

(Research Article)

Corruption KPK Threatened to Not Be Captured Board Of Directors of State-Owned Enterprises

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Abstract: The Law on State-Owned Enterprises (BUMN) by the Indonesian House of Representatives on February 4, 2025 has been ratified, and then signed by President Prabowo Subianto on February 24, 2025, destroying the concept of who the state administrators are as regulated in Law Number 28 of 1999 concerning the Implementation of a Clean State Free from Corruption, Collusion, and Nepotism. Law No. 1 of 2025 concerning BUMN, places the directors, commissioners, and supervisors of the state-owned company not as state administrators. This means that the Corruption Eradication Commission or KPK can no longer handle law enforcement in BUMN if corruption occurs, except for the Police, Prosecutor's Office and BPK (supervision), as stated in Article 3X of Law No. 1 of 2025, which states that: "The Agency's organs and employees are not state administrators. It is emphasized again in Article 9G: Members of the Board of Directors, Board of Commissioners, and Supervisory Board of BUMN are not state administrators". Meanwhile, financial supervision is still carried out by the Audit Board as stated in Article 3K: Audit of the management and financial responsibility of the Agency is carried out by the Audit Board. Although in the KPK Law, it is stated in Article 11 paragraph (1) that: "In carrying out the duties as referred to in Article 6 letter e, the Corruption Eradication Commission has the authority to conduct investigations, inquiries, and prosecutions against Corruption Crimes that: a. involve law enforcement officers, State Administrators, and other people related to Corruption Crimes committed by law enforcement officers or State Administrators; and/or b. involve state losses of at least IDR 1,000,000,000.00 (one billion rupiah)". Therefore, the Law Order, the KPK must submit and obey to carry it out, because the Law (UU) functions as a basic or principal rule for organizing the state, regulating society, a tool to limit power, and as a means of social renewal. The Law also functions to regulate life in society, the nation, and the state and is expected to be able to resolve various problems that exist in society. In fact, the impact of corruption in BUMN is no joke. The destruction of economic growth, state and community income can be disrupted which results in direct state losses, but leads to the potential for increasing poverty and the loss of the government's safety net in the form of declining quality of public services and investor confidence in Indonesia, etc.

Keywords: KPK Threatened; Unable to Arrest BUMN Directors

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1. Introduction

Law Number 1 of 2025 concerning BUMN which was discussed quickly by the DPR, was finally passed on February 24, 2025. This law is the third revision of Law No. 19 of 2003 concerning BUMN.

BUMN Law passed by the DPR RI; The revision of the BUMN Law to the BUMN Law was passed by the DPR RI on February 4, 2025, and then signed by President Prabowo Subianto on February 24, 2025, destroying the concept of who the state administrators are as regulated in Law Number 28 of 1999 concerning the Implementation of a Clean State Free from Corruption, Collusion, and Nepotism (KKN). That is actually not inherent in the Law

(anti-KKN) who the state administrators are; (1) Law Number 1 of 2025 concerning State-Owned Enterprises places the directors and commissioners of state-owned companies not as state administrators. This means that the Corruption Eradication Commission or KPK can no longer intervene in law enforcement if corruption occurs, (2) Law Number 1 of 2025 is a newly enacted law, and has been in effect since February 24, 2025. The law amends Law Number 19 of 2003 concerning BUMN.

Directors are Untouchable by the KPK because they are not State Administrators. Article 3X of the law that has been in effect since February 2025, states that the Agency's Organs and employees are not state administrators. It is emphasized again in Article 9G: Members of the Board of Directors, Board of Commissioners, and Supervisory Board of BUMN are not state administrators.

The Directors of State-Owned Enterprises (BUMN) should be categorized as state administrators. This is because the directors manage state funds from the business entities they lead. "In terms of substance, I agree more with the old (BUMN Law). The directors are state administrators, because they manage state funds."

Meanwhile, financial supervision is still carried out by the Audit Board of Indonesia as stated in Article 3K: Audit of the management and financial responsibility of the Agency is carried out by the Audit Board of Indonesia; (1) The KPK will review the latest version of the BUMN Law. He assessed that the new BUMN Law could prevent the KPK from taking action against BUMN directors who are no longer classified as state administrators, (2) Every BUMN director or commissioner will still be prosecuted if they commit corruption. If corruption has nothing to do with state administrators or not state administrators, (3) The KPK is currently reviewing this BUMN Law and comparing it with other regulations that are already in effect in the country, (4) The KPK considers it important to carry out interventions to prevent corruption, so that we can truly encourage business practices with integrity. "Thus, we can encourage the creation of a clean business climate", (5) This study was conducted to respond to the substance of the BUMN Law which states that BUMN directors and commissioners are not included as state administrators. (Kompas.id, 05/05/2025), (6) "In conducting the study, the KPK will of course also look at other regulations and provisions, such as the Criminal Procedure Code, the Corruption Crime Law, the State Finance Law, and so on,". (Antara, 5/05/2025), (7) This study was conducted to see the relationship with the duties, functions, and authorities of the KPK in eradicating corruption through an educational, prevention, and enforcement approach, (8) A comprehensive study can produce objective results, especially in responding to changes in the status of BUMN directors and commissioners in the latest BUMN Law, (9) Directors Untouched by the KPK

Why? "The Directors Untouched by the KPK"; (A) *The first reason*, is because the directors, board of commissioners, supervisors according to the BUMN Law are not state administrators: (1) Article 3X of Law No. 1 of 2025 concerning BUMN, states that: "The organs and employees of the Agency are not state administrators", (2) Article 9G: "Members of the Board of Directors, Board of Commissioners, and Supervisory Board of BUMN are not state administrators", (B) *The second reason*, the provisions in Article 3X of the Law and Article 9G No.1 of 2025 concerning BUMN make the KPK not authorized to take action against corruption committed by BUMN directors, (C) *The third reason*, the parties authorized to take action against the Directors, Board of Commissioners, and Supervisory Board of BUMN are only prosecutors and the police, not the KPK, (D) *The fourth reason*, the opportunity for the KPK and the Attorney General to place people in the Ministry of BUMN to assist in taking action against corrupt practices in BUMN. This is because the Ministry of BUMN does not have individuals who are experts in this matter.

