



PERMANENT MISSION OF THE REPUBLIC OF INDONESIA  
TO THE UNITED NATIONS AND OTHER  
INTERNATIONAL ORGANIZATIONS IN VIENNA

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The Permanent Mission of the Republic of Indonesia to the United Nations and Other International Organizations in Vienna presents its compliments to the of the Conference of the States Parties to the United Nations Convention against Corruption of the United Nations Office on Drugs and Crime and with reference to the latter's note No. CU 2018/78/DTA/CEB/CSS dated 8 March 2018, has the honour to convey the Indonesian Government's information related to experiences and best practices on criminal and civil measures and remedies, as well as best practices in the identification of legal and natural persons involved in the establishment of corporate entities (hereby attached).

The Permanent Mission of the Republic of Indonesia to the United Nations and Other International Organizations in Vienna avails itself of this opportunity to renew to the United Nations Office on Drugs and Crime the assurances of its highest consideration.

Vienna, 8 May 2018



**Secretariat of the Conference of the States Parties  
to the United Nations Convention against Corruption,  
United Nations Office on Drugs and Crime,  
P.O. Box 500, 1400 Vienna, Austria,  
Fax: +43-1 26060 6711,  
E-mail: [uncac.cop@unodc.org](mailto:uncac.cop@unodc.org)  
[jennifer.sarvary-bradford@un.org](mailto:jennifer.sarvary-bradford@un.org)**

## LARGE SCALE CORRUPTION IN INDONESIA

Established in 2003, Corruption Eradication Commission (KPK) continues to fight corruption both in prevention and enforcement in Indonesia. In enforcement measures, the KPK has achieved significant achievements as an anti-graft body. Hundreds of corruption cases have been successfully handled by KPK, including cases involved Indonesian high rank officials. The KPK also has an important role to decrease state loss caused by graft as well as money laundering. KPK is continuing to recover the state assets through asset recovery mechanism.

### A. Corruption Cases involving Vast Quantities of Assets

#### 1. Nazaruddin Case

Final Verdict	<ul style="list-style-type: none"> <li>• 13 years of imprisonment (from 2 different cases)</li> <li>• Fines Rp 1,3 billion (US\$ 100,000) in replacement with 1,5 years of imprisonment</li> <li>• Confiscate his assets related to the crime</li> </ul>
Confiscated Asset	<p>Rp 210.5 billion (210,505,520,000) – US\$ 16.2 million</p> <p>Other assets in the form of shares have not been confiscated yet because they are still in the process of price valuation</p>
Type of cases	Bribery, gratification and money laundering

#### Case Description

Muhammad Nazaruddin was a member of Indonesian House of Representatives for the period of 2009-2014. He was also a former Democratic Party (political party) treasurer. He was charged and sentenced in 2 different corruption cases. The first one was bribery case sentenced with 7 years of imprisonment and the second one was gratification and money laundering case sentenced with 6 years of imprisonment. In total, He has been sentenced for 13 years in prison.

#### Bribery Case

In 2011, the KPK had determined Nazaruddin as a graft suspect related to the development project of SEA-Games athlete village in South Sumatera. He was allegedly receiving bribes from companies he helped to win government projects when he served as a parliament member. He had left Indonesia before being determined as a suspect then moved to several countries, therefore KPK had difficulties to track him down. However, the KPK in cooperation with Interpol, had successfully arrested him on August 8, 2011 in Cartagena, Colombia and brought him back to Indonesia for trial.

In the trial, KPK prosecutor indicted Nazaruddin for accepting Rp 4.6 billion (US\$ 353,8 thousand) in bribes in the form of five checks from Marketing Manager of PT Duta Graha Indah (DGI) Mohammad El Idris. This bribe considered as a fee for assisting PT DGI to win the project auction worth Rp 191 billion (US\$ 14.6 million) held by the Ministry of Youth and Sports. According to the violation of corruption laws, the prosecutor charged Nazaruddin with 7 years of imprisonment and Rp 300 million of fines or additional 6-months in prison.

