

After E-Procurement: Is There Still Corruption in the Procurement of Goods and Services?

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Abstract. This study aims to see whether the electronic procurement of goods/services [e-procurement] can minimize the occurrence of corruption. This study used a qualitative approach located in South Sulawesi. Interviews and documentation were conducted at LPSE, UKBJ, goods/service providers [vendors], ACC Sulawesi and Yasmib Sulawesi, which are anti-corruption NGOs. The results showed that even though they had used an electronic procurement system, corruption cases in the procurement of goods/services by the Government of South Sulawesi still occurred. The evil conspiracy between the recruitment committee and the vendor or between the vendor and the vendor is the modus operandi of corruption in the procurement of goods / services. This happens because the system at the Electronic Procurement Agency [LPSE] has not been able to track fraud and potential fraud that occurs.

Keywords: E-Procurement; Corruption; Transparency

1 Introduction

The government's procurement of goods/services is one form of the implementation of government duties in realizing national development, the financing of which uses the State Revenue and Expenditure Budget [APBN] and the Regional Revenue and Expenditure Budget [APBD]. For this reason, the procurement of government goods/services must be carried out in a transparent, effective, and efficient manner so that the results can be accounted for both physically, the benefits and benefits for the smooth running of government tasks and public services [Fauzan, 2014]. The government in the implementation of public services must be transparent, meaning that all government activities related to public services can be seen, assessed, and evaluated collectively, thereby creating public trust in the government as a provider of public services. Transparent rules and procedures are usually in place to hold government officials accountable and to combat corruption. In the reform era carried out and in touch with public service delivery, transparency aspects have become a necessity. The aspect of transparency is considered necessary because it refers to a situation in which all aspects of the public service delivery process are open and easily recognized by users and stakeholders who need them. Suppose all public service delivery processes such as requirements, costs and time required, methods of service, and the rights and obligations of service providers and users are published so that they are easily carried out and understood by

the public. In that case, the practice of providing services can be considered to have high transparency [Dwiyanto, 2000].

Transparency is an important part or element in the principles of governance. To achieve the ideals of good governance, the government must apply the principles of good governance, one of which is the principle of transparency in all sectors of public services. Likewise, procuring goods and services in the public sector must still be based on the principle of transparency. This is in line with the basic principles of the procurement of goods and services by the 2003 Guidelines for the Procurement of Goods/Services, namely effective, efficient, open, competitive, fair, transparent, and accountable. Transparency in the procurement of goods/services is needed as a manifestation to minimize corruption practices. Until now, there has not been much research on e-procurement in Indonesia. Rifaid & Rusnaedy, [2019] found that NGOs can jointly take collective action to prevent corruption in the procurement of goods/services. [Nurmandi & Kim, 2015]), in their research on 3 (three) cities in Indonesia, found that Human Resources are an essential factor that determines e-procurement performance. Research conducted by Artantri et al., (2016); Danuta, [2017]; Nugroho, [2015]) found that e-procurement can reduce arrogance and competence through transparency obtained after using e-procurement. Nayabarani, (2018) finds that the use of ICT is proven to be statistically significant in supporting efforts to minimize corruption, however in implementation, as long as the procurement of goods/services electronically is implemented, there are still many cases of procurement corruption. This research is here to examine whether e-procurement reduces corruption practices in the procurement of government goods/services?

So far, the procurement of goods/services has been covered by various manipulation practices. Various fraudulent practices mark the seemingly transparent procurement of goods/services. Transparency is often an obstacle that causes people's trust in the government to decrease. Corruption in the procurement of goods and services is one of Indonesia's most common forms of corruption [Ayu & Rachmi, 2013; Butarbutar, 2017]). From the data reported by the Corruption Eradication Commission (KPK), related to the corruption case of procurement of goods and services, which is still in second place after the corruption case of bribery, as many as 179 cases handled by the KPK during the 2011-2016 period, while in the corruption case of procurement of goods and services. Sixty-two cases handled by the KPK during the 2011-2016 period, as shown in the table below:

