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Effectiveness of Case Handling and Asset Recovery in Corruption Criminal Acts of People's Business Credit (KUR) Financing in The Ogan Komering Ilir District Prosecutor's Office

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Abstract. *This study is motivated by the increasing complexity of corruption crimes in the financing of People's Business Credit (Kredit Usaha Rakyat/KUR), which not only causes state financial losses but also hinders the government's objective of empowering the community's economy. In practice, the handling of KUR corruption cases is not only focused on law enforcement processes but also on the effectiveness of asset recovery as an effort to restore state losses. Therefore, this study aims to analyze the effectiveness of case handling and the implementation of asset recovery in corruption crimes related to People's Business Credit (KUR) financing at the Ogan Komering Ilir District Attorney's Office, identify the obstacles encountered, and formulate optimization efforts for the future. The research method used is descriptive qualitative with a case study approach. Data were obtained through analysis of case documents, interviews with prosecutors and investigators at the Ogan Komering Ilir District Attorney's Office, and reviews of literature concerning criminal law, criminal procedure law, and asset recovery concepts. The data were analyzed qualitatively to obtain a comprehensive understanding of the effectiveness of handling KUR corruption cases and the implementation of recovering assets derived from criminal acts. The results of the study indicate that the handling of corruption cases related to KUR financing at the Ogan Komering Ilir District Attorney's Office has been carried out procedurally and systematically, starting from the stages of preliminary investigation, investigation, evidence collection, witness examination, state financial loss audits, to prosecution. The effectiveness of case handling can be categorized as fairly effective, although there are still obstacles such as limited facilities and infrastructure, insufficient numbers of investigators, lack of forensic experts, limited public support, and a permissive legal culture toward corruption practices. The implementation of asset recovery* *has also been conducted through asset identification, asset tracing, seizure, confusion based on court decisions, and execution of assets. However, technical and regulatory obstacles still limit the optimal recovery of state financial losses. Optimization efforts that can be implemented include strengthening regulations, improving human resource capacity, applying the follow the money method, early asset seizure, enhancing inter-agency coordination, developing an integrated asset database, and increasing internal banking supervision and public legal awareness.*

Keywords: *Asset Recovery; Corruption; District Attorney's Office; Legal Effectiveness; People's Business Credit.*

1. Introduction

Indonesia has constitutionally declared itself a state based on law (rechtstaat), as stated in Article 1 paragraph (3) of the 1945 Constitution of the Republic of Indonesia, which states that Indonesia is a state based on law. The consequence of the principle of a state based on law is that all actions in the administration of government, including development policies and law enforcement, must be implemented in accordance with the provisions of applicable laws and regulations. A state based on law requires guarantees to protect public interests, respect the rights of citizens, and law enforcement that is carried out fairly, consistently, and without discrimination. In this context, law plays a primary role in realizing order, justice, and legal certainty in the life of the nation and state.

As a state based on law, the implementation of the Indonesian state cannot be separated from the national goals stated in the Preamble to the 1945 Constitution of the Republic of Indonesia, namely protecting the entire Indonesian nation and all Indonesian territories, improving general welfare, improving the life of the nation, and playing a role in creating world order based on independence, eternal peace, and social justice. This goal emphasizes the state's constitutional obligation to realize justice and social welfare for all Indonesians. Therefore, every government policy, whether legal, economic, or social, must be focused on achieving this national goal.

In the framework of a modern legal state, economic growth is one of the main tools for achieving social welfare and social justice.[1]The state has a responsibility to develop an economic system that supports the interests of the people, promotes equality of business opportunities, and provides legal protection for

[1] M Lohot Hasibuan, "The Role of Law in the Development of the State's Economy According to Ibn Khaldun's View," AL-RISALAH: Journal of Islamic Law and Social Studies, Volume 11 Number 2, (2011): 75–118.

beneficial and productive economic activities. These economic development efforts must be implemented with transparency, accountability, and free from deviant practices, including corruption. Therefore, the success of national development depends heavily on upholding the rule of law, effective law enforcement, and the state's ability to ensure that all economic policies are implemented in accordance with the principles of the rule of law and national development goals.

