

MANAGEMENT OF CORRUPTION OFFENSES IN THE PROCUREMENT OF GOODS AND SERVICES IN ISLAND REGIONS

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Abstract : *The misuse or misappropriation of state or government finances (foundations, corporations, organizations, etc.) for one's own advantage or the benefit of others is known as corruption. To meet its needs, the government purchases goods and services from ministries, agencies, regional work units, and other organizations. According to Presidential Regulation No. 12 of 2021 concerning Amendments to Presidential Regulation No. 16 of 2018 concerning Government Procurement of Goods and Services (Presidential Regulation No. 12 of 2021), Government Procurement of Goods/Services (PBJP) is the process by which Ministries, Institutions, and Regional Apparatus purchase goods and services that are funded by the State Budget or Regional Budget. The process includes everything from determining needs to transferring work results. As an archipelagic territory, the province of Maluku has also been impacted by corruption, with nearly all regency or municipal officials and the business sector participating as offenders. The following components make up the model this study offers for dealing with illegal acts of corruption in the purchase of goods and services in archipelagic regions: The Criminal Procedure Code (KUHAP), which starts with the phases of investigation, examination, identification of suspects, and prosecution, is referred to in cases of corruption in the purchase of goods and services based on the archipelagic region. products or services. Guideline Number 1 of 2019 concerning Criminal Prosecution of Corruption Cases, Articles 2 and 3 concerning State Losses, and the handling of corruption cases involving the procurement of goods and services—where the irregularities in the procurement of goods within the scope of government can be measured by referring to Presidential Decree Number 18 of 2000, last amended by Number 80 of 2003 concerning Guidelines for Government Procurement of Goods/Services—are special criminal operational standards that serve as a guide for the Public Prosecutor.*

Keywords: *Corruption Offenses, Commodities, Services, Insular Regions*

INTRODUCTION

Corruption is a crime that is becoming increasingly widespread in Indonesia. The number of cases and the amount of financial losses to the state continue to rise. The above factors not only influence those in positions of authority, but are also considered by the general public to be commonplace behavior in society at large. (Asyharuddin, Arfiani and Herlina, 2022)

The misuse or misappropriation of state or government funds (foundations, corporations, organizations, etc.) for one's own or another's benefit is known as corruption. Transparency International (TI) defines corruption as when public officials,

including politicians and civil workers, misuse the authority that the people have given them in order to unlawfully and unfairly profit themselves. The World Bank defines corruption as the abuse of public office for private benefit. Legally speaking, corruption is defined as an act by an individual or group of individuals that intentionally and illegally enriches themselves, others, or businesses that have the potential to negatively impact state finances or the national economy (Law No. 20 of 2001). (Setiawan and Jesaja, 2022) The Criminal Procedure Code (KUHAP), which seeks to create an integrated criminal justice

system (SPPT), provides the foundation for how the police fight corruption. This necessitates carrying out truthful investigations, maintaining the rule of law, and guaranteeing selective and nondiscriminatory law enforcement. (Bima and Ramadani, 2020)

The process by which ministries, agencies, regional work units, or other entities acquire products or services is known as government procurement. Planning requirements are the first step in this process, which concludes when all actions to acquire products and services have been finished. In state budget management, government procurement of goods and services is a procedure that needs to be followed in compliance with current laws. Legal repercussions for power abuse will follow noncompliance with these provisions. Accepting bribes, gratuities, and abusing one's position by embezzling public monies are examples of legal infractions that could happen.

Presidential Regulation No. 12 of 2021 concerning Amendments to Presidential Regulation No. 16 of 2018 concerning Government Procurement of Goods and Services (Presidential Regulation No. 12 of 2021) explains that Government Goods/Services Procurement (PBJP) is the procurement of goods/services by Ministries/Institutions/Regional Apparatus financed by the State Budget/Regional Budget, the process of which ranges from the identification of needs to the handover of work results. Points that can be taken from the definition of PBJP include:

- a) PBJP is the process by which government organizations purchase goods and/or services. Purchase and procurement are interchangeable terms.
- b) State Ministries, Government Institutions, and/or Regional Apparatus—often shortened to K/L/PD—are referred to as government agencies.
- c) State Ministries, sometimes known as Ministries, are government agencies that manage particular matters within the

government. For instance, the Ministry of Education and Culture is in charge of the education and culture of the Indonesian people and country, the Ministry of Home issues is in charge of home issues, and so forth.

