Bribery in Government Agency: A Phenomenological Study

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Abstract

The bribery case in Indonesia has always been sticking out all the time. In the last ten years, bribery has always been the most cases handled by the KPK. This phenomenon often sticks out, and the lack of research on the detection of bribery has attracted researchers to research and explore the detection of bribery in government agencies. This study used a qualitative method with a phenomenological approach and data analysis assisted by the Nvivo software. Based on the results of this research, every people have the right to detect bribery, but this right is limited, and not all have the ability. The perpetrators of bribery can come from internal and external organizations. There is a stimulant for the perpetrator to commit bribery which is also stated in the fraud pentagon theory. The results of this study are expected to contribute to auditors in conducting forensic audits and investigations and organizations in making policies related to anti-fraud policies. It is hoped that future research can expand the research construct on the detection of bribery.

Keywords: Bribery, Bribery detection, Fraud Pentagon Theory.

INTRODUCTION

Bribery is a very familiar word because bribery cases appear all the time. Even in Indonesia, bribes are ingrained, starting from small things such as tips to oversized items such as facilitating business establishment permits, procurement, and so on. Even in the COVID-19 pandemic engulfing the whole world, including Indonesia, several unscrupulous officials have been caught bribing the social assistance funds for COVID-19 (Ramadhan, 2021). In July 2020, the Ministry of Social Affairs of Indonesia received the best title regarding budget accountability transparency from the Supreme Audit Agency (BPK) (BPK, 2020).

Bribery is part of corruption fraud. Corruption crime cases in the government by the Indonesian Corruption Eradication Commission (*Komisi Pemberantasan Korupsi*—KPK) are divided into eight types, including procurement of goods/services, licensing, bribery, levies/extortion, budget abuse, money laundering (*Tindak Pidana Pencucian Uang*—TPPU) and obstructing the KPK process. In the last ten years, bribery cases have always been the most handled by the KPK compared to other corruption cases (KPK, 2021). However, the number of bribery cases fluctuates every year. The number of bribery cases in 2011-2013 consistently increased, but in 2014 the number of cases decreased. In 2015 and 2016, the number of bribery cases handled by the KPK was the same, namely 79 cases. The following year, 2017-2018, the number increased, but in 2019 and 2020, the number of bribery cases handled fell again. This fluctuating number of bribery cases handled could mean less bribery in the field or, worse, that these bribers are getting more competent at hiding evidence making it difficult to detect (Widjojanto, 2017).

The perpetrators of bribery always involve two parties, namely the giver and the recipient or the requester and the giver (Daurrohmah, 2018). If one of the parties refuses, then the bribe will not occur. Bribery is included in the category of white-collar crime (Suartini & Dewi, 2019) because one person has authority. Usually, the perpetrator also understands that he has violated the law (Sudarmanto, 2020).

There are three stages in fighting fraud: prevention, detection, and investigation of fraud (Syahputra & Urumsah, 2019). Various studies on the prevention, detection, and investigation of fraud have been carried out, such as research conducted by Wahyuni-TD, Haron, & Fernando (2021); Prabowo (2020); Hazami-Ammar (2019); Prenzler (2019); and Halbouni, Obeid, & Garbou (2016). However, research specifically on bribery is still rarely done, even though each type of fraud has different characteristics. In addition, most of the research carried out is quantitative, so the analysis carried out is not in-depth (Urumsah, Wicaksono, & Hardianto, 2018).

The phenomenon of bribery that continues to occur and the lack of research that discusses the prevention, detection, and investigation of bribery is fascinating for researchers to examine this matter. Bribes that are often

Table 1. Corruption Crimes Based on Case

Case	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Procurement of goods/services	10	8	9	15	14	14	15	17	18	30
Licensing	0	0	3	5	1	1	2	1	0	0
Bribery	25	34	50	20	79	79	93	168	119	56
Extortion/ Extortion	0	0	1	6	1	1	0	4	1	0
Budget Abuse	4	3	0	4	1	1	1	0	2	2
TPU	0	2	7	5	3	3	8	6	5	3
Obstructing the KPK Process	0	2	0	3	0	0	2	3	0	0
Amount	39	48	70	58	57	99	121	199	145	91

Source: Processed data, 2021

exposed are bribes that involve state finances because they must be accountable to the people (Cahyono & Aisyah, 2020). The current research continues the investigation into the detection of bribery in government institutions because of the constraints of the previous studies.

The informants of this study are auditors who have conducted forensic audits in state institutions so that these informants better understand how fraud in this state institution occurs. The use of this informant is still rarely done by researchers in fraud. This study's results are expected to serve for bribery detection research. This research is also likely to be used as a reference by auditors when conducting forensic and investigative audits to stop bribery.