In the context of a welfare state, the government has a constitutional responsibility to actively participate in the economic empowerment of the community. This responsibility is implemented through a series of policies aimed at improving public welfare, reducing poverty, expanding employment opportunities, and promoting equitable economic growth. The state plays not only a regulatory role but also a supporter and driver of economic development that prioritizes the interests of society as a whole.[2]Therefore, the government is required to design various strategic programs that can strengthen the people's economy, especially in productive sectors that are directly related to the needs of citizens.

One concrete manifestation of the state's role in empowering the community's economy is through policies related to business financing. The government implements various capital assistance programs, credit facilities, interest subsidies, and facilitates easy access to financing for small and medium-sized businesses.[3]This policy is intended to address capital constraints, which have been a major obstacle to the development of community businesses. Through targeted and sustainable financing support, it is hoped that businesses can increase production capacity, expand their business networks, and create new jobs, positively impacting national economic growth.

In the context of the Indonesian economy, Micro, Small, and Medium Enterprises (MSMEs) play a highly strategic role as the backbone of the national economy. MSMEs have proven to be resilient in the face of various economic crises and contribute significantly to employment and increased public income. However, MSME development still faces various obstacles, particularly limited access to capital and financing. Therefore, government support through targeted and equitable financing policies is crucial to foster economic independence for the people and enhance the competitiveness of MSMEs amidst increasingly fierce economic competition.[4]

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[2] Marsudi Dedi Putra, "Welfare State in the Pancasila Perspective," LIKHITAPRAJNA, Volume 23 Number 2, September (2021): 139–51.

[3] Yudo Anggoro, The Role of Philanthropic Institutions in the Landscape of Economic Development in Indonesia (Jakarta: Indonesian Philanthropy Association, 2025), p. 1

[4]Ibid, p. 2.

One of the government's strategic steps to empower the community's economy is the People's Business Credit (KUR) Program. The KUR program is a national policy designed to expand access to financing for Micro, Small, and Medium Enterprises (MSMEs) that have previously faced challenges obtaining financing from formal financial institutions.[5]Through this initiative, the government seeks to strengthen the people's economy, encourage the development of the real sector, and achieve equitable prosperity across all levels of society. The KUR program is expected to address the classic problem faced by MSMEs, namely limited business capital, enabling small businesses to grow, be more productive, and compete.

Conceptually, the KUR program has certain characteristics that distinguish it from typical banking loan schemes. KUR funds are primarily sourced from bank funds, whose distribution is supported and guaranteed by the government. Furthermore, the government provides funds in the State Budget (APBN) in the form of interest subsidies, thus making loan interest rates lower and more affordable. Through this mechanism, financing risks are reduced, while public access to capital is broadened. This model demonstrates collaboration between the government and banking institutions to promote people-oriented economic growth.[6]

The primary objective of the KUR program is to target MSMEs, productive small businesses, and micro-enterprise groups across various regions. These groups generally possess significant business potential, but are often hampered by limited capital, collateral, and access to financial institutions. With KUR, the government seeks to access these business groups so they can obtain financing more easily, quickly, and affordably.[7]Therefore, the KUR program not only acts as a financing tool, but also functions as a medium for economic empowerment which is expected to improve the quality of life of the community, reduce unemployment, and encourage local economic development.