- d) According to the Republic of Indonesia's 1945 Constitution, government agencies (henceforth referred to as Agencies) are non-state ministry organizations and other budget-using entities created to carry out particular functions. The Republic of Indonesia Number 16 of 2018 Presidential Regulation LKPP 1 General Description of Goods/Services Procurement for Business Actors (Government Goods/Services Procurement Policy Agency) was established, for instance, with the purpose of creating and drafting PBJP regulations.
- e) Regional Apparatus are components that help the Regional Representative Council (DPRD) and the Regional Head manage matters that fall under the purview of the Region. One such would be the Agriculture and Fisheries Service in a Province, Regency, or City, which is responsible for helping the Governor or Regent/Mayor oversee the region's agricultural and fisheries concerns. Regional Government is not the same as Regional Apparatus. The regional head is the administrative component of regional government that oversees the execution of government operations within the jurisdiction of the autonomous area. The City/Regency Regional Government in each province and the DKI Jakarta Regional Government are two examples of regional governments.
- f) The State Budget (APBN) or the Regional Budget (APBD) pay for the expenses of PBJP operations.
- g) The PBJP process starts when an agency determines what products or services are required for government organization operations, and it concludes when the

work or procurement results are turned over.

The province of Maluku, as an archipelago, has an area of 712,480 km², consisting of approximately 92.4% ocean and 7.6% land, with a total of 1,412 islands and a coastline of 10,662 km. The government also requires goods and services in order to function, and therefore needs to procure goods and services. Direct procurement is carried out by procurement officials through a mechanism of purchasing goods or paying for services directly to the goods and services providers, without going through a tender process or selection stage. Direct procurement is essentially a normal sale and purchase transaction between a provider who has goods and services to sell and a procurement official who needs those goods and services, where both parties have reached an agreement on the sale and purchase of goods and services at a mutually agreed price.

The characteristics of the Maluku Province archipelago have also been affected by corruption, with almost all officials in the regencies and cities involved as perpetrators together with the private sector. (Patty, 2019)

A search for authors related to previous studies found three (3) previous studies, including: 1) Position of Supervisory Board Organ and Its Implications for the Institutional Corruption Eradication Commission (Bima, 2020), which focused on the position of the supervisory board and its implications for the institutional aspects of the KPK. 2) Prevention of Corruption in Government Procurement of Goods and Services (Cahyan E. 2022), which focuses on discussing efforts to prevent corruption in government procurement of goods and services, and 3) Legal Review of Corruption in Government Procurement of Goods and Services. (Meiva Mawikere, Adensi Timomor JG. M (2025) analyzes the problems of corruption crimes that occur in

the procurement of government goods and services in Indonesia.

RESEARCH METHOD

Empirical legal research, also known as non-doctrinal research (socio-legal research), is the form of research employed in this legal literature to ascertain the situations that arise in practice. Empirical legal research is research that uses certain systems, methodologies, and ways of thinking to analyze and examine one or more particular social phenomena. In order to solve the issues brought on by the phenomena in question, a thorough analysis of these social realities is also conducted. Primary data research in the field or in the community comes after the initial study in sociological or empirical writing, which is based on secondary data that explains the legal research writing. The author's study methodology is qualitative, which generates descriptive analytical data from respondents' written or spoken statements as well as their actual conduct, which is investigated and examined holistically. Primary data, or information gathered straight from interviewees, is used in this study. Furthermore, the Corruption Criminal Law and other source legal documents are used as secondary data in this study.

