

# **STUDY ON MONEY LAUNDERING PRACTICES FROM THE CRIMINAL ACTION RESULTS OF POLITICAL PARTIES**

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## **ABSTRACT**

General Election is a means of implementing the sovereignty of the people in direct, general, free, confidential, honest, and fair manner within the Unitary State of the Republic of Indonesia based on Pancasila and the Constitution of the Republic of Indonesia Year 1945. The election has many dynamics, expensive politics, lavish campaign funds for image politics, costly consulting and surveys of winning money, as well as money politics. The disclosure of political parties is highly important in the implementation of the elections due to the many streams of corruption used in the election. As a result, people do not believe in political parties, or some Indonesians are no longer sympathetic to political parties. The idea of a political party's financial transparency regulation should be carefully examined in the Indonesians' election codification scheme. In the future, Indonesia must have a transparent and accountable campaign or political funding arrangement, along with strong sanctions and binding on the parties involved. Therefore, the people will restore their trust to the political parties, and assure the political parties to channel their aspirations in the granting of rights in the elections.

***Keywords: Finance; Political Parties; Corruption***

## **INTRODUCTION**

The founders of the Indonesian state have adopted the prevailing and ingrained values of democracy in the life of Indonesian society as a system of government by formulating it in the 1945 Constitution (Article 1945) Article 1 paragraph 2 declaring that sovereignty is in the hands of the people and carried out according to the Constitution. This shows that the Indonesian nation has owned and applied the values of democracy to the level of life in the past as the original values of the Indonesian nation. These democratic values have developed in the noble culture of the Indonesian nation and been practiced in the social order of the past. Thus, the determination of democracy as a system of governance in Indonesia has been applied highly and effectively in other countries in the world.

In addition, it is due to the system of democracy is ingrained as the noble values of the Indonesian nation. Therefore, the application of democracy in Indonesia should be aligned, as well as based on Pancasila and the 1945 Constitution. As a means of implementing the people's sovereignty, the elections after the amendment of the 1945 Constitution experienced a very rapid development. Considering by the high level of need for electoral rules and the number of election types that must be implemented within a period of government. However, these developments also have an impact on the emergence of complexity.

General election shall be conducted periodically and periodically regularly and continuously. With the existence of an orderly democratic system that welfare and justice can be guaranteed its manifestation systematically and properly. This activity is also one means of channeling the rights of citizens who are greatly principal. Therefore, in the framework of the implementation of the human rights of the citizens, it is necessary for the government to ensure the implementation of the general election in accordance with predetermined governance schedule.

In the modern democratic system, however, the legality and legitimacy of government on the one hand must be established in accordance with the provisions of law and the constitution, or in another word, it is legal. On the other hand, the government must also be legitimate, in the sense that in addition to legal, it must also be trusted. This means that any democratic government claiming to be from the people must be in accordance with the results of the general election as an important feature or a fundamental pillar in the modern democratic system. At the local government level, elections are actualized into the electoral order.<sup>4</sup> Here, there is a deliberation room for the community to determine the direction of governance in the regions. Similarly, there is deliberately of citizen participation in determining leadership in the regions. Through the election, the policies made by the elected regional head will be formulated based on the community's taste, including its implementation. Public policies that benefit society are the end of democracy improvement through elections.

Recently, the grand election of the current region election is a very eagerly awaited moment for the candidates for regional head. At the election of regional

head on December 9, 2015; for the first time was held simultaneously in all regions of Indonesia consisting of 825 candidate pairs. The candidates for regional heads and deputy heads of this region are from candidates of political parties, single political parties on certain terms, or from individuals or independent.

The faces of candidates for regional heads or vice regional heads who appear in the election of regional heads (*Pilkada*) simultaneously is diverse, there is the face of old or incumbent and also a new face, which will be expected to get the sympathy from the people of the region (Setiawan, Huda, Mardana, & Departement, 2016). The candidates of **vice** regional head and deputy head this area vary from both man and man, woman and woman, or man and woman. In addition, there is also a candidate for female heads of the region and deputy head of the region men or vice versa, men as candidates for regional head and women as candidates for deputy head of the region.

