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Corruption Case Analysis on PT. ASABRI: Ethical Problem or Governance Failure?

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Abstract: *This study aims to determine issues of ethics and corporate governance that occurred in the corruption case of PT. ASABRI. This research used is a qualitative approach with literature study. Corruption case of PT. ASABRI occurred as a result of the company management agreement with outsiders to manage the company's investment. Based on the chronology, there are ethical issues in decision making and poor company management. There are several solutions that can be taken such as building a corporate culture, implementing Good Corporate Governance guidelines, and implementing a comprehensive risk management system and internal control system.*

INTRODUCTION

Development determines a country's capacity and success in carrying out its progress. Development is viewed as an indicator of development that encompasses all areas of a country's inhabitants' lives. The quality of a country is measured by its economic development, infrastructure, community services, health, and education. Quality human resources determine the quality of development implementation to increase the country's progress. Indonesia is one of the wealthiest countries in Asia based on the richness of its natural resources; nonetheless, it is unable to maximize its resource usage and is not yet a developed nation. Low-quality human resources are one of the factors contributing to this predicament. In this context, human quality refers not only to knowledge or intelligence, but also to moral character and personality. The vulnerability of morals and the dishonesty of state managers lead to the immoral act of corruption.

Corruption has become a highly deadly societal disease that threatens all elements of social, national, and state life in Indonesia. Corruption is in a dire situation and firmly rooted in many aspects of life. The development of corrupt practices has also increased, both in terms of quantity, i.e. the amount of losses to state finances, and in terms of quality, as they have become more systematic, planned, smart, and pervasive throughout all facets of society. The occurrence of corruption in Indonesia can be linked to values and ethics, as well as governance flaws. Corruption hinders the growth, development, and prosperity of the people (Sharma & A. Mitra., 2015). Corruption in various sectors, public and private, can have a negative impact on investment, resulting in economic decline, high unemployment, and financial losses for the government.

Corruption results in enormous material losses for state finances, which has a domino effect on state poverty. This state loss has a negative effect on the local economy. Lack of financing is one of the major obstacles to a country's development due to the widespread corruption, which inhibits the country's progress by causing the development to fail. The combination of quality

human resources (knowledgeable and intellectual) and quality financing is intense in developed nations (minimum corruption).

Several factors encourage individuals to commit this act of corruption. The Fraud Triangle analysis describes the stages of corruption as pressure, opportunity, and rationalization (Cressey, 1953). This analysis was refined by (Bologna, 1995) with the GONE Theory, or greeds, opportunities, needs, and exposures. All of these contributing factors are ultimately rooted in two core issues: damaged ethics/morals (greed, needs, and rationalization) and poor state governance, which makes it easy and comfortable to commit corrupt acts.

Many cases of corruption occur in Indonesia because of the poor governance in the finance of the institutions which they can control with the power of position. This convenience enables them to commit these despicable acts through collusion with outside parties by utilizing state-owned resources. These are individually controlled and exploited by a small number of groups with a structured, planned, and sophisticated system to enrich themselves. Corruption in Indonesia arises not only from the public sector (government), but also from the private sector. Many people believe that corruption only occurs when money circulates in the government sector, but in reality, the private sector is also heavily involved in the collaborative process of this despicable act. The private sector frequently makes various offers to public sector stakeholders to collaborate for mutual benefit. The private sector utilized state funds that were controlled by a number of officials who were easily seduced and influenced into committing this act of corruption by employing this clever and cunning strategy.

The law pertaining to the eradication of corruption in the private sector contains two provisions. First, bribery in the private sector, both active and passive bribery. Second, embezzlement from the private sector. Article 21 paragraph (1) of the Corruption Law states *"everyone who leads or works in the private sector solicits, or receives directly or indirectly, undue advantage from someone, either for himself or for another person with the intention of doing or not do something contrary to their duties and obligations which may harm economic or trade activities",* with paragraph (1) for active bribers and paragraph (2) for passive bribers. Embezzlement in the private sector in accordance with Article 22 of the UNCAC: "Everyone who leads or works in the private sector intentionally embezzles wealth, finance, securities, or anything of value entrusted to him because of his position, thereby endangering economic or trade activities." Regarding bribery and embezzlement, the private sector's involvement in corruption operations is crucial and frequently observed in various Indonesian cases, such as those involving corporations operating as State-Owned Enterprises (BUMN).