RESEARCH RESULTS AND DISCUSSION

A. The Concept of Regional-Based Procurement of Goods and Services

The procurement of goods and services is essentially an effort by users to obtain and realize the goods and services they want, using certain methods and processes to reach agreements on price, time, and other matters. The procurement of goods and services involves several parties, namely the Buyer or User and the Seller or Supplier of Goods and Services. In the procurement process, the user is the party that requests or assigns tasks to the provider to supply or manufacture

goods or perform certain work. Meanwhile, the provider of goods and services is the party that supplies or produces goods or carries out work or provides services based on an official request or order or work contract from the user. Providers of goods and services can be business entities or individuals. The purpose and objective of the changes and updates to the regulations on government procurement of goods/services are essentially to improve the implementation of government procurement of goods and services and to reduce irregularities that could be detrimental to state finances. (Maksum, Makaro and Fauziah, 2023)

The process through which a company acquires products and services to satisfy its demands, whether internal or external, is known as procurement. In order to meet the demands of their different operations, practically all organizations—whether they are government, non-profit, or corporate (for-profit)—implement procurement procedures. These organizations' approaches to acquiring goods and services do differ, though, in a number of ways, including funding sources, supplier acquisition strategies, service interests, and more. In the meantime, the primary goal of these three organizations' procurement procedures is the same: to acquire goods and services at the best possible price. The procurement of goods and services by Ministries, Institutions, and Regional Apparatus (KLPD) financed by the State Budget/Regional Budget (APBN/APBD) is known as Government Procurement of Goods and Services, or PBJP for short. It is a process that includes everything from the identification of needs to the handover of work results and is crucial to the implementation of national development for the improvement of public services and the growth of the national and regional economies.

Regulations concerning the procedures for Government Procurement of Goods/Services in Presidential Regulation (Perpres) Number 16 of 2018 as amended by Presidential Regulation Number 12 of 2021, Government Procurement of Goods/Services

is a procurement activity that is expected to improve a conducive investment climate, state spending efficiency, and accelerate the implementation of the State Budget/Regional Budget. Government Procurement of Goods/Services based on this Presidential Regulation is aimed at increasing support for national industries and small businesses, as well as fostering creative industries, innovation, and national independence by prioritizing the use of domestic strategic industries. Furthermore, the provisions on Government Procurement of Goods and Services in this Presidential Regulation are aimed at increasing the ownership of Local Governments over projects/activities whose implementation is carried out through a co-financing scheme between the Central Government and Local Governments.

Government procurement of goods/services regulated in this Presidential Regulation includes the introduction of simple auction/selection methods, direct procurement, and contests/competitions in the selection of goods/service providers in addition to general auction/selection methods and direct appointment. Presidential Regulation No. 16 of 2018 concerning Government Procurement of Goods/Services states that the (objects) of Procurement of Goods/Services include:

- a. Goods, namely any tangible or intangible, movable or immovable objects that can be traded, used, utilized, or exploited by Goods Users. Examples include cars, computer units, office stationery, agricultural tools, and so on.
- b. Construction work, which is all or part of activities that include the construction, operation, maintenance, demolition, and reconstruction of a building. Examples include the construction of school buildings, renovation of office buildings/rooms, construction of bridges, construction of village roads, and so on.
- c. Consultancy Services, namely professional services that require specific expertise in various scientific fields that prioritize brainware.

Examples include consulting on the preparation of Hospital Service Operational Procedures (SPO), human resource performance consulting, psychological consulting services, and so on.

- d. Other Services, namely non-consulting services or services that require equipment, special methodologies and/or skills (skillware) in a management system that is widely known in the business world to complete a job. Examples include security guard services, cleaning services, courier services, e-Learning video production services, office event management services, and so on.

The direction, path, or aim that the PBJP seeks to accomplish on a national level is known as its objective. As a crucial component of procurement, business actors contribute to the PBJP's goals. Consequently, corporate actors will participate in procurement activities more actively, effectively, and efficiently if they are aware of the PBJP's goals. Government goods and services procurement has eight goals, which are as follows:

- a. To produce the right goods/services for every dollar spent, measured in terms of quality, quantity, time, cost, location, and provider. The essence of this main objective (value for money) is that buyers, or in this case ministries/agencies/local governments, do not need to worry when choosing quality goods even if they are not the cheapest. Indonesia is no longer a developing country, so goods/services purchased with the government budget should be of good quality in line with the available budget. Thus, this objective is achieved when the procurement of goods/services successfully obtains quality goods/services within the available budget.