Regardless of the elections, the same thing is also seen in the general elections of the President and Vice President, the House of Representatives of Indonesia (DPR-RI), the Regional Representative Board of Indonesia (DPD-RI), the Regional House of Representative (DPRD *Provinsi*), the City/Regency Representative (DPR *Kota/Kabupaten*), the prospective candidates also varies. Moreover, they have slogans that easy to remember.

Making easy to remember slogan is done with the hope that voters will vote for them. Since the motto and catchy slogan can be directly elected by voters in the select booth. Further examination of the election of the President and Vice President, legislative and regional elections has its own dynamics. From voters who can vote more than once, ballot inflation, involving children in campaigns, fictitious ballots, black campaigns, dawn raids, and other matters that have been prohibited in legislation regarding the election of the President and Vice President, legislative elections and elections to the allegations of money laundering practices from the results corruption to finance candidate campaigns in the election.

Funding of political parties that carry candidates must be evident. Practically, the existence of the parties in fact, only resonates as to make the

people as the central theme ahead of the campaign and or when the campaign is done through social activities, sports events, demonstrations or other lips service display that makes people as a commodity. Although, when they have been elected representatives of the people and even reside in the power elite, sometimes they regret the hopes of the people who are lulled by a pile of promises amid the frenetic five-year democracy celebration. Even in some cases the law, for example amongst the elite seems to protect each other, cover up mistakes, and ironically corrupt in the congregation.

Amid the festivities of the election and billions of dollars spent this election, it still leaves a variety of problems that can disrupt the implementation of the election. The regulation of political funding should be able to clearly regulate the system of supervision, management and law enforcement in case of violation of the legal norms of campaign funding, there must be clarity, who enforces the regulatory system, how the funding mechanism is done and the supervision of donors in building the governance of political parties the good one. In this article, the author tries to discuss some points, among others: 1). How are the dynamics of political party's financial disclosure on the campaign? 2) Is the practice of money laundering as a form of decline of public confidence in political parties? 3) Bringing up the idea of financial transparency of political parties in elections and elections.

## **DYNAMICS OF FINANCIAL DISCLOSURE OF POLITICAL PARTIES IN THE GENERAL ELECTION**

The successful development of democracy in elections (presidential and vice-presidential, legislative, and regional elections) is directly dependent on the workings of party-level selection systems, administrative selection by the General Elections Commission (KPU), the political selection, and the conscience of the people. According to the notion of popular sovereignty, the people govern and govern themselves (democracy), only the people are entitled to regulate and impose restrictions on themselves, in the sense that at the last level the people

provide provisions on key issues concerning their lives, assessing the policies of government and state. The wisdom determines the life of the people.

The implementation of the people's sovereignty cannot be separated from the election because the election is a logical consequence of the principle of sovereignty of the people (democracy) in the life of the nation and state. The basic principle of democratic state life is that every citizen has the right to participate actively in the political process. Therefore, the quality of political parties, both their organizations and their work in political life, is crucial to the creation of qualified and responsible people's representatives. Similarly, the election is a process of conducting a selection that transfers figures from the political life sector of society to the official government sector.

During the election period, especially after the fall of Soeharto, the party grew rapidly and continued to look for forms. Even though the offered platforms are no stranger to our ears, such as playing old songs or competing to sell top-notch ketchup that eliminates the detail, substance of specific performance concrete, not focusing on what they will do through the political machinery for the good of the people as mandated by the constitution. Specifically, the issue of who gets what, when, where, how, why, and what impact is limited to headline commodity of the newspaper. However, the point of crucial touch does not solve the root of the problem. Thus, the quality of the party following the vision of the mission is increasingly doubtful able to respond to the aspirations of the people, especially the nuances of political interest become idols defeating the facts and social needs themselves that ultimately affect the democratic system in this country. The various problems that have occurred until nowadays have not reached the point that actually threatens the implementation of the election.