In fact, in the KPK Law, it is stated in Article 11 paragraph (1) that in carrying out the duties as referred to in Article 6 letter e, the Corruption Eradication Commission has the authority to conduct investigations, inquiries, and prosecutions against Corruption Crimes that: a. involve law enforcement officers, State Administrators, and other people who are related to Corruption Crimes committed by law enforcement officers or State Administrators; and/or b. involve state losses of at least IDR 1,000,000,000.00 (one billion rupiah). Therefore, the KPK must obey and comply with the Law, because the Law (UU) functions as a basic or principal rule for organizing the state, a regulator of society, a tool to limit power, and as a means of social renewal. The Law also functions to regulate community, national, and state life and is expected to be able to resolve various problems that exist in society.

Body Supervising BUMN; Financial supervision is still carried out by the Audit Board as stated in Article 3K: "Audit of the management and financial responsibility of the Agency is carried out by the Audit Board".

How many corruption cases are there in BUMN. Indonesia Corruption Watch (ICW) noted that from 2016 to 2021 or just six years, there were 119 corruption cases in BUMN that were investigated by law enforcement with 340 suspects. ICW found that 83 perpetrators of corruption had a background as middle leaders in BUMN companies, 76 employees or BUMN employees, 51 BUMN directors, and 40 other perpetrators had other backgrounds; (1) There were 212 corruption cases in State-Owned Enterprises (BUMN) from 2016 to 2023. Of the 212 cases that have been prosecuted by law enforcement, the state has lost at least around IDR 64 trillion, (2) There are 349 BUMN officials who have been named as suspects in corruption cases. More specifically, there are 84 suspects who can be categorized as directors, 124 suspects who can be categorized as middle management and 129 suspects who can be categorized as employees/staff in BUMN. (Kompas.com, 9/5/2025).

The number of corruption crimes during the past 5 (five) years: (1) 2019: 271 cases, 580 suspects; (2) 2020: 444 cases, 875 suspects; (3) 2021: 533 cases, 1,173 suspects; (4) 2022: 579 cases, 1,396 suspects; (5) 2023: 791 cases, 1,695 suspects.

The Impact Of Corruption In BUMN Companies; The impact of corruption in BUMN companies is no joke. Economic growth, state and community income can be disrupted. This means that dishonest behavior results in losses for the state directly, but also for many parties. "It can lead to the potential for increasing poverty and the loss of the government's safety net in the form of declining quality of public services,".

From 2016 to 2021 or just six years, there were 119 corruption cases in the BUMN environment investigated by law enforcement with 340 suspects.

2. Proposed Method

Based on the background above, the formulation of the problem in this paper is: "Is the KPK Threatened with Not Being Able to Arrest BUMN Directors"?

The Data Collection Technique uses Online Data Search/Internet searching, browsing, surfing or downloading data, Books, magazines, Journals, Theses, Dissertations, online news, media, websites and Sources from Experts related to matters related to "The KPK Threatened with Not Being Able to Arrest BUMN Directors".

3. Results and Discussion

Commission VI of the Indonesian House of Representatives held a working meeting (raket) with a number of ministers on Saturday, February 1, 2025, to discuss the revision of Law (RUU) Number 19 of 2004 concerning State-Owned Enterprises (BUMN). "This meeting is an unusual step, considering that discussions on RUU generally take place on weekdays".

In Kompas.com's monitoring (01/02/2025) at the Parliament Complex, Senayan, Central Jakarta, a number of important officials were present, including Minister of State Secretary (Mensesneg) Prasetyo Hadi, Deputy Minister of Finance (Wamenkeu) Thomas Djiwandono, Minister of Law Supratman Andi Agtas, and Deputy Ministers of BUMN Doni Oskaria and Kartika Wirjoatmodjo.

From the legislative element, Deputy Speaker of the Indonesian House of Representatives Sufmi Dasco Ahmad and Chairman of Commission III of the Indonesian House of Representatives Habiburakhman were also present.

The Chairman of the Working Committee, Eko Hendro Purnomo or Eko Patrio, explained that the series of meetings had been held since January 30 to February 1 to discuss the draft bill, which contains 2,411 problem lists (DIM).

The permanent DIM was approved on January 31, 2025. (Then) 15 DIM changes, 11 DIM changes were approved at the meeting on January 31, 2025.

In the draft bill, there are at least 12 main ideas:

- 1) First, there is a completion and expansion of the definition of BUMN to be more accommodating so that it can carry out its duties optimally in accordance with applicable laws and regulations.
- 2) Second, the definition of BUMN subsidiaries that were previously not regulated in the law will be added.
- 3) Third, regulations are drawn up for the Daya Anagata Nusantara Investment Management Agency (Danantara).
- 4) Fourth, there will be regulations related to investment holding, operational holding, restructuring, privatization, and the formation of company names and management of BUMN.

