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Reconstruction of Criminal Law Policy in Handling Corruption Crimes Based on Illicit Enrichment to Realize Just Recovery of State Assets

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Abstract: *This study aims to analyze the weaknesses of positive criminal law policies in handling corruption crimes against state asset recovery, examine the lack of illicit enrichment norms in the Indonesian criminal law system, and reconstruct a model of illicit enrichment-based criminal law policy through an integrative approach of prevention and enforcement to realize just state asset recovery. The study employs a normative juridical method with a statutory and conceptual approach. The outcomes indicate that Indonesian positive law is still oriented towards the follow-the-act paradigm, so that it has not optimally pursued the proceeds of crime, while the non-adoption of Article 20 UNCAC into national law has created a lack of norms regarding unexplained wealth as an independent offense. The novelty of this study lies in the reconstruction of an integrative model that connects LHKPN, PPATK, taxation, banking, and beneficial ownership tracing through the stages of clarification, audit, disproportionate wealth analysis, asset recovery mediation, litigation, and confiscation while still guaranteeing due process of law, human rights protection, and ultimum remedium. This model produces a formulation of ius constituendum in the form of an ideal norm of illicit enrichment as the missing link in a more effective and equitable Indonesian asset recovery policy.*

Keywords: *Reconstruction, Illicit Enrichment, Corruption, Asset Recovery, Justice*

Introduction

Indonesia, as a state of law (rechtsstaat), as stated in Article 1 paragraph (3) of the 1945 Constitution of the Republic of Indonesia, has the consequence that all aspects of national and state life must be organized based on laws oriented towards the objectives of law, namely justice, benefit, certainty, and truth (Arliman, 2020). In this context, the law not only functions as a tool of social control but also as an instrument of social engineering to realize the welfare of the people (Sarudi., 2021). It is in line with the mandate of Pancasila, especially the fifth principle "Social Justice for All Indonesian People" and Article 33 of the 1945 Constitution which emphasizes that the economy is structured as a joint effort based on the principle of family and branches of production that are important for the state are controlled by the state for the greatest prosperity of the people (Kasih, 2018). Thus, the state has a constitutional obligation to guarantee the fair distribution of national wealth, so that any

form of control of wealth obtained unlawfully, including through criminal acts of corruption, is a form of violation of the principle of social justice. Within this framework, criminal law serves not only as a means of punishment but also as an instrument of recovery for state losses, restoring balance in the distribution of wealth to the community (Mahmud, 2020).

However, in practice, corruption has evolved into a structural and systemic crime that hinders the achievement of the state's goals (Hartanti, 2023). Corruption is no longer merely an individual crime, but has become an extraordinary crime with widespread impacts, resulting in state financial losses, leaks in the state budget (APBN) and regional budgets (APBD), and disruptions to national development, as stipulated in Law Number 31 of 1999 in conjunction with Law Number 20 of 2001 concerning the Eradication of Criminal Acts of Corruption (Waluyo, 2022). The phenomenon of corruption involving public officials and bureaucratic elites demonstrates that position-based corruption is a dominant pattern, even recurring in the same positions, thus indicating a weak deterrent effect. In many cases, perpetrators of corruption can still enjoy the proceeds of their crimes after serving their sentences, thus the objectives of punishment are not optimally achieved (Alhakim, 2019). It demonstrates that imprisonment alone is insufficiently effective without an accompanying asset confiscation mechanism, as the primary objective of eradicating corruption should be to ensure that crime does not pay (Zenno, 2017).

This situation is inextricably linked to the weaknesses of the current corruption law policy, which still relies on a "follow the act" approach, emphasizing proving the unlawful act rather than pursuing the proceeds of the crime (Jawa, 2024). In practice, proving corruption is highly complex because it is conducted covertly, involving various schemes such as money laundering, the use of nominees, beneficial ownership, and the transfer of assets through family or corporations, even across jurisdictions (Putra, 2021). Law Number 8 of 2010 concerning Money Laundering provides additional instruments, but it still requires a proven predicate crime, often hindering asset tracing. Furthermore, the additional penalty mechanism, which includes the payment of compensation, as stipulated in Article 18 of the Corruption Law, has not been optimally implemented, while asset recovery still faces various technical and legal obstacles (Yolanda, 2022). Consequently, the asset recovery rate remains relatively low compared to the state losses incurred, making existing criminal law policies ineffective in pursuing the proceeds of corruption.

