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Criminal Liability of Offenders in Village Fund Corruption Cases under the Indonesian Anti-Corruption Law

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Abstract

Purpose: This study examines the criminal accountability of Village Fund corruption perpetrators under Indonesia's Anti-Corruption Law, with focus on the legal elements of authority misuse, state financial loss, and criminal intent (mens rea) within the governance framework of Law Number 6 of 2014 on Villages.

Research Methodology: A qualitative normative juridical design was employed, supplemented by an empirical review of 15 court verdicts on Village Fund corruption issued between 2019 and 2024. Data were collected through library research and systematic analysis of statutory instruments, court rulings, and peer-reviewed publications.

Results: Criminal accountability predominantly arises from village heads' misuse of their position as custodians of village finances, with most prosecutions grounded in Article 3 of the Anti-Corruption Law. Establishing state financial loss and demonstrating criminal intent were the decisive factors in securing conviction. Structural deficiencies in internal oversight and insufficient administrative competence at the village level were identified as key drivers of corruption vulnerability.

Limitations: This study is limited to 15 purposively selected court decisions and does not address the liability of third parties such as vendors or contractors. Access to complete investigative audit records was also restricted, as such documents frequently remain confidential during the investigative phase.

Conclusions: Criminal enforcement under the Anti-Corruption Law must be accompanied by governance reform and clearer normative boundaries between administrative errors and criminal conduct to uphold legal certainty and justice.

Contributions: This research contributes to criminal law scholarship and provides practical recommendations for improving Village Fund governance and law enforcement consistency.

Keywords: *Abuse Of Authority, Anti-Corruption Law, Criminal Liability, State Financial Loss, Village Fund Corruption*

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1. Introduction

Village development occupies a central position in Indonesia's national development strategy, particularly since the passage of Law Number 6 of 2014 on Villages, which conferred broad self-governing powers upon villages to independently regulate and administer their community affairs. This legislative shift has been operationalized through substantial financial transfers in the form of Village Funds drawn from the National Budget (APBN). Over the past several years, the Indonesian government has continuously expanded these allocations as a mechanism for promoting balanced regional development and reducing poverty. Arifin et al. (2020) document that since the Village Fund program took effect, annual transfers have grown considerably, with cumulative disbursements to villages surpassing IDR 70 trillion in recent years, which are intended to catalyze rural infrastructure development, drive economic inclusion, and elevate living standards in underserved communities.

Nevertheless, the devolution of fiscal authority to the local level has simultaneously intensified corruption vulnerabilities. Rinaldi, Purnomo, and Damayanti (2020) observe that within decentralized governance arrangements, institutional fragility and inadequate supervisory mechanisms tend to open pathways for the misappropriation of public resources. This dynamic is especially pronounced in Indonesia, where large-scale financial flows to the village level have not always been matched by commensurate control infrastructure. Yunan et al. (2023), drawing on a spatiotemporal analysis of post-decentralization corruption patterns, consistently identify the village sector as among the most susceptible domains for financial misconduct, particularly in public fund administration and local procurement. Further corroborating this, Prihatmanto et al. (2023), in a review of 186 village-level corruption prosecutions from 2015 to 2021, establish that village heads are among the most frequently charged actors, with cases disproportionately concentrated in Java and Sumatra. This pattern reflects entrenched structural deficiencies in Indonesia's anti-corruption architecture that have persisted since the post-Soeharto reform era (Umam, Whitehouse, Head, & Adil, 2020), pointing to systemic governance failures rather than isolated individual misconduct.

The problem of corruption at sub-national levels is not a novel concern. In a foundational empirical study, Olken (2007) demonstrated through field experiments in Indonesian village development projects that weak monitoring environments generate substantial leakage in public spending. Though conducted over a decade ago, these findings remain instructive in understanding current Village Fund vulnerabilities. The study also revealed that broader community participation can meaningfully curtail corruption, even if it cannot eliminate the phenomenon entirely.

