

The Urgency of the Follow the Money Approach in Law Enforcement Efforts against Money Laundering Resulting from Corruption

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Keywords: Act, <i>Hukum</i> ; Law; <i>UU</i>	Abstract The follow the money approach in tracing criminal acts of money laundering and other criminal acts is a new step applied in the context of law enforcement processes. The purpose of this paper is to find out how urgent the application of the follow the money approach is in enforcing money laundering laws, and to find out how effective the follow the money approach is in enforcing money laundering laws. The methodology used is a normative legal research method in the form of secondary data accompanied by a statutory approach and a case approach. The results of the study show that the follow the money approach is very important and urgent to apply in law enforcement against money laundering, especially the results of corruption, because this approach is a very strategic and most appropriate approach considering some of its advantages or advantages, namely being oriented to assets or proceeds of crime, after it will be possible to further reveal who the perpetrators were, what the predicate crimes were, who the other perpetrators were, and where they were hidden.		
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A. INTRODUCTION

Economic criminal law is part of criminal law which has its own characteristics, namely its economic nature. Many practitioners and academics provide a definition of what an economic crime is. However, in general, economic crimes are divided into two meanings: narrow meaning and broad meaning. Regardless of the difference, the two meanings have in common that both have economic motives and/or have influence.

One example of a crime in the economic field is the crime of money laundering, or better known as money laundering. The term money laundering first appeared in 1930 in the United States, at that time the mafia in the United States obtained money from crimes such as gambling, prostitution, extortion, selling narcotics and so on by using a laundromat company. The mafia set up legitimate companies as a strategy to cover up the proceeds of their crimes so that it appears as if the money in the company was money obtained from legitimate sources.

The development of the era and people's lifestyles have also had an impact on the development of ways to commit crimes, so that the types of crimes are also growing. One of the developments in the form of crime that often occurs is the Crime

of Money Laundering. The crime of money laundering or commonly known as money laundering is a form of white-collar crime, money laundering is carried out in a structured and systematic manner so that it is often carried out by people with a high level of education¹.

The laundromat company at that time was getting more advanced and getting more money from the various crimes that the mafia had committed. This then creates more and more new modes that they do to cover up the source of their company's assets. So, from year to year until now the mode of money laundering is always developing, the perpetrators of money laundering are always looking for new strategies so that their actions are not suspected or found out by law enforcement officials.

The FATF also does not provide a standard definition, but only outlines that money laundering is a process to disguise the origin of money related to crime or illegitimate sources. This definition can also be adapted to the objectives of criminalizing money laundering in each country. For example, Lutz Kraupkopf groups these definitions into three, viz: 1) Money lander can be simply defined as a product of drug trafficking. This method creates a direct link between money laundering and drug trafficking; 2) Money laundering can alternately be seen as a product of various crimes, including, but not limited to, drug trafficking. Such a definition could (and perhaps should) include an enumeration of special crimes like counterfeiting, robbery, extortion, and terrorism; 3) A third method would be to make money laundering a crime, not in the context of drug trafficking or enumerated, special crimes, but because of money laundering itself. In other words, whoever deals with money or other assets that he knows or must assume are the product of a crime meets the legal definition; 4) A fourth possibility is to include as money laundering any action by which somebody acquires, keeps, and/or maintains money or other assets that he knows or should know belongs to a criminal organization. Money laundering is not one of the most frequent activities of and impetus for criminal organizations.

According to Sutan Remi Syahrani, money laundering is a series of activities which is a process carried out by a person or organization against illicit money, namely money originating from crime, with the intention of hiding data and disguising the origin of the money from the government or authorities authorized to act. By putting money into the financial system, using both bank and non-bank services. These institutions include stock exchanges, insurance, and foreign exchange trading so that money can be issued from the financial system as halal money².

In Indonesia, this crime of money laundering is regulated in Law no. 8 of 2010 concerning Prevention and Eradication of Money Laundering Crimes. As for the acts

¹ Rika Kurniasari Abdulgani, "Urgensi Pengesahan Undang-Undang Perampasan Aset Tindak Pidana Dalam Mencegah Dan Memberantas Tindak Pidana Pencucian Uang," *Jurnal Litigasi*, Volume 24, no. 1 (2023): 64–84.

