EXAMINING CHALLENGES OF THE PROSECUTORS ERadicating corruption within capital expenditures in Indonesia’s local government

aHaryono Pasang Kamase, bIrwan Taufiq Ritonga, cRusdi Akbar, dSuyanto

ABSTRACT

Objectives: This study explores corruption in the capital expenditure of local governments and prosecutor officials’ failure to combat it. This is associated with the rampant corruption in the procurement (called capital expenditure) of local governments in Indonesia, with a corruption risk of 79%. This prevalent corruption aligns with the escalating complex challenges faced by the prosecutors in its endeavors to unveil and address it.

Method: This study scrutinizes archival data and field data used an instrumental case study strategy within the framework of Actor Network Theory (ANT). We get field data through in-depth interviews involving 56 key informants in Yogyakarta’s City and Regencies—specifically, Sleman Regency, Bantul Regency, and Yogyakarta City.

Results: The findings of this investigation underscore the formidable challenges encountered by prosecutors in addressing corruption within the realm of capital expenditure in local government. First, the deficient financial acuity of prosecutors obstructs the exhaustive gathering of information pertaining to corrupt practices in capital expenditure, consequently complicating their ability to combat corruption effectively. Second, these officials grapple with interventions that further complicate their efforts to tackle corruption, as a result exacerbating the intricacies of the task they are currently facing.

Conclusions: This research contributes originally to develop an analysis to decipher the local prosecutor officials fail in combating local corruption effectively, in which useful enhance anti-corruption strategies related to execution of local capital expenditures. The study also provides an insight to improve the understanding of local and national policymakers dealing with the corruption eradication ineffectively in capital expenditures.

Keywords: ANT, capital expenditure, corruption, local government, prosecutor.

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EXAMINING CHALLENGES OF THE PROSECUTORS ERADICATING CORRUPTION WITHIN CAPITAL EXPENDITURES IN INDONESIA’S LOCAL GOVERNMENT

RESUMO

Objetivos: Este estudo explora a corrupção nas despesas de capital dos governos locais e o fracasso dos promotores públicos em combatê-la. Isso está associado à corrupção desenfreada nas aquisições (chamadas de despesas de capital) dos governos locais na Indonésia, com um risco de corrupção de 79%. Essa corrupção predominantemente se alinha com os desafios cada vez mais complexos enfrentados pelos promotores em seus esforços para revelá-la e combatê-la.

Método: Este estudo examina dados de arquivo e dados de campo usando uma estratégia de estudo de caso instrumental dentro da estrutura da Teoria Ator-Rede (ANT). Obtivemos dados de campo por meio de entrevistas aprofundadas envolvendo 56 informantes-chave na cidade e nas regiões de Yogyakarta - especificamente, na regência de Sleman, na regência de Bantul e na cidade de Yogyakarta.

Resultados: Os resultados dessa investigação ressaltam os enormes desafios enfrentados pelos promotores no combate à corrupção no âmbito das despesas de capital no governo local. Em primeiro lugar, a acuidade financeira deficiente dos promotores obstrui a coleta exaustiva de informações relativas a práticas corruptas em gastos de capital, complicando, consequentemente, sua capacidade de combater a corrupção de forma eficaz. Em segundo lugar, esses funcionários enfrentam intervenções que complicam ainda mais seus esforços para combater a corrupção, exacerbando, assim, as complexidades da tarefa que estão enfrentando atualmente.

Conclusões: Esta pesquisa contribuiu originalmente para desenvolver uma análise para decifrar o fracasso dos funcionários do Ministério Público local no combate eficaz à corrupção local, o que é útil para aprimorar as estratégias anticorrupção relacionadas à execução das despesas de capital locais. O estudo também fornece uma visão para melhorar a compreensão dos formuladores de políticas locais e nacionais que lidam com a erradicação da corrupção de forma ineficaz nas despesas de capital.

Palavras-chave: ANT, despesas de capital, corrupção, governo local, procurador.

EXAMEN DE LOS RETOS DE LOS FISCALES PARA ERRADICAR LA CORRUPCIÓN EN LOS GASTOS DE CAPITAL DE LA ADMINISTRACIÓN LOCAL DE INDONESIA

RESUMEN

Objetivos: Este estudio explora la corrupción en los gastos de capital de los gobiernos locales y la incapacidad de los funcionarios de la fiscalía para combatirla. Esto se asocia con la corrupción rampante en la contratación pública (denominada gasto de capital) de los gobiernos locales en Indonesia, con un riesgo de corrupción del 79%. Esta corrupción prevelante se alinea con los complejos retos crecientes a los que se enfrentan los fiscales en su empeño por desvelarla y atajarla.

Método: Este estudio examina datos de archivo y datos de campo utilizando una estrategia instrumental de estudio de casos en el marco de la Teoría de las Redes de Actores (ANT).
Obtenemos los datos de campo a través de entrevistas en profundidad en las que participan 56 informantes clave de la ciudad y las regencias de Yogyakarta, concretamente, la regencia de Sleman, la regencia de Bantul y la ciudad de Yogyakarta.

**Resultados:** Los hallazgos de esta investigación subrayan los formidables desafíos que enfrentan los fiscales al abordar la corrupción en el ámbito de los gastos de capital en el gobierno local. En primer lugar, la deficiente agudeza financiera de los fiscales obstaculiza la recopilación exhaustiva de información relativa a las prácticas corruptas en los gastos de capital, lo que complica su capacidad para combatir eficazmente la corrupción. En segundo lugar, estos funcionarios se enfrentan a intervenciones que complican aún más sus esfuerzos por atajar la corrupción, lo que agrava la complejidad de la tarea a la que se enfrentan.