Further, The Jakarta Corruption Court had sentenced him 4 years and 10 months imprisonment and Rp 200 million of fines or serve additional 4 months in prison. The Judges also ordered to confiscate the assets of Nazaruddin which was also the evidence of the case. Considering the sentence was lower than the charges, KPK decided to file an appeal to Jakarta High Court.

In the first appeal level, The Jakarta High Court had decided the same verdict as the Jakarta Corruption court has stipulated. The KPK then tried to file an appeal to the higher level court, the Supreme Court. On January 22, 2013, The Supreme Court had finally increased Nazaruddin sentence from 4 to 7 years of imprisonment and fines from Rp 200 million to Rp 300 million (or additional 6 months in prison). The Supreme Court Judges also ordered to confiscate all assets of Nazaruddin related to the crime.

### Gratification and Money Laundering Case

While serving the verdict of his bribery case, Nazaruddin was determined again by the KPK as a suspect for another case on February 2012. The KPK announced that Nazaruddin is also involved in the gratification and money laundering case. He was indicted on receiving illegal gratification related to a number of government projects in education and health sector. He was also indicted on money laundering charge by bought a number of shares in many companies with his corruption money. The purchase of shares was made under several companies belonging to Permai Group, Nazaruddin's group of companies. Nazaruddin had also laundered his illegal money in form of assets such as factories, buildings, vehicles, etc.

Moreover, KPK prosecutors charged Nazaruddin, with 7 years of imprisonment for graft and money laundering and Rp 1 billion of fines or extra 1 year in prison. He was also charged to return his assets related to the money laundering case to the state.

In the trial, The Jakarta Corruption Court has sentenced Nazaruddin to 6 years and Rp 1 billion (US\$ 77 thousand) of fines or additional 1 year in prison. The Judges also ordered to confiscate the assets of Nazaruddin which was the evidences of the money laundering case. Regarding this verdict, Nazaruddin has decided to accept the court ruling and not file any appeal to higher court

The KPK has confiscated Nazaruddin's assets worth about Rp 210 billion (16 million US\$) in total. Other assets in the form of shares have not been confiscated yet because they are still in the process of price valuation.

## 2. Fuad Amin Case

Final Verdict	<ul style="list-style-type: none"> <li>• 13 years of imprisonment</li> <li>• Fines Rp 5 billion (US\$ 384,000) or additional 11 months of imprisonment</li> <li>• Revocation of his political right until five years after finishing his prison sentence</li> </ul>
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Confiscated Asset	Rp 352,1 billion (352.191.351.541) – US\$ 27 million
Type of Cases	Bribery and Money Laundering

### Case Description

Fuad Amin was a Legislative Council Speaker for Bangkalan district, Madura, Indonesia. He was also the Bangkalan regent for two terms (2003-2013). KPK determined Fuad Amin as a graft suspect on December 2, 2014, just hours after arresting him red-handed related to a bribery case on project for the channeling of natural gas in Bangkalan. Fuad has also involved in money laundering, in which he saved in several bank accounts, insurance, cars, property, etc. under his family members' name.

In the trial at The Jakarta Corruption Court, KPK prosecutors had indicted Fuad on graft charge for accepting a Rp 18.05 billion (US\$ 1.37 million) in bribes from PT Media Karya Sentosa (MKS) for helping the company sealed consortium and cooperation agreements with PD Sumber Daya. Fuad Amin while serving as Bangkalan Regent allegedly submitted an application to BP Migas for Bangkalan Regency to get gas allocation from the exploration of Kodeco Energy Ltd's 30th Field off the West Madura coast under the control of PT Pertamina Hulu Energi West Madura Offshore. Further, the prosecutors charged Fuad with 15 years of imprisonment for graft and money laundering and Rp 3 billion of fines or additional 11 months in prison.

The Jakarta Corruption Court had sentenced the former Regent of Bangkalan to 8 years of imprisonment and Rp 1 billion of fines or additional 6 months in prison. The Judges also ordered to confiscate Fuad's assets related to the crime. Considering the sentence was lower than the charges, KPK decided to file an appeal to Jakarta High Court.

The Jakarta High Court had increased Fuad's sentence from 8 to 13 years of imprisonment for corruption and money laundering. But the fine was retained. The court also decided an additional sentence to revoke his political right until five years after finishing his prison sentence.