According to law number 19 of 2003, a state-owned enterprise, or BUMN, is a business entity in which the state owns the majority of the capital. This SOEs purpose is to provide welfare services to the Indonesian populace through the provision of goods and services. Article 2 of law number 19 of 2003 states that the purpose of SOEs is to contribute to the growth of the Indonesian economy in general and to the creation of state revenues in particular. Furthermore, SOEs aim to pursue profit, provide public benefits in the form of high-quality goods and services, become a pioneer of business activities, and actively assist entrepreneurs from economically marginalized groups, cooperatives, and the community. There are thirteen sectors governed by Ministry of SEOs Regulation No. Per-4/MBU/03/2021 such as 1) Energy, Oil and Gas; 2) Mineral and Coal; 3) Plantation and Forestry; 4) Food Industry; 5) Health Industry. 6) Industrial Production and Surveys; 7) Financial Services; 8) Services for Insurance and Pension Funds; 9) Infrastructure Services; 10) Logistics Services; 11) Tourism and Support Services; 12) Danareksa Sub-Cluster; 13) Joint Ventures.

This entire sector is a very valuable area for stakeholders, particularly those from the private sector, to enter and conduct their operations. First, because nearly 75 percent of corruption cases in Indonesia involve the procurement of goods and services. Second, the private sector is always involved in the procurement of goods and services. Third, the inflated nominal value has a substantial impact on the nation's finances and economy. Fourth, private parties are frequently involved in corruption cases using sophisticated methods to defraud the proceeds of corruption crimes (Hiariej, 2020). One of them, PT. ASABRI, occurred to SEOs in the Insurance Services and Pension Fund sector (Social Insurance for the Armed Forces of the Republic of Indonesia).

This corruption case of PT. ASABRI started when the company management agreed with outsiders who were not investment consultants or investment managers to buy or exchange shares in PT. ASABRI portfolio. They manipulated the price to be high with the aim that PT. ASABRI portfolio performance looks good. The transaction and arrangement of shares and other investments made loss to the state's finances of PT. ASABRI in the amount of Rp22.788.566.482.083,00 (twenty two trillion seven hundred eighty eight billion five hundred sixty six million four hundred eighty two thousand eighty three Rupiah) or at least that amount, according to the Audit Report Investigative for the Calculation of State Losses by the Supreme Audit Agency of the Republic of Indonesia (BPK RI) Number: 07/LHP/XXI/05/2021 dated 17 May 2021.

This case happened because PT. ASABRI has the potential for state funds of great value and then the leadership of officials who "control" is easily controlled by outsiders for personal gain. The corruption case has violated the rules of Article 2 paragraph (1) in conjunction with Article 18 of Law Number 31/1999 concerning Corruption Eradication, as amended and supplemented by Law Number 20/2001 concerning Amendments to Law Number 31/1999 concerning Corruption in conjunction with Article 55 paragraph (1) 1st Criminal Code, Article 193 Criminal Procedure Code, and alsoo Article 3 of Law Number 8 of 2010 concerning Prevention and Eradication of Money Laundering Crimes (TPPU).

The case above explains that this act of corruption can occur when ethics that do not work according to the norms and values that should be. The powers granted are used irresponsibly with disgraceful behavior that are deliberately designed to carry out bribery and embezzlement by taking advantage of loopholes from poor governance due to weak level of oversight of the financial reports of State-Owned Enterprises. This violation of the mandate given by the people ultimately creates a bad example and view of all people, especially for the younger generation as potential successors to the nation in building its character in the future. Good governance is believed to be able to reduce the level of corruption (Hofheimer, 2006) because the achievement of good governance in the public sector is marked by a state administration system that is free from corruption (KNKG, 2010).