**Conclusiones:** Esta investigación contribuye originalmente a desarrollar un análisis para descifrar las fallas de los funcionarios de la fiscalía local en el combate efectivo a la corrupción local, en el cual resulta útil mejorar las estrategias anticorrupción relacionadas con la ejecución de gastos de capital local. El estudio también proporciona una visión para mejorar la comprensión de los responsables políticos locales y nacionales que se ocupan de la erradicación de la corrupción de manera ineficaz en los gastos de capital.

**Palabras clave:** ANT, gastos de capital, corrupción, gobierno local, fiscal.

**1 INTRODUCTION**

Indonesia two decades ago carried out great reform to strengthen the role of state institutions in combating corruption. In the concerted effort to combat corruption, the institution of attorney overseeing prosecutors, fortified by the legislative revisions embodied in Law No. 16/2004 (Republik Indonesia, 2004), is unequivocally recognized as a pivotal institution. Regrettably, corruption continues to prevail within local government entities, constituting a 77% risk of corruption of local government budgets. This encompasses instances of impropriety in the procurement of capital expenditures, which accounts for 76% of the corruption risk (Corruption Eradication Commission of Indonesia [Komisi Pemberantasan Korupsi (KPK)], 2023). It is commonly found in daily media. For example, the Governor of South Sulawesi Province was caught red-handed by the KPK for corruption related to local government capital expenditure (Kompas.com, 2021). Previously, 41 of the 45 council members in Malang City, East Java Province and 51 total council members of the Jambi Provincial were suspected of accepting bribes related to the local budget (BBC.com, 2018). However, the role of the institution is not visible in the eradication of corruption on local governments (Tomsa, 2015).

Contradiction of expectations and facts from efforts to enhance Indonesia's handling of corruption has attracted the interest of scholars (Tomsa, 2015; Nugroho, 2013; Quah, 2015; Quah, 2019). Tomsa (2015) identifies prosecution of corruption cases in local area terribly political about strategies weakening local political rivals. Then,
Nugroho (2013) shows the importance of coordination between law enforcers in the regions in handling corruption. Quah (2015 & 2019) convey comprehensive needed of political will and capacity to minimize corruption in the institution of law enforcement. Thus, Labolo (2017) reveals that in curative action, there is no effective way to control corruption loopholes within the local government, except by providing strict sanctions, both administratively and legally for companies-entrepreneurs, government officials, and people who commit fraud in using local government budget (Anggaran Pendapatan dan Belanja Daerah [APBD]), procurement of goods and services, business licensing and election services. So that, this study complements prior researches that have not studied in depth local prosecutor fails control corruption in executing capital expenditures by local governments.

This study concentrates on capital expenditures due to the root of corruption case, about 85% corruption cases come from procurement of the expenditure (Labolo, 2017). Then, most of big corruption cases engaged in the abuse and the misusing of capital expenditures in which take part in involving grand corruption, legislative corruption, and bureaucratic corruption (Jain, 2001). KPK (2023) discerned that the paramount risk of corruption within the budget during the 2022 period was reposed in capital expenditure, with 867 instances of bribery and 274 instances involving the procurement of goods/services or capital expenditure. This underscores the imperative urgency in addressing corruption within the realm of capital expenditure (KPK, 2023). Therefore, exploring deviant happens in capital expenditures enable to improve insight of corruption more in depth.

Applying an instrumental case study, the study carried out uses archival data and field data from in-depth interviews to 56 key informants comprise: five state prosecutor officials, five internal auditors, one politician, one political party official and 36 executives of the local government (two top managers, 12 middle managers, and 22 subordinates). The employment of case studies is consistent with the findings of Roman et al. (2023) corruption study. They discovered that using actual cases is more efficacious in investigating corruption within budget absorption, as opposed to relying on subjective perceptions. Unit of analysis is in the middle-size area of Indonesia’s local government, namely Bantul Regency, Sleman Regency, and Yogyakarta City. They are enabling us to compare other local government in Indonesia about what they experience to corruption.
cases in capital expenditure and how the state prosecutor officials fail fight corruption in the local government.

The findings based on actor network theory approach (Callon, 1984; 1986) conveys two essential challenges to prosecutors for controlling corruption in the executing capital expenditure of the local governments. First, the perpetrators of corruption have more sophisticated strategies to veil their illicit activities by complex networks so that the prosecutors hard find their actions. The perpetrators, especially bureaucrats, offer direction for other actors to cover up their prohibited behaviors through financial administration neatly by “following the rule” of capital expenditure when they execute the budget. Bureaucratic actors, such as local government officials, who regulate and direct other parties are known as Commitment Makers (Pejabat Pembuat Komitmen [PPKom]). They are referred to as mandatory passage points by Callon (1984) in the ANT framework. Second, the prosecutors face some pressures in carrying out their work. However, prosecutors who did direct investigation of corruption in the local government are subordinate staff (lower-level officials) who encounter many interventions in carrying out their work, such as especial orders from their superiors. This corresponds with the conclusions drawn by Suwito et al. (2023) regarding the moral dimensions inherent in law enforcement, encompassing prosecutors, which include inconsistent application of the law, corruption within the ranks of law enforcement personnel, enforcement practices contravening legal statutes, and the selective application of legal measures. As a result, prosecutors’ performance is not solely contingent upon professional discernment, but is also subject to various external factors that may impede the eradication of corruption.