Based on all the above descriptions, this research is crucial and relevant because corruption in the People's Business Credit (KUR) financing sector has a far-reaching impact and directly impacts the interests of the common people. Misappropriation of the KUR program not only results in state financial losses but also hinders the program's primary objectives: empowering the people's economy and strengthening the micro, small, and medium enterprise sector. Therefore, the success of eradicating corruption in the KUR sector is not solely

[5] R. Nurhidayat and Mutaqin Syahrir Ika, “People's Business Credit (KUR): The Indonesian Way to Prosper the Indonesian People,” Directorate General of Economic and Fiscal Strategy, 2007.
[6] Monalisa S Najoan and Joyce J Rares, “Effectiveness of the Business Capital Loan Assistance Program by BRI Bank Through Credit (KUR) for Restaurant Business Actors in Kawangkoan District, Minahasa Regency,” Journal of Public Administration (JAP), Volume VIII Number 115 (2022): 64–76.
[7]Ibid.

measured by the punishment of perpetrators, but is largely determined by the effectiveness of asset recovery efforts as an instrument for recovering state losses.

Academic studies specifically examining the effectiveness of handling corruption cases involving People's Business Credit (KUR), particularly within specific prosecutorial institutions, are still relatively limited. Most existing research focuses on corruption in general, without in-depth examination of the specific aspects of KUR case handling mechanisms and the success rate of state asset recovery at the regional prosecutor's office level. Yet, each region has its own unique characteristics, challenges, and law enforcement dynamics, making empirical and contextual research within specific District Prosecutors' Offices essential.

The author considers it important to raise the title "Effectiveness of Case Handling and Asset Recovery in Corruption Crimes of People's Business Credit (KUR) Financing at the Ogan Komering Ilir District Attorney's Office." This title was chosen considering that the phenomenon of KUR financing misappropriation is a current issue that has a direct impact on state financial losses and is detrimental to the interests of the lower classes as the main targets of the program. Furthermore, the effectiveness of handling corruption cases is not only measured by the success of criminalizing the perpetrators, but also by the extent to which state losses can be recovered through asset recovery mechanisms.

2. Research Methods

This research uses a sociological legal approach, or empirical legal research. The sociological legal approach positions law as a real behavior that lives and operates in society (law in action). Therefore, the research not only examines the normative aspects of legal regulations but also examines how the law is implemented in law enforcement practices.[8]This approach is used because the research focuses on the effectiveness of case handling and the implementation of asset recovery in corruption crimes in People's Business Credit (KUR) financing at the Ogan Komering Ilir District Attorney's Office.

3. Results and Discussion

3.1. Effectiveness of Handling of Corruption Cases in the Financing of People's Business Credit (KUR) at the Ogan Komering Ilir District Attorney's Office

People's Business Credit (KUR) is a financing program initiated by the Indonesian government to expand capital access for micro, small, and medium enterprises (MSMEs). This program is designed as a form of government support to encourage the growth and sustainability of the MSME sector, which has

[8] Soekanto Soerjono, Op.Cit, page 13

traditionally faced difficulties obtaining financing from conventional financial institutions due to limited collateral, high credit risk, or unaffordable financing costs.[9]

The legal basis for the KUR program is spread across various laws and government policies that govern the program's governance, objectives, distribution mechanisms, and oversight and accountability. One important regulation serving as a reference in the implementation of KUR is Regulation of the Coordinating Minister for Economic Affairs of the Republic of Indonesia Number 1 of 2023 concerning the Distribution of People's Business Credit, which emphasizes the principles of inclusivity, transparency, and accountability in distributing KUR to MSMEs throughout Indonesia.

The regulation stipulates that KUR disbursement can be carried out directly by designated financial institutions or through a linkage framework with other institutions to reach a wider range of MSMEs, supported by an integrated information and reporting system. This linkage scheme aims to ensure that KUR is not merely a financing instrument but also a government tool for expanding financial inclusion and strengthening the MSME ecosystem in Indonesia.