² Sultan Remi Syahrani, *Seluk Beluk Tindakan Pidana Pencucian Uang Dan Pembiayaan Terorisme* (Jakarta: Grafiti, 2004).

that constitute money laundering crimes according to Law No. 8/2010 is as follows: 1) Placing, transferring, diverting spending, paying, granting, depositing, taking abroad, changing forms, exchanging with currency or securities or other actions on assets that he knows or reasonably suspects are proceeds of criminal acts with the aim of hiding or disguising origin of wealth; 2) Concealing or disguising the actual origin, source, location, designation, transfer of rights, or ownership of assets which he knows, or reasonably suspects are proceeds of crime; 3) Receive, control the placement, transfer, payment, grants, donations, safekeeping, exchange, or use of assets that he knows, or reasonably suspects are proceeds of crime.

If in the past a person committed a narcotics or corruption crime, law enforcers only focused on the crime, today with the anti-money laundering regime around the world, not only Indonesia has the same perspective that when a crime occurs, the result the crime or it can be said that the proceeds of crime are hidden by the perpetrators will be the main focus of the anti-money laundering regime. So that a person who commits a money laundering crime is said to have committed a double crime or double criminality, then Article 75 appears which reads "in the event an investigator finds sufficient initial evidence of the occurrence of a crime of money laundering and predicate crime, the investigator combines the investigation of predicate crimes with the investigation of predicate offences." crime of money laundering and notify PPATK." This is the hallmark or special characteristic of the criminal act of money laundering compared to other crimes, namely a double crime or it cannot stand alone, because if there is money laundering there must be a criminal act that precedes it or a predicate crime.

The anti-money laundering regime stipulates two things, first, stipulating the crime of money laundering as an independent crime; second, establish a new model in enforcing the law against money laundering crimes. Where law enforcement in a conventional way follows the *saspec*, namely arresting the perpetrators of criminal acts directly, while narcotics crimes and tax evasion are organized crimes and transnational crimes do not reap results. Finally, a new law enforcement model was found, namely follow the money, namely following the distribution of proceeds of crime, thus knowing the origin of the criminal act from the proceeds of the crime being disguised or hidden. The success of enforcing the law against two criminal acts which were troubling at that time with the follow the suspect model, America criminalized money laundering³.

This research analyses two main issues: first, what is the urgency of implementing follow the money approach in enforcing the law on money laundering? Second, how effective is the application of the follow the money approach in law enforcement against money laundering in Indonesia?

³ Halif, "Penyelesaian Tindak Pidana Pencucian Uang Yang Tidak Dibuktikan Terlebih Dahulu Tindak Pidana Asalnya," *Era Hukum* 14, no. 2 (2016): 238–62.

B. METHODS

This research adopts normative legal research, namely research conducted on legal principles, and legal rules in terms of legal norms which relate to the research material. This research was conducted normatively by analyzing the follow the money approach in law enforcement against money laundering crimes. The approaches of this research are the statutory and conceptual approaches.⁴ The research data was gathered through a literature review. Primary legal materials, secondary legal materials and tertiary legal materials will be used as legal materials in this research. The use of analysis is qualitative, including highlighting problem-solving efforts, in the sense that the data will be analyzed and then arranged systematically, which is then used as material for drawing conclusions.

C. DISCUSSION

1. The Urgency of the Follow the Money Approach in Law Enforcement Efforts Against Money Laundering Resulting from Corruption

At this time, money circulation can happen anywhere easily. Money transfer can be done quickly and easily around the world. It is a form of financial transaction activity. One of the risks that may occur in financial transactions is money laundering. Money Laundering is the action that is carried out to disguise the origin of money proceeds acts of crime or money illegally for the sake of generating a profit for individuals or groups who commit acts of crime⁵.

The Money laundering has negative effects on economic development. Money laundering constitutes a serious threat to national economies and respective governments. The infiltration and sometimes saturation of dirty money into legitimate financial sectors and nations accounts can threaten economic and political stability. Economic crimes have a devastating effect on a national economy since potential victims of such crimes are far more numerous than those in other forms of crime. Economic crimes also have the potential of adversely affecting people who do not prima-facie, seem to be the victims of the crime. For example, tax evasion results in loss of government revenue, thus affecting the potential of the government to spend on development schemes thereby affecting a large section of the population who could have benefited from such government expenditure⁶.