Contribution of this study is offering early efforts to improve insight for better understood, how state prosecutor officials have failed handling corruption in the executing capital expenditures of local government. This study highlights great reform to the state prosecutor officials need re-rationalize their role and good governance in dealing with corruption in the local government. In addition, this study shows the importance of comprehensive handling of corruption, namely political elites, government officials, and external supervisor, especially the state prosecutors officials, to get out of the corrupt way of life that is still prevalent.
2 LITERATURE REVIEW

2.1 CAPITAL EXPENDITURE IN CORRUPTION CONTEXT

Capital expenditures base on Minister of Home Affairs Regulation No. 13/2006 are expenses allocated to purchase tangible assets or expenses allocated to the procurement or construction of tangible fixed assets that have a useful value of over twelve months. These assets are used in government activities to provide services and facilities to public, include land, equipment and machinery, buildings and constructions, roads, irrigation and networks, and other fixed assets. This is more commonly known as infrastructure spending or physical spending, which is closely related to public services. Therefore, corruption in capital expenditure, as defined by Banfield (1975), Quah (1982), and Klitgaard (1988), involves government officials betraying the trust placed in them by using capital expenditure budgets for personal enrichment, regardless of legal consequences.

The effectiveness of infrastructure spending in conditions of high corruption has become a topic of interest for post-reform scholars (e.g., Kenny, 2006; Olken, 2007; 2009; Olken & Pande, 2012). In the post-reform era, information disclosure and freedom of expression are the driving forces for researchers to enter these sensitive topics. In addition, Indonesia is still one of the most corrupt countries in the world, which is ranked 102 out of 180 countries (Transparency International [TI], 2020).

Prior studies have identified modes of corruption in infrastructure spending that hamper its goals (Kenny, 2006; Olken, 2007; Shleifer & Vishny, 1993). Shleifer & Vishny (1993) convey that the actors shift social spending from education and health spending to infrastructure and defense spending, which provides opportunities for private gain corruptly through secrecy due to relatively hard to assess and far away from public to watch. Olken (2009) and Olken & Pande (2012) reveal that the perpetrators of corruption are more sophisticated than public surveillance that might monitor them so that the perpetrators of corruption can identify "the safe sections"—and commit corruption in those areas. As Kenny (2006) argues that corruption involving infrastructure spending is more complex and not the same as other daily corruption that is easy to measure. In this condition, Svensson (1993) states the variety effects of the corruption depict an outcome that reflects the legal, economic, cultural, and political conditions of a country, that relevant to Indonesia where the research carried out.
2.2 THE STATE ATTORNEY IN POST-REFORM IN CORRUPTION CONTEXT

Following the reform era, prosecutors have been placed in a central position, with a strategic role in handling corruption. Prosecutors have several formal roles in combating corruption based on Law No. 16/2004, particularly Article 30 paragraph (1), which stipulates that Prosecutors are tasked with the authority to prosecute and investigate criminal acts, including acts of corruption. The investigation involves a sequence of investigative actions performed by investigators to gather evidence and uncover the criminal acts and suspects involved. Meanwhile, prosecution refers to the actions of public prosecutors to bring criminal cases before the competent district courts as prescribed by law, with a request for examination and adjudication by the judges during trial proceedings. These powers endow prosecutors with significant authority to address corruption. This aspect has garnered the attention of researchers to examine the implications of the prosecutorial reform.

Recently, several scholars have studied law enforcement officials' efforts in combating post-reform corruption in Indonesia, e.g., Tomsa (2015), Nugroho (2013), Quah, 2019, Isra et al. (2017), Muttalib (2017), and Sundari & Retnowati (2021). The researchers are still pessimistic about the results of the reforms carried out to eradicate corruption. Nugroho (2013) found that eradicating corruption is difficult without synergy between law enforcers, namely the KPK, the Prosecutor's Office, and the Police. So that, it is still hard to expect the corruption eradication by the Polices and the Prosecutor's Officers because the estuaries of corruption are still in these two institutions (Nugroho, 2013). Meanwhile, a big hope on the KPK is to be a trigger for other agencies to eradicate corruption has not implemented it through supervision and coordination (Nugroho, 2013), and the KPK have priorities to handle corruption, especially for grand corruption and happen in central government (Tomsa, 2013). In addition, Isra & Tegnan (2017) shows that there are still obstacles to justice in efforts to fighting corruption. This is usually done with the support of wealthy individuals, such as persons of government and law enforcement officials, lawyers, and lawmakers.

Prior literature identifies some essential challenges of prosecutors faced in combating corruption. Komariah (2006) reveals overlapping legal factors. For example, the prosecutor's office and the police both have the authority to investigate corruption cases. Quah (2019) founds internal factors as an inadequate police budget, police salaries were still low, positions were got through bribes not because of merit, and police officers...
who were detected in corruption were not punished. As a result, the police do not work in a professional legal culture (Muttalib, 2017). This can be seen in performing arbitrary and random corruption prosecutions at the local level (Tomsa, 2015).

Attempts to reveal the challenges faced by law enforcement involved the state prosecutors in dealing with corruption crimes have been done, but there is still the lack of studies that have explored how the state attorney officials perform as well as how its illegal activities are hidden. Thus, this study seeks to uncover the obstacles faced by the state attorney officials in the regency/city to uncover corrupt activities. The focus of this study is on local government capital expenditures that are carried out on the principle of agency relations and identified related to corrupt activities. The actors involved in corrupt behavior when they execute capital expenditures are relevant to be traced using actor network theory (Callon, 1984; 1986; Pianezzi & Grossi, 2020).