The facts show that the interests of capital and power hijack democracy at the local level. The practice of money politics and bureaucratic politicization dominate the election. Democratic piracy operations involve tens of billions of rupiah. Just calculate based on expenditure items and the booming of the candidate contestation. For nomination fees (political boat fare), winning teams, surveys, campaign attributes, donations to voters' pockets, buying votes,

campaigns in print and electronic media, to setting up witnesses at the time of the ballot. Figures are fantastic and not worth, the official income that will be accepted. The governor for example only get salary IDR 8.6 million/month or total IDR 165 million for five years in office. Then where do these democratic actors will return the capital they have spent? This is the beginning of the bankruptcy of this country due to the act on the off chance democracy actor. Corruption and evil coalition (conspiracy) becomes a way to dredge and drain away without the rest of the people's welfare.

Campaign funding is for expensive imaging politics. Direct election indeed presents a challenge for democracy. The liberal democratic system, demanding the candidate has a high popularity figure to obtain a majority vote. The goal is that the elected regional head is closer to the voters. However, the problem arises when political parties and candidates do not work to the maximum vote. Instant ways become the main choice, imaging through printed media, electronics and other public spaces with only a picture of the face alone.

The position of the voters are solely as a political commodity that served political advertising without getting to know more candidates. Consequently, the strength of capital becomes the main supporter.

Expensive consultation and survey fees are expensive. Business consultants and winning surveys are indeed promising. It is proven from the increasing rampant emergence of the survey institutions that are then used candidates to measure election candidacy. It surely is not a little budget spent on it. As well as money politics increasingly rampant, in order to launch a monopoly of votes, then the candidates dare to conduct money politics on a large scale, in order to be seated in a desired hot seat.

According to Edward Aspinal, money politics only exists in Indonesia. Whereas according to Daniel Bumke the characteristics of money politics include: 1) Vote Buying, is the exchange of goods, services, or money by vote in the general election; 2) Vote Broker, the person representing the candidate/party to purchase votes ;3) Political Corruption, any form of bribery to politicians in order to obtain favorable policies or other benefits.

Similarly, Indonesia Corruption Watch (ICW) states that election integrity problem there are three causes, namely: 1) The rampant political practice of negative transactions (money politics); 2) forbidden campaign fund as a political capital; and 3) the use of state and regional facilities as an instrument of winning.

### **MONEY LAUNDERING OF CORRUPTION PRACTICES AS A FORM OF DECLINING PUBLIC BELIEF IN POLITICAL PARTIES**

Elections are one of the crucial stages in the realization of people's democracy (people's sovereignty) directly determining political representation, political accountability of representatives of the people and government, determining new presidential and vice-presidential pairs, or punishing incumbent president to re-election, (territorial), determine the local executive. There are many competitors in the election: thousands of DPD candidates, dozens of political parties with thousands of candidates for DPR / DPRD, several pairs of presidential candidates-vice-presidents or regional heads-deputy regional heads. Fierce competition, abuses, fraud, and disputes can occur. It takes a third party (impartial) to judge and prosecute political competition.

In crime studies, criminal act in election can also be included in criminal act of corruption. Two of the nine types of corruption related directly to the elections are election fraud and corrupt campaign practice. Election fraud is a corruption that is directly related to cheating general election. Included in this election fraud is inadvertent voter registration, fraud in vote counting and paying a certain amount of money or delivering goods or appointments to vote for a particular candidate in the election. While corrupt campaign practice is a campaign practice that using state facilities and state money by candidates who are holding state power.

The process of funding political parties in the election act as an example. Although there is an obligation to submit a specific account campaign fund with a certain time limit, but still only procedure that is not substantive. Interestingly, there is a large party with a very small amount of funds, while there is a new party (small) with the largest funds. Another thing, there is a party that has been

spending media campaign spending, but only reports a very small campaign budget in excess of the estimates it has already spent. It seems to illustrate the absence of willingness and obligation to complete all of these things.

Campaign fund-specific accounts are defined as particular accounts that accommodate election campaign funds separated from the political accounts of political parties or personal financial accounts of the Regional Representative Board (DPD) member candidates. This particular account is intended to place or accommodate election campaign funds for each political party participating in the election. Initial reports of campaign funds and campaign fund-specific accounts provide information about bank names, account numbers, account holder names, and account opening balances. Even in fulfilling their great needs candidates dare to engage in money-laundering practices to finance election campaign accounts.