Before getting into the subject of the follow the money approach, it would be nice if we first looked at what is meant by the crime of money laundering. Law of the Republic of Indonesia Number 8 of 2010 concerning Prevention and Eradication of Money Laundering Crimes (UU-TPPU), in Article 1 point 1 defines that Money Laundering is any act that fulfills the elements of a crime in accordance with the provisions of this Law. This is different from Law No. 25 of 2003 which explains in

⁴ Ratna Kumala; Khilmatin Maulidah Sari, "Optimizing Trade Secret Criminal Law Policies in Indonesia: Lessons from the United States," *Journal of Judicial Review* 25, no. 3 (2023).

⁵ PPATK, "Indeks Persepsi Publik Indonesia Terhadap Tindak Pidana Pencucian Uang & Tindak Pidana Pendanaan Terrorisme," 2017.

⁶ Ajay Kumar, *Money Laundering: Concept, Significance, and It's Impact. Department of Laws* (Panjab University, n.d.).

detail what is meant by the crime of money laundering, namely money laundering is the act of placing, transferring, paying, spending, granting, donating, depositing, taking abroad, exchanging, or other actions. On assets that he knows or should reasonably suspect constitute the proceeds of a crime with the intention of hiding, or disguising the origin of the Assets so that they appear to be legitimate Assets.

In this study, the authors focus on the application of the follow the money approach in money laundering resulting from corruption. Corruption in Indonesia is certainly very often heard and witnessed in news broadcasts on television and social media. Corruption cases are not only carried out by the upper class, officials who occupy high positions in government but also reach the villages. Efforts to eradicate corruption have been carried out for a long time using various methods, sanctions against perpetrators of corruption have been intensified, but almost every day we still read or hear news about corruption. News about hand-catching operations (OTT) against corruptors is still common ⁷.

In the process of arresting perpetrators of suspected corruption, law enforcers should have researched and traced the flow of proceeds from corruption crimes through the follow the money approach. So in theory, when law enforcers want to uncover a crime of money laundering, they don't have to prove the predicate crime first, but law enforcement officials can directly use the provisions in the TPPU Law to prosecute the perpetrator.

Quoting from the anti-money laundering law expert Yenti Garnasih's book, he wrote in his book about the importance of the TPPU Law to deter corruptors. That is when applying or dealing with suspected corruption, so that the results of exposing corruption are not only on the perpetrators of corruption and imprisoning them, but how to trace the flow of funds resulting from corruption that are used or exploited and also punish all people who enjoy the proceeds of corruption besides the corruptors. In addition, the emergence of the International Anti-Money Laundering Legal Regime also gave birth to the Financial Intelligence Unit (FIU), which in Indonesia is called the Financial Transaction Reports and Analysis Center (PPATK), where this institution plays a very important role in disclosing corruption and eradicating it through the TPPU Law. The role of the PPATK can analyze suspicious accounts reported by banks and non-bank financial institutions ⁸.

The development of national law is inseparable from the political will of state officials who are authorized to make and pass laws and regulations. The Law on the Prevention and Eradication of Money Laundering Crimes is a product of the President of the Republic of Indonesia together with the House of Representatives (DPR) of the Republic of Indonesia. The content contained in exposing the crime of Money Laundering in particular, uses a new paradigm, namely by using the follow the money method.

⁷Wicipto Setiadi, "Korupsi Di Indonesia (Penyebab, Bahaya, Hambatan, Dan Upaya Pemberantasan, Serta Regulasi)," *Jurnal Legislasi Indonesia* 15, no. 3 (2018).

⁸ Yenti Garnasih, *Penegakan Hukum Anti Pencucian Uang Dan Permasalahannya Di Indonesia* (Jakarta: RajaGrafindo, 2016).

The crime of money laundering involves a very large amount of money that can be detrimental to state finances and has a negative impact on the national economy and on various aspects of people's lives, so this crime is classified as an extraordinary crime that must be prevented and eradicated immediately.

Whereas to investigate TPPU cases it is not necessary to prove the predicate offense or be sentenced first "in order to prove the illicit origin of the proceeds, it shall not be required to obtain the conviction of the predicate offenses". So, to prove or pursue the results of a crime using the money laundering approach (follow the money), it shall not be required, it does not have to be required to obtain a conviction of the predicate offenses. Thus, based on these guidelines, it is not necessary to prove predicate offenses in advance to examine ML cases.⁹

The pattern of money laundering activities includes the flow of money circulating from upstream to downstream through various activities, which aim to obscure the origin of the money so that it appears to be coming from a legitimate source. 14 In other words, money laundering is a very complex and complicated form of crime. This causes money laundering crimes to be difficult to track down, thus requiring an approach by tracing the process of concealing the origins of the proceeds of crime (follow the money). 15 With the follow the money approach, it will be possible to reveal who the perpetrators are, the type of crime, and where the location and amount of assets is hidden.