- b. Increasing the Use of Domestic Products. Domestic products refer to goods/services, including design and engineering, that are produced or manufactured by companies or industries that invest and produce in Indonesia. The production process of these goods/services may use raw materials/components imported from abroad. Even if the materials are imported, if the production process uses domestic labor and tools, then these products provide added value to Indonesia. The amount of national contribution to these domestic products is referred to as the Domestic Content Level (TKDN). The higher the TKDN, the greater the benefits for the Indonesian people and economy. The goal of increasing the use of domestic production is very important considering that many government agencies, including State-Owned Enterprises (SOEs) and Regional-Owned Enterprises (ROEs), tend to prefer imported products over domestic products. For example, domestic product spending in a ministry is only 5% of its capital and goods spending. The government's (Ministry of Industry) target for the use of domestic production is to reach 40% of government spending in order to create many jobs and improve the welfare of the community. The use of domestic products is expected to:

- 1) Grow and develop domestic production;
 - 2) Revitalize supporting industries and even new industries;
 - 3) Create more jobs;
 - 4) Strengthen technology transfer;
 - 5) Drive the national economy.
- c. Increasing the Participation of Micro, Small, and Medium Enterprises (MSMEs). It has been mentioned that PBJP plays a very large role in national economic development. More than half

of the government budget is used for procurement. Therefore, the role and involvement of business actors, including micro, small, and medium enterprises (MSMEs), is very important. MSME business actors must be willing and dare to be involved in PBJP, because the government also provides opportunities and a large portion for MSMEs to have a place in PBJP.

- d. Increasing the Role of National Business Actors. Increasing the participation of national business actors will increase investment and open up more jobs, which in turn will drive higher economic growth and strengthen national economic resilience. Therefore, the government and national business actors need to work together to support this goal.
- e. Supporting the Implementation of Research and Utilization of Research Products/Services. Research is an activity carried out according to scientific principles and methods in a systematic manner to obtain information, data, and explanations related to the understanding and proof of the truth or falsehood of an assumption and/or hypothesis in the field of science and technology and to draw scientific conclusions for the advancement of science and/or technology. The objectives of procurement in supporting the implementation of research and the utilization of goods/services resulting from research are:
 - 1) The products/services resulting from innovation that are purchased will be recycled into capital for conducting sustainable research and innovation, thereby encouraging research and innovation activities.
 - 2) Appreciating the results of innovation, thereby encouraging research and innovation activities in the community.
- f. Increasing the participation of creative industries, which are industries that originate from the utilization of creativity, skills, and individual talents

to create prosperity and employment through the creation and utilization of the creative and inventive powers of these individuals.

- g. Promoting economic equality. Economic equality is an effort to create stability by striving for equitable development and outcomes that generate economic growth that can be enjoyed by all segments of society (lower and upper classes) through asset ownership and access.
- h. Promoting Sustainable Procurement. Sustainable procurement is the procurement of goods/services that aims to achieve economic benefits not only for the ministries/institutions/regional apparatus as users but also for the community, as well as significantly reducing the negative impact on the environment throughout the entire cycle of use. In essence, sustainable procurement is expected to:
 - 1) Maintain continuous improvement in community welfare;
 - 2) Maintain the sustainability of community social life;
 - 3) Maintain the quality of the environment;
 - 4) Realize inclusive development, namely development for all Indonesian citizens. Examples include the equitable distribution of infrastructure development throughout Indonesia and the obligation of 9 years of basic education for all Indonesian citizens;
 - 5) Encourage the implementation of governance that is capable of maintaining the improvement of quality of life from one generation to the next.

B. Addressing Corruption Crimes in Regional Procurement of Goods and Services

Corruption crimes are currently a widespread problem throughout the world. Corruption as a crime today can be likened to a deadly disease that cannot be cured. In

Indonesia, corruption is considered an extraordinary crime because it is extremely detrimental to state finances and the economy. In fact, it is not only the state economy that suffers, but also the economic, social, and cultural rights of the people. One of the most fertile grounds for corruption is in the procurement of government goods and services. This sector has a huge influence on building a country's economic strength. Goods and Services Procurement is part of the management of State/Regional Property. In its development, PBJ has become a specialized field because PBJ acts as a bridge to facilitate various state needs, both in the form of goods and services, with costs budgeted in the State Budget/Regional Budget.(Mawikere, Timomor and Mambu, 2025)

Corruption is the act of maximizing existing resources, such as positions, networks, and influence, while exploiting economic, political, sociocultural, and environmental resources in order to profit oneself, one's family, group, or organization while breaking laws, norms, and human rights.(Latupeirissa and Titahelu, 2025)