KPK also found out that there was a number of assets of Fuad that were being eliminated from the list of evidence that has to be confiscated. Thus, KPK decided to file an appeal to the Supreme Court, despite the prison sentence had been increased. The Supreme Court finally sentenced Fuad Amin to 13 years imprisonment and increased the fine from Rp 3 billion to Rp 5 billion or additional 11 months in prison, revocation of his political right until five years after finishing his prison sentence and confiscate the assets of Fuad related to the crime. The KPK has confiscated Fuad's assets worth about Rp 352,1 billion (US\$ 27 million) in total.

### 3. Djoko Susilo Case

Final Verdict	<ul style="list-style-type: none"> <li>• 18 years of imprisonment</li> <li>• Fines Rp 1 billion (US\$ 77 million) or additional 1 year in prison</li> <li>• Payment of state loss worth Rp 32 billion (US\$ 2,4 million) with condition if he cannot pay in 1 month after the verdict</li> </ul>
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	<p>date, his asset will be confiscated to cover the state loss or additional 5-year imprisonment if his assets cannot cover the state loss</p> <ul style="list-style-type: none"> <li>• Revocation of his political rights</li> </ul>
Confiscated Asset	Rp 50,3 billion (50,302,000,000) – US\$ 3,8 million
Type of Cases	Graft and money laundering

### Case Description

Insp. Gen. Djoko Susilo was an Indonesia National Police (INP) Traffic Corps Chief for the period of 2010-2012. The KPK had determined Djoko as a corruption suspect on July 2012 related to driving simulator procurement project while he served as the head of the traffic police. Later, the KPK also investigating him for money laundering.

On the first trial, KPK prosecutors indicted Djoko for the misused of his authority as the head of the traffic police by assisting PT Citra Mandiri Metalindo Abadi (CMMA) to win the driving simulator procurement project that caused state loss worth Rp 121 billion (US\$ 9,3 million). Djoko was also indicted for laundering proceed of corruption and conceal it through properties and other assets. Pursuant to the corruption and money laundering laws, the prosecutor charged Djoko with 18 years of imprisonment and Rp 1 billion of fines or additional 1 year in prison. In the indictment, the prosecutors also demanded Djoko to return Rp 32 billion (US\$ 2,4 million) to the state and asked the court to revoke of political rights of Djoko.

Jakarta Corruption Court judges sentenced the three-star Police General to 10 years imprisonment and Rp 500 million (US\$ 38 thousand) of fines or additional 6 months in prison. KPK then decided to file an appeal to Jakarta High Court. The Jakarta High Court decided higher sentence for Djoko from 10 to 18 years imprisonment for corruption and money laundering and higher fines from Rp 500 million to Rp 1 billion or additional 1 year in prison. High Court judges also obliged Djoko to pay Rp 32 billion (US\$ 2,4 million) to pay the state loss and revoked the political rights of Djoko.

However, KPK was not satisfied to the High Court decision because there were numbers of assets of Djoko that were not decided to be confiscated. Thus, KPK decided to file an appeal to the Supreme Court. The Supreme Court decided to amend the list of confiscated assets as mentioned in the indictment and sentenced Djoko Susilo to 18 years imprisonment, payment Rp 1 billion of fines (or extra 1 year imprisonment), payment of state loss Rp 32 billion (US\$ 2,4 million)- with condition if he cannot pay the state loss in 1 month after the final verdict date, his asset will be confiscated to cover the state loss or additional 5-year imprisonment if his assets cannot cover the state loss), revocation of his political right, and confiscating the assets of Djoko related to the crime. The KPK has confiscated Djoko's assets worth about Rp 50,3 billion (US\$3,8 million) in total.