- 5) Fifth, regulations regarding BUMN business will also be regulated.
- 6) Sixth, BUMN asset governance will be emphasized in accordance with the principles of good corporate management and in accordance with the law.
- 7) Seventh, human resource regulations that provide rights for people with disabilities and local communities to work in BUMN.
- 8) At this point, female employees will also have the opportunity to occupy positions as directors, commissioners, or other strategic positions.
- 9) Eighth, regulations for the establishment of BUMN subsidiaries will be listed in detail, including the requirements and mechanisms for establishment.
- 10) Ninth, regulations regarding corporate actions such as mergers, collaborations, takeovers, and separations of BUMN.
- 11) Tenth, there will be regulations regarding the privatization of BUMN, including the criteria and mechanisms for state-owned companies that can be privatized.
- 12) Eleventh, internal supervision, audit committees, and other committees are regulated.
- 13) The twelfth is the obligation of BUMN to provide guidance, training, empowerment, and cooperation with MSMEs.

DPR Ratifies BUMN Bill into Law

Finally, the People's Representative Council of the Republic of Indonesia (DPR RI) unanimously ratified the Draft Law (RUU) on the Third Amendment to Law Number 19 of 2003 concerning State-Owned Enterprises (BUMN) into law (Law No. 1 of 2025):

- 1) The ratification was carried out in a plenary meeting led by Deputy Speaker of the DPR RI Sufmi Dasco Ahmad, at the DPR Building, Jakarta, on Tuesday (4/2/2025).
- 2) In the meeting, Minister of BUMN Erick Thohir, Minister of Finance Sri Mulyani Indrawati, and Deputy Minister of Finance Thomas Djiwandono were also present in the plenary meeting room.
- 3) The Corruption Eradication Commission (KPK) is threatened with no longer having the authority to arrest directors of State-Owned Enterprises (BUMN) after Law Number 1 of 2025 concerning BUMN (BUMN Law) comes into effect on February 24, 2025, with the exception of the Indonesian Police and Attorney General's Office.

Law Number 1 of 2025 concerning BUMN

The latest BUMN Law threatens the KPK with not being able to arrest BUMN directors. Two articles in the new law are the reason. Please read these problematic articles:

- 1) Article 3X Paragraph (1) "Organs and employees of the Agency are not state administrators".
- 2) Article 9G "Members of the Board of Directors, Board of Commissioners, and Supervisory Board of BUMN are not state administrators".

The two articles mean that BUMN directors are no longer classified as state administrators. This could be troublesome for KPK officers who want to investigate corruption related to BUMN directors.

The article in the BUMN Law contradicts the KPK Law. The reason is that according to the KPK Law, one of the objects of the anti-corruption agency's authority is to conduct investigations, inquiries, and prosecutions of state administrators involved in criminal acts of corruption.

Criminal Experts Confused that the BUMN Law Eradicates the Concept of "State Administrators"

Professor of the Faculty of Law, Jenderal Soedirman University (Unsoed) Hibnu Nugroho (5/5/2025), admitted that he was confused by the direction of the legal policy of the new State-Owned Enterprises Law (BUMN Law). "In the law, the board of directors, organs, and employees of BUMN companies are said not to be state administrators".

The BUMN Law which was discussed briefly in the DPR some time ago eroded the concept of who the state administrators are as regulated in Law Number 28 of 1999 concerning the Implementation of a Clean State Free from Corruption, Collusion, and Nepotism (KKN). However, at the same time, he was also surprised by the provisions in the BUMN Law which were actually considered to be moving backwards.

BUMN Directors, Not Part of State Administrators

According to Hibnu, the provisions in the BUMN Law make the KPK not authorized to take action against corruption committed by BUMN directors. The parties who are still authorized to take action against them are only prosecutors and the police.

For information, the BUMN Law is currently in the spotlight because it makes it impossible for the KPK to arrest the leaders of state-owned companies;

- 1) Article 3X Paragraph (1) of Law Number 1 of 2025 concerning BUMN. States, "Organs and employees of the Agency are not state administrators".
- 2) Article 9G reads, "Members of the Board of Directors, Board of Commissioners, and Supervisory Board of BUMN are not state administrators":
 - (1) Meanwhile, the KPK Law stipulates that the legal subjects prosecuted in corruption are state administrators.
 - (2) Erick opens up opportunities for the KPK and the Attorney General's Office to place people in the Ministry of BUMN to assist in prosecuting corrupt practices in BUMN. This is because the Ministry of BUMN does not have individuals who are experts in this matter.
- 3) KPK, the Attorney General's Office, will be pulled to sit under the ministry (BUMN)," (Kompas.com, 06/05/2025).

Legal Expert Opinions Regarding BUMN Law Number 1 of 2025

- 1) Feri Amsari

Constitutional law expert, academic, and legal activist Feri Amsari (5/5/2025). Said that this regulation narrows the KPK's room for maneuver in supervising state-owned companies. "Moreover, this is a large room for deviation in state-owned companies, at a certain point there will finally be an attempt to legalize corruption with articles like this".

- 2) Mahfud MD

Constitutional Law Expert Mahfud MD assessed that the directors of State-Owned Enterprises (BUMN) should be categorized as state administrators. This is because the directors manage state funds from the business entities they lead.

Mahfud MD when met at the Kompas Gramedia Building, Central Jakarta, Monday (5/5/2025). "In terms of substance, I agree more with the old (BUMN Law). The board of directors is the state administrator, because he manages state money,".

The former Coordinating Minister for Political, Legal, and Security Affairs (Polhukam) said that the board of directors also manages the finances of the business entity originating from the APBN in the form of State Capital Participation (PMN).