Based on the description of the background of the problem as described above, this is determined to analyze ethical issues, governance issues, and solutions to overcome the case. The authors are encouraged to conduct research with the title: “Corruption Case Analysis on PT. ASABRI: Ethical Problem or Governance Failure?”.

LITERATURE REVIEW

The Relationship between Ethics and Corruption

Making business-related decisions requires consideration of morality. If a business makes unethical decisions, it has the potential to fail. It is crucial to make decisions based on moral principles. According to Painter-Morland and Ten Bos in Nurvita (2020), there are three main components to decision-making: fairness, trustworthiness, and dependability.

Ethics is the study of what is right and wrong in addition to rights and moral obligations (Betresia et al., 2021). According to David Hume in Glossop (1967), ethics is a moral sentiment in which something is deemed to be good if it provides benefits and pleasure. In general, there are two types of ethics: descriptive ethics and normative ethics. Descriptive ethics describes moral behavior objectively and through a social lens. Meanwhile, normative ethics will provide an assessment of a behavior or action and establish norms as a basis for behaving and acting (Nurvita, 2020).

The scope of ethics is very broad, not only describing norms, but also being able to provide arguments in the form of good or bad judgments about an action and reasons that can be considered right or wrong. According to Bertens (1993), there are three ethical principles with a normative approach: deontological, teleological, and virtue ethics. Deontological ethics is focused on an action that is considered right if it is in accordance with the applicable principle of obligation. Teleological ethics is an ethics that measures the rightness or wrongness of human actions based on whether or not they promote the attainment of goals, with the good being the ultimate goal (Sudar Minta, 2013). On the other hand, Aristotle's virtue ethics is an ethical approach born of hard work, experience, and time, whereas moral virtues are the result of developed habits. Instead of emphasizing rule-following, virtue ethics emphasizes the development of moral character (Sudar Minta, 2013). The relationship between virtue ethics and the behavior of a role model or leader is close.

Ethics concerns good and bad, not right and wrong about attitudes, actions, and human behavior in dealing with each other in society as well as in public or business organizations; therefore, ethics plays an important role in the practice of state administration (Setiawan & Fauzi, 2019). In the public sphere, ethics serves as a guideline for officials to implement policies, provide services, and evaluate the policies adopted. In context, ethics can be applied both specifically and generally in accordance with the prevalent societal values. Based on this foundation, ethical approaches such as professional ethics and business ethics were developed. Professional ethics apply where each industry or profession can develop ethical guidelines to be adapted in circumstances. Similarly, in the context of businesses, business ethics are defined as all-encompassing methods of conducting business, both in relation to individuals and to society. All of this pertains to the actual business context (Nurvita, 2020).

There are differences between the public and private sectors, notably, the private sector is motivated by profit. On the basis of enabling the company to maximize profits in multiple ways. This is supported by Rose-Ackerman (2002), to understand corruption as an ethical issue for business, it is necessary to understand why corruption often appears as a value maximizing strategy. It is at this time that ethical principles are needed in its business activities as a whole with the application of ethical principles, in the long term it is hoped that ethical business activities will be created, not just making profits, but also caring for the surrounding environment and society.

Corruption is intimately related to ethical problems. According to Wahyudin (2017), corruption is a form of unethical behavior that society considers to be detrimental to the well-being of all living things. The essence of the problem of moral corruption, especially private-to-private, lies in the fact that a manager or employee of a company acts unfairly and is disloyal in carrying out their duties (both explicitly and implicitly) towards their company, taking advantage of their position or responsibility. obtain benefits for himself or for others (Argandoña, 2003). Therefore, there is a set of values which are then believed to be upheld in every behavior of employees and company owners. The entire ethical values that are usually listed in the Company's Code of Ethics generally contain instructions in behavior from being appointed as an employee to obligations and

prohibitions (Wahyudin, 2017).

