Indonesia's gecko-gate

by <u>Tim Lindsey</u> The Australian November 20, 2009 (extract)

Instead, the nation is riveted by televised Constitutional Court hearings, explosive press conferences and a daily diet of rolling media revelations uncovering what may be the country's biggest political crisis since the fall of Suharto in 1998.

At the heart of it all is Indonesia's popular anti-corruption commission (KPK). Originally expected to be the latest in a long and unhappy line of toothless, gutless or silenced anti-corruption initiatives, it quickly proved itself anything but.

Energetic, determined and courageous, it used aggressive new tactics involving electronic surveillance and carefully managed stings to chase some very bigfish.

It targeted legislators at the local and national levels, as well as ministers, governors, police, prosecutors, judges and reserve bank governors. And it enjoyed a spectacular 100 per cent success rate in court.

Unsurprisingly, Indonesia's "untouchables" are strongly supported by the public, weary of decades of being farmed by a corrupt public sector.

Equally unsurprisingly, the KPK is hated and feared by Indonesia's ruling elite.

Now secret wiretaps have revealed a huge, multi-agency elite conspiracy to destroy the KPK that involves, so far, a murder, a love triangle, a bank collapse, stolen funds, frame-ups by senior police and prosecutors and, of course, lots and lots of bribery -- and (accurately or not) Yudhoyono is named on the tapes as supporting it.

Before the recent presidential polls Yudhoyono had to watch the KPK send his son's father-in-law, Aulia Pohan (a former deputy governor of the reserve bank), to jail for bribery.

At the time Yudhoyono won great kudos for this, strengthening his reputation as anti-corruption campaigner and champion of rule of law, and he won a second term in a landslide.

But these events caused great pain in his family and his government has since expressed concerns that the KPK has become far too powerful, remarks endorsed by nervous politicians in Indonesia's legislature, the DPR.

The speculation in Jakarta is that Yudhoyono may therefore have been happy to let others wipe out the KPK, with a nod and a wink. In any case, what followed were a series of attacks on the KPK. It began with the arrest of the KPK's head, Antasari Azhar, for the murder of the husband of his golf-caddy mistress. He denies this and last week a key prosecution witness, a dodgy policeman called Williardi Wizar, claimed he had falsified his original evidence as part of the plot. No one seems sure any more if Azhar's prosecution is legitimate, a frame-up or a bit of both.

Then came a tangled tale of corruption arising from the collapse of Bank Century. The KPK investigation into claims of bribes to secure a government bail-out led to questions about Vice-President Boediono and Finance MinisterSri Mulyani Indrawati. Allegations followed that KPK Deputy commissioners Bibit Rianto and Chandra Hamzah solicited bribes from the brother of a wealthy businessman and key graft suspect named Anggoro. Bibit and Chandra were detained in

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September, but wiretaps played on national television suggest the case against them was a conspiracy by the police and prosecutors in cahoots with Anggoro's family and various mysterious middlemen, one of whom has admitted to the plot. And the 270 minutes of wiretaps even included a plan to murder Chandra.

Police chief of detectives Susno Duadji, implicated in the plot, sneered that the war between the KPK and the police was a fight between a gecko and a crocodile. The result was demonstrations across the country in favour of the gecko, a media feeding frenzy and a Facebook campaign that has attracted 1.3 million members.

Bibit and Chandra -- who, with the gecko, are stars of millions of posters and T-shirts -- were released but, incredibly, the police are still proceeding against them.

Yudhoyono was forced to appoint an independent fact-finding commission, the "Team of Eight", led by Indonesia's most prominent lawyer and law reform advocate, Adnan Buyung Nasution.

Its findings, announced on Tuesday, only confirmed popular perceptions of a vast, multi-agency conspiracy.

This scandal goes to the heart of the government's legitimacy and shows no sign of letting up. So far Gecko-gate has forced the resignation of Duadji and deputy attorney-general Abdul Hakim Ritonga. The big question now is who is next? Attorney-General and cabinet member Hendarman Supandji and police chief Bambang Hendarso Danuri are clearly in the firing line, but exactly how much did the President and his staff know?

President swept up in Indonesian corruption scandal

Tom Allard SYDNEY MORNING HERALD CORRESPONDENT November 21, 2009

JAKARTA: It is an allegation that has spread like wildfire through Jakarta's elites and is now being openly canvassed in the press.