- 3) Hibnu Nugroho

In line with Mahfud, Professor of the Faculty of Law, Jenderal Soedirman University (Unsoed) Hibnu Nugroho admitted that he was confused about the direction of the legal politics of the new State-Owned Enterprises Law (BUMN Law):

- (1) Hibnu when present as an expert at the Central Jakarta Corruption Court trial, Monday (5/5/2025). "I'm also confused, where is the legal politics (of the latest BUMN Law) going".
- (2) The BUMN Law which was discussed briefly in the DPR some time ago has destroyed the concept of who the state administrators are as regulated in Law Number 28 of 1999 concerning the Implementation of a Clean State Free from Corruption, Collusion, and Nepotism (KKN). "Who is a state administrator? "It's falling again, not part of the state administrators,".
- (3) The provisions in the BUMN Law make the KPK not authorized to take action against corruption committed by BUMN directors.
- (4) The parties who are still authorized to take action against them are only prosecutors and the police. "But it is not inherent in the law (anti-KKN) who is the state administrator".

- 4) ICW

Researchers from Indonesia Corruption Watch (ICW, 11/23/2024), noted that throughout 2016 to 2021 or just six years, there were 119 corruption cases in the BUMN environment investigated by law enforcement with 340 suspects:

- (1) ICW found that 83 perpetrators of corruption had a background as middle leaders in BUMN companies, 76 employees or BUMN employees, 51 BUMN directors, and 40 other perpetrators had other backgrounds.

- (2) The impact of corruption in BUMN companies is no joke. Economic growth, state and community income can be disrupted
- (3) This means, "This dishonest behavior has a direct impact on the state, leading to losses potential for increasing poverty and the loss of the government's safety net in the form of declining quality of public services,".
- 5) KPK
 - (1) KPK Spokesperson Tessa Mahardhika Sugiarto (2/5/2025), stated that her institution would review the latest version of the BUMN Law.
 - (2) She assessed that the new BUMN Law could prevent the KPK from taking action against BUMN directors who are no longer classified as state administrators. "If they are currently not state administrators who can be handled by the KPK, of course the KPK cannot handle them," (Kompas.com, 2/5/2025).
- 6) Attorney General's Office
 - (1) Head of the Attorney General's Office for Legal Information, Harli Siregar, at his office, Monday (5/5/2025). Another law enforcement agency, the Attorney General's Office (Kejagung), also commented. The AGO assessed that its institution could still investigate BUMN directors if there were indications of corruption.
 - (2) According to Harli Siregar, "as long as there is fraud, for example, let's say there is a conspiracy, conspiracy, trickery where let's say the corporation or BUMN receives funds from the state, it still fulfills the elements of a criminal act of corruption," (Kompas.com, 5/5/2025).
- 7) Minister of BUMN

Minister of BUMN Erick Thohir (5/5/2025), said that every director or commissioner of BUMN will still be prosecuted if they commit corruption. "If it's corruption, it's corruption. There is no relationship with state administrators or not state administrators. That's clear, right?". (Kompas.com, 5/5/2025).

Alleged Corruption Cases in SOEs Handled by the KPK

Among the alleged corruption cases in SOEs handled by the KPK are in the Indonesian Export Financing Institution (LPEI), PT Taspen (Persero), PT Perusahaan Gas Negara (Persero) Tbk. or PGN (PGAS), PT Telkom Indonesia (Persero) Tbk. (TLKM) and PT ASDP Indonesia Ferry (Persero).

In the LPEI case, the KPK assessed that there was a conflict of interest between the Director of LPEI and the Debtor PT Petro Energy (PE) because they made an initial agreement to facilitate the credit granting process. PT PE is suspected of falsifying purchase order documents and involving the underlying for the disbursement of facilities that did not correspond to the actual conditions.

The credit facilities provided by LPEI to PT PE have harmed the state with the outstanding principal of KMKE 1 PT PE worth UD 18,070,000. Meanwhile, the state loss for the outstanding principal of KMKE 2 PT PE reached Rp 549,144,535,027. When added up in rupiah, the value reaches around IDR 891.305 billion.

The KPK has previously named seven suspects in the case from the private sector and state administrators:

- 1) The KPK is handling an alleged corruption case involving Taspen President Director Antonius Kosasih and PT Insight Investment Management (IIM) President Director Ekiawan Heri Primaryanto due to an investment that caused the state to lose more than IDR 80 billion.
- 2) In the PGN case, the KPK has named former Commissioner of PT Inti Alisindo Energi (IAE) Iswan Ibrahim and Director of PT PGN Danny Praditya as suspects in an alleged corruption case that caused a state loss of US\$ 15 million or equivalent to IDR 252.2 billion.
- 3) The KPK is investigating alleged corruption at PT Angkutan Sungai, Danau, and Penyeberangan (ASDP) Ferry Indonesia in the form of losses of almost IDR 900 billion in the acquisition of PT Jembatan Nusantara, etc.

Corruption cases in the BUMN environment are a topic that often arises as reported on the page <https://databoks.katadata.co.id> (12/29/2023), and other media. From the report of Indonesia Corruption Watch (ICW), the period 2016-2021 recorded 119 BUMN corruption

cases that entered investigation, with 340 suspects. The majority of BUMN corruption cases occurred in the banking sector, with 38 cases in that period. There are many factors that cause BUMN losses, including internal governance problems and competition with the private sector.

BUMN Corruption Cases:

- 1) Number:
In the period 2016-2021, there were 119 BUMN corruption cases that entered the investigation stage, with 340 suspects.
- 2) Most sectors:
The banking sector was the most corrupt, with 38 cases.
- 3) State losses:
The lowest state losses due to BUMN corruption occurred in 2016, namely IDR 86.31 billion.
- 4) Corruption perpetrators:
Databoks recorded 51 perpetrators of corruption from the position of BUMN president director, 83 from middle management, and 76 from BUMN employees.
- 5) Causes of losses:
Internal governance problems, including strategic decision-making, operational efficiency, and weak internal supervision, are the main causes of BUMN losses.