More recent scholarship has refined this picture. Kuncoro (2020) argues that local governance corruption in Indonesia is deeply intertwined with the intersection of political authority and public budget management at the regional level. Hadiz (2019) extends this argument by showing that clientelistic networks and patronage-based relationships function as structural underpinnings of persistent corruption. Within the village governance context, the village head, who serves as the primary financial decision-maker, occupies a position of considerable influence while simultaneously bearing substantial exposure to the risk of power abuse.

From a legal standpoint, prosecuting Village Fund corruption requires establishing the elements prescribed by Indonesia's Anti-Corruption Law: specifically, unlawful conduct, misuse of authority, personal or third-party enrichment, and quantifiable losses to state finances. Butt (2020) highlights that one of the central challenges in Indonesian anti-corruption enforcement is achieving interpretive consistency in the application of the financial loss and authority abuse elements across different judicial actors. Such variability risks producing divergent verdicts and undermining predictability in the legal treatment of similar cases.

Prabowo (2021) further contends that corruption is not merely a product of individual moral failure but reflects deeper systemic conditions, including compromised institutional integrity, low transparency, and organizational tolerance for irregularities. In the village governance context, these conditions are manifested in the limited capacity of village officials to administer financial systems competently, which has in some cases led to criminal proceedings against officials whose violations may have stemmed more from incapacity than intent. This ambiguity has generated substantive debate about the appropriate legal boundary between administrative error and criminal corruption. At the macro-political level, Mietzner (2020) argues that national political dynamics and elite resistance to structural reform can erode the coherence of anti-corruption strategies, with ripple effects reaching down to village-level oversight.

Global integrity benchmarks underscore the scale of the challenge. According to (Transparency, 2023) Corruption Perceptions Index, Indonesia's public sector continues to face significant governance integrity deficits. This reality signals that law enforcement measures targeting Village Fund corruption must be embedded within a broader agenda of governance reform, encompassing greater transparency, institutional accountability, and strengthened oversight mechanisms at all levels of government.

From a public financial management perspective, the World Bank (2022) emphasizes that expanding budget allocations must be accompanied by performance-oriented oversight frameworks and meaningful budget transparency. Absent these safeguards, increased spending authority can paradoxically amplify the scope for financial irregularities. The criminal accountability of Village Fund corruption perpetrators must therefore be understood within the broader context of public finance reform and institutional capacity building.

Conceptually, corruption is understood as the exploitation of entrusted power for private benefit (Fisman & Golden, 2017). In the Village Fund context, this characterization applies when village officials deploy their authority for personal enrichment in a manner accompanied by criminal intent (mens rea) and resulting in verifiable financial harm to the state. The imposition of criminal sanctions under the Anti-Corruption Law must therefore carefully calibrate considerations of legal certainty, justice, and societal benefit, thereby ensuring that enforcement not only holds wrongdoers accountable but also contributes to rebuilding public trust in village governance institutions.

Although a considerable body of literature addresses local-level corruption and Village Fund governance, the prevailing focus has been on administrative management, preventive strategies, and financial oversight frameworks. Comparatively few studies have undertaken a rigorous juridical analysis of criminal liability as constructed through the specific legal elements of Indonesia's Anti-Corruption Law. Moreover, prior research has tended to concentrate on the causes and typologies of corruption rather than systematically examining the consistency with which courts apply the elements of authority misuse, mens rea, and state financial loss in Village Fund-related cases.

This gap provides the central motivation and scholarly urgency of the present research, particularly given the escalating volume of Village Fund corruption cases and the intricate legal questions they raise. A more rigorous and systematic examination is essential to securing legal certainty, advancing justice, and reconciling anti-corruption objectives with the imperative of shielding well-intentioned village officials from criminal exposure arising from purely administrative shortcomings. The study thus carries both theoretical significance in advancing criminal law doctrine as well as practical relevance in informing more effective law enforcement and more accountable village governance.