This problem is exacerbated by the lack of legal norms regarding illicit enrichment in the Indonesian criminal justice system. Indonesia has ratified the United Nations Convention Against Corruption (UNCAC) through Law Number 7 of 2006, which, in Article 20 of the UNCAC, regulates illicit enrichment, which is the significant increase in the wealth of public officials that cannot be reasonably explained compared to their legitimate income (Putra, 2021). This provision normatively mandates that states parties adopt it as a criminal offense in their national law. However, to date, this norm has not been adopted in Indonesian legislation, creating an anomaly between international commitments and national implementation (Fauzia, 2022). As a result, an unreasonable surge in wealth cannot be directly used as a basis for criminal action; instead, the underlying crime must first be investigated, which is often difficult to prove. This results in many cases remaining at the

level of public suspicion without legal action, creating a significant legal vacuum in the fight against corruption (Putri, 2021).

In this context, the concept of illicit enrichment is crucial as part of reforming criminal law policy, as it offers an approach focused on unexplained wealth with a disproportionate assets-income verification mechanism. The concept allows for integration with existing instruments such as the State Officials' Wealth Report (LHKPN), whose authority is regulated in Article 7 paragraph (1) letter a of Law Number 19 of 2019 concerning the Corruption Eradication Commission (Muzaki, 2021). Furthermore, support from institutions such as the Financial Transaction Reports and Analysis Center (PPATK), the tax system, and the banking sector can strengthen the effectiveness of the evidence. The experiences of other countries, such as Peru, Argentina, and Hong Kong, demonstrate that criminalizing illicit enrichment can increase the effectiveness of corruption eradication, particularly in closing loopholes, such as the use of nominees and asset concealment schemes (Ubaidila, 2023). Therefore, from a legal, philosophical, and sociological perspective, Indonesia has a strong urgency to adopt this concept as part of criminal law reform to improve the effectiveness of asset recovery.

However, the implementation of illicit enrichment also raises issues of justice that require in-depth examination, particularly regarding the principles of due process of law, human rights protection, and the presumption of innocence. The mechanism for reversing the burden of proof inherent in this concept must be implemented proportionally to avoid conflicting with citizens' constitutional rights, particularly the right to ownership as guaranteed by law (Ubaidila, 2024). Therefore, a balance is needed between the public interest in recovering state losses and the protection of individual rights so that the concept of illicit enrichment can be implemented fairly. On the other hand, the weaknesses of the preventative approach through the LHKPN (State Property Report), which remains administrative and not yet integrated with law enforcement, demonstrate an institutional gap between prevention and law enforcement. While the LHKPN has the potential to serve as an early detection instrument for unnatural increases in wealth, it has not yet been developed into an escalation mechanism for asset recovery through clarification, audits, mediation, and even litigation as the ultimate remedy.

Based on these philosophical, normative, and empirical issues, it can be concluded that there is an urgent need to reconstruct criminal law policy in handling corruption, oriented not only toward punishing perpetrators but also toward the effective and equitable recovery of state assets. This reconstruction needs to be carried out through the development of an integrative strategy model that combines preventative and enforcement approaches, utilizing the LHKPN instrument as the initial gateway, followed by clarification and mediation mechanisms for asset recovery, and judicial verification as a last resort. Thus, the combination of the Corruption Crime Law, the Money Laundering Crime Law, and new regulations based on illicit enrichment is expected to form a criminal law policy design that is more responsive, effective, and oriented towards substantive justice in the recovery of state assets.