Cases	2011	2012	2013	2014	2015	2016	Total
Briberyes	25	34	50	20	38	47	179
Government procurement of goods/services	10	8	9	15	14	6	62

Source: KPK, 201

The market for government procurement of goods/services in Indonesia is relatively large. Data from the Ministry of Finance shows that in 2009 the procurement of goods/services financed by the APBN reached 350 trillion. The amount of this value cannot be separated from the many challenges in the procurement of goods/services. The Government Goods / Services Procurement Policy Institute (LKPP) states that until now, there are still limitations in information on prices and goods, limited market access, fragmented markets, unfair business competition (thuggery), bad governance, and limited human resources. Procurement of goods/services. By bringing in more business actors, it is hoped that healthy competition will occur so that the procurement market will be truly transparent and according to [Bawono 2011]. The implementation of e-procurement is a continuation of conventional procurement; as is known, the implementation of previous procurement has caused many problems, even

leading to a tendency to commit corrupt practices. As revealed by the Corruption Eradication Commission (KPK), it was explained that several corruption cases in Indonesia, especially corruption cases handled by the Corruption Eradication Commission (KPK), most (77%) were corruption cases related to procurement. Goods and services [Kurniawan, 2007], meaning that in many cases, the corruption that occurs in Indonesia is bureaucratic corruption or corruption in the civilian government.

One of the causes of corruption is the lack of accountability and transparency in the procurement of goods and services in local governments. Research conducted by Indonesia Procurement Watch of 793 vendor respondents in Jakarta, Bogor, Tangerang, and Bekasi found that 92.7% of respondents had bribed government officials. In contrast, only 1.3% stated that they had never committed bribes. A study conducted by the Corruption Eradication Commission (KPK) in 2012 on the procurement of goods and services in Aceh revealed the same thing. The study also found that many allegations of corruption in procurement and the procurement process's complexity did not affect the willingness to appoint a chairperson of the procurement committee. Based on the survey, only 34.2% of respondents were unwilling to become chairman of the procurement committee [(Nurmandi & Kim, 2015)]. From the problems above, this study uses Kim's, 2008 public procurement transparency approach using only one indicator, namely accessibility. The accessibility indicator is used to see whether transparency in the procurement of government goods and services through the LPSE website can prevent corruption. Can corruption still occur after e-procurement is implemented with information widely accessible to the public? Problems is what motivates researchers to research this problem.

2 Methodology

This article used qualitative research methods. The data collection techniques used in this research were interviews, observation, and documentation at the Electronic Procurement Agency (LPSE) and the Goods / Services Procurement Work Unit (UKPBJ) South Sulawesi. observing the goods/services procurement website. Besides, several anti-corruption activist NGOs (Anti Corruption Committee (ACC), Yasmib), as well as vendors who help researchers validate data. The researcher also analyzed the potential for public procurement corruption by utilizing the opentender.net website owned by Indonesia Corruption Watch using the Potential Fraud Analysis (PFA). Data from some of these elements (government, vendors, and NGOs) helps to analyze whether corruption still occurs after electronic procurement is implemented? From the problems above, this study uses Kim's public procurement transparency approach using only one indicator, namely accessibility. The accessibility indicator is used to see whether transparency in the procurement of government goods and services through the LPSE website can prevent corruption. Can corruption still occur after e-procurement is implemented with information widely accessible to the public? Problems are what motivates researchers to research this problem.