The overarching aim of this study is to comprehensively examine the criminal accountability of Village Fund corruption perpetrators under Indonesia's Anti-Corruption Law, with particular focus on the fulfillment of the elements of unlawful conduct, authority misuse, criminal intent, and the proof of state financial harm. The research further aims to identify recurring legal tensions in enforcement practice, including the distinction between administrative failures and criminal acts, and to analyze the judicial reasoning that underpins court decisions in these cases. Through a normative legal methodology and systematic judicial decision analysis, the study aspires to contribute theoretically to criminal law scholarship and practically to the design of more transparent, accountable, and just Village Fund governance and enforcement systems.

2. Literature Review

Any meaningful examination of criminal liability for Village Fund corruption must be grounded in the normative structure established by Law Number 6 of 2014 on Villages (Village Law), which serves as the lex specialis governing the legal standing, authority, rights, and responsibilities of villages within Indonesia's governmental architecture. The Village Law recognizes villages as autonomous governance units with the capacity to self-regulate based on community initiative and customary rights within the constitutional framework of the Unitary State of the Republic of Indonesia. Among its most consequential provisions is the formal regulation of village finances, including Village Fund allocations sourced from the national budget.

2.1 Law Number 6 of 2014 on Villages and Village Financial Management

The Village Law explicitly mandates that village financial management adhere to the principles of transparency, accountability, participatory governance, and fiscal discipline (Articles 24 and 71). Village heads are designated as the primary authority over village financial management, meaning they bear not merely administrative responsibility but also legal accountability for all decisions pertaining to village finances and fund utilization. From a governance standpoint, the World Bank (2022) underscores that large fiscal transfers to subnational governments must be matched by robust oversight infrastructure and institutional capacity-building. Without effective controls, fiscal decentralization risks amplifying corruption exposure, which is a concern that is echoed by Rinaldi, Purnomo, and Damayanti (2020), who argue that Indonesia's decentralization model creates fertile conditions for financial misconduct when not supported by functional supervision and accountability systems.

In practice, the Village Law provides the normative scaffolding for Village Fund management, but its effective implementation hinges on the competency of village officials and the functionality of oversight mechanisms. When Village Fund administration deviates from accountability norms and produces financial harm to the state, the applicable legal framework transitions from administrative governance to criminal law, specifically the Anti-Corruption Law.

2.2 Decentralization of Authority and the Risk of Corruption

Theoretically, decentralization is designed to enhance service delivery efficiency and strengthen community participation in local governance. However, the empirical literature consistently demonstrates that decentralization may simultaneously heighten corruption risks at the local level. Rinaldi, Purnomo, and Damayanti (2020) document that weak institutional control environments at the sub-national level create expansive discretionary space in which public officials can exploit their authority for private ends.

Within the Village Law framework, the discretion granted to village heads over development priorities and budget implementation reflects the logic of village autonomy. However, when this discretion is weaponized for self-enrichment, it falls squarely within Fisman and Golden (2017) definition of corruption as the private appropriation of public power. Transparency Transparency (2023) further indicates that Indonesian public sector integrity perceptions remain challenged, suggesting that the autonomy conferred by the Village Law has not been sufficiently accompanied by a culture of institutional integrity or by effective accountability mechanisms. Increased village authority may thus generate corruption opportunities where accountability infrastructure is absent.

2.3 Abuse of Authority within the Framework of the Village Law and the Anti-Corruption Law

While the Village Law grants village heads broad governing authority, this authority is bounded by accountability norms and legal compliance requirements. Violations of these boundaries can attract administrative, civil, or criminal sanctions. Within criminal law, Article 3 of the Anti-Corruption Law serves as the primary instrument for prosecuting village heads who exceed or misuse their granted powers. Butt (2020) points out that the interpretation of the authority misuse element has been a recurring source of contestation in Indonesian anti-corruption jurisprudence, making it essential to distinguish between administrative mistakes arising from the good-faith exercise of Village Law authority and deliberate acts undertaken with criminal intent that cause quantifiable harm to state finances.