Every corporation must inculcate ethics into its policies so that it becomes a part of the organizational culture that is universally accepted. This organizational culture will systematically and quantitatively prevent immoral conduct such as corruption (Wahyudin, 2017). The organizational culture influences employees' ethical decision-making. A culture in which employees are encouraged to act responsibly and ethically even when the law does not require it constitutes an ethical organizational culture (Hartman & DesJardins, 2008). According to Unruh (2008), a management approach requires combining managerial ethical insights with tactics used to fight systemic corruption and if successful will create integrity. Thus, the company's ethical guidelines take on their role of becoming a common habit and are ultimately able to prevent fraud within the company.

The Linkage between Governance and Corruption

Governance is a process within an organization or society that aims to solve issues. Another definition of governance is the use of institutions, structures, and even collaboration to allocate data sources and coordinate or control societal or economic activities (Jogiyanto et al., 2011). Governance relates to diverse sectors, including public, private, and state-owned enterprises.

In the public or government sector, governance plays a role in ensuring the delivery of development-oriented public services and is fully responsible for creating a prosperous society. Governance focuses on efforts to improve community services in addition to empowerment and growth.

Good Governance in the public sector is a form of development also known as development administration, which places the central government in the role of change agent (Dewi, 2018). According to Mardiasmo in (Dewi, 2018), Good Governance is an approach concept that focuses on the growth of the public sector through good governance. There are three parties involved in good governance: the government (state administrators), corporations or business entities (economic movers), and civil society.

Governance in the private sector is intimately related to corporate governance principles. According to Effendi (2016), Corporate Governance is defined as a regulatory guideline instrument for regulating relations between investors, company managers, creditors, employee staff, and stakeholder parties that are directly or indirectly related to the operational activities of companies, including the government where the regulations on the rights of their rights and responsibilities to control the company exist. While the concept of Good Corporate Governance (GCG) is defined as a system with a set of regulations that burden the rules in the relationship between shareholders, management (managers) of the company, creditors, government, employees, and other internal and external stakeholders to be able to carry out management of the company in order to increase shareholder value and accommodate stakeholders, as well as being able to coordinate and/or eliminate risks related to the company, it is also defined as a system with a set of regulations that govern the relationship between shareholders (Hasibuan et al., 2022).

Corporate governance is one of the important factors to increase economic efficiency, encompassing the relationship between the parties involved in a company, such as management, the board of commissioners, shareholders, and others who can influence the setting of a company's goals, and as a way to improve supervision by determining good monitoring techniques for company performance (Deni in Hardiningsih, 2010). Corporate governance consists of the processes, rules, policies, laws, and institutions that influence how a business or corporation is directed, regulated, and controlled. Corporate governance's role may include monitoring and

controlling the company in order to prevent and eliminate the possibility of fraudulent financial reporting by the company (Widodo & Syafruddin, 2017). Good corporate governance can lead to reduced corruption by addressing principal-agent and coordination problems. The principles of good corporate governance such as accountability and transparency can not only improve the operating performance of companies, but can also reduce the level of corruption by providing more restrictions to both corrupt officials and corruptors from the private sector (Wu, 2005). In contrast to the government sector, governance in the private sector aims to gain efficiency and effectiveness so that companies can maximize profits.

The Law No. 17 of 2003 concerning state finance classifies state-owned enterprises or SOEs as separate state assets within the scope of state finances. This condition causes the majority of SOEs to operate in the public sector, such as the energy and transportation industries, but to have an organizational structure resembling the private sector. Public Service Law is referenced by SOEs when providing community services. SOEs governance is regulated in Law no. 19 of 2003 by creating a management and supervision system based on the principles of efficiency and productivity in order to improve the performance and value of SOEs, and prevent SOEs from exploiting actions outside the principles of good corporate governance. The implementation of GCG is the operational basis for the healthy management of SOEs, which is a crucial alternative for overcoming various corporate governance issues and managing relationships with various interested parties (stakeholders) (Zarkasyi, 2008). Every SOE is required to implement GCG, which includes the transparency principle, accountability principle, responsibility principle, independence principle, and equality and fairness principles. On the basis of the fundamental principles, there are implementation guidelines containing the criteria that must be implemented in every SOE governance (P Setyawan, 2016). SOEs are expected to be able to provide quality community service and generate profits under this governance.