Was the election campaign of Indonesia's President, Susilo Bambang Yudhoyono - fought and won on his credentials as an anti-graft campaigner - financed by elite donors who were bailed out in dubious circumstances with public funds?

At the heart of the corruption scandal sweeping the country is the \$760 million rescue of Bank Century last year, a small bank dominated by shareholders and depositors from some of Indonesia's richest families.

An investigation by the independent anti-corruption watchdog, the Corruption Eradication Commission, or KPK, into what appeared to be a case of irregular prudential regulation seemed simple enough. Its early findings implicating senior police in kickbacks in exchange for ensuring the funds went to wealthy beneficiaries were alarming, but not spectacular by Indonesian graft standards.

What has opened a pandora's box for the President was the extraordinary police effort to shut down the KPK investigation - an apparently brazen conspiracy to imprison the body's leadership on trumped-up charges of bribery and murder.

It has laid bare the deep-seated corruption in the law-enforcement establishment but, in light of the President's seeming indifference to the assault on the KPK, has raised a question that has yet to be answered: what are they trying to hide?

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Beyond the prominent figures who had parked their money in Bank Century, the institution's bail-out was odd for a number of reasons. First, the bank's collapse was due to the embezzlement of funds, rather than an exposure to the ructions in world financial markets.

Moreover, the bank was so small that it posed no risk of triggering systemic failure across the country's financial system.

The size of the bail-out also grew five times beyond that authorised by parliament, and went direct to select shareholders and depositors, rather than re-capitalising the bank so it could begin trading again.

Among those who were given the money were Hartati Murdaya, the treasurer of the Democrat Party re-election campaign, and Budi Sampoerna, another supporter of the President.

As the KPK investigation gathered pace, there was a remarkable development. The chairman of the KPK, Antasari Azhar, was arrested and accused of murdering a Jakarta businessman, because the two men were infatuated with the same female golf caddy. Mr Antasari's case remains before the courts, but the key prosecution witness has already changed his story and claimed he was told to fabricate evidence.

It then emerged that the KPK had uncovered evidence that senior police had been orchestrating the siphoning of bail-out money for Bank Century in exchange for large bribes. Chief among their suspects was its chief detective, Susno Duadji.

Mr Susno, aware his calls were being intercepted by the KPK, made a comment that came to define the scandal: "How dare a gecko [KPK] challenge a crocodile [police and prosecutors]."

The retaliation of the crocodile was swift. Two KPK deputy chairmen - Chandra Hamzah and Bibit Samad Rianto - were soon charged by the police with abuse of power and soliciting bribes and put in prison.

They claimed they were set up, and the evidence later emerged to back their assertion.

As television cameras rolled, more than four hours of KPK wiretaps were played in a Jakarta court earlier this month. Millions of transfixed viewers heard various senior police and prosecutors talking about framing the two KPK deputies, even suggesting that Mr Chandra, following his imprisonment, could be murdered.

At one point in the recordings, an unidentified woman can be heard saying Dr Yudhoyono supported the plot.

As evidence goes, it was no smoking gun. And the President has vehemently denied the claim. On Thursday his Justice Minister, Patrialis Akbar, said: "Rumours saying that funds had flowed to SBY and his presidential election campaign team are slander."

The director of the Anti-Corruption Assessment Centre at the Gajah Mada University, Zainal Arifin Mochtar, said the jury would remain out until a parliamentary investigation was completed.

"It is premature to say now that the President is involved directly and indirectly. But his comments and actions do not help him," Dr Zainal said.

Dr Yudhoyono's support for the KPK has been, at best, equivocal. He complained that its power must "not go unchecked". Police and prosecutors implicated in tapes have also been returned to their positions.

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His Democrat Party has fiercely resisted a parliamentary inquiry into the Bank Century bail-out, while Dr Yudhoyono's policy to combat a "judicial mafia" of corrupt police, prosecutors and judges has so far amounted to introducing a "complaints box" for the public.

Much will depend on his response, due on Monday, to the recommendation of an independent taskforce known as the Team of Eight.

It wants the case against the two KPK deputies dropped, corrupt police and prosecutors removed and the leadership of the police and attorney-general's department reshuffled.

It also wants the Bank Century bail-out examined.

"The President said he would curb this judicial mafia," said Frenky Simanjuntak of Transparency International, an anti-corruption non-government organisation.

If he does not, thundered the Jakarta Post this week, he "will be staring his own political suicide in the face".

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