Generally speaking, corruption refers to criminal actions taken in order to enrich oneself, others, or legal entities (now expanded to include corporations) through personal or group gain.(Cahyan, 2022)

If both the user and the provider consistently follow the philosophy of goods and services procurement, adhere to the applicable ethics and norms of goods and services procurement, and follow the standard principles, methods, and processes of goods and services procurement, the nature or essence of the procurement process can be carried out as efficiently as possible.(Yulianingsih, 2014)

Criminal corruption is the term used to describe irregularities in the purchase of goods and services that result in monetary losses for the state.(Murdian, 2016) In order to ensure accountability, government

procurement of products and services must be conducted successfully and efficiently, adhering to the principles of fair competition, transparency, openness, and equitable treatment for all stakeholders. According to Articles 2 and 3 of Law Number 31 of 1999 in conjunction with Law Number 20 of 2001, state losses are defined as acts that deviate from the use and management of state finances. These acts can be classified as acts that harm the state or can harm the state as criminal acts of corruption if they have the following characteristics: first, the act is unlawful, both formally and materially; second, the perpetrator abuses his or her authority, opportunity, or means; and third, the parties involved, whether the perpetrator, others, or corporations, are enriched and benefited.

Irregularities in the procurement of goods and services that cause financial losses to the state constitute a form of criminal corruption. Government procurement of goods and services must be carried out effectively and efficiently based on the principles of fair competition, transparency, openness, and fair treatment for all parties so that the results are accountable. According to Articles 2 and 3 of Law Number 31 of 1999 in conjunction with Law Number 20 of 2001, state losses are defined as acts that deviate from the use and management of state finances. These acts can be classified as acts that harm the state or can harm the state as criminal acts of corruption if they have the following characteristics: first, the act is unlawful, both formally and materially; second, the perpetrator abuses his or her authority, opportunity, or means; and third, the parties involved, whether the perpetrator, others, or corporations, are enriched and benefited.

According to this data, the Ambon District Attorney's Office handled one (1) case of corruption in the procurement of goods and services in 2024, whilst The Moluccas High Prosecutor's Office handled

one (1) case of corruption in the procurement of goods and services in 2020. The Ambon District Attorney's Office and the Maluku High Court handled corruption charges involving the purchase of goods and services. These cases went to trial, and the offenders received prison sentences.

The handling of corruption cases related to the procurement of goods and services based on the island region, based on the results of research conducted at the Ambon District Attorney's Office and the The Moluccas High Prosecutor's Office, includes the following:

1. Cases of corruption in the procurement of goods and services in the island region refer to Law Number 8 of 1981 concerning the Criminal Procedure Code (KUHP), which begins with the stages of investigation, examination, determination of suspects, and prosecution.
2. Public prosecutors (JPU) are guided by special criminal operational standards in the form of Guideline Number 1 of 2019 concerning Criminal Prosecution of Corruption Cases, Articles 2 and 3 of which relate to State Financial Losses.
3. Handling of corruption cases involving the procurement of goods and services, where the form of irregularities in the implementation of goods procurement within the scope of government can be measured by referring to Presidential Decree (Keppres) Number 18 of 2000, last amended by (Keppres) Number 80 of 2003 concerning Guidelines for Government Procurement of Goods/Services.

CONCLUSION

The model for handling criminal acts of corruption in the procurement of goods and services based on island regions, based on the results of research conducted at the Ambon District Attorney's Office and the Maluku High Court, includes the following:

Cases of corruption in the procurement of goods and services based on island regions refer to Law Number 8 of 1981 concerning

the Criminal Procedure Code (KUHP), which begins with the stages of investigation, examination, determination of suspects, and prosecution

Public prosecutors (JPU) are guided by special criminal operational standards in the form of Guideline Number 1 of 2019 concerning Criminal Prosecution of Corruption Cases, Articles 2 and 3 concerning state losses.

Handling of corruption cases involving the procurement of goods and services, where the form of irregularities in the implementation of goods procurement within the scope of government can be measured by referring to Presidential Decree (Keppres) Number 18 of 2000, last amended by (Keppres) Number 80 of 2003 concerning Guidelines for Government Procurement of Goods/Services.

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