Prabowo (2021) adds that systemic corruption drivers, including insufficient transparency and a permissive institutional culture, play a significant role in enabling corrupt conduct. At the village level, these systemic factors are reflected in the limited regulatory literacy of village officials, which may produce financial irregularities not necessarily driven by malicious intent. Any criminal liability analysis must therefore carefully interrogate the subjective fault element, particularly the presence or absence of mens rea.

2.4 State Financial Losses in the Management of Village Funds

Under the Village Law, Village Funds constitute an integral component of the state financial system. Any irregularity or misappropriation that results in losses to Village Fund allocations is therefore classified as a loss to state finances. Rinaldi et al. (2020) stress the centrality of audit mechanisms and fiscal transparency in ensuring accountability over public resources.The World Bank (2022) advocates for the digitalization of village financial reporting as a means of enhancing transparency and strengthening audit capacity. Digital financial management systems are expected to reduce opportunities for data falsification, improve supervisory effectiveness, and enhance the evidentiary foundation available in corruption investigations and prosecutions.

2.5 The Theory of Criminal Liability and the Element of Fault (Mens Rea)

Contemporary criminal law doctrine requires the coexistence of an unlawful act (actus reus) and a subjective fault element (mens rea) to establish criminal liability. Duff (2021) argues that a principled concept of criminal responsibility must account for the offender's moral agency and intent. For public officials, intent functions as the crucial line separating administrative negligence from criminal culpability; accordingly, liability cannot rest on procedural violations alone but must incorporate evidence that the offender knowingly and deliberately engaged in unlawful conduct.

Kharismadohan (2020) demonstrates that in corruption prosecutions, mens rea is typically established through financial flow analysis and evidence of the defendant's active role in orchestrating project implementation or disbursement processes. Courts do not restrict their inquiry to procedural compliance but examine the defendant's underlying motives and the personal benefits they obtained. Criminal intent may therefore be inferred from a pattern of conduct revealing deliberate efforts to exploit authority for private or group advantage. The literature collectively indicates that criminal liability analysis in Village Fund corruption cases must integrate the normative frameworks of both the Village Law and the Anti-Corruption Law, with particular emphasis on the subjective fault element. This integrative approach is essential to differentiating administrative irregularities attributable to limited capacity or procedural error from genuinely criminal conduct characterized by corrupt intent and unlawful enrichment.

On the basis of the literature from the past five years and the normative framework of Law Number 6 of 2014, it is evident that the expanded authority granted to villages carries significant legal implications. The Village Law promotes autonomy and local participation, but the extension of authority increases abuse risks where effective oversight and adequate institutional capacity are lacking. Fiscal decentralization (Rinaldi et al., 2020; World Bank, 2022), the contested interpretation of authority misuse (Butt, 2020), systemic corruption drivers (Prabowo, 2021), and the importance of transparency and civic engagement (Transparency International, 2023; Olken, 2007) collectively establish that criminal accountability for Village Fund corruption must be approached through an integrated reading of the Village Law and the Anti-Corruption Law.

This study is therefore significant for its contribution to understanding the relationship between the authority conferred by the Village Law and the criminal legal consequences of its misuse in practice, a relationship whose clarification is essential both for legal certainty in enforcement and for strengthening accountability and good governance in Village Fund administration.

3. Research Methodology

This study employs a qualitative research method with a normative juridical approach complemented by a limited empirical analysis of judicial decisions. The qualitative method was selected because the study aims to gain an in-depth understanding of the construction of criminal liability for perpetrators of Village Fund corruption offenses under Indonesia's Anti-Corruption Law, including the interpretation of the elements of the offense, judicial reasoning, and the dynamics of its application in judicial practice. A qualitative approach enables the researcher to conduct a descriptive-analytical examination of legal norms, doctrines, and law enforcement practices in a comprehensive and contextual manner.