## B. Corruption Cases involving International Cooperation

### 1. Emir Moeis Case

Final Verdict	<ul style="list-style-type: none"><li>• 3 years of imprisonment</li><li>• Fines Rp 150 million (US\$ 11 thousand) or additional 3 months imprisonment</li></ul>
Type of case	Bribery

#### Case Description

Izedrik Emir Moeis was the member of Parliament for the period of 1999-2009. He was also a chairperson of Budget Committee in Parliament, a committee who have authority together with government in determining state budget. Emir was determined as a suspect by the KPK after allegedly received bribe related to the Tarahan Steam-electric power station construction project by Indonesia National Electricity Company (PLN) in Lampung, Indonesia. In 2004, PLN have construction project of the 200 megawatt (MW) Tarahan Steam-electric power station, Indonesia. The power station is owned and operated by the PLN, an Indonesian government-owned corporation which has a monopoly on electricity distribution in Indonesia and generates the majority of the country's electrical power. Emir was asked to assist the Alstom consortium (consist of Alstom Power Inc. from USA and Marubeni Inc. from Japan) to win the bidding process of the project and was promised to received fee for winning the contract.

In the trial, Emir Moeis was indicted receiving bribe from Alstom consortium with amount of US\$ 423,985 from the companies to help them secure a US\$ 118 million joint contract in 2004 to supply and install boilers at a power plant on the island of Sumatra.

Based on the verdict of Jakarta Anti-Corruption Court, Emir Moeis was convicted guilty for receiving bribes worth of US\$ 357,000 from Alstom Power consortium while he served as a parliament member between 1999 and 2004. The judges sentenced him to 3 years of imprisonment and Rp 150 million (US\$ 11 thousand) of fines.

In investigating this case, KPK conducted a paralel investigation with The Federal Bureau of Investigation (FBI).

### 2. Suroso Atmomartoyo

Final Verdict	<ul style="list-style-type: none"><li>• 3 years of imprisonment</li><li>• Fines Rp 150 million (US\$ 11 thousand) or additional 3 months imprisonment</li></ul>
Type of cases	Bribery

Suroso Atmomartoyo was a former Refinery Director of PT Pertamina Tbk Indonesia. In 2004 until 2005, PT Pertamina Tbk Indonesia conducted a procurement of Tetra Ethyl Lead (TEL) for fuel additive from Innospec Inc. (formerly known as Octel Corporation and Associated Octel Company, Ltd.), a chemical company based in USA.

During the procurement process, Suroso agreed to bought TEL from Octel via his agent in Indonesia PT. Sugih Interjaya owned by Willy Sebastian Lim. In order to secure TEL Contract, Willy paid bribe to Suroso in the amount of US\$ 190,000. The bribes were intended to secure, or serve as rewards for having secured contract with the Government of Indonesia for the supply of Innospec products.

In the trial, KPK prosecutors indicted Suroso to 7 years of imprisonment and Rp 250 million of fines. The prosecutors also demanded him to return US\$ 190,000 to the state for bribe he has received.

In the first level court, The Jakarta Corruption Court sentenced Suroso to 5 years of imprisonment and Rp 200 million of fines. KPK then filed an appeal to the Jakarta High Court. The Jakarta High Court Judges sentenced him to 6 years imprisonment and same fine as the previous verdict. However, KPK decided to file an appeal to the highest level court. In the Supreme Court, The Judges gave higher sentence to Suroso from 6 to 7 years of imprisonment and Rp 200 million of fines (or additional 6 months in prison). The Judges also ordered him to return US\$ 190,000 to the state for bribe he had received. The former director of state-owned petroleum refinery Pertamina was convicted guilty of receiving bribes and hospitality benefits while he was on visit to London.

In investigating this case, KPK conducted a paralel investigation with Serious Fraud Office (SFO) of United Kingdom, who assisted KPK throughout the investigation including to assist KPK to interview UK citizen as witness. KPK also held cooperation with Corrupt Practice Investigation Bureau (CPIB) Singapore and also British Virgin Island (BVI) authority to investigate this case.

### **C. Best Practice in the Identification of Legal Person/Natural Person in the Corruption Cases**

In the investigation of several corruption cases, KPK found fact that there is a tendency toward the misuse of legal entity/ legal person to commit/conceal corruption or to disguise/transfer proceed of corruption.

#### **1. Innospec Case / Suroso Case**

During the investigation of Innospec case, KPK found the involvement of foreign legal entities in the bribe scheme to Indonesian official. Willy Sebastian Lim, the owner of PT Sugih Interjaya, was set up a company in British Virgin Island named Octel Global Inc. Then, Willy open a bank account in Singapore and in order to receive fee payment from TEL business. Once Innospec receiving money from Pertamina for selling TEL, Innospec will sent money to PT Sugih Interjaya through the account of Octel Global Inc in Singapore as selling agent fee, then Willy Sebastian Lim sent part of the fee to Suroso Atmomartoyo's account in Singapore.