However, according to Yudi Kristiana, the practice of the operation of law in Indonesia is generally still controlled by a legal regime that is oriented towards the perpetrators (follow the suspect) and not towards money (follow the money). It is more ideal and effective to follow the money because by tracing the source of the money first you will pursue, confiscate and confiscate all assets originating from the criminal act. Approach follow the money, can pursue the proceeds of crime; linking the crime to the perpetrator intellectual; tools for asset recovery; penetrate bank secrecy; ensnare the parties involved engaging in concealing the proceeds of crime; and finally the follow the money approach can be done suppressing people's desires to commit crimes, especially economic crimes. This has very broad consequences in the operation of criminal law. As for the consequences it includes asset consequences and criminal consequences. Money laundering comes with a new paradigm that shifts the paradigm old, namely following the suspect but more about pursuing the results of the crime (follow the money). This is considered more effective in financial recovery countries that have been harmed by 25 types of core crimes culminating in the crime of money laundering as a further crime through law enforcement mechanisms against money laundering crimes.

Therefore, working hard to be able to redeem the conventional mindset towards a legal regime for Money Laundering Crimes. The legal regime for Money Laundering Crimes seems to depart from punishments that are oriented towards

⁹ Musram Doso, "Kebijakan Formulasi Mengenai Pembuktian Tindak Pidana Pencucian Uang Yang Tidak Wajib Dibuktikan Terlebih Dahulu Tindak Pidana Asalnya," *Jurnal Hukum Keluarga Islam* 1, no. 1 (2021).

"assets" or "follow the money". According to Yudi Kristiana, the punishment for money laundering is more oriented towards assets, meaning following assets. Where in addition to breaking the chain of crime, recovery and return of assets is one of the main objectives of criminalizing money laundering. The imposition of sentencing does not have to wait for the imposition of the main case which is the source of the acquisition of the assets in question.¹⁰ The methods used by the perpetrators of money laundering crimes are increasingly developing and modern. The problem in uncovering money laundering is because the motive is capital gain (looking for money or assets) which is included in the category of economic crime¹¹.

In contrast to criminal acts in general, which use the follow the suspect paradigm, namely prioritizing the search for the perpetrator. Whereas in the Crime of Money Laundering (TPPU), the priority is tracing the flow of money or assets that should be suspected of being the result of a crime. The legal paradigm used in Money Laundering Crimes (TPPU) is in the form of follow the money, which means law enforcement is carried out by following the flow of money or assets resulting from crime, using a financial analysis approach. After the results of tracing the flow of funds are obtained, then proceed to the next stage, namely finding the perpetrators of crimes.

Making a policy to prevent crime (prevention crime) is seen as more civilized (cultured). As experts in the field of disease and medicine say, "preventing disease is better than treating it" because the cost is cheaper and the treatment is also relatively easy. Noting that there are still so many predicate crimes that occur in Indonesia, especially predicate crimes that give birth to Money Laundering Crimes (TPPU), then to balance preventive measures, it is necessary to take progressive measures at the repressive level. The progressive action referred to here is based on disclosure of cases starting from the level of investigation, investigation, prosecution, and evidence at trial through the follow the money approach as a complementary follow the suspect approach which is ingrained understood and guided by law enforcers. The combination of these two approaches (follow the money and follow the suspect) will have a significant impact and result, both in terms of returning state or victim financial losses as well as providing a preventative effect as well as creating a deterrent effect. This follow the money approach starts from the view that:

- (a) The proceeds of crime are the "live blood" of crime, money/assets are the blood that supports these activities, the meaning here is that every crime must be driven by a motive, and there are only two common motives, namely: hurt/vengeance and economic motive. For predicate crimes that produce assets that will eventually become the object of money laundering, of course, the main motive is economics. Therefore, if the opportunity to

¹⁰ Yonathan Sebastian Laowo, "Kajian Hukum Tindak Pidana Pencucian Uang (Money Laundering)," *Jurnal Panah Keadilan* 1, no. 1 (2023).