BUMN Corruption Cases That Attract Attention:

- 1) PT Timah Tbk: The corruption case at PT Timah Tbk cost the state around IDR 300 trillion.
- 2) 7 SOEs Dissolved: Recording losses from 7 SOEs dissolved by Erick Thohir, with PT Merpati Nusantara Airlines having the largest loss balance, namely IDR 8.78 trillion. (Databoks, 12/29/2023).
- 3) Former SOE President Directors: A number of former SOE president directors have also been caught up in corruption cases, such as Karen Agustiawan (President Director of PT Pertamina).

Corruption Prevention in SOEs:

SOE Minister Erick Thohir stated that preventing corruption in SOEs must be done by building a strong system and leadership, not eliminating corruption completely. The KPK also focuses on corruption prevention programs in SOEs, including meetings with Erick Thohir.

Corruption in SOEs is still a serious problem. Throughout 2021-2024, the KPK has handled 181 corruption cases involving SOEs/BUMDs, including 38 cases in 2024 alone. The modes of corruption often found in BUMN are fictitious reports, embezzlement, and budget misuse.

Details of BUMN Corruption Cases 2021-2024:

- 1) 2024: The KPK handled 38 corruption cases in BUMN/BUMD environments.
- 2) Total Cases 2004-2024: The KPK has handled 181 corruption cases involving BUMN/BUMD.
- 3) Corruption Perpetrators: Most suspects come from the private sector, followed by middle-level BUMN leaders, BUMN employees, BUMN president directors, and other professions/positions.
- 4) Corruption Modes: Fictitious reports, embezzlement, budget misuse, bribery, fictitious projects, and mark-ups.
- 5) Sectors Affected: Banking, transportation, social, agriculture/plantations, and energy/electricity.

Series of BUMN Corruption Cases

1. Corruption Will Not Disappear

BUMN Minister Erick Thohir has again attracted public attention through his statement on corruption. He made this statement after meeting with the Head of the Corruption Eradication Commission (KPK) on Tuesday (4/29/2025). This meeting was also scheduled to discuss the corruption prevention program in BUMN. "We suppress. We do not, do not eliminate, because it is impossible (to eliminate corruption). Why is it

impossible? Not because we are not capable, but because of the system and leadership that we must build,".

Looking back a little, a series of corruption with fantastic amounts came from BUMN companies. One of them is corruption by PT Timah Tbk which caused the state to lose around IDR 300 trillion.

To clarify a number of corruptions that occurred in the Company, it can be seen in the Indonesian language graph below:



2. Several Cases of Corruption in State-Owned Enterprises

These cases, which are only a small part, are enough to show the need for system improvements in state-owned enterprises to eradicate corrupt practices.

Integrity Performance of Ministries and Institutions in Indonesia

In the 2024 Integrity Assessment Survey report by the KPK, the Ministry of State-Owned Enterprises received a score of 73.5. With this score, the integrity status of the Ministry of State-Owned Enterprises is "alert". The integrity of the agency is classified as "maintained" if the score exceeds 78 points.

The survey was based on assessments from three parties, namely internal, external, and experts. Some internal assessments are looking at the emergence of intervention from other parties, misappropriation in the purchase of goods and services, misuse of the budget for personal interests, and buying and selling positions. In addition, other assessments are integrity in carrying out tasks, transparency, and anti-corruption socialization.

From the external side, the assessment is based on the presence or absence of transparency and fairness of employee integrity services and efforts to prevent corruption. Then, experts play a role in assessing the integrity of the agency.

1) In general, the most common acts of corruption found in ministries/institutions in Indonesia are:

(1) Misuse of procurement of goods and services (97%) and

(2) Bribery and gratification (90%).

(3) Meanwhile, the activity of buying and selling positions even occurs in all ministries/institutions:

- As many as 36% internal parties,

- 21% external, and

- 76% experts

All of them are practices of accepting money/goods/facilities from the public or private sector received by agency employees. This is then classified as bribery or gratification.

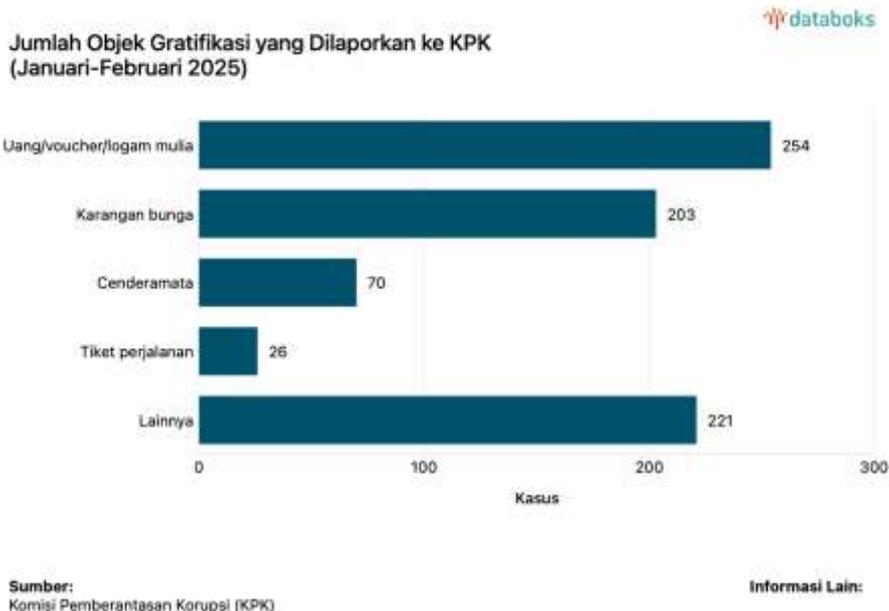
2) Other fraudulent practices, such as determining the winning vendor outside the procedure, the results of procurement of goods and services are not useful, lowering the quality of goods and services, and nepotism are also found in ministries/institutions.

