

# Eradicate Village Fund Corruption: Efforts to Strengthen Law Enforcement

**Mohamad Farid, Atmari, Misbahul Huda, Dudit Darmawan, Muhammad Zakki**

**Universitas Sunan Giri Surabaya**

Email: [dr.duditdarmawan@gmail.com](mailto:dr.duditdarmawan@gmail.com)

**ABSTRACT** – Abuses of village funds harm state finances, public security, and democratic values. In the management of village funds, there is still a discrepancy between the rules and practices. KPK found problems in the management of village funds that need to be understood because they have the potential to deviate. This study aims to determine law enforcement against perpetrators of misuse of village funds in Sidoarjo Regency. Data were collected through literature research on primary, secondary, and tertiary legal materials. In this study, several modes of corruption in the village were found, such as budget inflation, fictitious project activities, fictitious reports, embezzlement, and budget misuse. To prevent corruption in the village, the effectiveness of law enforcement is needed, supported by three elements of the legal system: legal substance, legal structure, and legal culture.

Keywords: abuses of village funds, law enforcement, corruption offense, state finances, modes of corruption in the village.

## A. INTRODUCTION

Villages have a very important role in development in Indonesia, both in governmental, economic, and social aspects. Villages are legal community units that have boundaries that are authorized to regulate and manage government affairs and the interests of the local community based on community initiatives, original rights, and traditional rights that are recognized and respected in the government system of the Unitary State of the Republic of Indonesia (Article 1, Paragraph 1 of Law No. 6/2014 on Villages). Administratively, villages are under the sub-district and are led by a village head. The village government is part of the government system and has the authority to regulate and manage the interests of its community (Aziz, 2016).

Capacity building and village empowerment are expected to be carried out through the use of village funds. This is an important moment to develop villages and improve the welfare of the community. The ratification of Law No. 6/2014 is

the first step for villages in exercising their authority. The Village Law recognizes and clarifies the role of villages in Indonesia's development. As an indicator, the progress of a country can be reflected in the progress achieved by villages (Fisabililah & Nurrahmawati, 2020). The principle of village autonomy must be based on decentralization and implemented in a broad, real, and responsible manner. The financial management of village funds is a major concern today, as this is a new challenge for the government, especially the Corruption Eradication Commission (KPK), in combating corruption (Kurniawan, 2018).

Village funds are part of the State Budget allocated specifically for villages and disbursed through the district or city budget. These funds will be used to finance village governance, development implementation, community development, and community empowerment. According to the Minister of Home Affairs Regulation (Pemendagri) No. 113/2014, the amount of village funds provided by the government will be transferred to the village revenue budget and used for these purposes. However, in the practice of village financial management, discrepancies between rules and practices are still found. Each village is expected to receive at least IDR 1 billion in Java, while villages outside Java that receive larger balancing fund allocations from the central government will receive even larger allocations. This large source of village funding is a consequence of the enactment of the 2014 Village Law. As the holder of power in village financial management, the village head must be prepared to provide reports and accountability for the use of these funds.

The Corruption Eradication Commission (KPK) has found various issues in the management of village funds that have become a concern for many. These issues need to be well understood, as they have the potential to cause irregularities. The most common forms of corruption in villages include embezzlement, misuse of funds, and abuse of authority. Fund embezzlement often occurs because village officials are tempted by the large amount of money and do not understand the

consequences. Abuse of authority in village financial management, as illustrated in the case above, is a serious problem that impacts the fate and welfare of the local community. In general, abuse in village financial management is a violation of Law No. 31/1999 on the Eradication of Corruption (Law 31/1999), as amended by Law No. 20/2001. The perpetrators of such criminal acts can be subject to criminal sanctions because they harm the welfare of the community and the state or regional finances. These actions can also be categorized as criminal acts of corruption. Therefore, abuse of authority that has the potential to harm state finances must be avoided. One form of misuse of village funds is the discrepancy between the allocation of village funds (ADD) and the cost budget plan (RAB). This occurs when village funds are misused by village officials, who are then suspected of abusing their authority or being involved in criminal acts of corruption in village financial management. A criminal offense is an act prohibited by law and threatened with certain criminal sanctions. However, in reality, there are still village heads involved in corruption cases involving both active and inactive village officials. This shows the importance of stricter law enforcement and the prevention of corruption in the management of village funds.