LITERATURE REVIEW
Fraud Pentagon Theory

The fraud pentagon theory extends the fraud triangle and fraud diamond theory. The fraud triangle is a pioneer in the theory of the causes of fraud which mentions opportunity, pressure, and rationalization as the causes of fraud (Cressey, 1953). Then Wolfe & Hermanson (2004) developed the theory by adding an element of a capability called the fraud diamond theory. While the fraud pentagon was created by Mark (2012), which adds features of competence and arrogance from the fraud triangle theory so that the elements of the fraud pentagon include:

1) Opportunity is a tool that can be used in the context of executing criminal acts (Mapuasari & Maheasy, 2018).

2) Pressure is one of the motivations for someone to commit fraud. Some examples of pressure include financial pressure, work, career opportunities, ambition, ego, and so on (Mapuasari & Maheasy, 2018).

3) Rationalization is justification. Before someone executes an act of fraud, the perpetrator will look for reasons to justify his actions first. This justification is essential in the execution for carrying out an illegal act to get rid of the guilt in him (Mapuasari & Maheasy, 2018). There are three types of rationalization: denial of responsibility, denial of injury, and denial of victims (Captain & van Helvoort, 2019).

4) Competence is the ability to commit fraud. Information about the perpetrator's position and the institution's trust in them will assure him that he can conduct fraud without being discovered. The presence of this opportunity must be combined with the ability to commit fraud and conceal fraud activities, particularly in cases of systemic fraud. (Rustendi, 2018).

5) Arrogance is an attitude of superiority from his belief in his position and institutional trust regarding himself. He feels he can commit fraud because internal control does not apply to him.

Bribery

The Association of Certified Fraud Examiners (ACFE) is the largest anti-fraud organization in the world (Shonhadji & Maulidi, 2021). ACFE, in its study, divides fraud into three types, namely corruption, misappropriation of assets, and fraudulent financial statements. The three types of fraud are also divided into subcategories known as the fraud tree (ACFE, 2021).

Bribery is included in the subcategory of corruption in the fraud tree. Law No. 20 of 2001 concerning the Eradication of Criminal Acts of Corruption divides corruption into seven types, including corruption related to state finances, related to bribery, related to embezzlement in office, about acts of extortion, related to fraudulent acts, related to conflicts of interest and related to gratuities. Bribery is the act of offering/promising and giving or asking for and obtaining an advantage, whether money or non-financial (ISO 37001:2016).

Bribery Detection

Early detection and continued follow-up policies for bribes that occur will avoid more significant losses incurred (ACFE, 2020). Various methods of detecting bribery include the whistleblowing system, internal audit, external audit, anti-fraud policies within the organization, monitoring and data analysis, organizational code of ethics, and gifts to whistleblowers (ACFE, 2017). There are various variations regarding the duration of fraud detection based on the perpetrator's position. This is a result of the imbalance in the position of law enforcement with the perpetrators (Rachman, 2018). The higher the perpetrator's position, the longer the fraud can be detected. Detection of bribes can also be seen from the signs of the perpetrator's behavior.

METHOD

Research design

This study uses qualitative research with a phenomenological approach. A qualitative research method is a way to find something, not in the form of numbers (Basuki, 2010). The primary purpose of qualitative research is to describe phenomena or findings and present them according to the facts on the ground (Udayana, 2016). At the same time, a phenomenological approach is used to understand various social phenomena in society (Creswell & Poth, 2018). An illustration of the research approach used in this study can be seen in Figure 1.
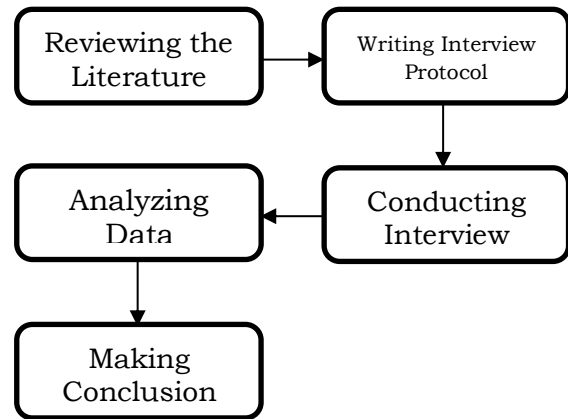

Figure 1. Research Design

Research Subject

The research subjects in this study were external auditors of government agencies who had conducted forensic audits.

Research Instruments

The instrument in qualitative research is the researcher himself. Each instrument must be validated. The validation includes the understanding of qualitative research methods, mastery of the research field, and the readiness of researchers to enter the research object (Hardani et al., 2020).