2.3 AN ACTOR-NETWORK THEORY ON CORRUPTION PERSPECTIVE

One of the commonly used frameworks in the analysis of public sector corruption is an actor-network of corruption. ANT can be described as a methodological tool based on a particular worldview that aims to trace the practices through which society congregates, through which society is constantly reconfigured (Johannesson & Baeronholdt, 2020). Configuration is done through translation, which means displacement, shift, discovery, mediation, creation of links that did not exist before (Latour, 1999). This makes it possible to trace the corrupt practices of public officials that arise from the opacity between carrying out their obligations for the public interest or the interests of themselves and their cronies (Latour, 2005).

Callon (1984) identified and explained that there are four elements in translation that allow overlapping each other, namely problematisation, interessement, enrolment, and mobilisation. Carroll (2012) explains these elements: mobilization as the determination of the identity and interests of other actors that are in line with their own interests, which must go through an obligatory passage point. Next, the interessement stage is to convince other actors to agree and accept the definition of the major actor. Meanwhile, in the enrolment stage, an actor accepts the interests determined by the key actors and seeks to achieve them through actor alliances that are aligned with the actor-network. Finally, the mobilization stage, where the major actor is ensured to represent the interests of other actors. Here, the possibility of treason occurs, i.e., situations where
actors do not comply with the agreements arising from the enrolment of their representatives (Callon, 1986).

Local officials who have monopoly authority over local bureaucracies and the interest to maintain their positions have the potential to become problematic according to Callon's concept (Callon, 1984). Problematisation forms the dependence of one actor on another actor allowing procedural stagnation in government administration. The execution of the capital expenditure budgets by opportunistic officials who monopolize administrative procedures is a great opportunity for corruption (Lambsdorff et al., 2005).

Corruption in capital expenditures will bring together parties who have the same interest, as an interessement stage (Callon, 1984). The search through functional mobilization of relationships and alliances is carried out to realize corrupt plans, as an enrollment stage (Pianezzi & Grossi, 2020). The role of actors here depends on their authority and power, usually seen from the position and resources they control. Finally, translation composes the determination and distribution of roles and the description of the scenario (Callon, 1984). This helps to trace hidden corruption through the translation of transferring administrative records and activity reports containing the involvement of actors. Pianezzi & Grossi (2020) through the implementation of the ANT describe corruption as a translational process that allows us to identify several factors of corruption (human and non-human) and the mechanisms that lead to the creation of corruption networks.

3 METHOD AND DATA ANALYSIS

The study uses an instrumental case study strategy to collect and to analyze data, as Yin (2009) and Hennink et al. (2011) suggested. Besides archival data, collecting field data was carried out in the medium-size of local government related to corruption cases, namely Sleman Regency, Bantul Regency, and Yogyakarta City, where they can be compared to other Indonesia's local government. Moreover, we adopted three procedures in the data collection processes as recommended by Pianezzi & Grossi (2020). First, a contextual analysis was done to understand the macro context of corruption and local financial management in Indonesia. Second, we focused on the nature and events related to corruption that occurred in capital expenditures by examining and analyzing the report of the Supreme Audit Agency (Badan Pemeriksa Keuangan [BPK]) in the D.I. Yogyakarta region. This approach involved the use of text analysis, as suggested by
Finally, the collection of all publicly available data to develop a comprehensive understanding roles of the state prosecutors in uncovering corruption that involves the misuse and manipulation of capital expenditures.

Analysis is carried out rest on three data sources. First, prioritizing regulatory and policy documents to analyze forms of violations that are categorized as corruption. Second, we use the BPK Audit Report (Laporan Hasil Pemeriksaan [LHP]) document to identify corruption in capital expenditures. Finally, an in-depth interview did to find out how the network functions, model it, and perform a detailed reconstruction of how the case unfolded. About 56 key informants elected based on their engagement in executing capital expenditures and handling corruption cases in the research context (see Table 1), including: five prosecutors, five internal auditors, one political party official, one member of local parliament, 36 executives of local government (including two top managers, 12 middle managers, and 22 subordinates), and eight business partners. Interviews were doing February to April in 2021, lasted from 40 minutes to 90 minutes. Interviewees’ real names do not show in this article to protect their identity.

<table>
<thead>
<tr>
<th>Tabel 1. Key information regarding interviewees</th>
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<tbody>
<tr>
<td><strong>Position</strong></td>
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<tr>
<td></td>
</tr>
<tr>
<td>Executive of Local Government:</td>
</tr>
<tr>
<td>Subordinate</td>
</tr>
<tr>
<td>Middle manager</td>
</tr>
<tr>
<td>Top manager</td>
</tr>
<tr>
<td>Others:</td>
</tr>
<tr>
<td>Internal auditor</td>
</tr>
<tr>
<td>Business partner</td>
</tr>
<tr>
<td>Political party official</td>
</tr>
<tr>
<td>Members of local parliament</td>
</tr>
<tr>
<td>Prosecutors of district attorney’s office</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
</tbody>
</table>

Source: data processed by authors (2021) from filed data.