¹¹ Yuni Priskila Ginting, "Pemberantasan Pencucian Uang dengan Pendekatan Follow the Money Dan Follow the Suspect," *Mulawarman Law Review* 6, no. 2 (2021).

obtain and place in order to disguise or obscure the origin of these assets can be prevented or eliminated, then of course these economic-motivated crimes will be eliminated or at least greatly reduced.;

- (b) The proceeds of crime are the weakest point of a series of crimes, the purpose of this statement is to invite law enforcement to understand that economic crimes will be carried out by professional people, with sophisticated methods, then the tools used are modern and difficult to trace as well as the timing and target right. These conditions will certainly complicate law enforcement in uncovering these cases. but when the perpetrators either directly or through a third party take advantage of the proceeds of the crime, for example: 1) placing it in the bank, of course the bank will report it to PPATK because the amount of proceeds of crime that is placed is not proportional to the profile; 2) changing forms by spending on property, motorized vehicles, gems/jewelry/precious metals or art and antiques, of course the providers of goods and services will report to PPATK because as a reporting party it is the duty of the reporting party to apply the Know Your Service User Principle (KYC) and report according to the procedures reporting method.

Then these crimes through the follow the money and follow the suspect approaches will be easily uncovered.¹²

The follow the money approach prioritizes looking for money or assets resulting from crime compared to finding the perpetrators of crimes. There is a follow the money approach, which is an approach used in pursuing, confiscating and seizing proceeds of crime. The follow the money approach seeks to find money/properties/other assets that can be used as evidence (objects of crime), in contrast to the conventional approach which focuses on finding the perpetrators directly after initial evidence is found.

Organized crime makes money an essential thing to commit a crime. Based on the IMF report, perpetrators of criminal acts hiding or disguising the proceeds of their crimes have reached 3% -4% of world GDP. The application of the follow the money paradigm is an attempt to cut the chain of crime. To do this, we need a new concept in upholding criminal law. The United Nations Convention Against Corruption recommends adopting the concept of Non-Conviction Based/NCB for extraordinary crimes against crimes where criminal conviction cannot be obtained, when the accused has died, fled, and/or because of other things.

Efforts to cut the chain of crime are relatively easy to do with the follow the money approach. The advantages of the follow the money approach, among others: a) This approach has a priority to pursue the proceeds of crime, not the perpetrators, so that it can be carried out quietly, more easily, and with less risk because it does not deal directly with perpetrators who often have the potential to put up a fight; b) This approach pursues the proceeds of crime which will later be

¹² Muhammad Yusuf, *Mengenal, Mencegah, Memberantas Tindak Pidana Pencucian Uang*. (Jakarta: Pustaka Juanda Tigalima, 2014).

brought before the legal process and confiscated for the state because the perpetrators have no right to enjoy the assets obtained in an illegal way. With the confiscation of the proceeds of this crime, the motivation for a person to commit a crime in search of property is reduced or lost.

In Indonesia, the follow the money approach is regulated in Law Number 15 of 2002 as amended by Law Number 25 of 2003 concerning Amendments to Law Number 15 of 2002 concerning the Crime of Money Laundering, and further refined in the Law No. 8 of 2010 concerning the Prevention and Eradication of Money Laundering Crimes, uses a follow the money approach in criminalizing money laundering, namely the act of hiding and disguising the proceeds of crime, so that it appears as legitimate wealth.¹³

With the follow the money approach, it will be possible to reveal who the perpetrators are, the type of crime, and where and where the amount of wealth is hidden or "laundered". In every crime, there are at least three components, namely the perpetrator, the crime committed, and the results of the crime. The results of a crime can be in the form of money or other assets. The follow the money approach prioritizes looking for money or assets resulting from crime compared to finding the perpetrators of crime. After the results are obtained, then look for the culprit and the crime committed. In seeking the results of criminal acts, a financial analysis approach is used. Here used the science of accounting and other related knowledge. Accounting knowledge used is forensic accounting (forensic accounting).

Indonesia as one of the countries that has ratified The United Nations Convention Against Corruption 2003 based on Law Number 7 of 2006 concerning Ratification of the United Nations Convention Against Corruption, Indonesia has consequences for adjusting the rule of law, especially with regard to the confiscation of criminal assets. Therefore, it is necessary to carry out the reconstruction of criminal law by regulating the confiscation and confiscation of proceeds as well as instruments of criminal acts in a comprehensive manner in one law.