- 3) The 2024 Indonesian Integrity Assessment Survey score nationally increased by 0.56 points from 2023.
 - (1) The score in 2024 reached 71.53 and was at the "alert" level.
 - (2) This increase only occurred after the score had gradually decreased, at least since 2021. At that time, Indonesia's SPI score reached 72.4. Then it dropped to 71.9 in 2022 and dropped again to 70.97 in 2023.

Number of Objects of Gratification Reported to the KPK (January-February 2025)

According to KPK Spokesperson Team Member Budi Prasetyo (3/15/2025). The Corruption Eradication Commission (KPK) received 689 reports on 774 objects of gratification, with a total reported value of IDR 3.17 billion in the January-February 2025 period.

- 1) In January, 348 reports were received, with a total of 395 objects of gratification. Consisting of 224 reports from the Gratification Management Unit (UPG) and 124 individual reports. (Antara, 3/15/2025).
- 2) In February 2025, the KPK received 341 reports with 379 objects of gratification. This number consists of 231 UPG reports and 110 individual reports.
- 3) Of the total 774 objects of gratification, 254 cases were in the form of money, vouchers, precious metals, or other means of exchange.
 - (1) There were 203 gratifications in the form of flower arrangements, generally accepted dishes, or packaged food/drinks.
 - (2) Then 70 gratifications in the form of souvenirs, plaques, or goods with the logo of the giving agency; 26 travel tickets, meals, or other facilities; and 221 other items.
- (3) The KPK also noted that 689 reports of gratification in the first two months of 2025 came from 488 ministries/institutions, 125 BUMN/BUMD/subsidiaries, and 76 local governments.
- (4) To clarify the number of objects of gratification reported by the KPK (January-February 2025), it can be seen in the Indonesian language graph below:



**3. KPK Handles Corruption Cases in Procurement of Goods and Services
Types of Corruption Cases Handled by KPK (2024)**

The Corruption Eradication Commission (KPK) has handled 154 corruption cases throughout 2024. The number is 7 cases less than in 2023, which handled 161 cases.

- 1) The type of case most frequently handled is procurement of goods and services with a total of 68 cases. Followed by corruption of gratification or bribery, as many as 63 cases.
- 2) Other cases handled by KPK in 2024 are levies or extortion 16 cases, money laundering (TPPU) 6 cases, and obstructing the investigation process 1 case.

Meanwhile, there was not a single case related to licensing and budget misuse handled by KPK last year.

- 1) In 2024, the majority of corruption cases were found in ministerial/institutional institutions, namely 40 cases.
 - (1) Then criminal acts in BUMN/BUMD 38 cases,
 - (2) district/city governments 30 cases, and
 - (3) provincial governments 27 cases.
- 2) When viewed according to the profession of the perpetrator, corruption last year was mostly carried out by echelon I, II, III, and IV officials, namely 61 cases.
- 3) Then the perpetrators of corruption from the private sector 38 cases, members of the DPR and DPRD 16 cases, mayors/regents and their deputies 8, and governors 5 cases.
- 4) The position is followed by corruption cases with corporate perpetrators 4 cases. heads of institutions/ministries 2 cases, police 1, lawyer 1, and other professions 18 cases.
- 5) To clarify the types of corruption cases handled by the KPK in 2024, it can be seen in the Indonesian language graph below:



4. Corruption Groups in BUMN Environment

According to the Indonesia Corruption Watch (ICW) report, there were 340 suspects in corruption cases in State-Owned Enterprises (BUMN) during the 2016-2021 period.

The majority of suspects came from the private profession/position group, with a total of 90 suspects during that period.

- 1) Then there were 83 suspects from the BUMN middle management group
- 2) 76 suspects from BUMN employees.
- 3) 51 corruption perpetrators from the BUMN president director position group,
- 4) 40 corruption perpetrators from various other professions and positions.

5. Corruption Mode in BUMN

The most common corruption mode found in BUMN is fictitious reports. ICW noted that there were 23 corruption cases with this mode throughout 2016-2021.

- 1) Then there were embezzlement, misuse of budget, and bribery practices with 18 cases each.
- 2) A total of 16 other corruption cases used the fictitious project mode and 12 cases used the mark-up mode.

Seeing the rampant corruption cases in the BUMN environment, ICW recommends that the government strengthen the role of BUMN commissioners in supervising large projects.