Various other government policies also regulate the technical aspects of KUR implementation, including the credit ceiling, subsidized interest rates, credit guarantee mechanisms through guarantor institutions such as Jamkrindo or Askrindo, and the obligation of lending institutions to report credit disbursements through a government-established administrative system. These policies are formulated to ensure the KUR program is effective, well-targeted, and has a tangible economic impact on MSMEs.[10]

The People's Business Credit (KUR) program is a government policy instrument designed to encourage the economic empowerment of the people, particularly Micro, Small, and Medium Enterprises (MSMEs). KUR is provided as a form of support for MSMEs that have faced limitations in business capital financing, preventing them from developing optimally. By providing more accessible credit, interest subsidies, and less stringent requirements compared to commercial loans, KUR is expected to increase the capacity of micro-enterprises, thereby creating jobs, increasing income, and strengthening community welfare at the local and national levels.[11]

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[9] Farida Farida, "People's Business Credit Program in Indonesia: Study and Policy Implications," IKRAITH-EKONOMIKA, Volume 8 Number 3 SE-Articles (November 1, 2025): 393–405, https://doi.org/10.37817/ikraith-ekonomika.v8i3.5431.
[10] Maisa, "Legal Analysis of Guidelines for Implementing People's Business Credit," Males Law Journal, Volume 2 Number 2 (2018): 179–94.
[11] Harsya Saputra, Hefrizal Handra, and Sri Maryati, "People's Business Credit (KUR): A Shortcut or a Solution to Multidimensional Poverty in Indonesia?," Al-Kharaj: Journal of Islamic Economics,

One of the primary functions of the KUR program is to increase access to capital for MSMEs. Access to capital is one of the main obstacles small business owners often face in developing their businesses.[12]Various studies have shown that limited capital is a major obstacle to MSME growth. Through the People's Business Credit (KUR), MSMEs can obtain working capital or investment at low interest rates and guarantee support, enabling them to expand production capacity and expand market reach. Thus, KUR serves not only as a financing facility but also as a government tool to expand financial inclusion and strengthen the MSME ecosystem in Indonesia. With the goal of empowering the people's economy and increasing access to capital, the KUR program is expected to contribute more broadly to national economic growth, poverty reduction, and strengthening the economic resilience of communities in various regions.[13]

The distribution of People's Business Credit (KUR) is carried out through a structured mechanism to ensure that the credit is provided to micro, small, and medium enterprises (MSMEs) that meet the requirements and have viable business potential. Generally, the KUR distribution mechanism begins with a loan application submitted by a prospective borrower, namely an MSME, who has prepared the documents and administrative requirements stipulated by a distributing institution, such as a bank. Next, the bank conducts a creditworthiness analysis, which includes verifying the borrower's identity, business feasibility, and ability to make repayments within the specified tenor. This analysis process is a crucial step in minimizing the risk of non-performing loans and ensuring that the disbursed funds can be used productively.

After the feasibility analysis is complete, the disbursement process continues with the bank's decision to grant credit. This decision is based on the evaluation of document completeness, field survey results, and credit recommendations from bank analysts. If the application is approved, the prospective borrower then signs a credit agreement, after which the KUR funds are disbursed according to the approved ceiling. Funds are typically disbursed through the borrower's bank account as part of a commitment to transparency and accountability in KUR utilization.

During the disbursement process, the KUR mechanism also includes mentoring and monitoring of debtors. At some disbursing institutions, customers are

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Finance & Business, Volume 7 Number 4 SE-Articles (April 4, 2025): 2274 – 2287, https://doi.org/10.47467/alkharaj.v7i4.7593.

[12] Anita Mauliyanti, "The Role of People's Business Credit (KUR) of Bank Sumsel Babel in the Development of Micro, Small, and Medium Enterprises in Martapura City," Kafalah: Journal of Islamic Economics, Management, and Finance, Volume 1 Number 2 SE-Articles (September 14, 2024): 155–62, https://doi.org/10.1234/kafalah.v1i2.33.