With the existence of the Criminal Act of Confiscation of Assets, it can provide benefits: 1) Optimizing the concept of law enforcement for Money Laundering Crimes (TPPU) with the follow the money paradigm; 2) Criminal bodies are not the main focus, so that the overcapacity of Correctional Institutions can be minimized and state finances for the operations of Correctional Institutions, in this case, eating prisoners can be reduced; 3) Investigators can properly trace the results and instruments of criminal acts because they are not fixated on running away or not being able to go to trial or the death of a criminal offender; and 4) There is legal protection for people and institutions that provide information on alleged criminal acts.

¹³ Sutrisni Ni Komang; A.A.Ketut Sukranata, "Pendekatan Follow The Money Dalam Penelusuran Tindak Pidana Pencucian Uang Serta Tindak Pidana Lain," 2021.

2. How Effective in the Application of the Follow the Money Approach in Law Enforcement Against Money Laundering in Indonesia

Effectiveness means the effectiveness of the influence of the effect of success or efficacy or efficacy. If we review the effectiveness of the law, of course it cannot be separated from the analysis of the characteristics of the two variables, namely the characteristics or dimensions of the target object used. The theory of legal effectiveness according to Soerjono Soekanto is that whether a law is effective or not is determined by 5 (five) factors, namely: 1) The legal factor itself (law); 2) Law enforcement factors, namely the parties that form or apply the law; 3) Factors of facilities or facilities that support law enforcement; 4) Community factors, namely the environment in which the law applies or is applied; 5) Cultural factors, namely as a result of work, creativity and taste based on human initiative in social life.

When talking about the extent of the effectiveness of the law, we must first be able to measure the extent to which the rule of law is understood or not understood and obeyed or not obeyed. If a rule of law is understood and obeyed by most of the targets to whom it is subject to obedience, it will be said that the rule of law in question is effective. Legal awareness and legal obedience are two things that greatly determine the effectiveness of the implementation of legislation or the rule of law in society. Legal awareness, legal compliance, and effectiveness of legislation are three interrelated elements. People often confuse legal awareness and legal compliance, even though the two are closely related, they are not the same. These two elements really determine the effectiveness or failure of the implementation of legislation in society.

Law enforcement is one way to resolve legal issues that exist in society which is the jurisdiction of law enforcers. Enforcement of money laundering crimes, starting from investigations and investigations into money laundering crimes carried out by investigators from the Indonesian National Police (Polri).

As part of Indonesia's determination and seriousness in eradicating money laundering, the government established Law No. 8 of 2010 concerning the Eradication of Money Laundering as a legal umbrella. The crime of money laundering is a unique crime and has its own characteristics, namely this crime is a continuation of another crime as a predicate crime. This means that there is a very significant relationship between other criminal acts as predicate crimes or predicate crimes and the crime of money laundering itself, in which the relationship is in the form of assets or proceeds of crime. Because the crime of money laundering is related to assets or proceeds of crime, the following the money method, which focuses more on actions against assets, is the most effective method to be applied in tracing the proceeds of money laundering and law enforcement.

The reach of follow the money is further so that it feels fairer. This approach has priority to pursue the proceeds of crime, not the perpetrators, so it can be done quietly. It's easier, and there's less risk because you don't deal directly with perpetrators who often have the potential to put up a fight. This approach pursues the proceeds of crime which will later be brought before the legal process and confiscated for the State because the perpetrators have no right to enjoy the assets

obtained in an illegal way. With the confiscation of the proceeds of this crime, the motivation of a person to commit a crime to look for property is reduced or lost.

An example of a case that applies the follow the money approach is in the case of the former Director General (Ditjen) of Taxes, Rafael Alun Trisambodo. Rafael is suspected of violating Article 12B of the Law of the Republic of Indonesia Number 31 of 1999 concerning the Eradication of Corruption Crimes as amended by the Law of the Republic of Indonesia Number 20 of 2001 concerning Amendments to Law Number 31 of 1999 concerning the Eradication of Corruption Crimes. In In this case, it has been shown that the follow the money approach is more effective in finding sources of cash flows from criminal offenders.