Every sector is faced with the issue of governance failures that lead to fraud or corruption. Poor corporate governance has led to many acts of corruption in state-owned enterprises and private companies (Prastika, 2020). According to Kaufmann (2005), the impact of poor governance and corruption is not limited to the corporate sector. In many countries, corruption is considered a "regressive tax" because to gain access to public services low-income families must pay bribes that are disproportionate to their income. So that corruption can increase income inequality. In addition, according to Rose-Ackerman (2005), poor governance contributes to low growth and impacts, and weak fundamental economic conditions facilitate corruption.

According to Rose-Ackerman (2005), corruption is a symptom of failure where the private sector is willing to pay and defeats public goals. Individuals and corporations pay for routine services and bureaucratic queue. The private sector pays to limit taxes, avoid excessive regulatory fees, secure contracts at inflated prices, and acquire concessions and privatized companies at bargain prices. Public officials, including bureaucrats and elected officials, can redesign programs and propose public projects with few benefits but numerous opportunities for private gain due to epidemic corruption. Therefore, corruption in the private sector is intimately related to public corruption and the government.

Governance and corruption are interdependent; the level of corruption influences the measurement of governance, while the quality of governance influences the level of corruption (Matei et al., 2010). Corporate governance can be used as a highly effective and efficient anti-corruption tool that can ensure the company's long-term viability (Sullivan et al., 2013). From the government's perspective, Rahayuningtyas & Setyaningrum (2018) research demonstrates that the government needs to improve GGG principles, particularly accountability by increasing the

implementation of follow-up on audit recommendations and creating the professionalism of government officials through the provision of education and training that can increase the competence of apparatus, as well as increasing the implementation of e-government because empirically proponents of e-government are more likely to be satisfied with government services.

METHOD

This study uses a qualitative approach. Qualitative research approach is a process of research and understanding based on methods that investigate a social phenomenon and human problems. This research used literature study from journals, books, and related regulatory references. A qualitative approach is then carried out by meta synthesizing the theories, concepts, and views related to corruption cases and the relationship between ethical and governance issues towards corruption.

RESULT AND DISCUSSION

Ethical Issues in Corruption Cases of PT. ASABRI

Ethics morally besides being the basis of principles and rules that can determine whether the actions taken are right or wrong, but also provide clues as to whether the consequences of the actions taken are beneficial to society in general or are harmful, whether the actions taken are beneficial to society. organizations and companies or harm organizations and companies.

Every company has the motivation to make a profit for what it does. In this basis, the company builds corporate entities and determines targets (Wahyudin, 2017). In this context, ethical principles are needed in business activities. Thus, the application of ethics can create business activities that are not only related to profits.

In relation to corruption, ethics must be interpreted side by side as a means of control in a company. Ethical values that are universally believed to be upheld by every corporate entity in making the right decisions. Decision making must be based on facts, conjectures, and sharp ethical considerations (Wahyudin, 2017). So that in running a business, every company must be based on business ethics to avoid fraud or corruption.

Corruption case of PT. ASABRI was caused by investment losses in the stock market without proper management and decision making. There are several crucial matters related to business considerations in making these decisions and there are potential ethical issues, as follows:

1. The management of PT. ASABRI made an agreement with an outsiders party who is not an investment consultant or investment manager to buy or exchange shares in the portfolio of PT. ASABRI with shares belonging to outsiders at prices that have been manipulated to be high with the aim that the performance of the portfolio of PT. ASABRI looks as if it's good.
2. Pseudo transactions such as buying and selling transactions occur, it should be profitable, high value and liquid, even though the transactions carried out only benefit outsiders.
3. All investment activities of PT. ASABRI from 2012 to 2019 was not controlled by PT. ASABRI, but entirely controlled by outsiders.