Methodology

This research employs a normative juridical research method, namely research that places law as a norm, principle, doctrine, and rule that lives in the statutory regulatory system, with the aim of finding legal arguments, legal concepts, and appropriate principles in answering legal issues regarding the reconstruction of criminal law policies in handling corruption crimes based on illicit enrichment to realize a just recovery of state assets. The approaches used are the statutory approach and the conceptual approach. The statutory approach is carried out by systematically examining various relevant regulations, especially the 1945 Constitution of the Republic of Indonesia, Law Number 31 of 1999 juncto Law Number 20 of 2001 concerning the Eradication of Criminal Acts of Corruption, Law Number 8 of 2010 concerning the Prevention and Eradication of Criminal Acts of Money Laundering, Law Number 7 of 2006 concerning the Ratification of the United Nations Convention Against Corruption (UNCAC), and Law Number 19 of 2019 concerning the Corruption Eradication Commission, in order to find normative gaps, regulatory disharmony, and opportunities for the reconstruction of criminal law policies oriented towards asset recovery. Meanwhile, a conceptual approach is used to build a theoretical framework and scientific argumentation through the exploration of legal concepts such as the rule of law, criminal law policy, illicit enrichment, unexplained wealth, asset recovery, distributive justice, corrective justice, due process of law, reversal of the burden of proof, and ultimum remedium, which are obtained from doctrines, expert theories, scientific journals, and previous research results. Through a combination of these two approaches, this research is directed at producing normative formulations and the construction of comprehensive legal concepts in formulating a new criminal law policy model that is able to integrate prevention and enforcement functions effectively, while also providing a basis for academic legitimacy for strengthening the illicit enrichment norm in the Indonesian criminal law system.

Result and Discussion

Weaknesses of Positive Criminal Law Policy in Handling Corruption Crimes Regarding State Asset Recovery

Criminal law policy for handling corruption crimes in Indonesia is essentially comprehensively regulated in Law Number 31 of 1999 in conjunction with Law Number 20 of 2001 concerning the Eradication of Corruption, which categorizes various forms of corrupt acts, such as abuse of authority (Article 3), unlawful acts (Article 2), and various forms of bribery and gratuities. However, the construction of norms in these laws still focuses on a follow-the-act approach, emphasizing proof of the criminal act as the primary requirement for punishment. It results in law enforcement first having to prove the existence of the unlawful act and its elements in detail, which in practice is often difficult because modern corruption is carried out systematically, covertly, and involves complicated networks. Therefore, even though legal norms are in place, an overemphasis on proof of the act results in suboptimal asset tracing and recovery efforts.

These weaknesses are increasingly apparent in the additional criminal penalties in the form of restitution payments, as stipulated in Article 18 paragraph (1) letter b of the Corruption Eradication Law, which states that perpetrators can be ordered to pay restitution

in an amount equal to the assets obtained from the corruption. Normatively, this provision is intended as an instrument for confiscation of the proceeds of crime, but in practice, it faces various obstacles, particularly in determining the amount to be paid and in its implementation if the convict cannot afford to pay. In fact, Article 18, paragraph (3) stipulates that if the convict fails to pay restitution, it can be replaced with imprisonment, which ultimately obscures the primary objective of recovering state assets. Thus, this provision is more repressive than restorative, making it ineffective in recovering state losses resulting from corruption.

Furthermore, weaknesses in asset tracing are a major obstacle to asset recovery. Modern corruption is almost always accompanied by money laundering practices to disguise the origins of wealth, necessitating an additional instrument in the form of Law Number 8 of 2010 concerning the Prevention and Eradication of Money Laundering (TPPU). However, the Money Laundering Law also has limitations because it relies on the existence of a predicate crime. It is emphasized in the legal construction that there is no money laundering crime without a predicate crime. Therefore, if proof of corruption as a predicate crime is unsuccessful, the process of tracing and confiscating assets through the Money Laundering mechanism is also hampered. This situation indicates that the Indonesian criminal justice system has not yet fully adopted an independent "follow the money" approach.