Informants were meticulously chosen based on their pivotal roles within the nexus of capital expenditure and corruption for this study. Table 1 delineates the selected participants engaged in this research. Noteworthy among them are representatives from local government entities who wield authority over capital expenditure under the Minister of Home Affairs regulation No. 13/2013. These include: (1) Holders of Local Financial Management Power, commonly referred to as top managers or regents at the district level and mayors at the city level. They possess overarching authority for local financial
management; (2) Budget Users, denoted as department heads, occupying middle managerial positions and endowed with the authority to take advantage of budgetary allocations to execute essential tasks and functions of the local government department unit (Satuan Kerja Perangkat Daerah [SKPD]) under their purview; (3) Technical Implementation Officer for Activities (Pejabat Pelaksana Tugas dan Kegiatan [PPTK]), a designated official within the SKPD responsible for executing one or several activities within a program in alignment with the supervisory role above. This position is commonly held by the PPKom in the procurement of goods and services, thus making the PPKom to the informant in this specific role. The PPKom, has outlined in Presidential Decree No. 16/2018, is endowed with key duties and authorities, such as determining the implementation plan for the procurement of goods/services, encompassing technical specifications, owner estimated prices (Harga Penentuan Sendiri [HPS]), and contract plans. Furthermore, external entities, such as Business Partners, play a vital role as collaborators with local governments in the procurement of goods and services, serving as a tangible manifestation of capital expenditure.

Finally, insights into the modus operandi of corrupt practices in government capital expenditures are garnered from internal auditors, political party officials, members of local parliament members (Dewan Perwakilan Rakyat Daerah [DPRD]), and the prosecutors of district attorney’s office, who serve as external supervisory entities. Additionally, external entities, including business partners, play a crucial role as collaborators with local governments in the procurement of goods and services, representing a tangible realization of capital expenditure. Insights into the modus operandi of corrupt practices in government capital expenditures are garnered from internal auditors, political party officials, members of local parliament, and the prosecutors of district attorney’s office, who serve as external supervisory entities.

We have devised six pivotal questions to serve as guiding inquiries in our exploration of the intricacies surrounding the occurrence of corruption and the challenges faced by prosecutors in its detection. These questions are divided into three primary inquiries directed at the government and its business partners, and three inquiries aimed at supervisory entities, such as prosecutors, internal auditors, and board members. Three inquiries directed at the government and its business partners include: 1) In what manner do the government and business partners execute capital expenditure? 2) How do the government and business partners cultivate internal and external relationships during the
execution of capital expenditure? 3) How mechanisms do the government and business partners employ to attribute to implement capital expenditure responsibility? Meanwhile, three questions targeting supervisory entities are: 1) How does your party oversee the implementation of capital expenditure within local government operations? 2) How methodologies are employed to identify financial irregularities during the execution of capital expenditure? 3) How do challenges impede your ability to detect corruption within government capital expenditure?

Demographic features, economic indicators, and pertinent corruption cases are detailed in Table 2. Examining the demographic data for each local government unit in the study reveals that Sleman Regency surpasses the other two local governments in terms of population size, the number of civil servants, and geographical expanse. Furthermore, the Sleman Regency government boasts a greater total budget allocation and capital expenditure compared to the Yogyakarta City government and the Bantul Regency government. In terms of corruption cases, the Bantul Regency government has a higher count, specifically seven cases, in contrast to the Sleman Regency government with four cases, while the Yogyakarta City government registers no instances of corruption.

Table 2. Key demographic and corruption information regarding studies in 2019

<table>
<thead>
<tr>
<th></th>
<th>Bantul Regency</th>
<th>Sleman Regency</th>
<th>Yogyakarta City</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population (person)</td>
<td>949,325</td>
<td>1,075,575</td>
<td>414,055</td>
</tr>
<tr>
<td>Size (km²)</td>
<td>508.13</td>
<td>574.82</td>
<td>32.50</td>
</tr>
<tr>
<td>Civil servants (person)</td>
<td>8,0041</td>
<td>8,9061</td>
<td>5,2231</td>
</tr>
<tr>
<td>Total government budget (IDR-billion)</td>
<td>2.224</td>
<td>2.768</td>
<td>856</td>
</tr>
<tr>
<td>Capital budget (IDR-billion)</td>
<td>442,15</td>
<td>1,558,60</td>
<td>2,387,100</td>
</tr>
<tr>
<td>Corruption (case)</td>
<td>7^5</td>
<td>4 cases^6</td>
<td>-^7</td>
</tr>
</tbody>
</table>

Source: data processed by authors (2021) from:
Data from Yogyakarta Special Region Province in Figures 2020 (BPS D.I. Yogyakarta Province, 2020).
Data from the Bantul District Prosecutor’s Office is quoted from Bantul Regency in Figures 2021 (BPS Bantul Regency, 2021).
Data obtained by researchers from the Sleman District Prosecutor’s Office in 2021.
Data from the Yogyakarta District Prosecutor’s Office is quoted from Yogyakarta City in Figures 2020 (BPS Yogyakarta City, 2020).
4 RESULTS AND DISCUSSION

Text analysis from Lockyer (2008) helps to identify what, who, when, where, and how corruption occurs in capital expenditures. The text analysis results of the BPK’s Audit Result Reports (LHP) (2020) depict capital expenditures in Bantul Regency are more prominent than the other two areas analyzed in showing corruption. Type of capital expenditure that becomes the major concern according to the results of the analysis is the procurement of local government construction services. Most common forms of corruption encountered in this analysis is an overpayment of work agreed to as “completed” work, presented in Table 3. The “completed” work actually has parts that have not been carried out or are not fully done, resulting in a lack of volume but paid in full.