[13] "The Impact of the People's Business Credit (KUR) Program on Entrepreneurship Development and Economic Growth in Indonesia," West Science Journal Economic and Entrepreneurship, Volume 2 Number 04 SE-Articles (nd): 525–31, https://doi.org/10.58812/wsjee.v2i04.1407.

provided with technical assistance or guidance to ensure that KUR funds are used for business purposes and are not misused for consumption. Post-disbursement monitoring is also crucial for measuring business progress and preventing non-performing loans. An analysis of KUR disbursement procedures at several bank branches shows that credit disbursement follows a hierarchical process, from registration and eligibility verification, through surveys, credit evaluations, and disbursement of funds, with bank oversight to prevent risks and program misuse.[14]

An effective KUR (People's Business Credit) disbursement mechanism requires compliance with government regulations and bank operational standards, including prudential principles in the credit analysis process. For example, the application of prudential principles in KUR disbursement requires banks to consider the debtor's business feasibility, complete documentation, and comprehensive credit risk assessment before disbursing funds. The application of these principles aims to maintain the health of the bank's credit portfolio and help MSMEs remain productive without incurring a credit burden beyond the debtor's capacity.[15]Thus, the KUR distribution mechanism is a financing distribution process that not only involves administrative requirements, but also creditworthiness analysis, decision-making based on objective information, and post-disbursement monitoring to ensure that the program's objectives, namely empowering MSMEs and improving the people's economy, can be achieved optimally.

3.2. The Effectiveness of Asset Recovery Implementation in Corruption Cases of People's Business Credit (KUR) Financing at the Ogan Komering Ilir District Attorney's Office and the Obstacles Faced

Asset recovery is a series of legal efforts to track, freeze, confiscate, seize and return assets originating from criminal acts of corruption so that they can return to being state assets.[16]The concept of asset recovery emphasizes that the success of eradicating corruption is not only measured by the punishment of perpetrators, but also by the extent to which state financial losses can be recovered.

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[14] Poppi Sry Rejeki Sihombing, Amran Manurung, and Manatap Berliana Lumbangaol, "Analysis of the Procedure for Providing People's Business Credit (Kur) for Customers at PT. Bank Sumut Kcp Sei Sikambing," Jurnal Ekonomika Dan Bisnis (JEBS), Volume 5 Number 5 SE-Articles (September 29, 2025): 1069–76, https://doi.org/10.47233/jebs.v5i5.3615.
[15]Ibid.
[16] Ni Nyoman Trisna Pradewi, Dewa Gede Sudika Mangku, and Ni Putu Rai Yuliartini, "Obstacles to the Implementation of Asset Recovery by the Badung District Attorney's Office in Recovering State Losses Due to Corruption Crimes," Al-Zayn: Journal of Social Sciences & Law, Volume 4 Number 1 SE-Articles (January 13, 2026): 4153–59, https://doi.org/10.61104/alz.v4i1.3839.

Asset recovery is an important instrument in eradicating corruption, aiming to recover state financial losses resulting from corrupt acts. Legally, the legal basis for asset recovery in Indonesia stems from various laws and regulations, both national and international. The primary basis for the return of assets resulting from corruption is contained in Law Number 31 of 1999 in conjunction with Law Number 20 of 2001 concerning the Eradication of Corruption, specifically the provisions regarding additional penalties in the form of confiscation of goods obtained from corruption.

From a criminal law perspective, asset recovery is an integral part of law enforcement policies against corruption. This concept is based on the premise that law enforcement should not solely focus on punishing perpetrators through corporal punishment, but should also focus on recovering state financial losses resulting from the crimes committed. Therefore, the success of corruption eradication is not solely measured by the number of perpetrators sentenced to prison, but also by the extent to which the state is able to recover the assets or proceeds of crime enjoyed by the perpetrators.

