

# Corruption scandal creates major crisis for Indonesian president

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Barely a month after his inauguration for a second term, Indonesian President Susilo Bambang Yudhoyono is embroiled in a scandal involving attempts by law enforcement officials, businessmen and political figures to discredit the Corruption Eradication Commission (KPK).

The KPK scandal follows hard on the heels of a controversial government bailout of PT Bank Century (see: “Political fallout grows over Indonesian bank bailout”). The two issues have combined to throw Yudhoyono’s agenda for his second term into disarray. Pointing to rapidly rising tensions, a *Jakarta Globe* editorial on November 19 described the country’s political temperature as “near boiling point”.

Yudhoyono won the 2009 presidential elections on the basis of a pro-market agenda, including a stepped-up campaign against official corruption. The KPK was presented, both at home and internationally, as central to the fight against the corruption and nepotism for which the country was notorious under the military regime of former president Suharto.

Yudhoyono established the KPK early in his first term in office and it was held up as one of his success stories. There were a number of high-profile prosecutions, but statistics cited by Indonesia Corruption Watch (ICW) researcher Luky Djani indicate that those convicted were mainly “rank-and-file bureaucrats, local politicians, low-ranking Ministry of State-Owned Enterprise employees and a token spattering of middle-level businessmen”. Corruption allegations against former ministers of Yudhoyono’s own cabinet were conveniently sidelined, while Suharto, his family and supporters enjoyed de facto legal protection for years.

According to the ICW, by “frying small fish” the government sought to highlight the number of cases to boost its overall anti-corruption credentials. As soon as the KPK turned its sights on the National Police and the Attorney General’s Office (AGO) earlier this year, the police set out to undermine the agency. Taufik Basari, a human rights lawyer, described the ensuing struggle as “a systematic attempt by some groups to destroy the KPK—namely [by] law enforcement officers, business groups and executives”.

The first open move came in May when KPK chairman Antasari Azhar was named as a suspect in the murder of a businessman,

allegedly over a love affair. He was suspended and his four deputies assumed the leadership of the commission. Following his arrest, Antasari testified to police and prosecutors that KPK deputies and other officials had received bribes.

As the scandal began to unfold, the parliament—itself widely reviled for corruption—also moved to rein in the KPK. Proposed changes to its legal framework included ending its right to prosecute suspects and to conduct wiretaps, extending the anti-corruption court from one Jakarta-based unit to one in each of the country’s 33 provinces, and allowing the Supreme Court to appoint judicial panels. All these measures were aimed at restricting the KPK’s powers and, in the case of the provincial units, diluting its effectiveness.

Enabling legislation needed to continue the Anti-Corruption Court, which is vital to the agency’s work, became bogged down. The court had only until December 19 to continue operating, due to a Constitutional Court ruling requiring new legislation beyond that date.

The new law governing the KPK and the court was unanimously passed on September 29, the last day of the parliamentary term. Yudhoyono intervened at the last minute to oppose some of the revisions but saved only the right to prosecute and tap phones. Anti-graft groups and academics slammed the final version, saying it contained a number of loopholes for corruption suspects.

The ICW said the bill failed to give clear authority to the anti-graft court. The establishment of anti-corruption courts at the provincial level meant the KPK would no longer prosecute its cases in one special court in Jakarta, where there has been a 100 percent conviction rate. “We cannot trust any judges in the district courts,” said Agung Andri from the Indonesian Muslim Student Union, one of two student organisations that rallied against the bill outside parliament.

The police stepped up their campaign, launching new cases against the KPK. On October 29 two deputy commissioners, Chandra Hamzah and Bibit Riyanto, were arrested on bribery charges involving businessman Anggoro Widjojo and his company, PT Radiokom Masaro. The two deputies were accused of abuse of power and accepting bribes in exchange for letting

Anggoro flee the country.

When Hamzah and Bibit appeared in court early this month, however, their attorneys played wiretap recordings revealing a plan to frame, and even murder, them. The taped conversations were allegedly between Wisnu Subroto, the AGO's deputy for intelligence, who retired earlier this year, and Anggodo Widjojo, Anggoro's brother. They allegedly talked about testifying in a graft case in a way that would implicate the two KPK deputy chairmen in taking bribes.

It was the second time Wisnu had been implicated in a wiretapped conversation. In the first case, he allegedly promised protection to a businesswoman prosecuted by the KPK last year for bribing a senior AGO prosecutor. Meanwhile, Yudhoyono ordered a separate investigation into another wiretapped telephone conversation between a senior AGO official and unnamed figures who allegedly cited the president's name as supporting ongoing moves against the KPK officials.

The tapes caused a sensation. Two major television stations suspended their regular programming for five hours to beam the content around the country. Under mounting pressure, Yudhoyono on November 5 called for an investigation into the police, the attorney general's office and the courts. He then demanded the resignations of the men named in the recordings, Deputy Attorney General Abdul Hakim Ritonga and Police Commissioner General Susno Duadji.

The move failed to end the political crisis over the affair. A number of parliamentarians came to the defence of Ritonga and Duadji, both of whom defiantly claimed that their resignations were only temporary. Duadji derisively compared the battle between the KPK and the police to an unequal fight between a "gecko" (the KPK) and a "crocodile" (the National Police and AGO).

The case has exposed the fact that despite Yudhoyono's posturing, corruption is still firmly entrenched at the highest levels of the Indonesian state. According to the ICW's Luky Djani, "anti-corruption" itself has become "both a lucrative agenda and fast growing industry". The uncovering of scandals is bound up with political infighting—those people most vigorously pursued were either the weakest link in a corruption network or the government's political rivals.

Over the past month, long-held popular distrust in the police and judiciary gave rise to regular protests involving thousands calling for the immediate release of the KPK officials. A Facebook group supporting the KPK swelled to nearly a million members. More recently, protestors burned photos of Yudhoyono and called for his resignation. Some analysts compared the public outcry to the protests in the late 1990s that eventually forced Suharto to resign.

The deepening crisis has caused alarm in ruling circles. A *Jakarta Post* article on November 14 was headed "Who is the boss

around here, SBY [Yudhoyono] or the mafiosos?" It declared that the legal institutions stood accused of being controlled by mafia-type figures who ran them "like a free market where justice can be bought and sold" by corrupt officers, prosecutors, judges, lawyers and middlemen who are "out to fix prosecutions for money". The *Jakarta Globe* demanded Yudhoyono act to "maintain political stability", declaring; "These are dangerous times. Any wrong move and the political situation could erupt and turn violent."

Yudhoyono finally signalled last week that he wanted the criminal case against the two KPK officials to be resolved out of court, telling a gathering of chief editors on November 22 that the growing crisis was "hurting the country". "An out-of-court settlement is fair, with significant improvements in all law enforcement agencies. I want to end the fighting among [the] three law enforcement institutions, to eradicate corruption together," Yudhoyono said.

However, a legal spokesman for the two KPK deputies responded with a statement declaring that Indonesia was now "in a critical condition and the rule of law is on the brink of collapse ...This is the moment where the country needs to do a total institutional reform of the justice system ...This is a war against the judicial mafia and there is still a long way to go."

Like all corruption scandals, the crisis over the KPK reflects the interests of competing sections of the ruling class. Those pushing for corruption to be reined in regard it as a barrier to foreign investment and the full integration of the Indonesian economy in globalised production processes. But significant sections of business, particularly those that are less competitive, as well as layers of the state bureaucracy and the military, depend heavily on the various forms of economic protection nurtured under the Suharto dictatorship. More than 10 years after Suharto's fall, these networks remain firmly entrenched and continue to provoke widespread popular opposition.



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