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Criminal Liability of Public Officials in Grant Fund Corruption in Indonesia

Abstract

This study aims to analyze the forms of criminal liability of public officials in corruption offenses related to the management and use of grant funds in Indonesia. Grant fund corruption is a common form of abuse of authority within government institutions, both at the central and regional levels, which results in state financial losses and undermines public trust in state officials. This research adopts a normative juridical method with a statutory approach and case study analysis of several Corruption Court decisions. Data were collected through literature review, legal analysis of legislation, and examination of court decision documents. The findings indicate that criminal liability of public officials in grant fund corruption is explicitly regulated under Law No. 31 of 1999 in conjunction with Law No. 20 of 2001 on the Eradication of Corruption Crimes, which stipulates elements of abuse of authority, self-enrichment or enrichment of others, and state loss. Sanctions include imprisonment, fines, and additional penalties such as restitution payments. However, the effectiveness of law enforcement is hindered by weak oversight, difficulties in proving the *mens rea* (criminal intent) element, and political interference. This study recommends strengthening grant fund auditing mechanisms, enhancing the capacity of law enforcement officers, and imposing stricter sanctions to increase deterrence and prevent recurrence of similar offenses.

Keywords: Criminal Liability, Public Officials, Corruption, Grant Funds

A. Introduction

Corruption remains one of the most serious problems in Indonesia, particularly in the management of state finances. A prevalent form of corruption is the misuse of grant funds by public officials. Grants intended to support social, religious, educational, or community empowerment activities are often diverted for personal, group, or vested interests. Such misconduct not only causes state financial losses but also erodes public trust in the integrity and accountability of public administration. Hadi Jaya, R., & Prasetyo, B. (2024).

Law No. 31 of 1999 in conjunction with Law No. 20 of 2001 on the Eradication of Corruption Crimes explicitly prescribes sanctions for public officials who abuse their authority to the detriment of state finances. Criminal liability in this context includes imprisonment, fines, and additional penalties such as asset confiscation or restitution. Dwiantari, R., & Ridwan, R. (2025).

In practice, however, law enforcement in grant fund corruption cases faces persistent challenges, including weak oversight of fund disbursement and use, difficulty in proving *mens rea*, and political interference in judicial processes. Pradana, H. A. (2020).

High-profile cases involving the misuse of regional government grant funds for community organizations, religious institutions, or fictitious activities have highlighted the

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need for stronger monitoring and accountability mechanisms. This research is therefore essential to examine in depth how criminal liability is applied to public officials in grant fund corruption cases, the legal provisions governing such liability, and the barriers to effective enforcement. Indonesia Corruption Watch (ICW). (2024)

B. Theoretical Framework

1. Criminal Liability Theory

Criminal liability refers to the principle in criminal law that determines whether a person may be punished for an act they have committed. According to Moeljatno, criminal liability arises when a person who has committed a criminal act can be blamed based on culpability (*schuld*). The essential elements of criminal liability are: Shabrina, D. (2024)

- a. An act that fulfills the elements of an offense (*actus reus*).
- b. Fault in the form of intent (*dolus*) or negligence (*culpa*).
- c. Absence of exculpatory grounds that eliminate liability.

For public officials, criminal liability is closely related to the principle of *equality before the law*, under which all individuals, including state administrators, are subject to criminal law.

2. Abuse of Authority Theory

Abuse of authority refers to the misuse of power granted by law or office for purposes contrary to the public interest. According to Utrecht, such abuse may constitute an element of corruption when it causes state losses. In grant fund cases, abuse of authority may occur when public officials: Kejaksaan Negeri Tanjungpinang. (2024)

- a. Divert funds for personal or group benefit.
- b. Allocate funds to ineligible recipients.
- c. Submit fictitious accountability reports.

3. Corruption Crime Theory

Articles 2 and 3 of Law No. 31 of 1999 in conjunction with Law No. 20 of 2001 define corruption as acts that unlawfully enrich oneself, others, or a corporation, resulting in state financial or economic losses, including abuse of authority. In relation to grant funds, the main elements to prove are: Komisi Pemberantasan Korupsi (KPK). (2025)

- a. Self-enrichment or enrichment of others.
- b. Abuse of authority.
- c. Resulting state financial loss.

4. Public Officials and Accountability

Under Law No. 30 of 2014 on Government Administration, a public official is any person holding a public office within state institutions, whether at the central or regional level. Public officials are bound by the duty of accountability for all policies, decisions, and actions taken, including grant fund management. Accountability encompasses legal, ethical, and administrative dimensions. ANTARA News. (2024).

5. Criminal Sanctions Theory

Sanctions for corruption crimes, particularly by public officials, are regulated under the Anti-Corruption Law. They include:

- a. Principal penalties: imprisonment and fines.
- b. Additional penalties: restitution, revocation of political rights or public office, and confiscation of assets derived from corruption.