The following the money method is the most appropriate method to apply in proving money laundering cases because it has many advantages in the verification process. One of them is being able to detect illicit fund flows from an early age, and therefore investigators and public prosecutors can temporarily confiscate assets without waiting for prior conviction. By not applying the following the money method in proving the crime of money laundering, it will result in consequences for assets and punishment for criminals.¹⁴

The follow the money approach seeks to find money/assets/other assets that can be used as evidence (object of crime). Of course, after going through an analysis of financial transactions and it can be suspected that the money is the result of a crime, it is different from the conventional approach which focuses on finding the perpetrators directly after initial evidence is found. In every crime there are at least three components, namely the perpetrator of the crime, the crime committed, and the results of the crime. The results of a crime can be in the form of money or other assets. The follow the money approach prioritizes looking for money or assets resulting from crime compared to finding the perpetrators of crimes. After the results are obtained, then look for the culprit and the crime committed. In seeking the results of criminal acts, financial analysis is used. However, financial analysis has not been able to confirm the occurrence of a crime and does not provide evidence of the occurrence of a crime. These two things are the task of the investigator who receives the results of the financial analysis from the Financial Transaction Reports and Analysis Center (PPATK).

The application of the follow the money approach is carried out by law enforcers who have the authority to handle money laundering cases reported by Financial Service Providers or from public reports by analyzing reports on the results of analysis from PPATK. When allegations of money laundering are reported, law enforcers use the follow the money principle which refers to the flow of funds to find out what forms of assets proceeds from crime, where they are kept and, on whose behalf, know the person or institution that assists the perpetrators of money laundering crimes. The defendant was also given the opportunity to prove that his

¹⁴ Yudi Kristiana, *Pemberantasan Tindak Pidana Pencucian Uang (Perspektif Hukum Progresif)* (Yogyakarta: Thafa Media, 2015).

assets did not originate from a crime and instead the defendant had to prove that the assets he obtained were not the result of a crime.¹⁵

Law No. 8 of 2010 concerning Prevention and Eradication of Money Laundering Crimes. Using the follow the money approach in criminalizing money laundering, namely the act of hiding and disguising assets resulting from crime, so that it appears as legitimate wealth. This approach can be likened to the workings of identification theory.

In every crime, there are at least three components, namely the perpetrator, the crime committed, and the results of the crime. The results of a crime can be in the form of money or other assets. The follow the money approach prioritizes looking for money or assets resulting from crime compared to finding the perpetrators of crimes. After the results are obtained, then look for the culprit and the crime committed.

One of the objectives of sentencing for crimes related to assets or assets such as money laundering is to return or recover assets (return of assets) to fulfill the interests of the aggrieved party, so that the perpetrator-oriented method (following the suspect) is unable to accommodate the objective to be achieved in law enforcement against money laundering crimes. If proving the crime of money laundering uses the following the suspect method, it will bring very broad consequences in the operation of criminal law, such as consequences for assets and consequences for punishment. The following the money method is an asset-oriented method. So, with this method, the disclosure of money laundering crimes does not have to start from what criminal events occurred and then trace the assets resulting from the crime. But you can start from the assets found, and then look back on whether the assets were obtained legally or not.

If law enforcers apply the following the suspect approach in the crime of money laundering, then any policy on assets resulting from crime can only be carried out after a conviction has been made for the predicate crime. The policies regarding the assets referred to include the temporary suspension of all or part of transactions by financial services at the request of the PPATK as stipulated in Article 65 paragraph (1) of Law Number 8 of 2010. If based on the pursuit of perpetrators of criminal acts, then prior to criminal prosecution criminal law, all matters related to assets cannot be carried out. Therefore, it will potentially reduce asset values and even potentially lose assets considering the procedural proof takes quite a long time. So the follow the money approach is the most appropriate and effective approach in tracing and eradicating money laundering crimes.

In accordance with Article 69 of Law N0. 8 of 2010 concerning the Prevention and Eradication of Money Laundering Crimes that it is not predicate crime that is the target of the follow the money approach, but money. The anti-money laundering approach through the follow-the-money strategy, which is considered more

¹⁵ Indra Waspada; Hambali Thalib; Kamri Ahmad Yuda, "Penegakan Hukum Tindak Pidana Pencucian Uang Yang Berasal Dari Tindak Pidana Narkotika," *Journal of Lex Generalis* 1, no. 2 (2020).

advanced than the conventional criminal approach, is still unsatisfactory because it is basically carried out after a court decision has been passed (post-conviction forfeiture). Even though it does not have to prove the predicate crime (predicate crime), in the trial of the money laundering crime case (TPPU) it must determine the type of predicate crime to be formulated in the public prosecutor's indictment later. Reverse proof in the ML case is a complement to proving someone's guilt so that he can be punished for committing the crime of money laundering. Only in the event that the defendant dies, in rem forfeiture is actually applied in the ML case, that is, without proving guilt, a request is sufficient to confiscate the defendant's assets which are suspected to be the proceeds of a crime.