<table>
<thead>
<tr>
<th>Unit of Analysis</th>
<th>Infrastructure expenditure related to corruption potentially</th>
</tr>
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<tbody>
<tr>
<td><strong>Internal Control System:</strong></td>
<td></td>
</tr>
<tr>
<td>Bantul Regency</td>
<td>IDR1.6 billion capital expenditure on school operational expenditure is not accordance with the budget.</td>
</tr>
<tr>
<td>Sleman Regency</td>
<td>-</td>
</tr>
<tr>
<td>Yogyakarta City</td>
<td>-</td>
</tr>
<tr>
<td><strong>Compliance with laws and regulations:</strong></td>
<td></td>
</tr>
<tr>
<td>Bantul Regency</td>
<td>Lack of work volume for housing funds for disaster-affected communities (local government loss of IDR20 million) and insufficient volume of work on 5 road construction packages (local government loss of IDR82 million).</td>
</tr>
<tr>
<td>Sleman Regency</td>
<td>Lack of work volume on five packages of road, irrigation and network construction works (local government loss of IDR212 million).</td>
</tr>
<tr>
<td>Yogyakarta City</td>
<td>Lack of work volume for the three work packages includes: procurement of equipment and machinery, construction of buildings and construction, and construction of roads, irrigation and networks (city loss IDR 95 million).</td>
</tr>
</tbody>
</table>

Source: data processed by authors (2021) from the BPK’S LHP (2020).

Further analysis of the documents and in-depth interviews reveal major roles of the state attorney's officer based on law 16/2004 to fight corruption. There are strong hopes for dealing with corruption in the local government still rest on the state prosecutor's officer because, besides police, just them have the authority to investigate and prosecute parties related to corruption in the local government (see article 30 paragraph 1 on law 16/2004). According to the criminal law, only the police and certain civil servants can conduct investigations into criminal acts, including corruption. After investigating, the police submit the results to the prosecutor's office for prosecution in court. In additional, the prosecutor's officers have authority to direct investigate extraordinary crime, like corruption. Therefore, they play an essential role in handling corruption in local government.
Actually, law enforcement officials to controlling corruption in Indonesia there are three institutions, namely police department, state attorney, and KPK. Unfortunately, the local police department facing relatively the same problem as the local state attorney is experiencing. In a while, KPK still concentrates on grand corruption and only placed in central government. Thus, the eradication of corruption inevitably still relies on performing the police and prosecutors in the local government.

An investigation based on the Criminal Procedure Law at article 184, law no. 8/1981, describes the activities of collecting evidence as witness statements, expert statements, letters, instructions, and statements from the defendant. The skills of investigators and supporting tools play an important role in collecting and considering the adequacy of evidence in determining suspects. Unlike the KPK, which has the authority to tap parties related to corruption, the Prosecutor's Office, at the local level, does not have this authority and don't have advanced tools to tap it, so they practically rely on the skills of their investigators to collect evidence. Unfortunately, corrupt actors are more sophisticated in carrying out corruption. This makes the investigators can only receive reports or hear about it, but it is difficult to prove. According to the prosecutor avowal, he didn't know of the arrests of corruption cases in his working area by the KPK because the corruption was carried out complexly.

In addition, the persecutors sometimes face the intervention of their superiors who want to handle corruption cases unconventionally. A prosecutor's investigator from Sleman Regency said, “it was necessary to use multiple perspectives to look at corruption because their own superiors play golf, which cannot be covered by only the amount of their salary.” These various challenges will color to search and to trace corruption in capital expenditures that involve a network of many actors.

Informants, in furnishing their responses, depicted instances of corruption as though these had been encountered by third parties. Nonetheless, we have acquired insights into the intricacies of the occurrences and the concealment methods employed in these corrupt activities. This method proves efficacious in delving more profoundly into concealed corruption details that pose challenges for prosecutors in detection. Notably, informants exhibited a willingness to recount their experiences with a sense of detachment, as if narrating another individual's narrative. Notwithstanding, supervisory figures, both external and internal, openly shared their own experiences as individuals engaged in the exploration or investigation of corruption crimes. Discussion and
 theorization of findings will be explained based on translation by Callon (1984) in four stages: problematization, interessement, enrolment stage and mobilization of corruption found in this study.

4.1 PROBLEMATIZATION

The beginning of the story of the actors involved in the implementation of capital expenditure in the context of corruption based on the ANT starts from the problematization (Callon, 1984; and 1986). The major actor who has the authority to carry out capital expenditures for certain services in the local government is PPKom (Presidential Decree No. 16/2018). In this, he/she tried to maintain his/her position and their friendship with local government business partners. The business partner has an interest in maintaining the continuity and profitability of his business. Actors from political parties, such as partisans and DPRD, use their political power to establish relationships for re-election and financial gain. Here, an actor appears who acts as a mediator who uses the power of the other party in “negotiations” to get financial benefits. The resolution of problems for each actor will be resolved through an agreement as an obligatory passage point from the major actor. Here, the apparatus that becomes the key actor in executing capital expenditure as procurement of goods and services is the PPKom.

Given PPKom is formally and substantively responsible for executing government procurement of goods and services, especially those involving third parties (Presidential Decree No. 16/2018), that allows for intervention from various parties who have higher power. According to the PPKom statements are:

We are very vulnerable to intervention from various parties who have power. Although these forms of intervention tend to be more subtle today than they used to be, they are still happening. (PPKom from Sleman Regency)
...we are also vulnerable to lawsuits because our position is very weak regarding legal protection. (PPKom from Bantul Regency)

These interventions come from various sources. For example, members of the council intervene through their political power by cooperating with businessmen to win tenders for procurement projects. This aligns with the declaration of a political party representative from Sleman Regency, who asserted, “Council members have delineated their respective parts [projects]; their roles have been prearranged.”
representatives of the local parliament articulated, “The project has been structured in a manner that obliges our oversight, but in the capacity of active participants as brokers or business partners. The question arises regarding we can effectively fulfill our supervisory role, if we are engaged as actors.” Thus, PPKom makes a condition, as an obligatory passage point, which allows the entrepreneur to win the competition, but this condition allows other entrepreneurs to participate, but can be disqualified. This is under the results of interviews with PPKom and its business partners, articulated as follows.