Criminal sanctions serve retributive (punishment), deterrent (prevention), and rehabilitative (behavioral correction) purposes. In grant fund cases, sanctions are expected to provide deterrence while restoring state losses. Hamdan, H. (2024)

C. Methods

1. Type of Research

This study employs a normative juridical method (*normative legal research*), focusing on library-based research by examining legal principles, legal norms, and applicable legislation. In addition, a limited empirical juridical approach is applied to assess the practical implementation of the law through the analysis of grant fund corruption cases adjudicated by the Corruption Court (*Pengadilan Tindak Pidana Korupsi*). Istiqomah, S., Rokhim, A., & Isnaeni, D. (2023).

2. Research Approaches

The research utilizes the following approaches:

- a. Statute Approach – reviewing provisions under Law No. 31 of 1999 in conjunction with Law No. 20 of 2001, Law No. 30 of 2014 on Government Administration, and regulations related to grant fund management.
- b. Case Approach – analyzing Corruption Court decisions involving public officials in grant fund corruption.
- c. Conceptual Approach – examining concepts of criminal liability, abuse of authority, and public official accountability. Setiawan, A., & Yulianingsih, W. (2023).

3. Sources of Legal Materials

The legal materials consist of:

- a. Primary Legal Materials: legislation, Corruption Court decisions, and official legal documents.
- b. Secondary Legal Materials: books, journals, scholarly articles, research reports, and expert legal opinions.
- c. Tertiary Legal Materials: legal dictionaries, legal encyclopedias, and other supporting references. Hasbullah, G. (2023).

4. Data Collection Techniques

- a. Library Research – identifying and reviewing relevant primary, secondary, and tertiary legal materials.
- b. Documentation – collecting copies of Corruption Court decisions and related regulations.

- c. Limited Interviews (if necessary) – with law enforcement officials, academics, or legal practitioners to obtain empirical insights. Serba Bagus, S., & Mubarak, A. W. (2023)

5. Data Analysis Techniques

The data are analyzed qualitatively using:

- a. Descriptive Analysis – to explain existing legal provisions and their application in practice.
- b. Deductive Analysis – drawing conclusions from general legal norms to specific cases.
- c. Legal Interpretation – interpreting relevant statutory provisions in relation to grant fund corruption. Ghozali, E., Harefa, A., & Sinaga, S. B. (2023).

D. Findings

Based on an analysis of statutory regulations, corruption court decisions, and relevant legal literature, the following findings are presented

1. Legal Provisions Governing Criminal Liability

- a. The criminal liability of public officials in grant fund corruption cases is explicitly regulated under Law No. 31 of 1999 in conjunction with Law No. 20 of 2001 on the Eradication of Corruption.
- b. Articles 2 and 3 serve as the main basis for prosecution, with core elements including unlawful acts, self-enrichment or enrichment of others, and causing state financial loss.
- c. Additional criminal sanctions, such as payment of restitution and revocation of the right to hold public office, are often imposed as a form of legal accountability.

2. Patterns of Grant Fund Misuse by Public Officials

Case studies of corruption court decisions reveal common patterns of misuse, including:

- a. Distribution of funds to fictitious recipients or recipients who fail to meet administrative requirements.
- b. Use of funds for purposes outside their allocation, such as personal gain, political campaigns, or irrelevant projects.
- c. Manipulation of accountability reports to conceal misappropriation.

3. Obstacles in Law Enforcement

- a. Weak oversight mechanisms for the distribution and use of grant funds at the local level.
- b. Difficulty in proving mens rea (criminal intent) due to claims of administrative error or negligence.
- c. Political interference affecting investigation and prosecution, especially when offenders hold strategic positions.
- d. Limited resources for law enforcement agencies in conducting investigative audits and tracing fund flows.

4. Effectiveness of Criminal Sanctions

- a. Imprisonment and fines have been applied, but in some cases, sentences are relatively light compared to the magnitude of state losses.
- b. Additional sanctions such as restitution are often ineffective due to asset concealment or transfer by the offenders.
- c. Deterrence remains low, as evidenced by recurring grant fund corruption cases across various regions. Serba Bagus, S., & Mubarak, A. W. (2023).

5. Recommendations Based on Findings

- a. Strengthen technical regulations related to the distribution, monitoring, and accountability of grant funds.
- b. Enhance transparency through public information systems that allow community monitoring of grant recipients and fund usage.
- c. Optimize coordination among law enforcement agencies (KPK, Attorney General's Office, Police, BPK, and Inspectorates) to expedite investigations.
- d. Impose stricter sanctions on public officials, including revocation of political rights and disqualification from holding public office in the future. Salsadila, N., Efridadewi, A., & Widiyani, H. (2023).

E. Discussion

1. Criminal Liability of Public Officials in Grant Fund Corruption

According to the theory of criminal liability, any individual who commits a criminal act and can be held responsible for their actions must be held legally accountable. In the context of public officials, this principle is reinforced by the doctrine of *equality before the law*, which asserts that all citizens, including state administrators, have equal standing before the law. Miru, G. V., Nirahua, S. E. M., & Wadjo, H. Z. (2023).