3 Result and Discussion

In the section on accessibility in electronic procurement (e-procurement), three points are indicators of transparency in the procurement of government goods/services electronically. *First*, the auction must be easy to follow and supervised by interested stakeholders, including

procurement officials/procurement committees, internal supervisors, providers of goods and services, and the public. The aim is to increase participation in the supervisory and decision-making process [Kim, 2008]. *Second*, to encourage transparent, fair, and non-discriminatory electronic procurement of goods (e-procurement). Transparency should present freedom of information, which many interested parties know, fair business competition and all goods/service providers can easily participate in the auction [Muhtar, 2013]. *Third*, creating a two-way exchange of information between the goods supplier and the procurement committee, through two-way information exchange, makes it easier for providers/vendors to obtain information from the procurement committee regarding the information on government procurement of goods/services electronically. Procurement of government goods/services that are easy for all parties to follow and supervise is a form of transparency in the e-procurement system so that the electronic auction process can be accessed openly and bidders are more competitive in participating in the auction. E-procurement transparency makes it easier for the government and the public to supervise procuring government goods/services. Using an electronic procurement system (e-procurement) makes it very easy for goods/service providers (vendors) to participate in the auction; everything is very open and can be seen and known by all interested parties.

Electronic procurement of government goods/services (e-procurement) dramatically facilitates the government, in this case, the procurement committee and vendors, to participate in procurement activities and very easy to supervise because it utilizes information technology. Where all parties can access, view, and control because the process from start to finish is available in the system. The use of information technology is a step taken to increase transparency in public procurement. The e-procurement system is one example that shows the use of innovative information technology to increase transparency and prevent and control corruption in procurement [Khi, 2001]. In the electronic procurement of government goods/services in South Sulawesi, there is still fraud and conspiracy between vendors and between the government and vendors. In the procedure, LPSE has carried out the determination of contracts and the determination of winners. However, sometimes irregularities are still found because the system cannot trace them. In practice, the system in e-procurement is sound, but in some cases, there are still leaks in the system, so that irregular practices still occur in the procurement of goods/services. This deviation is due to the regulations governing the procurement of government goods/services, and the system built at LPSE has not been able to detect fraud that has been regulated outside the system and seems to meet the requirements to win in procurement. Online media in South Sulawesi Province, namely makassar.terkini.id, received information on irregularities in the procurement of government goods/services that there was a conspiracy between goods providers and other goods providers assistance from members of the Makassar City DPRD. Hand tractor procurement project intended for 140 farmer groups in 4 (four) districts in South Sulawesi Province with a contract value of 2.39 billion won by CV. Wisama Cahaya Rezky.

Table 2. Top 10 South Sulawesi Province E-Procurement Projects in 2015 Enter an Indication of Potential Fraud

No	Projects	Vendor	Announcement	Contract Value (Rp)	Ceiling (Rp)	HPS (Rp)	Score
1	Procurement of medical and medical equipment	PT Cipta Sarana Laboratori	30/09/2015	15.490.807.000	15.899.565.150	15.501.274.150	19
2	Procurement of Medical	PT Mitra Tri	17/11/2015	2.072.0000.000	2.073.442.922	2.073.442.922	19

No	Projects	Vendor	Announcement	Contract Value (Rp)	Ceiling (Rp)	HPS (Rp)	Score
3	Devices for Labuang Baji Hospital, South Sulawesi Province. APBD Amendment Procurement of medical equipment (IGD equipment and ICU equipment)	Tunggal Abadi PT. Shavana Tiara Mas	30/09/2015	19.819.170.000	20.000.000.000	19.839.107.950	18
4	Pengadaan Hand Tractor	CV.. Wisama Cahaya rezky	25/08/2015	2.393.000.000	2.625.000.000.00	2.400.000.000	17
5	Procurement of Haji Hospital Laboratory Equipment	PT. Mahira anugerah Abadi	25/09/2015	9.284.601.000	9.550.000.000	9.294.104.250	17
6	Procurement of Hospital Incenerators	CV. Sarwo Bathi Permana	7/08/2015	1.492.500.000	1.600.000.000	1.494.800.000	17
7	Procurement of medical and health equipment (cigarette tax)	PT. Mawar Pharmasi Indo	28/07/2015	1.587.000.000	1.685.698.800	1.589.766.000	17
8	Procurement of spending on medicinal materials (patent drugs, laboratory materials)	PT. Dian Daya Mandiri	23/10/2015	662.180.000	663.602.472	663.602.472	17
9	Procurement of consumables (reagens)	PT. Suhu Sejuk Indonesia	17/03/2015	1.495.795.000	1.500.000.000	1.499.999.400	17
10	Procurement of expenditure for medicinal materials (patent medicines, laboratory materials)	PT. Dian Daya Mandiri	8/04/2015	1.096.172.000	1.099.357.494	1.099.357.494	17