Corruption in the context of public sector organizations and government institutions is an act of abuse of authority committed by unscrupulous public officials with the aim of obtaining personal gain or benefiting other parties while at the same time harming the state (Hartanti, 2012). This widespread existence of corruption is a form of resistance to the law carried out by some members of the community or certain individuals who use their power or authority for personal gain by harming state finances (Santiago, 2017). This very serious corruption is an obstacle to development in Indonesia. Corruption is considered an extraordinary crime that threatens the goals of the state and requires more serious legal handling. Law enforcement is a system involving members of the government who operate in an organized manner to enforce the laws and legal norms that govern the society in which the law enforcement members are located (Waluyo, 2016).

Especially in the case of the corruption of village funds that occurred, it requires the seriousness of the government to enforce the law against the eradication of corruption so that the perpetrators of corruption do not increase and the state is increasingly harmed. In terms of the enforcement of corruption crimes in the regions, there are two

law enforcers who are more dominant in the implementation of corruption investigations, namely the police and the prosecutor's office, although the command of law enforcement against corruption crimes remains with the Corruption Eradication Commission after the birth of Law Number 30 of 2002 on the Corruption Eradication Commission. The issuance of Law No. 6/2014 on Villages made village funds a very lucrative thing because the value of village funds reached Rp 1 billion. The existence of cases that dragged village officials into the financial management of village funds really needs to be guarded and supervised at all levels. Based on the problems described by the author, the author conducted research with the title: Eradicate Village Fund Corruption: Efforts to Strengthen Law Enforcement.

## B. METHOD

In analyzing this problem, the author adopts a socio-legal approach using empirical research, where field data such as interviews and observations are used as the main source. This empirical research approach aims to understand law as patterned community behavior in social life, where interactions and relationships between community members play an important role. The object of this research is Law Enforcement efforts against Village Fund Corruption. The research location was chosen in the area where the Village Fund Corruption Crime occurred.

The main focus of this research is on the practice of corruption of village funds and the criminal law enforcement process related to the problem. Primary data was obtained through interviews and direct documentation with informants relevant to the research problem. Meanwhile, secondary data was obtained by conducting searches in libraries, study centers, and archive centers and using book sources relevant to the research topic.

Primary legal materials are legal materials based on regulations and provisions related to the problems in this study. This legal material is based on statutory regulations; namely, in this study, the focus of the author is Law Number 20 of 2001 concerning amendments to Law Number 31 of 1999 concerning the eradication of Corruption, the Criminal Procedure Code (KUHAP), Law Number 6 of 2014 concerning villages, and Law Number 30 of 2002 concerning the Corruption Eradication Commission. Secondary legal materials are legal materials taken from literature or the results of the writing of scholars in the form of books that are, of

course, related to the subject matter of the research. Tertiary legal materials are supporting materials derived from primary and secondary data. In this case, it is taken from an encyclopedia of its type, such as the Big Indonesian Dictionary, or from the internet. To get the right and accurate data for this research, the author conducts data collection techniques in various ways that are adjusted to the desired information, including observation, interviews, and documentation.

After the data obtained, both primary and secondary, is analyzed qualitatively, the results of the analysis will be presented descriptively. This description will suggest and describe factors that are closely related to the problems that are the focus of this research. In qualitative analysis, researchers will try to describe and understand the factors that occur at the research location. After the analysis process is complete, the next step is to draw the final conclusion using the deductive method. In the deductive method, researchers will think based on general facts, then generalize and draw conclusions that are specifically related to research problems. Thus, through a deductive approach, researchers can draw conclusions based on the findings that have been analyzed qualitatively.

### C. RESULTS AND DISCUSSION

The Village Fund, regulated by Law No. 6/2014 on Villages, is one of the most important sources of finance for villages. Village Funds are funds derived from the State Budget allocated to villages and transferred through the regency or city regional budget. The funds are used to finance government administration, development implementation, community financing, and community empowerment.