A social phenomenon called corruption is the reality of human behavior in social interactions that are considered distorted and endangering society and state. Therefore, such behavior in all forms is reproached by society, even including by the corrupt itself in accordance with the expression “corruptor shouting corruptor”. Public condemnation of corruption, according to juridical conception is manifested in the legal formulation as a form of crime. In the politics of Indonesian criminal law, corruption is even considered a form of crime that needs to be approached specifically, and threatened with severe penalties. In the history of the life of Indonesian criminal law, the term corruption was first used in the Military Rule, Regulation No. PRT / PM-06/1957, therefore corruption became a legal term. The use of the term corruption in the regulation is part of its preamble, which, among other things, states that acts that harm the state's finances and the economy that the public is called corruption.

Now in Indonesia if people are talking about corruption, it is definitely the only bad deeds involved in state finances and bribery. The approach that can be made to the problem of corruption varies, and means it remains appropriate, even if we approach the problem, from various aspects. The sociological approach, for example, as Syed Hussein Alatas done in his book *The Sociology of Corruption*, would mean otherwise that we approach the norm; as well as political or



economic. For example, Alatas enters nepotism in a corrupt group, in its classification (putting family or friends in governmental positions without meeting the requirements for it), which of course, such a thing is difficult to find in the norms of the criminal law.<sup>26</sup>

Growing in the mass media, that is a widespread corruption virus in the area. In the New Order era, the corruption is centralized in Jakarta, it focuses on the executive, along with decentralization and autonomy, thus decentralized is corruption. Corruption is not only central, but also in the region, not only the executive, but also the legislature.<sup>27</sup> The consequences of money laundering practices result in the decline of public confidence in political parties and elections themselves. Because the public will not grant the right to vote on the implementation of elections or better known as Abstain (*golput*). The word of abstain is familiar with the election. The term abstain first appeared from students and youth after the destruction of the old order. The choice of students and youth when it is a position of abstain, which is a form of resistance against the ruling who is always repressive.

The election of this reformation era is very different from era of the 70s. In this reform era, people have the freedom to have the best candidates. As smart people, we should take a role in supporting the success of the elections by participating. No abstain is a form of people's volunteers that has been empowered to choose whose their hero will occupy the next position. Community volunteers will be an extraordinary momentum because the choice of people behind the voice is the determinant of change.

## **IDEAS OF FINANCIAL DISCLOSURE OF POLITICAL PARTIES IN GENERAL ELECTION AND REGIONAL ELECTION**

The arrangement of the general election system is intended to achieve the goal of organizing the election, which is always the main guide. Based on the achievement of election objectives and by using the framework of people's sovereignty principles, it is imperative to choose a certain electoral system that is adequate for it. In order to complement the achievement of the election objectives and to implement the principle of popular sovereignty, we should find way to

cover the weaknesses by the revamping of the election system.<sup>28</sup> One of them is the disclosure of financial funding of political parties in conducting the election. Thus, the public believes in the political party that they vote is a political party which is free from the culture of corruption in which also bringing out the anticorruption cadres.

Elections are a means to facilitate the process of seizing the people's mandate to gain power. In elections, the people as sovereigns of the state to elect a leader who will decide his fate for the next five years.<sup>29</sup> According to Jimly Asshiddiqie, the purpose of holding the elections is four, namely: 1) to enable a smooth and peaceful transition of government leadership; 2) to enable the turnover of officials who will represent the interests of the people in the representative institutions; 3) to implement the principle of popular sovereignty in representative institutions; and 4) to implement the fundamental principles of citizen rights.<sup>30</sup>

The arrangement of the political party's financial disclosure should be an important point that must be implemented and initiated in the future, because the existing rules do not seem to be very closely guarded about the financial transparency of political parties, where there are still dynamics in elections, both in the process of becoming prospective candidates, campaigning in general elections, and in the exercise of voting rights and the counting of the ballot itself.