Source: opentender.net

The 10 (ten) large government goods/service procurement projects that are indicated to have committed fraud are hand tractors' procurement at the South Sulawesi Provincial Agriculture Office, which was auctioned simply at UKPBJ South Sulawesi. Hand tractor procurement is in the top 4 with a score of 18, in the Top 10 (an indication of potential fraud). The opentender.net website is a tool developed by ICW since 2012 using the Potential Fraud

Analysis (PFA) analysis method to assess the potential risk of corruption in the work packages for government procurement of goods/services auctioned. This tool uses five variables to assess fraud's potential in electronic procurement of government goods/services (e-procurement), namely, contract value, participation, efficiency, participation, project implementation time, and monopoly. This method is more clearly seen in the table below:

Table 3. opentender.net PFA (Potential Fraud Analysis) Method

Method	Variable	Indicator	Information
PFA	Contract Value	The higher the contract value, the higher the potential.	
	Participation	A low number of participants indicates a low level of composition and the possibility of collusion between participants.	1-10 (less risky)
	Efficiency	Higher values indicate lower "savings," which can mean lower composition levels, although lower values do not mean anything if the HPS is marked-up.	11-15 (quite risky)
	Contract Value	Only for construction projects, limited implementation time can result in poor quality work.	16-20 (very risky)
	Monopoly	The fewer companies that participate in the auction, the greater the potential for fraud.	

Source: Indonesian Corruption Watch (ICW), 2020

Procurement of government goods/services that are easy for all parties to follow and supervise will ultimately encourage transparent, fair, and non-discriminatory electronic procurement stages so that in the procurement of government goods/services in South Sulawesi it encourages fair business competition and can prevent Corruption, Collusion and Nepotism (KKN) in it. As the results of the interview with the UKPBJ Working Group (Pokja 1) of South Sulawesi Province:

"This e-procurement system is designed to reduce fraud that occurs in conventional system procurement. All stages, the procurement process for the Government of South Sulawesi is now using an electronic system, so it is very transparent because everything is at LPSE, so all vendors who meet the requirements can participate, there is no discrimination". (interview with UKPBJ (pokja 1)).

The results of the interview above are evident, the purpose of using an electronic procurement system (e-procurement) is not only to encourage transparent procurement stages but also to reduce fraud or KKN that occurs in conventional procurement systems because it is no longer a secret for the procurement of government goods/services so far. Apart from not being transparent, it is discriminatory because there are games between certain vendors and government officials (Sucahyo et al., 2009). The implementation of e-procurement in a procedural manner LPSE South Sulawesi has carried out its duties and functions correctly and encourages transparent procurement stages of goods/services. This is because all data related to the procurement of goods/services, starting from explaining the announcement, the number of participants, the auction stages, and the tender winners, are displayed on the LPSE website. However, it does not guarantee open access to auction information on the LPSE website, meaning that games, collusion, and corruption do not exist in the procurement of goods/services. As the results of interviews with the Director of PT. Anugerah Putera Tunggal as follows:

The LPSE website, but in my opinion, the process of procuring goods/services in Sulawesi is not yet transparent, due to the fact that there are still frequent cases of government and collaborative vendors, the term "directed". For example, we are engaged in the medical equipment sector, if someone has been directed it is impossible for others to win because

the letter of support has been locked in the distributor” (Interview with the Director of PT Anugerah Putera Tunggal).