We are postponing it to await changes to the regulations that have been circulating, so that small companies that we already know about meet the requirements to be able to enter. (PPKom from Yogyakarta City)

They [PPKom and Business Partners] have adjusted from the start, so there is already a “game.” (PPKom from Yogyakarta City)

We often hear stories about jobs that have been conditioned, or that there is already a winner. (Business Partner from Sleman Regency)

This job is from my friend, so I just do it and take care of the administration. (Business Partner from Bantul Regency)

4.2 INTERESSEMENT

The next stage after the actors identifies the problem is to find a solution by establishing a network, or interessement (Callon, 1984; dan 1968). It is unimportant who initiated to build the corrupt network because the actors have their own interests to be linked. Business people need a network to maintain continuity in their business. One business partner (entrepreneur) from Yogyakarta City revealed that:

Maintaining relationships is very important in getting a job in the local government. Many want jobs and few are available, so it is important to communicate with local government councilors and procurement officials.
I as an elder in this matter know the map in the council about budget plots. I can get direct procurement work two-pack from A board member, one package from B board member. I can work four to five jobs in a year with a budget of under IDR 200 million.

The linking of the interests of the actors is done with a hidden agreement besides a formal agreement. This assertion emanates from the upper echelons of the local government, specifically articulated by the regent and the local secretary. The regent of Sleman Regency, as the principal figure in the local government, asserted, “Collaboratively, we have endeavored.... The overseer permitted nocturnal concrete pouring by the contractor to evade scrutiny.” Addition, the local secretary of Bantul
Regency affirmed, “While we place faith in their actions, dissenting voices persist, casting doubt on their collective integrity.” The collaborators, having established a mutual understanding, engage in their undertakings predicated upon a foundation of trust.

The mediator sometimes takes part in bringing together the provider and PPKom and then asks for a share of the negotiation fee. PPKom realizes that without a mediator, negotiation can still occur, but PPKom does not have a problem because he considers not violating the rules, unless he/she is the state civil apparatus, but that it is not her/his matter. Although this practice fosters collusion in procurement, the agreement is difficult for local prosecutors to handle because the incident occurred in the early part of procurement. According to the statement by informants are:

We do not have the authority to conduct investigations into the ongoing expenditure on goods and services. In fact, the finished work has to wait a certain amount of time because the provider still has maintenance time. Also, if the work is just starting, only catching hands can be done. And, it was difficult for us because we had limited technology to do it. (Prosecutor from Sleman Regency District Prosecutor's Office)

These sophisticated acts of corruption they involve in complicate our efforts, ... they have prearranged agreements, but we lack the authority to take action until the transaction is completed. (Prosecutor from Bantul Regency District Prosecutor's Office).

...that does not violate any rules, so it's okay. It just happens that he is a civil servant, so the only issue arises if he becomes a broker (PPKom from Yogyakarta City).

Besides interference from those in power, PPKom also “provides” work packages to certain business people because of friendship. The result of an interview was a PPKom from Yogyakarta City admitted to:

“… no problem offers privileges to certain business people as a small favor of friendship, because of there are no transactions (no money is given to PPKom). I only ask them to work professionally in return for the privileges that I give. Unfortunately, I must strive because he was too small for a big job. In the end I had endeavor to control it.”

At this stage, the main actors use obligatory passage points to determine another actor involved (Pianezzi and Grossi, 2020). Board members with political power can intervene PPKom to “facilitate” their business partners. Meanwhile, PPKom uses their authority to win over their business partners by providing them with a “freeway” (the government business partner’s term for privilege). This corresponds to the findings derived from interviews conducted with PPKom superiors, specifically designated as
budget users serving as middle managers within the local government. A budget user hailing from Sleman Regency expounded, “PPKom indeed possesses the authority to ascertain the suitability of the selected entity to undertake the project; however, we acknowledge lingering uncertainties surrounding this information.” Furthermore, a middle manager representing Bantul Regency conveyed, “this behavior is indicative of civil servants...” This underscores the paramount significance of PPKom’s authority in determining the executor of capital expenditure, accentuated by an announcement from his/her superiors.

The main actor will direct other actors to follow the capital expenditure procedure according to the rules. This condition makes burdensome for the local attorney to find evidences and then to prosecute. Recognizing of local government business partners is revealing they had to go through at least four stages of document verification in order to disburse work funds. Then, the local government treasurer also revealed that they have no problem with disbursement if all the required documents are complete, but if something is missing, we will return it to be completed. PPKom also said that financial administration is very complex in procurement, although it is not substantial but more clerical.

4.3 ENROLMENT

The next stage is enrolment (Callon, 1984; 1986), which shows the strategy of the key actors so that other actors follow so that their activities are carried out legally and are difficult to track by investigators. The actors need cooperation to link their interests to the procurement of government goods and services, both based on information technology and through manual processes. Business people must follow directions from PPKom so that they are eligible to become the winner of the work package tender. If it is done through an electronic system, the procurement procedure involves the procurement official to determine the winner, but PPKom determines whether the winner is accepted or not. If not, then it is possible to make direct appointments to certain providers desired by the main actor.