In cases of grant fund corruption, the criminal liability of public officials is regulated under Articles 2 and 3 of Law No. 31 of 1999 as amended by Law No. 20 of 2001, which stipulate the elements of abuse of authority, unlawful enrichment of oneself or others, and causing losses to the state. These elements are frequently proven in grant fund corruption cases, such as disbursing funds to fictitious recipients, using funds for personal gain, and manipulating accountability reports. Suardiana, I. N., Arjawa, A. A. G. P., & Suandika, I. N. (2023).

2. Abuse of Authority and Public Official Accountability

From the perspective of the abuse of power theory, public officials hold authority inherent to their position to manage grant funds. When such authority is exercised beyond the public interest, it constitutes a legal violation with potential criminal consequences.

The concept of public official accountability requires transparency and responsibility for every action legally, administratively, and ethically. However, in many cases, this accountability is weak due to limited internal and external oversight mechanisms. This condition facilitates the systematic and structured misuse of grant funds. Puluhulawa, M. F., & U. Puluhulawa, M. R. (2023).

3. Obstacles in Law Enforcement and Systemic Weaknesses

The research findings indicate that the obstacles in enforcing the law against grant fund corruption include:

- a. Weak oversight in the disbursement and utilization of funds.
- b. Difficulties in proving *mens rea*, as perpetrators often claim administrative negligence.
- c. Political interference that can influence legal proceedings.

These obstacles align with the *law enforcement* theory, which posits that enforcement is affected by legal substance, institutional structure, and the legal culture of society. In grant fund cases, all three aspects show weaknesses that must be addressed to ensure effective law enforcement. Abidin, M., Nuryanto, A. D., & Abadi, S. (2023).

4. Effectiveness of Criminal Sanctions

The criminal sanctions under the Anti-Corruption Law serve retributive (punishment), deterrent (prevention), and rehabilitative (behavior correction) functions. However, the findings reveal that court sentences are often disproportionate to the magnitude of state losses, thereby weakening deterrence.

Additional penalties, such as the payment of compensation, are also ineffective since perpetrators often have transferred or concealed their assets. This situation demonstrates the need for stronger asset recovery strategies in addition to law enforcement. Anjari, W. (2023).

5. Implications for Preventing Grant Fund Corruption

Linking the research findings with the theory of criminal liability, it becomes evident that strict and consistent law enforcement can enhance deterrence. However, this requires:

- a. Strengthening technical regulations on grant fund disbursement and accountability.
- b. Enhancing coordination among law enforcement agencies (KPK, Prosecutor's Office, Police, BPK, and Inspectorate).
- c. Implementing information technology to transparently monitor the distribution and use of grant funds.

Therefore, eradicating grant fund corruption is not solely a matter of punishing offenders but also of improving the system to prevent future abuses of authority.

F. Conclusion and Suggestion

1. Conclusion

Based on the findings and discussion on the criminal liability of public officials in grant fund corruption, several conclusions can be drawn:

- a. Criminal Liability: Public officials proven to have committed grant fund corruption may be held criminally liable under Articles 2 and 3 of Law No. 31 of 1999 as amended by Law No. 20 of 2001 on the Eradication of Corruption. The most frequently proven elements include abuse of authority, unlawful enrichment, and causing state losses.
- b. Patterns of Misuse: Common schemes include disbursing funds to fictitious recipients, using funds for unauthorized purposes, and manipulating accountability reports.

These patterns reflect weaknesses in oversight systems and public official accountability.

- c. Law Enforcement Obstacles: Key challenges include weak oversight mechanisms, difficulties in proving *mens rea*, political interference, and limited investigative auditing capacity.
- d. Effectiveness of Criminal Sanctions: Criminal sanctions, both principal and additional, have not fully created a deterrent effect due to disproportionate sentencing compared to state losses. Additional penalties, such as compensation payments, are also ineffective due to difficulties in asset tracing.

2. Suggestion

Based on the conclusions regarding the criminal liability of public officials in grant fund corruption, the following recommendations are proposed:

- a. Strengthening Regulations: The government should enhance technical regulations governing the disbursement, use, and accountability of grant funds, including clarifying administrative sanctions for procedural violations that may lead to corruption.
- b. Enhancing Oversight: Implement multi-layered oversight systems through coordination between the Inspectorate, BPK, KPK, and civil society, supported by transparent and publicly accessible information technology.
- c. Improving Law Enforcement Capacity: Strengthen the capabilities of investigators and forensic auditors in tracing fund flows, proving abuse of authority, and conducting asset recovery.
- d. Firm and Consistent Enforcement: Impose maximum penalties on public officials convicted of grant fund corruption, including revoking political rights and prohibiting them from holding public office, to enhance deterrence.
- e. Ethics and Integrity Education: Integrate anti-corruption and ethics training into public officials' competency development programs to instill moral awareness and legal responsibility.

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