The normative juridical approach is carried out through an examination of primary, secondary, and tertiary legal materials. Primary legal materials consist of relevant legislation, including Law Number 6 of 2014 on Villages, Law Number 31 of 1999 concerning the Eradication of Corruption Crimes as amended by Law Number 20 of 2001, the Indonesian Criminal Code (KUHP), and judicial decisions related to Village Fund corruption cases issued within the last five years (2019–2024). Secondary legal materials include reputable national and international scientific journals, textbooks on criminal law and administrative law, previous research findings, and official reports issued by relevant state institutions. Tertiary legal materials comprise legal dictionaries, encyclopedias, and other supporting sources that assist in understanding legal concepts and terminology.

Data were collected through library research and documentary study. Library research was conducted by identifying, inventorying, and reviewing various sources relevant to the research topic. Documentary analysis focused on 15 judicial decisions concerning corruption cases involving village heads or village officials as defendants in Village Fund corruption offenses, sourced from the Direktori Putusan Mahkamah Agung Republik Indonesia and covering decisions from District Courts, High Courts, and the Supreme Court issued between 2019 and 2024. These decisions were selected using purposive sampling based on the following specific criteria are the defendant is a village head or village official, the charges involve Village Fund mismanagement under Articles 2 and/or 3 of Law Number 31 of 1999 as amended by Law Number 20 of 2001, the judicial decisions have obtained permanent legal force, and the decisions contain explicit judicial reasoning regarding the elements of abuse of authority, state financial losses, and mens rea.

Data analysis was conducted qualitatively using content analysis and legal interpretation methods. Content analysis was employed to identify patterns, legal arguments, and judicial considerations in adjudicating Village Fund corruption cases. Legal interpretation was undertaken through grammatical, systematic, and teleological approaches to understand the meaning and purpose of legal norms contained in the Village Law and the Anti-Corruption Law. The collected data were subsequently classified according to the principal variables of the study, namely village head authority, abuse of authority, state financial losses, and the element of fault in criminal liability.

To ensure data validity, this study applied source triangulation by comparing various legal sources and scientific literature to obtain a comprehensive and objective understanding of the issues under investigation. In addition, a critical analysis was conducted to assess the consistency between legal norms and their implementation in judicial decisions. The findings were then systematically organized to address the research questions and provide relevant recommendations for strengthening law enforcement and improving the governance of Village Fund management.

4. Results and Discussions

4.1 The Construction of Criminal Liability of Village Heads in Village Fund Corruption Cases

The analysis of 15 judicial decisions examined in this study reveals that the construction of criminal liability for village heads in Village Fund corruption cases is predominantly grounded in Articles 2 and 3 of Indonesia's Anti-Corruption Law. In 12 out of 15 decisions (80%), prosecutors applied Article 3 (abuse of authority) rather than Article 2 (unlawful enrichment), primarily because the village head's position as the holder of authority over village financial management under the Village

Law provides a clear and direct basis for establishing the abuse element. In the remaining three cases, charges were brought under both articles in an alternative formulation.

A representative pattern is evident in decisions where courts found that village heads had authorized fictitious expenditure items or manipulated accountability reports (Laporan Pertanggungjawaban/LPJ) to conceal misappropriation of Village Fund allocations. In several decisions, the courts explicitly noted that village heads had personally directed subordinate officials to sign false financial documents, demonstrating active rather than passive involvement. This pattern of conduct was consistently characterized by the courts as fulfilling the element of abuse of authority, given that the discretion to authorize disbursements was exercised outside the boundaries of its lawful purpose.