KPK have closed cooperation with many foreign law enforcement agencies to investigate Innospec Case, including the SFO of United Kingdom and authorities in British Virgin Island (BVI). KPK was following the bribe money and found that the bribe paid through a bank account in Singapore on behalf Octel Global Inc. To prove the involvement of this foreign legal entity and its connection to the perpetrators, KPK sent Mutual Legal Assistance (MLA) to the British Virgin Island (BVI) Authority to obtain Company Registration Document including the Article of association of the company. The information obtained from the BVI assist KPK to identify the owners of the company and its connection to the case.

To continue following the money from Octel Global Inc, KPK sent Mutual Legal Assistance (MLA) Request to Singapore Authority to obtain bank statement of the Octel Global Inc account. In 2014, the request was approved by Singapore Authority to have access to Bank Statement of Willy Sebastian Lim, Octel Global Inc. and Suroso Atmomartoyo.

During the trial, to prove the indictment, KPK's Prosecutors relied on the bank statement of Willy, Octel Global Inc. and Suroso to confirm whether there were numbers of funds transferred from Octel Global Inc. and Willy's account to Suroso's. These bribe payment made due to the position of Suroso as the Director of Refinery who hold responsibility on the TEL Procurement in Pertamina. The prosecutors was also use the document from BVI to confirm involvement of Willy as the owner of Octel Global Inc.

#### **2. Electronic Identity / e-ID Case (Known as e-KTP Case)**

The electronic identity (e-KTP) procurement mega project corruption is considered as one of the biggest graft case in Indonesia. According to the calculation of the Indonesia Finance and Development Supervisory Agency (BPKP), the state loss in this case has reached Rp 2.3



trillion (US\$ 176 million). Until now, the investigation of this case is still ongoing. However, 3 suspects have been convicted in this case after they were found guilty in the court.

Irman, former Director General for population and Civil Registration, and Sugiharto, former Population Administration Information Management Director of Ministry of Home Affairs were received illegal money from this project. Based on the court decision, Irman had received US\$ 500,000 and Sugiharto had received US\$ 50,000 for their role to set up the procurement process in the Home Affairs Ministry and assist Consortium PNRI (consist of Perum PNRI, PT. Len Industri, PT. Quadra Solution, PT. Sucofindo dan PT Sandipala Artha Putra) to win the project. In the appeal level, Jakarta High Court was decided to sentence Irman for 7 years of imprisonment Rp 500 million of fines, and payment of the state loss for US\$ 500,000 and Rp 1 billion. Further, the high court judges was also decided to sentence Sugiharto for 5 years of imprisonment, Rp 400 million of fines, and payment of the state loss for US\$ 450,000 and Rp 460 million.

The Anti-Corruption Court had also convicting Andi Agustinus (known as Andi Narogong). Andi was a businessman, who managed the distribution of project fee, including the bribe payment to the Indonesian Government Officers. In the appeal level, Jakarta High Court was decided to sentence Andi for 11 years of imprisonment, Rp 1 billion of fines, and payment of the state loss for US\$ 2,500,000 and Rp 1,186,000.000.

KPK found a complex scheme for the flow of the money from e-KTP project to several government officials in Indonesia which involving both domestic and foreign legal entities. The case was involving foreign natural persons/ legal persons as intermediaries to pay bribes to the suspects. Several foreign companies are involved as sub-contractors on this project. KPK use access to Corporate Registry System of foreign countries to collect information on the owners and shareholders of the companies involved in the project. KPK was also fostering cooperation and communication with relevant law enforcement authorities to gather the required information.

Currently, the investigation of other suspects are continue to proceed. They are Setya Novanto (former Speakers of the Parliament), Markus Nari (the Parliament member), Anang Sugiana Sudiharjo (Director PT. Quadra Solution), Made Oka (businessman), and Irvanto Hendra Pambudi (Businessman and also Setya Novanto's relative).