To improve the effectiveness and efficiency of the use of Village Funds, the government has established special regulations that are derivatives of Law No. 6/2014 on Villages. The regulation is Government Regulation of the Republic of Indonesia Number 8 of 2016 concerning the Second Amendment to Government Regulation Number 60 of 2014 concerning Village Funds sourced from the State Budget. This regulation aims to increase the effectiveness and efficiency of the use of the Village Fund by improving the distribution mechanism. Although the distribution of Village Funds must be accelerated, accountability aspects must still be considered.

Good management of the Village Fund is expected to improve the welfare of the community. The welfare that is achieved will make the

country strong and able to compete with other countries. Welfare is a condition in which the needs of life are met with increasingly better quality. Welfare is the main value that every human being strives to realize. The Village Fund is one of the important factors in realizing this welfare. However, the level of corruption crimes, especially corruption of village funds, often increases in some village areas. This is due to the lack of supervision carried out at the village level, which allows corruption crimes to occur related to the management of the Village Fund. It is important to improve oversight and corruption prevention measures at the village level to protect the Village Fund and ensure it is used for the benefit of the community in a fair and sustainable manner.

Corruption of the Village Fund in Indonesia is categorized as a criminal act, and the regulations governing the prohibition of such acts are regulated in Law Number 20 of 2001 on the amendment of Law Number 31 of 1999 concerning Corruption eradication, and the criminal penalties are contained in Article 3. Corruption has reduced public trust in the government, especially in villages, so that the goal of village independence launched by the government is not achieved. Village funds are given to village governments so that villages can make targeted rural planning (Widiyani et al., 2021). Law enforcement is an inseparable part of legal development, while legal development itself is an integral component of national development. Law enforcement aims to realize a sense of justice in society. Without law enforcement, a country will be chaotic, which can lead to destruction. Thus, the law is so important to be enforced for anyone, especially by law enforcement officials themselves, such as the police, prosecutors' courts, correctional institutions, and other state institutions. One of the laws that must be enforced is the issue of corruption, especially corruption of village funds.

In an effort to prevent corruption, institutions have conducted various socialization and education programs to shape anti-corruption behavior. Some examples of programs are honest canteens, which provide anti-corruption education from an early age, and other programs that aim to educate the public about the dangers and negative impacts of corruption. Anti-corruption character building should indeed start at an early age, as it can form awareness and strong integrity values within each individual. It is important for all of us to build the perception that corruption is a despicable and disgraceful act. By forming such awareness, it is expected

that people will be more careful in dealing with situations that are prone to corruption and more committed to rejecting and fighting corruption in its various forms.

Regarding the prosecution of corruption crimes, the institution authorized to carry out this prosecution is the Public Prosecutor. This prosecution is carried out with the following mechanisms: Case files resulting from investigations by Corruption Eradication Commission (KPK) investigators, then the prosecution is carried out by the Public Prosecutor assigned to the KPK. Case files resulting from investigations by Police investigators and Prosecutor's Office investigators, then the prosecution is still carried out by the Public Prosecutor at the Prosecutor's Office.

Thus, outside of investigations carried out by the KPK, prosecution of corruption crimes is carried out by Public Prosecutors from the Public Prosecutor's Office. However, if the investigation is carried out by the KPK, the prosecution will be carried out by the Public Prosecutor working at the KPK. This confirms that the independence and autonomy of law enforcement agencies such as the KPK are important to ensure fair and effective law enforcement in corruption cases.

Law enforcement has a meaning: how the law must be implemented, so that in law enforcement the elements of legal certainty, expediency, and justice must be considered. In general, law enforcement is carried out in two ways: preventive and repressive. Preventive law enforcement prevents crimes or offenses by removing opportunity factors. Repressive law enforcement is taking action against a crime or offense that is a disturbance to security and public order. The action in question is an action taken by officers if they find a criminal offense that is a disturbance to security and public order as regulated in the Criminal Procedure Code (KUHAP). There are three institutions authorized to investigate corruption crimes, namely the police, the prosecutor's office, and the KPK. In the event that the investigation is carried out by police investigators, the procedure for handling the case is the same as the procedure for handling criminal offenses in general, namely, the investigation results file is submitted to the Public Prosecutor at the Prosecutor's Office in accordance with the jurisdiction. In the event that the investigation of a corruption case is carried out by a prosecutor's office investigator, the case file resulting from the investigation will be

forwarded to the Public Prosecutor at the Prosecutor's Office for further submission to the Corruption Court.