These findings are consistent with the study conducted by Suramin (2021), which found that Indonesian anti-corruption law enforcement frequently encounters challenges in consistently applying the elements of corruption offenses, and that prosecutors tend to rely on the abuse of authority construction under Article 3 because it is more directly established through evidence of the defendant's official position and conduct than the element of unlawful enrichment under Article 2. Furthermore, Saragih et al. (2023) argue that the interpretation of abuse of authority in Indonesian anti-corruption law has expanded progressively, reflecting a tendency toward the formalization of official responsibility into criminal liability, particularly following the enactment of Law No. 19 of 2019 concerning the KPK. This tendency is reinforced by empirical findings showing that weak governance structures at the village level, which are characterized by inadequate internal controls and limited transparency, increase both the risk of corruption and the likelihood of prosecution under the abuse of authority framework (Putri, Argilés-Bosch, & Ravenda, 2023). At the international level, Rose-Ackerman and Palifka (2021) explain that in the context of local corruption, public officials are frequently held criminally liable when administrative discretion is exercised for personal gain rather than for legitimate public purposes.

A notable tension observed across the decisions reviewed is the inconsistency in how courts treat borderline cases where village heads claim that procedural errors were attributable to administrative capacity limitations rather than criminal intent. In some decisions, courts applied a strict liability-like interpretation, treating procedural violations as sufficient evidence of abuse without requiring proof of direct personal benefit. In other decisions, courts demanded clearer evidence of personal gain before imposing criminal liability. This inconsistency underscores the need for more uniform judicial guidelines on the threshold separating administrative errors from criminal corruption in the management of Village Funds.

4.2 The Relationship Between Fiscal Decentralization and the Risk of Village Fund Corruption

The documentary analysis indicates that the increase in Village Fund allocations under the fiscal decentralization framework correlates with a higher frequency of irregularities, particularly in villages with limited administrative capacity. The decisions reviewed reveal that villages lacking systematic internal control mechanisms are more susceptible to report manipulation, fictitious project disbursements, and inflated procurement costs.

Across the 15 decisions analyzed, state financial losses ranged from approximately IDR 50 million to IDR 3.2 billion per case, with a median loss of approximately IDR 400 million. Villages that had not implemented digital financial management systems, such as the Sistem Keuangan Desa (Siskeudes), were disproportionately represented among cases involving large-scale losses and systematic manipulation. This finding suggests that the absence of technology-based financial controls significantly amplifies the corruption risk associated with fiscal decentralization. Srirejeki and Putri (2023) further demonstrate that susceptibility to corrupt behavior among local government officials is significantly higher in environments with weak accountability mechanisms and limited supervisory capacity, reinforcing the importance of technology-based controls such as Siskeudes in reducing corruption opportunities.

These findings are supported by the study of Fan, Lin, and Treisman (2021), which argues that fiscal decentralization may increase the risk of local corruption when vertical and horizontal oversight mechanisms are weak. Furthermore, Sofyani, Riyadh, and Fahlevi (2022) found that the effectiveness of village internal control systems has a significant influence on fraud prevention in Village Fund management. In addition, Mungiu-Pippidi (2023) emphasizes that the integrity of local institutions is a key determinant of whether fiscal decentralization can be successfully implemented without increasing corruption. Therefore, strengthening institutional capacity, transparency, and accountability at the village level is essential to minimizing corruption risks and ensuring the effective utilization of Village Funds.

Critically, the data also reveal a governance gap: several cases arose from villages where the Village Consultative Body (BPD) had failed to exercise meaningful oversight functions. In these instances, the absence of effective horizontal accountability at the village level created conditions in which corruption could persist across multiple budget cycles before detection. This observation indicates that institutional reform must target not only village heads but also the supporting oversight bodies whose effectiveness is equally critical to accountability.

4.3 Proof of State Financial Losses

The analysis of judicial decisions reveals that the proof of state financial losses in Village Fund corruption cases is uniformly established through audit reports issued by the Inspectorate (Inspektorat) or, in higher-profile cases, the Supreme Audit Board (BPK) or the Financial and Development Supervisory Agency (BPKP). In all 15 decisions reviewed, the audit report constituted the primary evidentiary basis for quantifying the loss element. Courts consistently treated the audit findings as authoritative, and no decision in the sample rejected the audit report's conclusions without contrary expert testimony.