The problem is further complicated by the practice of beneficial ownership and nominee ownership, where perpetrators of corruption conceal assets obtained through third parties, both individuals and corporations. In many cases, assets are no longer in the perpetrator's name but are instead transferred to family members, business associates, or specific legal entities, making it difficult for law enforcement to prove the connection between the perpetrator and the assets. Furthermore, the use of the corporate veil scheme within corporations further strengthens protection for the beneficial owner, so that even though the assets are formally administratively legitimate, they are substantively the proceeds of crime. The limited regulatory framework for penetrating this pseudo-ownership structure leaves many assets obtained from corruption untouched by the law.

On the other hand, weaknesses also occur at the stage of executing court decisions. Despite a final and binding decision, asset confiscation is often ineffective. This is due to various factors, including the failure to locate assets, the transfer of assets, or legal disputes over ownership. Consequently, the asset recovery rate in corruption cases is relatively low compared to the total state losses incurred. This situation indicates that the criminal law enforcement system is unable to ensure that the proceeds of crime are truly returned to the state, thus optimally achieving the goal of eradicating corruption and recovering state losses.

There is also a gap between the prevention and enforcement approaches, particularly in the utilization of the State Officials' Wealth Report (LHKPN) instrument as stipulated in Article 7 paragraph (1) letter a of Law Number 19 of 2019 concerning the Corruption Eradication Commission, which authorizes the KPK to register and examine state officials' wealth reports. Although the LHKPN has the potential to be an early detection tool for

unreasonable increases in wealth, in practice, it is still administrative in nature and has not been effectively integrated with enforcement mechanisms. The absence of a system that connects the results of LHKPN analysis with the investigation process means that many indications of wealth misappropriation cannot be legally followed up on. Thus, the weaknesses in the positive criminal law policy indicate that the existing system has not been able to optimally pursue the proceeds of corruption crimes, so that a more progressive reconstruction of criminal law policy is needed that is oriented towards the recovery of state assets.

The Problem of the Lack of Illicit Enrichment Norms in the Indonesian Criminal Law System and Their Relevance to State Asset Recovery

The key issue in the Indonesian criminal law system regarding state asset recovery lies in the absence of explicit norms regarding illicit enrichment, even though such norms have long been recognized in the international anti-corruption legal regime. Article 20 of the United Nations Convention Against Corruption (UNCAC) explicitly introduces the concept of illicit enrichment as a significant increase in the wealth of a public official that cannot be reasonably explained by their legitimate income. Indonesia has ratified the UNCAC through Law Number 7 of 2006 concerning the Ratification of the United Nations Convention Against Corruption (2003), thus legally having a moral, political, and normative obligation to align its legal policies with the principles of the convention. However, to date, this concept has not been transformed into a national criminal norm, either in the Corruption Law or other sectoral regulations related to asset recovery. As a result, a serious legal vacuum has emerged, namely the absence of a direct legal basis for prosecuting public officials who amass unnatural wealth without immediate proof of the predicate offense. The legal vacuum offers a fundamental weakness, as Indonesian positive law still requires prior proof of corruption, while the most obvious symptom often observed by the public is an increase in assets disproportionate to the official's income.

This vacuum creates a legal disharmony between Indonesia's international commitments and the design of the national criminal code, which still relies on the conventional criminal paradigm. On the one hand, the UNCAC has opened up space for the criminalization of unnatural wealth as a standalone offense; on the other hand, the national legal system still requires law enforcement to prove the elements of an unlawful act, state losses, and a rigid causal relationship. As a result of this disharmony, the phenomenon of unexplained wealth has become a very real legal problem: when an official owns a luxury home, stock portfolio, premium vehicle, family bank account, or assets in the name of an affiliated party that far exceeds his/her income profile, these conditions are not sufficient to trigger criminal action without proof of the predicate offense. In this context, the law lags behind the realities of modern crime. Many cases end with public opinion, administrative clarification, or mere ethical sanctions, even though there are substantial indications of illicit enrichment. The situation demonstrates that Indonesian criminal law suffers from a normative blind spot regarding illicit wealth as a core symptom of modern corruption.