The obstacles to the law enforcement process to achieve the objectives of the law itself are both the State Attorney's Office and the Police in handling cases of corruption of village funds, namely the suspect escapes and the convict does not have the assets to pay compensation for state financial losses. The 1999 National Corruption Eradication Strategy explains that the factors that cause fraud, including greed, opportunities, needs, and exposures, are closely related to humans committing collusion and corruption. Corruption is a form of misuse of government roles and resources for personal gain. From this theory, corruption as a deviation can be constructed as: (1) the act of deviating from the rules or norms; (2) the act of misappropriation of the position given; and (3) the acceptance of benefits, advantages, or excess things from unauthorized sources as a consequence of the actions taken.

This is due to the fact that almost all village government affairs rest with the village head, who has the highest position in the village organization sector, where all decisions, planning, and implementation of development are monopolized by the village without providing sufficient space for citizen participation and completely ignoring public accountability. Whereas the village community has the right to request and obtain information from the village government as well as supervise the activities of village governance, implementation of village development, village community development, and village community empowerment as stipulated in Article 68 paragraph (1) letter (a) of Law Number 6 of 2014 concerning Villages. In carrying out the duties of the Village Head, the Village Head is obliged to implement the principles of Village governance that are accountable, transparent, professional, effective and efficient, clean, and free from collusion, corruption, and nepotism, and to provide information to the village community as stipulated in Article 26 paragraph (4) letters (f) and (p).

## D. CONCLUSION

Based on the results of the research and discussion in this paper, the following conclusions are drawn: The modes of corruption in the village include budget inflation, fictitious project activities, fictitious reports, embezzlement, and budget misuse. To prevent the mode of corruption in the

village, the effectiveness of law enforcement is supported by three elements of the legal system: legal substance, legal structure, and legal culture. There are institutions authorized to handle corruption crimes, starting from the investigation, prosecution, and trial stages, such as the police, prosecutors, and the Corruption Eradication Commission. An external factor that supports corruption in the village is the community's permissive attitude towards corrupt behavior. Many cases of corruption of village funds are committed by the Village Head, who has great authority over processing village funds. The Village Head has dominance in decision-making planning, and implementation of development, so citizen participation is ignored and public accountability is neglected. The implementation of law enforcement is generally carried out in two ways, namely preventive and repressive. Law Number 20 of 2001 concerning the eradication of corruption regulates law enforcement actions such as investigation, investigation, and prosecution. Although there are laws that regulate the enforcement of corruption, the implementation of the enforcement of Village Fund Corruption has not achieved maximum results. Prevention and law enforcement efforts need to be continuously improved to ensure effectiveness in eradicating corruption, especially at the village level.

In an effort to combat corruption in the village government, the Ministry of Finance needs to be consistent in strengthening the mechanism for disbursing village funds and stopping the distribution of village funds if there is misappropriation. Sanctions should also be imposed on government officials at the district/city and provincial levels who are involved in the misuse of village funds. It is important for village communities to jointly oversee the use of village funds and report any corrupt behavior that occurs. Corruption perpetrators need to be given harsher penalties because corruption is an extraordinary crime classified as a crime against humanity. Extraordinary measures are needed to create a deterrent effect and prevent acts of corruption by others. This is in line with the United Nations Convention Against Corruption (UNCAC) which has been ratified by Indonesia through Law No.7 of 2006 on the Ratification of the United Nations Convention Against Corruption.

Local governments need to play an active role in improving the mindset of the community, especially village officials, regarding the importance of complying with the law and not using village funds for personal interests that harm state finances. The implementation of

village financial management and village development must pay attention to applicable regulations, as stipulated in Law No. 20/2001 on Corruption Eradication. Intensive coordination and cooperation between the District Attorney's Office and the local police are needed to improve supervision and law enforcement related to corruption of village funds. Both institutions must maximize preventive efforts in law enforcement, such as counseling and socialization of rules related to the prohibition of corruption of village funds to all areas at the sub-district to district level. This aims to increase understanding of corruption and strengthen human resources, especially village apparatus, in preventing corruption.

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