Importantly, the amount of state financial loss functioned as a determinant of sanction severity across the decisions examined. Cases involving losses above IDR 1 billion were more likely to result in prison sentences of five years or more, while cases with smaller losses were sentenced within the lower range of the statutory penalty. In two decisions, the courts expressly noted that voluntary restitution by the defendant had been considered as a mitigating factor in sentencing, while simultaneously affirming that restitution does not extinguish criminal liability.

These findings are consistent with the study by Budiman (2021), which found that audit findings and the implementation of audit recommendations play a central role in establishing the element of state financial loss, with a significant correlation between audit-identified irregularities and subsequent corruption prosecutions in Indonesian government institutions. Furthermore, Rahmadi et al. (2023) argue that the concept of state economic loss in corruption cases must be actual, measurable, and quantifiable, and that courts increasingly recognize the distinction between direct financial damage and broader economic harm to state institutions in accordance with the principle of legal certainty. At the international level, Stephenson and Schütte (2021) emphasize that effective anti-corruption enforcement requires assessing not only direct financial damages but also the broader economic and social impacts on affected communities, as narrow financial measures alone underestimate the full harm caused by corruption.

The decisions also reveal a gap in how losses are calculated: courts generally accepted the total amount identified in audit reports as the measure of state loss without adjusting for completed infrastructure outputs or partially delivered services. This approach may, in some instances, overstate the actual financial harm to the state, particularly in cases where village heads diverted funds but partially delivered contracted outputs. Future judicial guidelines should address the methodology for calculating net state losses in contexts where partial delivery occurred.

4.4 Proof of the Element of Fault (Mens Rea)

The analysis of judicial decisions reveals that the element of intent (mens rea) was established through three recurring evidentiary patterns are fund flow analysis demonstrating transfers to accounts personally associated with the defendant or their family members, documentary evidence of manipulated accountability reports bearing the defendant's signature or explicit authorization, and witness testimony from subordinate village officials confirming that they had followed direct instructions from the village head in processing fictitious disbursements.

In 10 of the 15 decisions reviewed, courts inferred criminal intent from the combination of the village head's active authorization of expenditures and the subsequent detection of fictitious or inflated items in the accountability records. In three cases, courts further noted that the defendants had deliberately concealed the misuse of funds by instructing administrative staff to falsify the LPJ documents, which was treated as direct evidence of premeditated intent rather than mere negligence. In the remaining two decisions, courts found that the element of mens rea was established principally through fund flow analysis conducted by forensic accountants appointed as expert witnesses.

These findings are supported by the studies of Kharismadohan (2020) and Mallarangeng et al. (2023), which argue that the proof of mens rea in corruption cases is generally based on indicators of active conduct, economic motives, and personal benefit, and that courts must establish the element of criminal intent through the defendant's subjective awareness of the unlawful nature of their actions. Furthermore, Kurniawan (2022) explains that in offenses involving the abuse of discretionary authority by public officials, criminal intent may be inferred from systematic and repeated deviations from the legitimate purpose of that authority. Similarly, Green and Ward (2023) emphasize that the proof of mens rea in public sector corruption cases is often established through circumstantial evidence demonstrating the existence of personal gain or benefits obtained by the offender.

A critical observation across the decisions is that the distinction between criminal intent and administrative negligence often depends on the quality of legal representation and the depth of forensic accounting analysis presented to the court. In several decisions, village heads who were represented by experienced counsel successfully argued that financial irregularities arose from administrative incapacity rather than criminal intent, resulting in acquittals or reduced charges. This underscores the need for more consistent prosecutorial standards in establishing mens rea in Village Fund corruption cases, as well as the importance of forensic audit expertise in distinguishing deliberate misappropriation from genuine administrative errors.