According to Barda Nawawi Arief, asset recovery is part of a repressive criminal law enforcement effort that emphasizes the confiscation of the proceeds of crime to fully recoup losses to the state and victims. This view suggests that criminalizing perpetrators of corruption should not stop at imposing the principal penalty of imprisonment or a fine, but should also include legal steps to return the proceeds of crime to the state.[17]Therefore, asset recovery is an inseparable part of criminal policy in eradicating corruption, especially against crimes that cause large amounts of state financial losses, such as misappropriation of People's Business Credit (KUR) financing.

The provisions of Article 18 indicate that the legal system for corruption in Indonesia does not only emphasize punishment of perpetrators (punishment-oriented), but also prioritizes an approach to recovering state losses (recovery-oriented). Additional penalties in the form of confiscation of assets and payment of compensation are very important legal instruments to ensure that perpetrators of corruption do not enjoy the proceeds of their crimes. In the context of corruption in KUR financing, the existence of this provision provides a strong legal basis for the Ogan Komering Ilir District Attorney's Office to conduct asset tracking, confiscation, prosecution for payment of compensation, and confiscation of the proceeds of crime as part of the implementation of asset recovery.

Furthermore, the provisions of Article 18 of the Corruption Eradication Law indicate that the recovery of state losses is not optional, but rather part of the objective of law enforcement against corruption. Therefore, the effectiveness of

[17]Barda Nawawi Arief, loc.it.

handling corruption cases cannot be measured solely by the success of investigators in naming suspects or imposing prison sentences on perpetrators, but also by the ability of law enforcement officers to identify, track, secure, and return assets originating from corruption to the state treasury. In the context of this research, the implementation of asset recovery in the corruption case of KUR financing at the Ogan Komering Ilir District Attorney's Office is an important indicator for assessing the effectiveness of law enforcement against corruption as a whole.

Provisions regarding asset recovery are also strengthened through Law Number 8 of 2010 concerning the Prevention and Eradication of Money Laundering, which allows for the tracing and confiscation of assets derived from crime through money laundering mechanisms. This legal instrument is crucial because the majority of proceeds of corruption are disguised or diverted through various forms of financial transactions.

Asset recovery is not carried out instantly, but rather through systematic and structured stages. The asset recovery process in the KUR corruption case at the OKI District Attorney's Office was carried out through several systematic stages, as follows:[18]

a) Asset Identification Stage

Based on interviews with the investigating prosecutor handling the KUR corruption case at the Ogan Komering Ilir District Attorney's Office, the first stage in asset recovery is the identification of the suspect's assets. According to the source, the identification process was carried out immediately after the case entered the investigation stage. Investigators attempted to map all potential assets owned by the suspect, including bank accounts, immovable assets such as land and buildings, motor vehicles, company shares, and other assets suspected of originating from criminal activity. The investigating prosecutor explained that this early identification is crucial so that investigators have a preliminary understanding of the suspect's economic resources, which can later be used to recover state losses. This stage is a strategic initial step before further legal action is taken against these assets.

b) Asset tracing stage

The investigating prosecutor explained that after potential assets were identified, the next step was to conduct asset tracing using a follow-the-money approach. In this process, the OKI District Attorney's Office did not work alone, but rather coordinated and collaborated with various related institutions. According to sources, collaboration included working with the Financial

[18]Interview with the Prosecutor handling the KUR Case at the Ogan Komering Ilir District Attorney's Office on February 15, 2026.

Transaction Reports and Analysis Center (PPATK) to trace the flow of funds, with the Financial Services Authority (OJK) and banks to obtain financial transaction data, and with the National Land Agency (BPN) to trace the ownership of immovable assets. Through this coordination mechanism, investigators were able to trace where the KUR corruption funds were channeled, who received them, and in what form the funds were realized. This tracing process is recognized as the most crucial stage in the success of asset recovery.

