



Fraud Analysis in the Corruption Case of PT. Waskita Karya Based on Ethical Principles and GCG Principles

¹Dea Kurnia Asih, ²Dede Supriyatna, ³Eka Andita Fitriannisa, ⁴Eveline Meisia, ⁵Nofriyanti

Pamulang University

Email: ¹deakurniaasih02@gmail.com, ²dededeno41@gmail.com,
³anditafitriannisa@gmail.com, ⁴evelinemeisia3@gmail.com,
⁵lecturer00423@unpam.ac.id

ABSTRACT

This research aims to conduct a literature review of ethical principles and good corporate governance principles as well as business ethics regarding corruption cases at PT. Waskita Karya Tbk which has harmed many parties and also has an impact on public trust. Apart from that, this research also explains the factors that make this case possible. The research method used is a qualitative method and data collection is carried out through documentation from validated sources and literature studies. The results of this research conclude that in the literature, the fraud that occurred in this case was triggered by many things, such as fraud that was deliberately carried out and resulted in ethical issues and a lack of internal control. The solution offered is to strengthen the implementation of good corporate governance in company management and improve ethics from the lowest managerial level, up to the highest decision holders.

Keywords: *Business Ethics; Fraud; Corporate governance.*

1. INTRODUCTION

In the business world, financial reports in a company are one of the main facilitator media for companies to share data in total for all company information and all operational activities of the company itself. Financial reports will play an optimal role if presented in accordance with several factors such as easy to understand, reliable, comparable, and relevant without any criminal acts such as data manipulation to fraud so that users of financial data do not feel disadvantaged, because this can affect the decision-making of interested parties,

considering that a financial report in a company is the main indicator for calculating company performance. The desire to continue to look good in the eyes of various parties makes company management forced to do many things, one of which is to manipulate financial reports, which ultimately the company does not present reports that are reasonable and results in major losses for various parties. According to (Setiawati & Baningrum, 2018) in (Tessa & Harto, 2016) the many frauds committed by company managers to manipulate financial reports are called fraud.

Fraud or cheating can happen anywhere, as happened in the large state-owned company PT. Waskita Karya (Persero) Tbk, President Director Destiawan Soewardjono was officially named a suspect in a case of alleged corruption of misappropriation or misappropriation of funds from PT. Waskita Beton Precast Tbk in 2014. 2016 until with year 2020 by the Attorney General's Office of the Republic of Indonesia. The determination of the suspect is related to the alleged corruption case in the misappropriation of the use of financing facilities from several banks carried out by PT. Waskita Karya (Persero) Tbk and its subsidiary, PT. Waskita Beton Precast Tbk In this case, Destiawan Soewardjono is said to have ordered and approved the disbursement of supply chain financing (SCF) funds using fake supporting documents. These fake documents were then used to pay off the company's debts resulting from the disbursement of payments for fictitious work projects to meet the suspect's requests. However, the funds used For need the person who caused the characteristic hedonism and not intended for for that SCF itself, and causes high interest rates that must be paid by management to party banking. (Kompas.com, 2023).

In the case of corruption the there is 8 suspects other namely, Director Marketing PT. Waskita Beton Precast Tbk 2016-2020 period, General Manager Marketing of PT. Waskita Beton Precast Tbk period 2016 August 2020, Marketing Expert Staff (expert) PT. Waskita Beton Precast, 2 retired people employee of PT. Waskita Beton Precast Tbk , President Director of PT. Misi Mulia Metrical, former The President Director of PT.

Waskita Beton Precast, and the President Director of PT. Arka Jaya Mandiri. The PT. Waskita give opinion that, case the law that occurs No impact in a way significant on operations and also finance company. The company will still operate all programs and strategies are in accordance with the target. In running its business process, PT. Waskita Karya ensures to public always based on to principles Good Corporate Governance (GCG) and continue committed to running business processes in accordance with principle professionalism as well as high integrity. (Detik.com, 2023). Based on Exposure case the is one of the form abuse positions held by 8 suspects said. Corruption cases the describe Still lack of sensitivity ethics of the actors involved in project fictitious In the case of the top brass company it is precisely do action corruption Enough give proof from the complex case corruption that occurs in Indonesia, where this the describe existence relatedness between the power that a person has within company with action corruption.