The absence of illicit enrichment norms also creates serious obstacles for law enforcement agencies such as the Corruption Eradication Commission (KPK), the Financial Transaction Reports and Analysis Center (PPATK), and the Attorney General's Office (AGO) in carrying out their asset recovery functions. The KPK does have the authority to examine State Officials (LHKPN) based on Article 7 paragraph (1) letter a of Law Number 19 of 2019, while the PPATK has the authority to investigate suspicious financial transactions based on Law Number 8 of 2010 concerning Money Laundering (TPPU). However, both face the same normative constraint: data on asset spikes and cash flows can only serve as initial clues, not as a basis for a stand-alone crime. The AGO, as the executor of asset recovery, is also often hampered when assets are layered through nominees, trusts, or shell companies. In other words, the current law is capable of detecting irregularities, but is not yet capable of directly criminalizing them. As a result, many assets that the public logically suspect originated from abuse of office are not optimally accessible through criminal mechanisms. This demonstrates that illicit enrichment is the missing link in the chain of state asset recovery, as it should bridge the gap between detecting illicit wealth and legally legitimizing its confiscation.

The urgency of regulating illicit enrichment is further strengthened when linked to the need for asset confiscation as a primary focus of modern corruption eradication. The criminalization paradigm, which emphasizes only corporal punishment, has proven insufficient to deter criminals if the proceeds of crime are still enjoyed by the perpetrator or their family. In this context, the criminalization of illicit enrichment offers a more rational approach, placing disproportionate wealth as the primary entry point for law enforcement. Theoretically, this model aligns more closely with the principle of "follow the money" rather than "follow the act," making it more effective in disrupting the economic incentives for corruption. Indonesia currently faces a situation where the public often detects signs of illicit wealth before authorities can prove its existence. Therefore, without illicit enrichment norms, the national asset recovery system will continue to lose crucial momentum in quickly securing the proceeds of crime before they are diverted further.

Comparative studies show that several countries have successfully positioned illicit enrichment as a central instrument for asset recovery. Peru incorporated this offense into its criminal code, emphasizing the unreasonable increase in the wealth of public officials relative to their official income. Argentina has also criminalized the increase in unexplained assets, even making it a key tool for prosecuting corruption among the political elite. Hong Kong, with a highly progressive approach, combines investigations into illicit wealth with the authority of a strong anti-corruption agency, enabling it to establish a swift and effective asset recovery system. Meanwhile, South Africa has developed a model for civil forfeiture and unexplained wealth orders that allow for confiscation even when proving the predicate offense is extremely difficult. The experiences of these countries demonstrate that successful asset recovery does not always require rigid proof of a predicate crime; instead, it can begin with proving an unreasonable disparity between the wealth and legitimate income of public officials.

Based on these comparisons, the potential for legal transplantation into the Indonesian legal system is wide open, provided it adheres to the principles of the rule of law, human rights, and due process of law. Academically, this transplantation could be designed in the form of a new offense or an unexplained wealth-based confiscation mechanism integrated with the State Property Tax Report (LHKPN), Financial Transaction Reports and Analysis Center (PPATK), tax data, and the beneficial ownership system. It is precisely at this point that the research's novelty becomes particularly strong, as the issue is not simply adopting foreign norms, but rather reconstructing a criminal law policy model that is compatible with the Indonesian legal system. Thus, it can be asserted that the absence of an illicit enrichment norm is the fundamental root cause of the low effectiveness of national asset recovery, and simultaneously confirms that this norm is the most crucial missing link in the design of state asset recovery in Indonesia.

