confiscated will returned to the country as effort recovery loss consequence action corruption. [18]

The provisions on criminalizing corruption still give rise to several problems, including the substitution of the obligation to pay compensation with imprisonment for a period not exceeding the maximum sentence of the principal criminal penalty, creating an opportunity for perpetrators of corruption to choose to extend the period of imprisonment rather than having to pay compensation. [19] The fallacy of the paradigm of compensation for corruption crimes is contained in Article 18 paragraph (1) letter b of Law No. 31 of 1999 as amended by Law No. 20 of 2001 concerning the eradication of criminal acts of corruption , which states that " payment of compensation in an amount that is at most equal to the assets obtained from criminal acts of corruption . " Imposing corporal punishment has been proven to have no deterrent effect on perpetrators of corruption, because the assets resulting from corruption are not confiscated and returned to the state. Perpetrators of corruption still have the power to commit other crimes, bribe law enforcers so that the sentences imposed are light, which results in discrimination in law enforcement.

Expropriation asset results corruption contribute to development equality in enforcement law remove Injustice, with confiscate assets acquired in a way illegal, the state can reduce injustice economy caused by the practice corruption. Enforcement strict law to perpetrator corruption through robbery asset can give effect deterrent for official others, so that reduce intensity For do act criminal corruption. [20] Confiscation of assets resulting from corruption and money laundering to strengthen public trust in the legal system by returning assets resulting from corruption to the state.

System robbery fair and transparent assets help to cut off discrimination in enforcement law that can done with Consistent Application of Law, All perpetrator, without looking at social status or power, must face consequence law on action corruption and money laundering that is carried out. The community will more trust in the system law If they see that action corruption No left alone so only, but followed up with foreclosure asset in a way effective. Confiscation asset results corruption and money laundering are step strategic in build equality and decide discrimination in enforcement law in Indonesia, it is hoped can increase effectiveness eradication corruption, restore state losses, and create system more laws fair for all over public .

Asset return is a new criminalization objective in criminal law to eradicate corruption and money laundering crimes, asset return is the process of criminals being stripped, seized, and deprived of their rights from the proceeds of crime. [21] The return of assets emphasizes three factors, namely; First, returning assets means seizing and revoking state property rights, second, the assets seized are the results/profits obtained from corruption, third, the purpose of returning assets is to prevent them from being used to commit other crimes. Handling corruption crimes must be accompanied by implementing Money Laundering Crimes so that guarantees of returning state losses are easier to do, but all of this requires seriousness and the willingness of law enforcement officers to do so. In several corruption cases, money laundering crimes are rarely applied in order to maximize the return of money from crime.

4 Conclusion

Confiscation of assets resulting from corruption and money laundering in Indonesia is an important step in eradicating corruption that aims to restore state losses and break the chain of discrimination in law enforcement. Corruption has a wide impact on various aspects of life, including economic, social, political, and cultural, so it must be viewed as an extraordinary crime that requires extraordinary efforts to eradicate it. Money laundering is often used by corruptors to hide and transfer illegal assets, so asset confiscation is crucial to stop the financial benefits enjoyed by corruptors.

This article also highlights that the handling of corruption in Indonesia is still focused on exposing criminal acts and imprisonment, while confiscation and seizure of assets have not become an important part of the legal system. With the existence of legal instruments such as the Money Laundering Law and the Corruption Eradication Law, it is hoped that it can increase the effectiveness of law enforcement in recovering illegally obtained assets and ensuring that perpetrators cannot enjoy the proceeds of their corruption crimes. Confiscation of assets resulting from corruption and money laundering by returning state losses and consistent law enforcement builds equality and breaks discrimination in enforcing laws to eradicate corruption and money laundering. International cooperation is also needed to address cross-border money laundering crimes, thereby strengthening efforts to eradicate corruption and money laundering comprehensively.

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