Regulation of elections of reformation era since 2000 until 2015 based on legislative election, presidential election, and elections there are 14 (fourteen) laws, namely:<sup>31</sup> 1) Law Number 12 of 2004; 2) Law Number 22 of 2004; 3) Law Number 10 year 2006; 4) Law Number 10 year 2008; 5) Law Number 08 year 2012; 6) Law Number 23 year 2004; 7) Law Number 43 year 2004; 8) Law Number 32 year 2004; 9) Law Number 08 year 2005; 10) Law Number 12 year 2008; 11) Law Number 01 year 2015; 12) Law Number 08 year 2015; 13) Law Number 22 year 2007; and 14) Law No. 15 year 2011.

Despite the ever-changing regulation in accordance with existing political and regulatory developments, the regulation of the political party's financial disclosure is always included in the regulation, but in reality the rules of the

party's financial disclosure are ineffective and the culture of corruption remains just happen, this can be seen from the news that aired by mass media.

The idea of making codification of election law is an excellent breakthrough, in order to ensure the sustainability of a fair and fair election (this is the principle of elections: direct, public, free, secret, honest, fair) and making people believe in political parties going forward. Because today the community seems to lose confidence in the political parties. The most obvious and real one is the many successful independent candidates in the election. Still fresh from 2016, the desire of the Governor of Jakarta, Ahok, who wants to run for the governor position again as an independent candidate. People are busy giving his ID card to give support to Ahok, as well as carrying out financial disclosure in raising support on Ahok. Can this be imitated by a political party?

Politics can be interpreted as a means of securing state or government authority legal. Because of the political practices and temperament of recent politicians, people tend to assume that dirty politics makes people feel reluctant to be close to political issues. Some people are reluctant to get close to political issues. Some people even consider political affairs to be taboo. They are allergic to political problems, whereas the daily lives of the people are largely determined by political policy. Wrong policy or political decisions will result in the misery of society, even the whole nation. That is why the link between politics will result in the misery of society, even the whole nation.

That is why the link between politics and ethics becomes very strong. Good politics are ethical politics. A good politician is a moral politician. Normatively, politicians will get support from the people if they are able to bring prosperity to all levels of society; not just for the politician's group or self. Norms like this are commonly known by the public. In practice, something very normative can easily turn into something that goes against the norm itself. It remains to be remembered how the New Order government, the Pancasila Moral Education, which should have made this nation a good moral, has precipitated most of the politician's morale. The moral decline of power holders usually affects the welfare slump.

All forms of money politics must be opposed for several reasons: 1) money politics undermine the joints of this nation's democracy; 2) money politics is a modern slavery; 3) money politics damages the morale of the Indonesian nation; 4) money politics will produce corrupt leaders; and 5) Many politicians are criminals. With the codification design of electoral law, it is hoped that there will be special BAB rules, or extremely special in regulating the issue of the financial transparency of this political party. Therefore in the future, there will be a campaign fund or political fund that is transparent, accountable, and has strict sanctions and binding the parties involved.

## **CONCLUSION**

General election is a means of implementation of the sovereignty of the people held in a direct, general, free, confidential, honest, and fair manner that within the Unitary State of the Republic of Indonesia based on Pancasila and the Constitution of the State of the Republic of Indonesia Year 1945. Both the Presidential and Vice Presidential Election, Legislative Election and Regional Election. The election has many dynamics, including expensive political boat fees, expensive campaign funds for imaging politics, costly consulting and surveys of winning money and money politics. The political disclosure of political parties is crucial in the conduct of elections, in which there is often a result of corruption committed by candidates or candidates in the election exercise used or used in campaigns, up to the election.

Consequently, people no longer believe in political parties, or as Indonesians are no longer sympathetic to political parties, where they choose to abstain and vote for candidates who come from non-political party or independent candidates. The idea of a political party's financial transparency regulation should be carefully examined in the election codification scheme. In the future, there will be a transparent, accountable, and strictly enforceable campaign or political fund campaign that will restore their trust in political parties, and believe that political parties will channel their aspirations in the granting of rights in elections.

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