Reconstruction of Illicit Enrichment-Based Criminal Law Policy through an Integrative Model of Prevention and Enforcement for the Just Recovery of State Assets

Reconstruction of illicit enrichment-based criminal law policy must begin with the design of a new model that shifts the orientation of corruption handling from proving the act to proving the irregularity of wealth, without abandoning the principles of the rule of law. Specifically, the model offered in this dissertation is an integrative model of prevention and enforcement based on irregular wealth, which utilizes the surge in public officials' assets as a trigger mechanism for state asset recovery. Normative reconstruction is directed at establishing a criminal law policy that connects the Corruption Eradication Law (Tipikor), the Money Laundering Law (TPPU), the Corruption Eradication Commission (KPK), the taxation, banking, and beneficial ownership regimes in a single, continuous process. A concrete action is to establish a national protocol for automatic data exchange between the KPK, the Financial Transaction Reports and Analysis Center (PPATK), the Directorate General of Taxes, the Financial Services Authority (OJK), the National Land Agency (BPN), the Directorate General of AHU (Authorities and Legal Affairs), and the banking sector, so that any significant increase in a public official's wealth that is disproportionate to their legitimate income profile is immediately flagged. With this design, the state no longer waits for conventional evidence of corruption to emerge, but proactively detects signs of illicit enrichment as a gateway to asset recovery.

Operationally, this integrative model positions the State Property Report (LHKPN) as the initial point of detection, which is then reinforced by PPATK data for suspicious transaction reports, tax data for real income profiles, banking data for account mutations and beneficial ownership, and corporate data for nominees and shell companies. A concrete action is the formation of an Unnatural Wealth Analysis Team, under the coordination of the Corruption Eradication Commission (KPK), working across agencies. This team conducts initial clarification of wealth spikes, followed by investigative audits of all movable and immovable assets, shares, accounts, trusts, and indirect ownership. The next stage is a disproportionate wealth analysis, which compares the official's total actual wealth with the official's cumulative legitimate income during his term of office. If a significant

discrepancy is found without a verifiable legal basis, the system automatically raises the status to suspected illicit enrichment. Thus, the concrete novelty of this model is the use of algorithm-based wealth analysis based on the income-to-asset ratio as valid preliminary evidence.

The next stage is asset return mediation, a concrete innovation that distinguishes this model from a purely repressive approach. In this stage, officials who are detected as possessing disproportionate assets are given the opportunity through a follow-up clarification forum to prove the legal origins of their wealth or voluntarily return the remaining assets to the state treasury. A concrete action is the establishment of an asset return settlement board, a quasi-judicial forum authorized to facilitate asset return without immediately resorting to criminal proceedings. This mechanism is crucial as a manifestation of ultimum remedium, where criminal action is considered a last resort if voluntary recovery is not achieved. If the relevant parties agree to return the assets and correct their LHKPN (State Income Tax Return), the case can be dismissed at the administrative-corrective level, while still considering ethical and official sanctions. Conversely, if they refuse or provide false explanations, the case is escalated to criminal litigation. This is a highly applicable concrete action because it simultaneously reduces law enforcement costs and accelerates asset recovery.

At the litigation stage, this reconstruction of criminal law policy offers a model that reverts the burden of proof to a proportional, rather than absolute, burden. The state remains obligated to prove a significant imbalance between assets and legitimate income, while the defendant is given a limited obligation to explain the legal source of the difference. A concrete action is to include a new norm in the Corruption Eradication Law stating that "after the public prosecutor proves a significant and disproportionate difference in assets, the defendant is obliged to provide a reasonable explanation regarding the origin of said assets." This model maintains human rights protection and due process of law, as the state does not automatically presume the defendant is guilty but merely shifts the burden of proof to facts specifically within the defendant's control. Practically, another concrete action is to implement freezing orders and seizure orders from the investigation stage to prevent assets from being diverted during the process, thus ensuring that the goal of asset recovery is not lost.