- 1) ICW mentioned that so far the position of BUMN commissioner has often been used as a means of paying the government's "debt of gratitude" to parties who have contributed to the political process and winning elections.
- 2) ICW also encourages the government to recruit commissioners who are professional, capable, and have high integrity, in order to clean up the culture of corruption in Indonesia.
- 3) To clarify the perpetrators of corruption in the BUMN environment based on professional/position groups (2016-2021), it can be seen in the Indonesian language graph below:

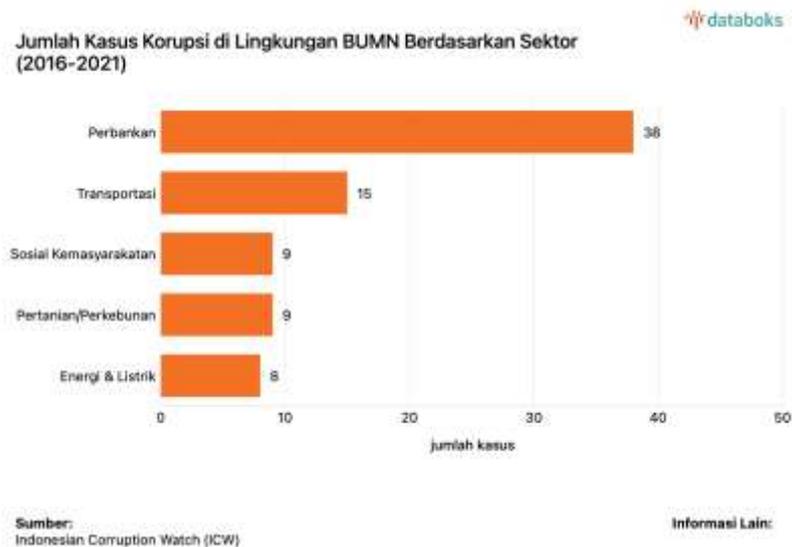


Most Corruption Cases in BUMN

1. BUMN Corruption is Majority in Banking Sector, BRI Cases are the Most

According to the Indonesia Corruption Watch (ICW) report, the number of corruption cases in State-Owned Enterprises (BUMN) that were investigated during 2016-2021 reached 119 cases.

- 1) BUMN corruption was recorded as mostly occurring in the banking sector, with at least 38 cases during that period. Corruption in this sector generally involves misuse of customer money and credit funds.
- 2) In addition to the banking sector, there were 15 BUMN corruption cases in the transportation sector. Then the social and community sectors and the agriculture/plantation sector each had 9 cases, and the energy and electricity sector had 8 cases.
- 3) When viewed from the business institution, the BUMN that was most involved in corruption cases was BRI with a total of 15 cases, followed by PT Pertamina with 8 cases.
- 4) The total loss of corruption in the financial sector category reached IDR45.06 trillion. The sectors included in this category are banking, social services that overlap with insurance, and the capital market sector, with a total of 35 corruption cases during the 2016-2021 period, as can be seen in the Indonesian language graph table below:



2. Corruption Cases Entangling BUMN

The Corruption Eradication Commission (KPK) is threatened with not being able to investigate alleged corruption involving BUMN officials

The authority of the Corruption Eradication Commission (KPK) to prosecute directors of State-Owned Enterprises (BUMN) suspected of corruption is threatened with being lost after the ratification of Law Number 1 of 2025 concerning BUMN. In the new policy, members of the board of directors, board of commissioners and board of supervisors are declared not to be state administrators.

So far, the KPK has indeed handled corruption cases involving state administrators. There have been many corruption cases handled by this anti-corruption agency including BUMN officials. However, with the BUMN Law coming into effect since February 24, 2025, the KPK can no longer prosecute BUMN employees.

The law states that BUMN organs and employees are not administrators. Then, Article 9G of the BUMN Law explicitly states that: "Members of the board of directors, members of the board of commissioners and board of supervisors are not state administrators".

The KPK is currently reviewing the BUMN Law and comparing it with other regulations that are already in effect in the country. Member of the KPK Spokesperson Team Budi Prasetyo at the KPK's Red and White Building, Jakarta, Monday, (05/05/2025). Explaining that the review was conducted to address the substance of the BUMN Law which states that BUMN directors and commissioners are not included as state administrators. In conducting the study, the KPK will of course also look at other regulations and provisions, such as the Criminal Procedure Code, the Corruption Crime Law, the State Finance Law, and so on, ". There have been quite a lot of corruption cases involving BUMN directors so far. The following is a brief presentation of corruption cases in BUMN handled by the KPK, including:

1) Karen Agustiawan (Pertamina)

Former President Director of PT Pertamina (Persero) for the 2009-2014 period Karen Agustiawan is a suspect in alleged corruption in the procurement of LNG. Karen fulfilled the investigator's summons to undergo examination as a suspect, at the Corruption Eradication Commission Building, Jakarta, Tuesday, September 19, 2023.

2) Budi Tjahjono (Jasindo)

The KPK has charged the former President Director of PT Asuransi Jasa Indonesia (Jasindo) Budi Tjahjono with alleged corruption in commission payments for fictitious Jasindo agent activities. Budi is suspected of violating Article 2 paragraph 1 or Article 3 of the Corruption Eradication Law. The Corruption Eradication Committee (KPK) found that Jasindo had made payments that should not have been made in 2018. Budi was sentenced to 5 years in prison and a fine of IDR 1 billion in the case.

3) RJ Lino (PT Pelindo II)