Company leaders are role models for all corporate entities. Considerations in decision making and policy making are crucial to creating a good company. In the case of PT. ASABRI, the decision making of the company management by agreeing to invest in incompetent outsiders. This is of course not in accordance with the characteristics of leadership. Referring to the code of conduct of PT. ASABRI, the company management particularly the director does not violate terms of leadership ethics. The leadership is responsible for setting a good example in behaving and acting according to rules and regulations so that they are able to become role models for all

employees. In addition, decision making must be carried out professionally to avoid conflicts of interest, both personal, group or other parties.

Based on the chronology of the court's decision, the directors made the decision for personal gain. This shows the existence of a self-interest factor, in order to get personal benefits and choose a way of moving to solve financial problems that occur. Directors and management should think rationally and responsibly. Based on behavioral economic theory, this case occurred due to the limited rationality of directors and management, which led to systemic thinking errors shown by cognitive bias behavior.

The case of PT. ASABRI has been buzzing since February 3 2017, when the audit results of the BPK came out. Preliminary calculations by state auditors estimate that PT. ASABRI potential investment loss, which has shifted its investments from deposits to direct placement of shares and mutual funds since 2013, could reach Rp 16 trillion.

Management of PT. ASABRI admitted that they were aware of losses after the BPK conducted an audit. Management of PT. ASABRI admitted that the purchase of the shares was without going through a due diligence and feasibility study process. Directors and management do not conduct business based on business ethics principles. According to Keraf (1998), there are five principles of business ethics, namely autonomy, honesty, fairness, mutual benefit, and moral integrity.

In this case PT. ASABRI does not apply the principle of autonomy in the form of independence, freedom and responsibility in the company's investment decisions. In addition, the appointed Public Accountant Office conducted an audit at PT. ASABRI gave an opinion not in accordance with the code of ethics or auditing standards on financial reports. This becomes the initial trigger for the birth of further fraud opportunities.

The principle of honesty encourages compliance in carrying out commitments, contracts or agreements that have been agreed upon. The outsiders party offer pseudo or fake stock investments. Based on audit results from the Audit Board of the Republic of Indonesia, the outsiders party have never owned the shares offered. Management of PT. ASABRI admitted that the purchase of the shares was without going through a due diligence and feasibility study process.

Furthermore, the principle of moral integrity is an internal demand within a business person or company, to run a business not to harm others in all business actions taken and emphasizes that everyone has dignity that must be respected. In this case, the Main Director misappropriated insurance funds and enriched himself as explained in the court decision. This decision caused losses to the company's and the country's finances. The community is also harmed by this case so that PT. ASABRI, which is supposed to serve the community, is not optimal in its operations and is contrary to utilitarian ethics, where business must be created and organized in a way that is beneficial to society.

Governance Issues in Corruption Cases of PT. ASABRI

Corporate governance is an important factor for increasing economic efficiency, including the relationship between the parties involved in the company as a means to improve supervision by determining good monitoring techniques for company performance. Governance can be in the form of a set of rules or principles that are agreed upon by all parties in the company. PT. ASABRI already has a series of instructions related to good corporate management. These instruments include GCG guidelines, conflict of interest rules, board manuals, gratuity guidelines, code of conduct, and ISO 37001:2016. In addition, the management structure already has an internal control unit, especially related to finance and accounting.

Management of PT. ASABRI entered into an agreement with an outsiders party who is not an investment consultant or investment manager to buy or exchange shares in 2012-2019. This agreement caused the placement of funds in stocks and mutual funds without considering the elements of prudence and liquidity aspects. The shares purchased from these parties were risky shares and were not liquid so that the price decreased and ultimately did not provide a profit for PT. ASABRI. The investment placement is not in accordance with and in line with the principles of corporate governance. Based on the GCG guidelines of PT. ASABRI the joint decision and the Directors of PT. ASABRI No. KEP/05/KOM/AS/VII/2019 and No. KEP/PH.03/49-AS/VII/2019 concerning Guidelines for Good Corporate Governance (*Good Corporate Governance Code*) which aims to risk management has an important role in realizing corporate governance through effective risk management, so that the welfare of *stakeholders* can be achieved, among others, through investment selection that takes into account the company's liquidity and maintains the security of the company's assets. The investment should be aimed to maintain, adjust, and increase ASABRI's growth and competitiveness. This action caused a loss in the share portfolio owned by PT. ASABRI.