Data Collection Technique

This study uses data collection techniques with semi-structured interviews. The purpose of the interview is to construct events, feelings, people, activities, organizations, and so on (Moleong, 2021). While the purpose of using semi-structured is so that the response from the informant is as expected by the researcher, there is still flexibility regarding the questions asked (Edwards & Holland, 2020).

Data Analysis Technique

Data analysis is the process of systematically searching and compiling data obtained from interviews, field notes, or documentation(Hardani et al., 2020). Data analysis in this study uses three paths, namely data reduction, data presentation, and conclusion drawing (Miles, Huberman, & Saldana, 2014). Nvivo 11 software was used to assist in processing this research data analysis. Nvivo software in this study began with organizing interview data, coding process, and making matrix frameworks and maps.

RESULTS AND DISCUSSION

There are five informants in this study who work as external auditors of government institutions. The external auditor was chosen as the informant because he has forensic audit experience, so he has handled fraud cases directly. Each auditor comes from a different representative office, including Central Java, the Special Region of Yogyakarta, Maluku, Palembang, and the Special Capital Region of Jakarta. Forensic auditing at the BPK is the authority of the central BPK in the Investigation Unit Auditorate (AUI). However, in the early days of the unit's establishment, because there was not much personnel, assignments often collaborated with representative offices.

All informants are male, and all have been auditors for more than ten years. Two informants have conducted forensic audits one and two times, respectively. Two informants have conducted forensic audits five times, and one informant has conducted forensic audits more than five times.

1) Bribery Detector

All informants stated that basically all parties have the right to detect bribery as stated by informant A:

"Anyone can detect bribery" (Informant A)

However, there is a limitation on the rights of this bribe detector as stated by Informant B:

"Everyone has the right to live as far as their rights, and there is a

legal basis. Internal institutions have the right to access inside, external institutions (BPK, for example) have rights but to a certain extent as well as outside institutions have rights but to a certain extent because if you enter beyond their rights, it is a violation of privacy". (Informant B)

In addition, although all parties have the right to detect bribery, not all have the ability, as stated by the following informant:

> *"If everyone has the right, everyone has the right, but not everyone has the ability. If those who have the ability are internal, the government and the Law Enforcement Apparatus (APH)."* (Informant D)

Detection of bribery is complicated and has high risk but will be revealed if there is data, one of which can come from whistleblowing. This is as stated by Informants C and E:

> *"Again, bribery is difficult to detect. If there is a risk, but it is high, we can't unless there is data."* (Informant C)

> *"Yes, it could be whistleblowing"* (Informant E)

2) Bribery

The interviews found that the perpetrators of bribery could be internal or external to the organization. This is as stated by Informants B and D:

> *"There is from the inside and the outside. From the outside as a*

> *giver, from within as a receiver."* (Informant B)

> *"Yes, internally it is usually the recipient of bribes while external is the one who gives bribes"* (Informant D)

There must be two parties to a bribe because the bribe will not occur if there is only one party. This is as stated by Informant A:

> *"Surely there must be two parties as to the recipient and the giver"* (Informant A)

3) Drivers of Bribery

The fraud pentagon theory is a theory about the drivers of fraud. Bribery is a fraud, so this theory can also explain the drivers of bribery. This was also expressed by Informant B:

> *"It could be one or all of the causes of bribery. The cause of fraud can also be the cause of bribery."* (Informant B)

The drivers of bribery include arrogance (greed), ability, opportunity, pressure, and rationalization presented by Informant A and also supported by Informant C:

> *"In my opinion, it is more to the individual. Greed is individual. Suppose this ability is more of authority, such as giving permission, etc. The opportunity is possible, but it shouldn't exist if the SPI is good. But we cannot deny that the Internal Control System (SPI) is a rule or an Operating Procedure System (SOP), so*

humans are still making it. I could be looking for a loophole. Suppose the pressure is in Indonesia, yes, yes. Political factors, for example, because the regional head, if he wins, has a political interest, not to mention he has spent a lot of money to win, he will look to recover the costs he has spent. The pressure of needs can also be that his child is sick, his wife is sick, but his salary is not sufficient. The rationalization that people have followed the mental resolution program is already irrational. Nowadays, many bribes have been caught, and if he thinks that bribes are natural, it means that he is mentally bad." (Informant A)

"Not out of necessity. If you say the cause is all, that is the cause. If intuitively, it is greed. If the pressure is possible. If the greediest is because the system has been built so reliable, the SPI is so good it still crashes.