The interview above illustrates that even though the LPSE system is very good, games in the procurement of goods/services still occur. This is due to the negative opportunistic nature of Procurement Committees and/or Procurement Officers who collude with vendors to win certain tenders as is the case in the case of the Case Decision Result Number 07 / KPPU-L / 2016. The Commission for the Supervision of Business Competition of the Republic of Indonesia (KPPU) has decided for alleged violations of Law No. 5 of 1999 on the Procurement of Intensified Fertilizer for Cocoa Plants at the Plantation Office of South Sulawesi Province for the 2015 Fiscal Year. The decision on the case of alleged violations in the procurement of fertilizer for cocoa plant certification was carried out by the Commitment Making Officer (PPK), Working Group (Pokja) 1, and six vendors, in this case, CV. Nira Manis, PT. Imsiar, CV. Lima Bintang persada, PT. Cahaya Abadi Global, PT. Istana Bunga Baru dan PT. Pilar Nusba Alam Jaya was victorious. In the Decision Letter, KPPU suspects that there is a monopoly and conspiracy committed by the Commitment Making Officer (PPK), Working Group (Pokja), and vendors on 6 (six) packages of cocoa plant intensification fertilizer procurement at the Plantation Office of South Sulawesi Province. The six packages of fertilizer for the identification of cocoa plants which were the object of the case are as shown in the table below:

Table 4. Procurement Package of Cocoa Plant Certification Fertilizer Allegedly the conspiracy of the Procurement Committee, PPK and Vendors

Package Name	HPS (Rp)	Bid Price (Rp)	Percentage	Winner
Procurement of cocoa plant intensification fertilizer Package 2	19.411.920.000.00	19.364.400.000	99,88 %	CV.. Nira Manis
Procurement of cocoa plant intensification fertilizer Package 3	12.941.280.000.00	12.893.760.000	99, 88 %	PT. Imsiar
Procurement of cocoa plant intensification fertilizer Package 4	12.941.280.000.00	12.898.512.000	99,88 %	CV.. Lima Bintang Persada
Procurement of cocoa plant intensification fertilizer Package 5	12.941.280.000.00	12.925.440.000	99, 76 %	PT. Cahaya Abadi Global
Procurement of cocoa plant intensification fertilizer Package 6	9.705.960.000.00	9.694.080.000	99, 63 %	PT. Istana Bunga Baru
Procurement of cocoa plant intensification fertilizer Package 7	22.647.240.000.00	22.619.520.000	99, 76 %	PT. Pilar Nusba Alam Jaya

Source: Source: Business Competition Supervisory Commission (KPPU)

The results of investigations carried out by the KPPU found that the procurement of 6 (six) packages of cocoa plant intensification fertilizers at the Plantation Office of South Sulawesi Province occurred in the conspiracy, either directly or indirectly, against the Commitment Making Officer (PPK) and the Working Group (Pokja) 1 Procurement of Goods at the

Provincial Plantation Office. South Sulawesi. From the results of these investigations, 3 (three) problems can be analyzed. First, the KPPU found the involvement of the Pokja in the preparation of the participant's bid documents, in the metadata of the bid documents for the procurement package for Cocoa Intensification Fertilizer Package 6 and the package for Cocoa Plant Intensification Fertilizer Package 7, the name of the Pokja chairman, Ahmad Sukri. PT. Istana Bunga Baru was named the winner in cocoa plant intensification fertilizer package 6, and PT. Pilar Nusba Alam Jaya was named the winner in the cocoa plant intensification package 7, PT Istana Bunga Baru and PT. Pilar Nusba Alam Jaya was made by Merry Lamba, also the Director of PT. Istana Bunga Baru. The suitability of the bid document metadata of PT. Pilar Nusba Alam Jaya and PT. Istana Bunga Baru and the name of the Head of the Working Group.