3.3. Efforts to Optimize the Effectiveness of Case Handling and Asset Recovery in Corruption Cases of People's Business Credit (KUR) Financing at the Ogan Komering Ilir District Attorney's Office in the Future

Optimizing the effectiveness of case handling and asset recovery is an urgent need to protect state finances and maintain the sustainability of the People's Business Credit (KUR) program. Case handling and asset recovery are interconnected, as the success of the investigation and prosecution process will not be maximized without an effective asset recovery mechanism. Conversely, asset recovery also requires robust data and investigative processes. Therefore, these optimization efforts are crucial to accelerate the recovery of state losses, improve the quality of KUR program oversight, and provide a deterrent effect for perpetrators of corruption.

From a regulatory perspective, strengthening the legal basis for asset confiscation is a strategic step that must be strengthened in the long term. Developing clearer regulations regarding the seizure of third-party assets and implementing a Non-Conviction Based Asset Forfeiture (NCB) mechanism are crucial tools for securing state assets even when criminal proceedings are not yet legally binding.[19]Harmonizing KUR program regulations with the anti-corruption law is also necessary to reduce overlapping regulations and clarify legal procedures, so that law enforcement officers have a strong legal basis for confiscating and seizing assets.

Institutional optimization is the next determining factor. Human resource capacity building is carried out through specialized asset tracing training, certification of prosecutors handling corruption and asset recovery crimes, and regular workshops on financial forensics and follow-the-money methods. Strengthening facilities and infrastructure is realized through the development of an integrated asset database and the implementation of asset and financial transaction tracking technology. In addition, an integrated team involving the Financial Transaction Reports and Analysis Center (PPATK), the Financial Services Authority (OJK), and the National Land Agency (BPN) is being formed.BPK,

[19] I Putu Rusmadi Arsha Putra Kezia Melisa, “Criminal Law Regulations for Asset Confiscation in Efforts to Eradicate Corruption in Indonesia,” Kertha Wicara Journal, Volume 15 Number 03 (2025).

banking, and synergy between law enforcement officers are key to supporting simultaneous follow the money, confiscation, and asset seizure measures.

In the technical aspects of case handling, the application of the follow the money method from the initial stages of the investigation is very necessary to trace the flow of funds thoroughly.[20]Asset seizure as early as possible is also crucial to prevent the diversion or concealment of assets by perpetrators. The loss recovery approach is implemented simultaneously with the investigation and indictment process, ensuring that the effectiveness of case handling and asset recovery go hand in hand and reinforce each other.

Social aspects also play a crucial role in enhancing the effectiveness of KUR corruption mitigation efforts. Increasing public legal awareness, particularly among KUR recipients, can reduce the potential for misuse of funds. Educating KUR recipients, strengthening internal banking oversight, and establishing effective fraud reporting mechanisms are preventive strategies that support successful asset recovery and prevent the recurrence of corrupt practices.[21]

The ideal model for case handling and asset recovery at the OKI District Attorney's Office can be formulated as an integrative model, with a process that includes early detection, rapid investigation, simultaneous asset tracking, optimal seizure and confiscation, and maximum recovery of state losses. Early detection is carried out through early identification of KUR irregularities, rapid investigation relies on internal coordination within the OKI District Attorney's Office, asset tracking is carried out through the follow-the-money method and cross-agency collaboration, while optimal seizure and confiscation ensure the security of state assets.[22]Ultimately, maximum recovery of state losses is the main indicator of the success of all these steps.

In the short term, concrete steps that can be taken include the formation of a special asset tracing team, confiscation of assets from the investigation stage, intensive coordination with the Financial Transaction Reports and Analysis Center (PPATK),BPK, the Financial Services Authority (OJK), banking institutions, and the National Land Agency (BPN), as well as training investigators and prosecutors specifically in forensic accounting and follow-the-money techniques. These steps are intended to have a direct impact on the effectiveness of case handling and asset recovery.