Moreover, bribery cannot be suppressed with SPI. SPI is an opportunity, right? Ability is possible to make bribes whether it's superiors or subordinates. Without any pressure can happen. Without rationalization, bribes can also be made. So, the most significant cause of bribery is greed." (Informant C)

The analysis results have been found exciting findings related to bribery detection research in government agencies. The findings are the perpetrator's character, bad environment, and segregation of duties. There are specific characteristics of the perpetrator that can be used to identify the perpetrator, as stated by informant B:

"Bribery is included in the fraud section. There are four characteristics of fraud: hidden. There is an intention to act, violation of the law (some things are inappropriate), and losses. If there are people who do the four above, it means they can commit fraud, one of which is bribery. From the examiner's point of view, we identify the characters." (Informant B)

A lousy environment will make it challenging to detect bribery stated by Informant E:

"Bribery is very difficult because bribery behavior occurs when an organization is very poorly controlled, and the environment is terrible." (Informant E)

Segregation of duties can reduce the risk of bribery. This is stated by Informants B and D:

"Good internal control has a segregation of duties to reduce the risk of fraud" (Informant B)

"Yes, it is possible because the monopoly of power can be broken if there is a separation of duties." (Informant D)

However, it still comes back again depending on the individual character as stated by Informant A:

"Even if they are separated, if the characters play, then bribery can still occur" (Informant A)

To make it easier to understand, the results are described with the help of Nvivo, which can be seen in Figure 2.
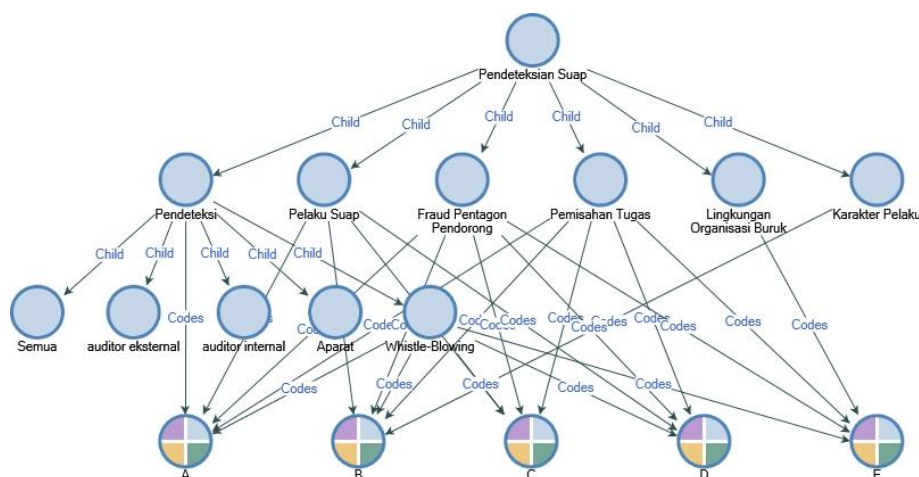
Figure 2. Construct Resulted

Source: Processed primary data (2021)

According to KPK (2021), bribery is the highest corruption case in Indonesia, so efforts are needed to reduce it. One of these efforts is the detection of bribes (Albrecht, Albrecht, Albrech, & Zimbelman, 2019). Several items were identified from previous research to measure the bribe detection construct. These items include parties who have the right to detect bribes in government institutions (Serafeim, 2014); briber (Serafeim, 2014); and fraud pentagon theory as the cause of bribery (Mark, 2012). Based on field studies, all parties have the right to detect bribery in government agencies, both external auditors and internal auditors. However, not everyone can see bribes. Parties with the ability to detect bribery include internal, government, and APH. In addition, evidence is needed to detect bribes, one of which is through whistleblowing. The perpetrators of bribery can come from internal or external institutions, and the perpetrators of bribery usually have two parties, namely the giver and the recipient. Greed, ability, opportunity, pressure, and rationalization are the causes of bribery. In one case, the cause of bribery could be one of the five causes, or they could be the causes at the same time.

CONCLUSION, IMPLICATION, AND LIMITATION

Government agencies are agencies that are always in the spotlight regarding bribery cases. Bribes enter into one of the corruption schemes mentioned in the corruption Act. One way to fight bribery is through detection. Anyone has the right to detect bribery, but that right

has its limits, and not everyone has the ability. Bribery detectors with more rights and powers include internal auditors, external auditors, and law enforcement officers. Bribes are very difficult to detect unless there is evidence, and the evidence can come from whistleblowing.

The perpetrators of bribery can come from internal or external to the organization. The perpetrators of bribery have specific characteristics that the auditor will identify. The motivators for someone to take bribes include arrogance, opportunity, ability, pressure, and rationalization. A lousy environment will encourage bribery. The segregation of duties can reduce the risk of bribery in an organization.

The findings of this study should help forensic and investigative auditors and companies develop anti-fraud strategies that are more detectable and lower losses. The informants of this research are very limited because not all external auditors are willing to reveal themselves that they have done forensic audits and share their experiences. Future research is expected to expand the construct studied regarding bribery detection.

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