Table 5. Metadata for the Bid Documents of PT Istana Bunga Baru and PT. Pilar Nusba Alam Jaya

Package 6	Package 7
PT. Istana Bunga Baru	PT. Pilar Nusba Alam Jaya
File Name: Package Intense 6 PT. Istana Bunga Baru	Nama File: Package Intense 6. PT Pilar Nusba Alam Jaya
Title: Bidding Documents	Title: Bidding Documents
Author: Ahmad Sukri	Author: Ahmad Sukri
Created: Monday, September 07, 2015, 10:32:49	Created: Monday, September 07, 2015, 12:58:31
Modifield: Monday, September 07,2015, 10:32:49	Modifield: Monday, September 07, 2015, 12:58:31
Application: Microsoft Word 2010	Application: Microsoft Word 2010
PDF production: Microsoft Word 2010	PDF production: Microsoft Word 2010

Source: Business Competition Supervisory Commission (KPPU)

The metadata above shows that there is a collaboration between Mery Lamba (document maker PT. Istana Bunga Baru and PT. Pilar Nusba Alam Jaya) and the Chairperson of Pokja 1 (Ahmad Sukri) to determine the winner of the auction for the package of Cacao Plant Certification Fertilizer Package 6 and Package 7. The description above also shows that in packages 6 and 7 of the procurement of cocoa plant intensification fertilizers, PT's bidding documents. Istana Bunga Baru and PT. Pilar Nusba Alam Jaya is created on the same computer and from the same source to manage auction winners for different packages. *Second*, the determination of the manufacturing quality test period, the announcement of fertilizer procurement at the South Sulawesi Provincial Plantation Office in 2015 is divided into two-time groups, namely:

- a) The procurement of cocoa plant intensification fertilizer package 2, package 3, package four, and package 5 was announced on August 14, 2015, at 08.00 WITA until August 20, 2015, at 23.59 WITA.
- b) The procurement of package 6 and 7 packages of cocoa plant intensification fertilizers was announced on September 1, 2015, at 20.30 WITA until September 7, 2015, at 23.59 WITA.

The distance between the registration time and the submission of the bid documents is six working days; in the tender document for the procurement of cocoa plant fertilizer package 2 to package 7, the Working Group requires that the quality test results issued must be made and take effect from the date of the announcement of the procurement, with the above requirements causing other participants it is not easy to prepare documents of quality test results with the required manufacturers. Vendors who submit bids for the procurement of fertilizer package 6 and package 7 receive support from PT's fertilizer manufacturers. PT. Bunga Tani, while vendors who submit bids for the procurement of fertilizer package 2, package 3, package 4 and package 5 receive the support of fertilizer manufacturers from PT. Polowijo Gosari. There are many fertilizer manufacturers in Indonesia and can produce NPK

fertilizer according to the requirements in the auction documents. However, it turns out that PPK only wrote to 3 manufacturers (PT. Polowijo, PT. Bunga Tani, and PT. Saraswati) to ask for fertilizer prices based on the specified specifications. by the committee before the announcement begins so that the fertilizer specifications have been known earlier by the three manufacturers.

Third, all winners in the procurement of cocoa plant intensification fertilizer package 2 to package 7 of 2015 have a kinship relationship with one another. Pokja 1 and PPK are suspected of collaborating with the winning companies to win packages for cocoa plant intensification fertilizers at the 2015 South Sulawesi Provincial Plantation Office. The case above is assessed as an indication of fraud in the process of government procurement of goods/services electronically (e-procurement). The project is suspected of having violated Law No. 5/1999 and violated Presidential Decree No. 70 of 2012, in particular Article 83 concerning indications of conspiracy vertically and horizontally. In the view of Tjipto Prasetyo Nugroho as an expert of LKPP RI, the project for the procurement of fertilizer for intensification of cocoa plants at the South Sulawesi Provincial Plantation Service for the 2015 fiscal year has conspired because it is under one control and fulfills the conspiracy elements regulated in Presidential Decree number 54 of 2010 as follows:

- a) There is the similarity in technical support, including work methods, materials, tools, analysis of technical approaches, unit prices and specifications of goods offered and technical support;
- b) All offers from providers approach the HPS;
- c) There is the participation of several providers of goods that are under one control;
- d) The content of the bid documents is unclear, including among others the similarity in composition and writing format;
- e) Bid guarantees are issued from the same underwriters with sequential serial numbers.