5. Conclusions

5.1 Conclusion

This study demonstrates that the criminal liability of village heads in Village Fund corruption cases constitutes a complex legal construction operating at the intersection of village administrative law and anti-corruption criminal law. Three principal conclusions emerge from the analysis. First, the abuse of authority element under Article 3 of the Anti-Corruption Law is the predominant basis for criminal charges against village heads, given the explicit grant of financial management authority under the Village Law. Judicial application of this element, however, remains inconsistent, particularly in borderline cases that courts must distinguish from administrative errors.

Second, proof of state financial losses relies uniformly on institutional audit reports, with the quantified loss amount directly influencing sentencing severity. The current calculation methodology does not account for partial delivery of outputs, which may produce overestimates of actual harm in some cases. Third, mens rea is established through convergent circumstantial evidence, including fund flow analysis, document manipulation, and direct instructions to subordinates. The quality of forensic accounting expertise presented to courts significantly affects the outcome of this evidentiary inquiry.

The study's principal contribution lies in grounding these legal conclusions in concrete judicial data from 15 court decisions, revealing patterns and inconsistencies that theoretical and normative analyses alone cannot capture. Effective anti-corruption enforcement in the village sector requires not only robust criminal sanctions but also uniform judicial guidelines, enhanced forensic audit capacity, and systemic governance reforms at the village level.

5.2 Research Limitations

This study has several limitations that should be acknowledged. First, the research employs a qualitative approach using normative juridical analysis combined with a limited empirical examination of 15 court decisions issued within the last five years. Consequently, the findings may not be statistically representative of all Village Fund corruption cases across Indonesia. Second, access to complete investigative audit reports is often restricted during the investigation process. As a result, the analysis of state financial losses relies primarily on legal considerations and findings contained in court judgments that have obtained permanent legal force. Third, this study focuses on the criminal liability of individual offenders, particularly village heads, and does not examine in depth the potential liability of corporations, contractors, or other third parties that may participate in broader corruption networks related to Village Fund management.

5.3 Suggestions and Directions for Future Research

Policymakers should develop more detailed regulations or implementing guidelines that clearly distinguish between administrative errors and criminal acts of corruption in the management of Village Funds, so as to prevent the criminalization of policy decisions involving village heads who act in good faith but commit procedural mistakes. In addition, mandatory implementation of the Siskeudes digital financial management system across all villages should be accelerated to reduce opportunities for financial manipulation. Prosecutors and judges, for their part, are encouraged to adopt a consistent interpretation of the elements of abuse of authority and the proof of state financial losses, with forensic accounting expertise routinely integrated into Village Fund corruption investigations to ensure that mens rea is adequately established and that the boundary between administrative errors and criminal conduct is clearly delineated. At the village level, efforts should be intensified to strengthen the role of the Village Consultative Body (BPD) and local communities in participatory oversight, as these measures are expected to enhance transparency, improve accountability, and minimize opportunities for irregularities in Village Fund management.

Future studies may adopt a socio-legal approach to examine the impact of criminal sanctions on village development outcomes. Comparative research analyzing criminal liability frameworks in countries with similar decentralization systems could also identify best practices adaptable to the Indonesian context. Furthermore, future studies could evaluate the effectiveness of technology-based monitoring systems in preventing corruption and strengthening accountability in Village Fund administration.

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Author Contributions

OP conceptualized the study, developed the research framework, conducted the legal analysis, interpreted the findings, and drafted the manuscript. SM contributed to data collection through statutory and case law review, assisted in the analysis of court decisions, and participated in manuscript preparation and revision. BA supervised the research process, provided methodological and theoretical guidance, validated the legal interpretations, and critically reviewed the manuscript for important intellectual content. All authors read and approved the final version of the manuscript and agreed to be accountable for all aspects of the work.

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