- The KPK has thrown former President Director of PT Pelindo II Richard Joost Lino or RJ Lino into Cipinang Prison, Jakarta. The Supreme Court stated that RJ Lino was proven guilty in the procurement of three Quay Container Cranes in his company in 2021. His actions are considered to have caused the state a loss of almost 2 million USD or around IDR 28.7 billion (exchange rate of IDR 14,375) and enriched the company Wuxi Huang Dong Heavy Machinery Science and Technology Group Co. Ltd China or HDHM with the same nominal.
- 4) Muhammad Firmansyah Arifin (PT PAL)
The KPK has named President Director of PT PAL Muhammad Firmansyah Arifin as a suspect in the alleged corruption crime of accepting bribes related to the payment of "agency fees" for the sale of Strategic Sealift Vessel (SSV), namely warships between PT PAL and the Philippine government in 2017. Firmansyah and other PT PAL officials at that time were suspected of receiving 1.25 percent of the total sales of two SSVs worth USD 86.96 million or around IDR 14.476 billion.
 - 5) Destiawan Soewardjono (PT Waskita Karya)
In April 2023, Destiawan Soewardjono was arrested by the KPK for corruption. The former Director of Waskita Karya was considered to have unlawfully ordered and approved the disbursement of Supply Chain Financing (SCF) funds using fake supporting documents. This act has enriched Destiawan by IDR 5.8 billion
 - 6) Siti Marwa (PT Berdikari)
PT Berdikari Finance Director Siti Marwa was found guilty of receiving fees in fertilizer sales. She was charged with receiving bribes or promises worth IDR 2.967 billion from a number of private parties, urea fertilizer providers, including CV Jaya Mekanotama President Director Aris Hadiyanto and Iskandar Zakaria. Siti also received bribes from PT Bintang Saptari employees, namely Budianto Halim Widjaja and Fitri Hadi Santosa. Siti also received money from CV Timur Alam Raya Commissioner, Sri Astuti. She was sentenced to 4 years in prison.
 - 7) Catur Prabowo and Trisna Sutisna (PT Amarta Karya)
The KPK named former PT Amarta Karya President Director Catur Prabowo and Amarta Finance Director Trisna Sutisna as suspects in the Money Laundering Crime (TPPU) in August 2023. Both were charged with corruption related to 60 fictitious subcontractor procurement projects at PT Amarta Karya, a subsidiary of a state-owned company in 2018-2022. The case is suspected of causing losses of up to IDR 46 billion.
 - 8) Dessy Arryani (Jasa Marga)
The KPK has named Desi Arryani, former President Director of PT Jasa Marga, a suspect in a fictitious project corruption case at PT Waskita Karya. She is suspected of committing corruption while still serving as former Head of Division III/Civil/II of PT Waskita Karya. The KPK has identified 14 projects suspected of being corrupted. All the money spent to pay for the fictitious subcontractor projects is suspected of causing state losses of up to IDR 202 billion.
 - 9) Andra Y. Agussalam (Angkasa Pura II)
Former Finance Director of PT Angkasa Pura II Andra Y. Agussalam was arrested by the KPK for accepting bribes of USD 71 thousand and USD 96.7 thousand from the President Director of PT Industri Telekomunikasi Indonesia (INTI) Darman Mappangara. The money worth Rp1.9 billion was given so that Andra would help INTI get a luggage project at PT Angkasa Pura Propertindo. On April 8, 2020, the KPK executed Andra to Prison II A Cibinong to be imprisoned for 4 years.
 - 10) Fazwar Bujang (K Krakatau Steel)
The former President Director of PT Krakatau Steel (KRAS) is one of the suspects in the Blast Furnace Complex (BFC) project corruption case that occurred in 2011. In this case, the KPK named five suspects, the majority of whom were high-ranking officials of the BUMN that produces national steel. The state loss due to this corruption reached Rp6.9 trillion. He was sentenced to 5 years in prison on July 10, 2023. Etc.
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4. Conclusions

Although in the KPK Law, it is stated in Article 11 paragraph (1) that: "In carrying out the duties as referred to in Article 6 letter e, the Corruption Eradication Commission has the authority to conduct investigations, inquiries, and prosecutions against Corruption Crimes that: a. involve law enforcement officers, State Administrators, and other people who are related to Corruption Crimes committed by law enforcement officers or State Administrators; and/or b. involve state losses of at least IDR 1,000,000,000.00 (one billion rupiah)".

However, in Law No. 1 of 2025 concerning BUM, it is stated that the KPK cannot prosecute BUMN Directors, Commissioners and Supervisors except for the Police and the Prosecutor's Office, for the following reasons:

- 1) *The first reason* is because according to the BUMN Law, the directors, board of commissioners, and supervisors are not state administrators.
 - (1) Article 3X of Law No. 1 of 2025 concerning BUMN, states that: "The organs and employees of the Agency are not state administrators".
 - (2) Article 9G: "Members of the Board of Directors, Board of Commissioners, and Board of Supervisors of BUMN are not state administrators".
- 2) *The second reason*, the provisions in Article 3X of the Law and Article 9G No. 1 of 2025 concerning BUMN make the KPK not authorized to take action against corruption committed by BUMN directors.
- 3) *The third reason*, the parties authorized to take action against the Board of Directors, Board of Commissioners, and Board of Supervisors of BUMN are only prosecutors and the police, not the KPK.
- 4) *The fourth reason*, the opportunity for the KPK and the Attorney General to place people in the Ministry of BUMN to assist in taking action against corrupt practices in BUMN. This is because the Ministry of BUMN does not have individuals who are experts in this matter.

- 5) *It is a Law Order*, so the KPK must submit and obey to carry it out, because the Law (UU) functions as a basic or principal rule for organizing the state, regulating society, a tool to limit power, and as a means of social renewal. The Law also functions to regulate social, national, and state life and is expected to be able to solve various problems that exist in society.
- 6) Supervising Body of BUMN
Financial supervision is still carried out by the Audit Board as stated in Article 3K: "Audit of the management and financial responsibility of the Agency is carried out by the Audit Board".
- 7) The impact of corruption in BUMN companies
The impact of corruption in BUMN companies is no joke. Economic growth, state revenue and society can be disrupted. This means that this dishonest behavior results in losses for the state directly, but also for many parties. "It can lead to the potential for increasing poverty and the loss of the government's safety net in the form of declining quality of public services,".

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