The case above illustrates that the impact of the conspiracy committed by fellow tender participants and/or tender participants with the tender committee and/or commitment making officials has clearly resulted in monopolistic practices and unfair business competition in the process of procuring 6 packages of cocoa plant intensification fertilizer. Procurement of goods at the Plantation Office of South Sulawesi Province for the 2015 fiscal year. This deviation is a concrete form that the contract mechanism, or awarding winners, also intervenes in the electronic procurement process at the South Sulawesi LPSE. Most cases of corruption and irregularities in the process of government procurement of goods/services during the selection of providers of goods/services [Yuhua et al., 2009]. Most of the cases were games and collusion with the procurement committee and procurement officials.

As explained in the previous discussion, the purpose of using an e-procurement system is to increase transparency in the procurement of government goods / services. Utilization of technology such as the use of e-procurement in Government procurement contributes to increasing transparency in Government tenders with contractors, because procurement is an electronic system, systematically designed, data is stored centrally, data related to contracts, bid prices, bidder and winner data, making it possible to detect and prevent corrupt behavior. As explained in the previous discussion, the purpose of using an e-procurement system is to increase transparency in the procurement of government goods/services. Utilization of technology such as the use of e-procurement in Government procurement contributes to increasing transparency in Government tenders with contractors because procurement is an electronic system, systematically designed, data is stored centrally, data related to contracts, bid prices, bidder and winner data, making it possible to detect and prevent corrupt behavior.

"Corruption cases in the procurement of goods/services in South Sulawesi can be detected from the planning model to the execution and evaluation models. Almost all the goods/services procurement processes have problems in planning. Like the case of corruption at the Makassar State University (UNM) Laboratory that we reported, it started with planning, and the cycle of corruption revolved around the procurement committee and the vendors/providers of goods/services". (Result of an interview with the Research Director of the Anti Corruption Committee (ACC) Sulawesi).

The interview results above showed that investigating corruption in government procurement of goods/services electronically (e-procurement) in South Sulawesi was problematic, starting from planning, working to the evaluation stage, and the storage always involved actors in circles who had the authority to procure goods. / services, namely, the committee/procurement officials and providers of goods/services (vendors). Basically, with the adoption of the e-procurement system, it is hoped that every stage of the procurement of goods/services from the Government of South Sulawesi can run transparently, and it is hoped that all forms of irregularities, bribery, collusion, and collusion, whether carried out by fellow vendors/providers of goods and services or between procurement committee and vendors. Corruption cases in the goods/services procurement sector in South Sulawesi are relatively high and have increased every year. From the results of year-end records released by the Sulawesi Anti Corruption Committee (ACC), corruption in the procurement of goods/services in South Sulawesi has always increased every year.

Table 6. End of Year Notes on the Anti Corruption Committee (ACC) Sulawesi
Corruption in the Procurement of Goods and Services in South Sulawesi Province 2013-2016

<u>Year</u>	<u>Sector</u>	<u>Cases</u>
2013	procurement of goods/services	17
2015	procurement of goods/services	45
2016	procurement of goods/services	56

Source: Anti Corruption Committee (ACC) Sulawesi

Cases of corruption in the procurement of goods/services in South Sulawesi Province have increased every year. Corruption in the procurement of goods/services in South Sulawesi Province in ACC Sulawesi records always involves actors from the procurement committee and vendors/providers of goods and services. This is evidence that the procurement official and the procurement committee plays an essential role in implementing government goods/services procurement because the procurement committee, as the technical implementer, controls all information related to the implementation of e-procurement. Therefore, Zheng et al., [2008] stated that it must continue to be appropriately monitored for the procurement committee to deviate from its primary duties and functions. The procurement committee's integrity is highly expected to achieve transparent, fair, and non-discriminatory procurement of government goods/services to create good governance.