Case This become runaway phenomenon For can discussed more deep again, with hope can know action fraud reporting finance in PT. Waskita Karya which is proxied through the Pentagon Fraud. Some study scientific discuss about fraud and ethics such as (Dewi, 2017) who stated one of the factor affecting fraud is behavior No ethical. Behavior No ethical consists of from abusive behavior position, abusive behavior power, behavior who abuse source Power organization, and inappropriate behavior do anything. The case caused by PT. Waskita Karya in general No direct influence view public about accountability, integrity, transparency



and independence from PT. Waskita Karya, such as the study presented (Siregar et al., 2021) that trust public will institution / entity will decrease consequence the occurrence of fraud. In addition, fraud can hinder growth entity and also growth economy national (Sugianto, 2019). Fraud can prevented with various method, Zeyn (2012) stated that implementation of GCG can increase transparency and accountability finance as well as can reduce the occurrence of fraud. Jannah (2016) stated that excellent implementation of GCG can prevent fraud occurs. GCG principles are needed in frame prevent potential fraud that

2. LITERATURE REVIEW

1. Agency Theory

Fraud can happen caused by a gap certain ones with planned utilized by the parties agent or company managers who have more formerly recognize existence opportunity the as well as has understand want to How they to deceive the principal party so that action his cheating No can recognized. According to (Jensen & Meckling, 1976) agency theory is a relationship between two parties, the first party occupies the position of owner (principal) and the second party as management (agent). Agency theory explains that there is a separation between the owner as the principal. Conflict difference interests that occur between the principal and agent gives rise to attitude No each other believe Because agent will act principal in the interest of personal and not maximize interest principal. Because of the differences interest this is what causes conflict between holder non-controlling shares with controllers, creditors and management, government and management, employees and

occurs in the company and also organization sector public. Principle GCG is form code ethics And principle other Which used For prevent organization from conflicting crimes with law (Soleman, 2013).

The purpose of study This is do review fraud case at PT. Waskita Karya with using fraud namely pressure, opportunity, rationalization, competence, and arrogance from GCG principles and principles ethics violated with review transparency, accountability, responsibility, independence, fairness and ethics in doing business.

management, and public and management. Statement On Auditing Standard (SAS) No.82 (AU-316) in Amin Widjaya Tunggal (2004:8) states about difference between two types error in company that is mistakes (errors) and fraud (fraud). Second type error This can material in nature. A error is error presentation on report finances that are not intentional, temporary fraud is error deliberate presentation. All actions that are fraudulent in A business or company can be categorized as an ethical violation.

2. Ethical Theory

In a company, ethics more often known with ethics business. According to (Drew, 2010) Business ethics is terms that are usually related with behavior ethical or No ethics carried out by the company or A organization. Excellent company should No only depending on good performance, settings managerial And financial Which Good, superiority technology Which owned, means And infrastructure which are owned but Also must based on with ethics business Which

Good. With notice ethics business the good one so trust all stakeholders towards company still awake. Scandal PT. Waskita Karya Tbk be one of scandal involving problem holder stocks and management as well as weakness GCG implementation in companies (M.Fajri , 2009) .

3. GCG Theory

There are 5 principles in GCG, namely, the principle transparency that can achieved with increase quality disclosure on information performance accurate and precise company time. Principle accountability related with accountability of the Board of Commissioners or Board of Directors on decisions and results achieved in accordance with delegated authority in implementation responsibility manage company. The principle of responsibility is consequence from authority held by a person. Principle independence / independence has the meaning that in operate his duties and authorities manage company, shareholders shares, Board of Commissioners, and Board of Directors fully let go from various influence / pressure other parties who can detrimental, disturbing and reducing objectivity taking decision or lower effectiveness management performance company. And finally that is, the principle of fairness is company must notice interest holder shares and other stakeholders based principle fairness and equality. GCG is believed as practice best in system market economy for push healthy competition and climate conducive business. Practice this is also directed For support stability and growth economy. According to Prastika (2020) shows that GCG can effective prevent corruption in a company.

3. RESEARCH METHOD

The methodology used in this paper is a qualitative method. Qualitative methods focus more on the use of text and image data and in conducting data analysis, this method has unique stages and is different from other methods (Creswell, 2014). Data collection methods in qualitative methods are carried out through: unstructured or semi-structured observations, interviews, documents and visual materials. Data collection techniques are carried out purposefully fully select participants or sites, this will help researchers understand the problems and research questions.

In this study, the method used to collect document data comes from public documents, namely official news pages and through literature studies. sourced from electronic media and print media using documentation methods that are derived from documents related to the PT. Waskita Karya case for provide brief reports and analysis case based on the theory needed so that produce descriptive data in written words that characterize and describe a phenomenon (Nassaji, 2015) as well as library research methods obtained from journals, the internet, and others.