The investment process must be in line with the principles of good corporate governance.

First, it is carried out with the principle of transparency, the investment process must be documented and reported transparently. *Second*, investments are carried out with the principle of accountability that all employees who have duties related to the investment process are willing to be held accountable for the actions and decisions that have been made. *Third*, the principle of responsibility, the entire investment process must be mutually controllable. *Fourth*, the principle of independence, the investment process must be free from any conflicts of interest and prioritize the interests of the company. *Fifth*, the principle of fairness, the investment process must provide services that can meet needs fairly. This action is against the principles of transparency, accountability, independence and fairness.

Furthermore, the role of the internal control unit (SPI) has not been maximized in accordance with the internal audit charter. There are still decision-making activities that do not receive special attention from SPI, especially if the decision is taken by the company's directors or top management. In the case of PT. ASABRI shows that the parties involved are the top managers who can make decisions on a discretionary basis. This should be of particular concern to internal auditors.

Whereas considering the causes and consequences of the investment failure due to the presence of loss-making investment products in the stock portfolio, there are governance issues that occurred in this case. These issues include low management performance by investment managers with less liquid investment and non-investment asset quality and a weak corporate control system. This corruption is influenced by a poor company management system.

Solutions in Responding to Corruption Cases of PT. ASABRI

Based on the problem description above, there are ethical issues and corporate governance failures that led to the PT. ASABRI. To encourage improvement and avoid the recurrence of similar cases, there are several solutions that can be taken as follows:

1. Building a corporate culture, strengthening the ethics of leaders and employees, and selecting leaders with appointments according to the capacity and competence for the position.
2. Implementing Good Corporate Governance guidelines, particularly in the investment sector with reference to statutory provisions and other investment-related regulations. The implementation of good corporate governance is closely related to the credibility of the

operating company and the economic climate in a country. According to Wu (2005), corporate governance can be an important element in breaking the vicious circle of bribery and corruption. An analysis of the linkages between corporate governance and corruption shows that improving corporate governance can be a catalyst to break the vicious circle of bribery and corruption. The implementation of the company's Good Corporate Governance must pay attention to several things, including: a) Implementation of the duties and responsibilities of the Board of Directors, Board of Commissioners; b) Completeness and implementation of the duties of the Audit Committee; c) Implementation of the compliance function, internal and external auditors; d) Application of risk management, including internal control systems; e) The Company's strategic plan; and Implementation of transparency of the Company's financial and non-financial conditions (Nurvita, 2020).

3. Implementing a comprehensive risk management system and internal control system. This system does not only focus on employees but must pay attention to the activities carried out by all parties including discretionary decisions taken by leaders.

CONCLUSION

Corruption case of PT. ASABRI was caused by investment losses in the stock market without proper management and decision making. The decision making of the company management by agreeing to invest in incompetent outsiders is not in accordance with the characteristics of leadership. Referring to the code of conduct of PT. ASABRI, the directors do not violate terms of leadership ethics. According to the court decision, the directors made the decision for personal gain. This shows the existence of a self-interest factor, in order to get personal benefits and choose a way of moving to solve financial problems that occur.

PT. ASABRI already has a series of instructions related to good corporate management. The investment placement is also not in accordance with and in line with the principles of corporate governance. Furthermore, the role of the internal control unit (SPI) has not been maximized in accordance with the internal audit charter. Whereas considering the causes and consequences of the investment failure due to the presence of loss-making investment products in the stock portfolio, there are governance issues that occurred in this case. This corruption is influenced by a poor company management system.

To encourage improvement and avoid similar cases, there are several solutions that can be taken as follows: 1) building a corporate culture, strengthening the ethics of leaders and employees, and selecting leaders with appointments according to the capacity and competence for the position; 2) implementing Good Corporate Governance guidelines, especially in the investment sector with reference to statutory provisions and other investment-related regulations; and 3) implementing a comprehensive risk management system and internal control system particularly for discretionary decisions taken by leaders.

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