As a formula for ius constituendum, the ideal norm for illicit enrichment in Indonesia can be formulated in the form of a new article, for example: "Any state official who, during or after his/her term of office, experiences a significant increase in wealth, expenditure, or control of economic benefits that cannot be reasonably explained by legitimate income, grants, inheritances, or other verifiable legal sources, shall be punished by imprisonment for a minimum of four years and a maximum of 20 years, and shall be subject to confiscation of all unproven assets." The concrete action is not only the formulation of the articles, but also the regulation of special procedures for asset freezing, asset declaration verification, beneficial ownership tracing, and cross-border asset cooperation as part of procedural law. Thus, this reconstruction does not stop at a conceptual level but has reached the level of

draft norms ready for legislation that can be transformed into amendments to the Corruption Law or the Asset Confiscation Bill.

A just asset recovery model must ensure a balance between the public interest in recovering state assets and the protection of individual constitutional rights. The concrete action is to ensure that all stages, including clarification, audit, disproportionate wealth analysis, mediation, litigation, and confiscation, are measured in a transparent national standard operating procedure that can be tested in court. With this model, asset recovery is no longer merely an additional criminal offense but becomes the core of modern anti-corruption criminal law policy. The main novelty of this dissertation lies in the design of an integrative model based on illicit enrichment that connects administrative detection, financial analysis, restorative resolution, and criminal litigation into a single, integrated system. Concretely, this model can be directly implemented through a pilot project on audits of high-risk officials' LHKPN (State Official Reports). Therefore, the research outcomes will not remain merely academic discourse but will become a blueprint for a new criminal law policy for effective and equitable asset recovery in Indonesia.

Conclusion

Based on the overall discussion, it can be concluded that Indonesia's positive criminal law policy in handling corruption crimes has not been fully effective in realizing the recovery of state assets, because it still relies on the follow-the-act paradigm that emphasizes proof of criminal acts, while the development of modern corruption is more prominent in the symptoms of a surge in wealth that is disproportionate to the legitimate income of public officials. The weaknesses of Article 18 of the Corruption Eradication Law concerning replacement money, the limitations of asset tracing through the TPPU regime that still relies on predicate crimes, the weak penetration of beneficial ownership, nominees, and cross-jurisdictional assets, and the lack of integration of LHKPN with the enforcement mechanism indicate fundamental weaknesses in the national asset recovery system. At the same time, the failure to adopt the norm of illicit enrichment as stipulated in Article 20 of the UNCAC, which has been ratified through Law Number 7 of 2006, creates a crucial normative vacuum, so that unexplained wealth cannot yet be made an independent offense in national criminal law. Therefore, the results of this study confirm that illicit enrichment is the missing link in state asset recovery in Indonesia. Therefore, a reconstruction of criminal law policy is needed based on an integrative model of prevention and enforcement that combines the State Property and Property Information System (LHKPN), Financial Transaction Reports and Analysis Center (PPATK), taxation, banking, and beneficial ownership tracing through stages of clarification, audit, disproportionate wealth analysis, asset recovery mediation, litigation, and confiscation, while maintaining criminal penalties as the ultimum remedium and ensuring due process of law and human rights protection.

The recommendation from this study is that lawmakers need to immediately reformulate national criminal law policy by adopting the illicit enrichment norm into the revised Corruption Law or through the creation of an Asset Confiscation Law, with a formulation that explicitly defines the illicit increase in wealth of public officials as a

standalone offense that can directly serve as the basis for state asset recovery. In addition, institutionally, it is necessary to establish an integrative cross-institutional mechanism between the Corruption Eradication Commission (KPK), Financial Transaction Reports and Analysis Center (PPATK), the Directorate General of Taxes, the Financial Services Authority (OJK), the National Land Agency (BPN), the Directorate General of AHU (Ahu), and banking institutions to build an early detection system based on red flags of unexplained wealth linked to LHKPN audits and beneficial ownership tracking. Practically, the model proposed in this study should be tested through a pilot project on high-risk public officials, particularly in the taxation, natural resources, and goods/services procurement sectors, so that it can become a national prototype for fast, efficient, and equitable state asset recovery. Thus, the results not only provide a theoretical contribution in the form of reconstructing new criminal law policies but also offer a concrete implementation design as a direction for ius constituendum in strengthening corruption eradication and optimizing asset recovery in Indonesia.

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