Research methods must included in submitted article. Describe data, population and determination sample, tool the analysis used, and if There is Can include Fishbone Diagram study.

4. RESULTS AND DISCUSSION

4.1. Results

1. Theory agency on case fraud PT. Waskita Work based on principle GCG And ethics. Conflict interest between holder share controller and holder non-controlling shares. Holder share



controller can use power they For profitable self Alone with sacrifice interests of the shareholders share minority. Review case of PT. Waskita Karya Tbk The management of PT. Waskita Karya carries out act corruption with the restructuring process, the Company proposes For postpone payment obligation to creditors banking and bonds or standstill. Delay payment obligation This required For guard liquidity Company, remember cash that can in a way free used by the Company is very limited. In the case of This director main do act criminal corruption in deviation use facility financing from several banks through child its business, PT. Waskita Beton Precast Tbk Document fictitious the used For disbursement of supply chain financing (SCF) funds with use document false which Then used For payment on the project work fictitious. As a result there is a transfer of wealth from holder non-controlling shares to holder share controller.

Activity business considered Good if in the practice business the can produce various good thing, isn't it? on the contrary cause loss. Review case PT. Waskita Karya Tbk. in a way ethics business has harm various party among them government, public, And investors. As for violation ethics business Which done by PT. Waskita Karya Tbk. including: 1. Disbursing company money use document false For pay company debts on projects fictitious. 2. Criminal acts corruption in deviation use facility financing from several banks. 3. Corruption committed together moment condition finance decline.

In the CGC principle it is seen that in operate his company, the top brass like

director main No held in a way orderly, fair, transparent and accountable. Violations principle objectivity that is provide bias and impact interests. The perpetrators fraud in case the utilise interest other parties in order to obtain profit. Violation principle competence caution related with, the perpetrators corruption in the case of PT. Waskita work No look after competence professional in accordance with techniques and standards applicable professional, no develop its capabilities For Work in a way competent in environment professional.

2. Pressure theory in the PT. Waskita Karya fraud case is based on GCG principles and ethics. Pressure or pressure is element the first one that can Motivate somebody do cheating, where pressure appear consequence existence encouragement will need or even greed from somebody in fulfil its interests. Based on theory agency, thing This can just happen remember management as an agent has authority results delegation from the principle in manage company, so that management own freedom in to precede interest on the pressure.

In terms of this, is needed implementation The principles of GCG are: transparency, which prioritizes aspect openness information Good in terms of the process of taking decision and also disclosure relevant, accurate and precise material information time use ensure fulfillment right all over stakeholders interests of PT. Waskita Karya. Reviewing case of PT. Waskita Karya Tbk. pressure that caused the occurrence of fraud can happen Because perpetrator get pressure from environment, good from environment

Work and also demands family to standard high social and prestige. Allegedly manipulation report finance Waskita Karya was originally was launched by Deputy Minister of State-Owned Enterprises II Kartika Wirjoatmodjo to mention report finances of two state-owned construction companies That No in accordance with condition real. Because, in the report condition finance Still to mention condition they always profit. In fact, the company's cash flow No Once positive (www.cnnindonesia.com).

3. The opportunity theory in the PT. Waskita Karya fraud case is based on GCG principles and ethics. Agus Putri & Sofie (2019) revealed company with supervision that is not effective will open opportunity for management in maximize acquisition profit in a way personal. Based on theory agency, thing This can happen remember management own authority in manage company, information owned management naturally more Lots compared to the principal, including information about condition company. management will with easy know condition Where existing supervision at the company currently No effective so that management potential do cheating.

In terms of this, is needed implementation The principles of GCG are: principle fairness which means, the GCG principle is realized with No do action discriminatory use ensure fulfillment right all over holder shares and stakeholders interest other in accordance with regulation applicable legislation. Review case of PT. Waskita Karya Tbk. Board of Directors Waskita Karya manipulates with submitting a financing proposal project development fictitious.

In case This is what the leaders of PT. Waskita Karya did act criminal corruption that has causing losses to the state reaching 202 billion. Due to the actions of the leaders the No in accordance with professional standards and standards applicable technicalities.