The procurement stages that are easy to follow by all providers of goods/services and easily supervised by stakeholders (providers of goods/services, government, and society) take place in a transparent, non-discriminatory, fair, and accountable manner, which will create healthy business competition and prevent Corruption, Collusion and Nepotism (KKN) in the process of procuring government goods/services electronically (e-procurement). In the end, it will create two-way information between providers of goods/services and the government. Goods/service providers can quickly request and receive documents related to the procurement of goods/services electronically through the e-procurement system. With the two-way exchange of information, the government facilitates goods/service providers regarding the

procurement information that will be auctioned off and what procurement packages will be auctioned, and all information related to Government procurement.

The rapid development of information technology has given new colors in implementing the procurement of government goods/services. The implementation of electronic procurement (e-procurement), which was originally completely manual, has become completely online in a system by utilizing information technology. Its main objective is to create transparent, effective, and efficient procurement of goods/services. One of the advantages of e-procurement is communication between the Government and vendors through an online application. Bawono, (2011) states that by using e-procurement, procurement will be more transparent and minimize the potential for Corruption, Collusion, and Nepotism (KKN) because there is no direct contact between the committee and goods/service providers because the presence of information technology limits them. The theoretical framework of public prosecution corruption consolidates several concepts and models that have been developed previously. This model looks at corruption from the point of view of government agencies, and the framework shows that three main forces drive corruption: rationalization, opportunities for abuse and pressure for abuse, government agents who abuse public power for personal gain feel pressured to abuse (financial or pressure factors). clients) because they feel capable of rationalizing their behavior or being justified (attitudes and social norms to support their decisions), and they have the opportunity to abuse power [Brinkerhoff, 2004; Klitgaard, 1998; Park & Blenkinsopp, 2011]

Since the adoption of e-procurement, almost all interactions between the procurement committee and vendors have occurred in the online application or system. The two-way interaction between the committee and vendors is expected to help vendors get real-time information regarding the entire process of procuring goods/services. Thus, vendors will feel treated the same. The two-way information that occurs makes it easy for the committee to know what the vendor needs. On the contrary, vendors actively participate in providing goods/services because their information needs are met. Two-way information that occurs online in the system will maintain communication confidentiality between the two parties, namely the procurement committee and the vendors. The e-procurement system makes it very easy for users, procurement committees, and vendors. The interaction is no longer face-to-face but online, this has a positive impact on the sustainability of the procurement of goods/services when the system is well managed, and the human resources who run the system have high integrity and professionalism.

4 Conclusion

E-procurement exists as a form of transparency, effectiveness, and public procurement efficiency to prevent corruption in procurement. Transparency of e-procurement is needed so that the auction of government goods/services projects can be accessed by all stakeholders, both by the government, vendors, and the public. All procurement project auction processes can be viewed, monitored, and evaluated starting from the announcement stage, registration to the bid winner stage. However, the transparency of e-procurement, which is expected to reduce the potential for corruption, has not been fully realized. Several gaps are exploited both between the procurement committee and the vendor or between vendor and vendor. The two actors' conspiracy could not be detected by the Electronic Procurement Agency (LPSE) system. The researcher found several irregularities in the project auction through the opentender.net application created by the Indonesian Corruption Watch (ICW) with the

Potential Fraud Analysis method. The result is that several project auctions held by the Government of South Sulawesi are indicative of corruption, and the results of the Sulawesi Anti Corruption Committee (ACC) research show an annual increase of 10-15% corruption in the procurement of goods/services of the Government of South Sulawesi, and the actors involved in corruption procurement of goods/services by the government of South Sulawesi among the Procurement Committee, Commitment Making Officials and Goods / Services Providers (vendors).

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