His main actor's authority allows him to direct other actors to secure their interests in the procurement network. For example, PPKom recommends actors conducting job be administratively disciplined to secure their activities visually from prosecutors. It makes burdensome for local attorney accomplish the duty of investigating and prosecuting
corruption due to they possess lack competency in finance and physical appraisal of work. Actors allegedly understand that external supervisors have the limitations. A procurement official claims prosecutors just question about his job and task to do, and they have little bite understanding about financial administration and assessing construction. The limited budget exacerbated this condition for prosecutors to employ experts in the financial sector and physical appraisal of the work. Thus, this stage is a role identification of the actors they play to link their interests in the corruption network through strategies that supervisors may not reach (Neu, Everett, and Rahman, 2015).

4.4 MOBILIZATION

The last stage is mobilization, namely the behavior or actions of certain actors representing the interests of other parties who have entered the agreement (Callon, 1984; and 1986). In corruption, these actions were carried out through hidden transfers, physically and socially, which made them difficult for investigators to track them down. Although local attorney can guess who the actors are, they have difficulty gathering evidence to track down the mastermind behind this corrupt activity. This is under the statement of the investigating prosecutor, who stated that:

“Although we have guessed who the actors are related to corrupt activities in executing government procurement, it is difficult to prove it. None of the government officials confessed and proving it was difficult because the administration was well done. In contrast to the private sector (provider or business people), which immediately recognized it and immediately returned local government losses. (Prosecutor from Sleman Regency District Prosecutor's Office)

Here, the officials do not realize what they are doing is corruption, maybe because they feel they are not taking money, but that means taking part. They have low awareness of corrupt activities. (Prosecutor from Bantul Regency District Prosecutor's Office)

This is under the statement from officials in the local government that they are safe if they do not take money. They are not much concerned with the "deposit project" (proyek titipan) from board members or other important people to win certain providers, as long as the appointed providers work professionally. However, the complex network that accompanies the procurement process makes it difficult for the local attorney to unravel it. The results of the interview with PPKom depicted that the intervention sentence for determining the winner was carried out subtly, namely "...the results of yesterday's work were good." This means that PPKom must win the provider who does
the work the board member is referring to. Eventually, the acknowledgment of the provider or businessman to the corrupt activity in the network is called Callon (1984) as betrayal.

Overall, the role of the local state attorney in pick up corrupt networks is still low. They find it is difficult to uncover corrupt networks disguised by legal procedures. The actors seem to hide corruption under legal procurement procedures. Interventions are carried out subtly. That is difficult for the local state attorney to understand.

5 CONCLUSIONS

A strong desire to get out of the trap of corruption in Indonesia seems to have reached a dead end as the result the low performance of the bureaucratic apparatus (Dwiyanto, 2011). The study finds the performance of unscrupulous local officials and other actors involved in the corruption network in the use of capital expenditures has made the local state attorney powerless. Massive abuse of authority combined with sophisticated financial governance skills between actors, namely capital expenditure implementing apparatus, local politicians, mediators, and business people–makes the network of corruption more complex and blurred (Neu, Everett, Rahman, and Martinez, 2013; and Neu, Everett, and Rahman, 2015).

It is also found that the networks of actors involved in corruption use skills and knowledge to straddle traditional anti-corruption control systems as suggested by Neu, Everett, and Rahman (2015). As other scholars argue these networks rooted in the principal-agency relationship model (Pianezzi and Grossi, 2020), namely the transfer of authority that is not accompanied by a commitment to accountability (Klitgaard, 1988; and Rose-Ackerman, 1978). Thus, these conditions allow corruption to thrive in the local government (Putera, 2012).

In addition, this study shows that despite the role of the local state attorney has promoted by the public across the local governments observed to eradicate corruption, the role has been failed in many ways as early suggested by Tomsa (2015) and Quah (2019). It is observed that the local state attorney has the limitations to identify corruption of actors as the result of budget constraints (Quah, 2019), financial administration sophisticated skills of actors involved in corruption network, and the presence of intervention from certain parties (Isara, Amsari, and Tegnan, 2017). Thus, it is important
to build a more established anti-corruption strategy, rather than relying on ineffective anti-corruption strategies over the past 56 years (Quah, 2015).

6 IMPLICATION AND SUGGESTION FOR FUTURE RESEARCH

The study contributes to the literature by providing empirical observation in revealing the description of corruption as a translational process that allows us to identify several factors of corruption that include human and non-human actors and mechanisms that direct the creation of corruption networks as Pianezzi and Grossi (2020) conceptualized. Our study enhances the findings of prior studies about how the adoption of financial governance reforms that have yet to achieve their objectives as the outcome of corrupt committed by apparatus and local political elites (Harun, 2019; and Jones 2009), a phenomenon that flourishes the scope for corruption in local governments.

For the policy making, the results of this study drive us to suggest the importance to identify alternative instruments in order to empower the control over the authority and accountability of the actors involved in local government budgetary spending. Similarly, it is important to actually handle corruption as an extraordinary crime that requires a firm commitment from the political elite to deal with it (Quah, 2015). Thus, this article provides an understanding to policy makers for comprehensive handling and increasing the effectiveness of the local state attorney's role in fighting corruption in the local government.

This article also has some limitations. The study only involved a limited number of instrumental case studies used in exploring the facts around corruption of local capital expenditures by the local state attorney. Therefore, further studies need to conduct further studies using several cases as a comparative study.
REFERENCES