4. The rationalization theory in the PT. Waskita Karya fraud case is based on GCG principles and ethics. Hery (2017) explains rationalization is attitude justification on action fraud committed, in matter This the environment also becomes contributing factors help rational That appear. Based on theory agency, thing This can happen Because management own delegation authority from the principal in manage companies, including manage and select policy accountancy For used company. Use accrual as one of the policy accountancy potential utilized management in effort get confession income in accordance his wish. Himself will take shelter behind use accrual and feel his actions That Correct.

In terms of this, is needed implementation The principles of GCG are: principle independence which is obligation as well as authority from each member company in a way independent or without existence intervention from party others. Review case of PT. Waskita Karya Tbk. High position, long work period can become reason For justification of the perpetrators do corruption. In other words, fraud can also happen when somebody abuse authority granted to him. Destiawan Soewardjono who served as President Director of PT Waskita Karya for the period July 2020 to 2023, has set as suspect since April 27, 2023 (www.cnnindonesia.com). In the case of PT. Waskita Karya, the



perpetrators who have interests and positions high in the company No have characteristic independence For taking decision or determination policy management to always produced objective and free decisions from clash interest or pressure from party wherever.

5. The theory of competence in the fraud case of PT. Waskita Karya is based on GCG principles and ethics. Expertise or competence is defined as position and also role someone in his company (K, Simon, & Khair, 2015). Based on theory agency, thing This can happen Because mix hand from top brass Where fraud This No will happen without having the right person and with the right skills and uses carry out action fraud with detailed and observant.

In terms of this, is needed implementation The principles of GCG are: principle responsibility principle This emphasize importance company For be accountable actions and decisions taken, as well ensure that all related parties with company understand not quite enough responsibility and expertise that he has. Review The case of PT. Waskita Karya Tbk. is Director main, directors, division heads for influence its members and also his subordinates who aim use to smoothen action fraud (Annisya et al., 2016). In the

5. CONCLUSION

Based on results discussion Which has interpreted as well as withdrawn from theory study previously and articles related, can concluded that factors Which there is in Fraud Pentagon Theory is able analyze because the occurrence corruption at PT. Waskita Karya Tbk. In case This there is principles ethics the principles that were violated were integrity, objectivity,

case of PT. Waskita Karya, the management No own details roles and responsibilities answer from performance from every member management so that operational business No walk effective and efficient.

6. Arrogance theory in the PT. Waskita Karya fraud case is based on GCG principles and ethics. Arrogance, aka arrogance, namely character lack of heart conscience as behavior superiority or existence character big head owned by a person as well as trust if internal control does not can tried in a way individual (Agustina & Pratomo, 2019) in (Aprilia, 2017).

In terms of this, is needed implementation The principles of GCG are: principle not quite enough answer that is, obey to regulation applicable laws and regulations in operate every activity business and its operations use creation climate healthy and conducive business. PT Waskita Karya does not build conformity and harmony to regulation applicable laws and regulations as well as principles healthy corporation so that case corruption happened. Review case of PT. Waskita Karya Tbk. all perpetrator have high influence in the company, proven from part big suspect are the people who have interest in company.

competence, prudence and professional behavior. as well as Weak Good Corporate Governance (GCG) can explained through fraud theory that became reason reason the occurrence fraud namely, pressure, opportunity and rationalization as well arrogance .

Study This own a number of limitations, including : (1) instruments in research This only limited to available data like articles in the mass media, which

only measure in a way perception personal; (2) Population in study This only focused on PT. Waskita Karya only.

The results of this research are expected to be useful input for the academic world. and also PT. Waskita Karya. In addition, the results of this study are expected to be able to provide image to company, regulator, and practitioners on the factors that cause fraud. The results of this study are also expected to be able to help companies to continue to improve quality of human resources in terms of competence, encouraging employees to improve morale, providing compensation that is appropriate to the workload carried out by employees, building an environment that is more compliant with accounting rules, and apply practices good corporate governance For avoid unethical behavior, so that the potential for fraud can be prevented

6. SUGGESTION

Implementation of Good Corporate Governance regarding governance good company for company insurance. Implementation of governance good company related close with credibility company that runs as well as climate economy in a country. Implementation of governance good company be one of part important in handle risk. If implementation of corporate governance can walk with okay then management risk will also be walk with effective.

Should be stakeholders interests that occupy a determining position in taking decision think with full not quite enough answer No solely profit- oriented, institutions supervision more increase its performance so that can review and evaluate before happen a far- reaching loss more major impact on companies,

investors, stakeholders and society extensive and in the selection process truly take into account the candidate's skills and track record the employee who occupies position important in taking decision.

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