Investigations can formulate elements and discover criminal acts. The portion of the follow the money approach is in the initial process when indications of money laundering are found from PJK (Financial Services Providers) or from public reports submitted to PPATK. The PPATK made an LHA for Money Laundering Sub-Directorate investigators to conduct an investigation, and specifically carried out a follow the money approach with a target for money. The Money Laundering Sub-Directorate has the authority to follow the money on alleged money laundering grounds that are reported to PIK or from public reports by analyzing the LHA from PPATK. When allegations of money laundering are reported, the Money Laundering Sub-Directorate, follow the money, refers to the flow of funds, then determines the person or institution that assisted the perpetrators of money laundering. However, the arrest of the suspect has not been carried out, because it is still in the process of investigation. This flow of funds is an important part and must be understood by investigators to ensure the truth of the facts to be used as legal evidence, so that they can exercise their authority to detain people suspected of committing money laundering crimes. So, in essence, the basis for implementing follow the money is to obtain facts that can be trusted and can be accounted for, by looking at accounts where money laundering is suspected. Next, directing how to prove that the money came from a crime.

The follow the money approach in handling money laundering cases in Indonesia is part of the investigative process, namely in gathering initial evidence and collecting sufficient facts or evidence with the target of money or assets as proceeds of crime. The investigation has the aim of gathering initial evidence or sufficient evidence, so that it can proceed at the investigation stage.

The following the money method is an asset-oriented method. So with this method, disclosure of money laundering crimes does not have to start from what criminal events occurred and then trace the assets resulting from the crime. But you can start from the assets found, and then look back on whether the assets were obtained legally or not. In the concept of following the money or tracing assets, it is carried out using a financial analysis approach, which uses forensic accounting to discover the flow of proceeds from predicate crimes. This method is very effective when used in the process of proving money laundering. Using the following the

money method, it will be possible to reveal who the perpetrators were, the type of predicate crime and where and how much wealth was hidden.¹⁶

There are several advantages of the follow the money approach to trace perpetrators and proceeds of crime. The reach is farther, so it feels fairer. This approach has priority to pursue the proceeds of crime, not the perpetrators, so it can be done quietly. It's easier, and there's less risk because you don't deal directly with perpetrators who often have the potential to put up a fight. This approach pursues the proceeds of crime which will later be brought before the legal process and confiscated for the State because the perpetrators have no right to enjoy the assets obtained in an illegal way. With the confiscation of the proceeds of this crime, the motivation of a person to commit a crime to look for property is reduced or lost.¹⁷

D. CONCLUSION

The follow the money approach prioritizes looking for money or assets resulting from crime rather than looking for criminals. This can also be used as an effort to break the chain of money laundering crimes because it can be done quietly, easily and with little risk. Because the crime of money laundering is related to assets or proceeds of crime, the method of following money which focuses more on actions against assets is the most effective way to be applied in tracing the proceeds of money laundering and law enforcement. In contrast to the follow the suspect approach, where any policy towards assets resulting from criminal acts can only be carried out after a predicate crime decision has been made, following money can detect illicit fund flows from an early age, and therefore investigators and public prosecutors can temporarily confiscate assets. Property without waiting for the determination of the penalty first.

Suggestions for further research are to examine in more depth the effectiveness of implementing the follow the money approach in efforts to eradicate the crime of money laundering and examine in more depth the importance of criminalizing money laundering because law enforcement against money laundering is still not optimal in Indonesia.

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¹⁶ Gregorius Hermawan; Anggie Rizky Kurniawan Kristyanto, "Penerapan Metode Following The Money Dalam Pembuktian Perkara Tindak Pidana Pencucian Uang Hasil Tindak Pidana Penggelapan (Studi Perkara A.N. Terdakwa Eko Edi Susanto Pada Kejaksaan Negeri Semarang).," *Jurnal Surya Kencana Dua: Dinamika Masalah Hukum Dan Keadilan* 7, no. 2 (2020).

¹⁷ Ramlani Lina Sinaulan Suluh, Bintang; Farhana, "Criminal Liability Of The Companys Legal Entity In The Crime Of Money Laundering," *IBLAM Law Review* 2, no. 1 (2022): 139–57.

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