[20] Kiki Amaliah Kevin Nurrurachman, Syadid Jiddan Alharun, Agrez Aprianti, Riqa Kurnia Sabilla, “Follow The Money Approach as an Instrument of Evidence in Corruption and Money Laundering Cases,” Journal of Law and Public Policy Studies 3, no. 1 (2025): 296–301.
[21]Ibid.
[22]Interview with the Prosecutor handling the KUR Case at the Ogan Komering Ilir District Attorney's Office on February 15, 2026.

Long-term strategic steps include strengthening national regulations related to asset recovery and the People's Business Credit (KUR), developing a unified asset database and an integrated tracking technology system, certifying specialized corruption prosecutors, increasing public legal awareness, implementing internal banking oversight, and implementing a monitoring system and periodically evaluating asset recovery performance. This long-term strategy ensures the continued effectiveness of case handling and systematic asset recovery.

Policy recommendations are directed at several parties. For the OKI District Attorney's Office, strengthening human resources, technology, and follow-the-money procedures is crucial. For the Indonesian Attorney General's Office, expanding NCB Asset Forfeiture regulations, prosecutor certification, and standardizing asset tracing teams are priorities. Meanwhile, for the government and banking sector, strengthening education for KUR recipients, internal bank oversight, and data support for asset tracing are essential. Implementing these recommendations is believed to significantly improve the effectiveness of case handling and asset recovery.

Efforts to optimize case handling and asset recovery at the OKI District Attorney's Office require an integrated approach, encompassing regulatory, institutional, technical, and social aspects. This comprehensive approach is expected to not only reduce the risk of state losses due to KUR corruption but also ensure the sustainability of the KUR program, strengthen public trust, and provide an optimal deterrent effect for perpetrators of corruption.

Analysis based on this theory shows that the effectiveness of asset recovery at the OKI District Attorney's Office is still influenced by limited regulations regarding the confiscation of third-party assets, investigator capacity, and cross-agency coordination. Although early confiscation and account blocking have been carried out since the investigation stage, the realization of asset recovery is still not optimal when compared to the total state losses due to KUR corruption. Asset recovery theory emphasizes that to achieve optimal asset recovery, all stages from asset identification to execution must be carried out systematically, measurably, and based on valid evidence. Therefore, the proposed strategic recommendations, such as strengthening NCB Asset Forfeiture regulations, increasing the capacity of investigators and special prosecutors, developing an integrated asset tracking system, and optimizing cross-agency coordination, align with the principles of asset recovery theory that emphasize the need for a comprehensive and integrative approach. Thus, the application of asset recovery theory not only strengthens the theoretical foundation of the optimization strategy but also provides an evaluative framework for assessing the effectiveness of case handling and systematic recovery of state losses in the future.

4. Conclusion

Based on the description of the research results and discussion that the author has outlined above, the following conclusions can be drawn: 1. The effectiveness of the handling of corruption cases involving People's Business Credit (KUR) financing at the Ogan Komering Ilir District Attorney's Office has been carried out procedurally, starting from the preliminaries to the investigation stage, with evidence collection, witness examinations, state loss audits, and coordination with various related agencies. This process demonstrates the Ogan Komering Ilir District Attorney's seriousness in taking action against irregularities and protecting state finances. Therefore, overall, the effectiveness of case handling can be categorized as quite effective, although there are still obstacles in the form of limited facilities and infrastructure, the number of investigators, financial forensic experts, public support, and a legal culture that is still permissive towards credit administration manipulation. Analysis based on Soerjono Soekanto's theory of legal effectiveness shows that legal factors and investigator competence have significantly supported the handling process, while factors of facilities, society, and legal culture need to be improved. The diverse modus operandi of the crime, the large value of state losses, and the involvement of multiple actors ranging from debtors, bank officials, intermediaries, to corporations indicate the complexity of the case that requires the ability technical assistance, cross-agency coordination, and a careful investigative strategy. Thus, although not yet fully optimal, the legal steps taken have demonstrated considerable effectiveness in upholding legal certainty, uncovering criminal methods, and minimizing state losses, in line with the KUR program's goal of empowering the people's economy.

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