

HOW TO MINIMIZE RISK: THE IMPLEMENTATION OF PUBLIC SECTOR SERVICES ELECTRONIC PROCUREMENT IN INDONESIA

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Abstract

The trend of corruption cases in the types of goods and services procurement cases handled by the Corruption Eradication Commission of the Republic of Indonesia in 2004-2019 shows an increasing number in every year. In certain types of case studies the implementation of e-Procurement with e-Catalog is proven to play a role in reducing the risk of corrupt practices in public organizations. The objectives of this research are to build an e-Procurement implementation model in Indonesia especially on electronic identity card procurement, identify external factors that encourage individuals to commit fraudulent behavior and the approval of procurement process of government goods and services. We operate a qualitative method with a case study on the implementation of e-Procurement of electronic identity cards. The results of the study explained that the implementation model of the procurement of goods and services using the e-Purchasing method through the e-Catalog mechanism is the best e-Procurement implementation model in the procurement of government goods and services specifically for the case of procurement of electronic identity cards.

Keywords: corruption, e-catalog, implementation, purchasing, procurement.

INTRODUCTION

In previous e-Procurement studies in the decade of 1998-2007, in outline, among others, those conducted by Fee & McIlroy (1998), which discussed studies on government intervention that must be minimal in electronic procurement, including in the process and stages of electronic procurement. must also be supported by a legal regulatory framework management that can accelerate commercial transactions. Furthermore, Liao, Wang and Tserng (2002), confirmed the results of their research that the management of procurement of goods and services electronically must be able to play a more efficient, transparent and non-discriminatory role. Meanwhile, research by Liao, Cheng, Liao, and Chen (2003) focuses on the study of electronic procurement management in government, which is more likely to be a source of corruption, scandal and resource abuse. Kural & Alsac (2006), explained the results of research that are more directed at the regulatory needs of a country in the application of e-Procurement through regulatory management at the level of the Act in order to present the rules of the game in the form of legal sanctions in every violation of stages, processes and procedures in the procurement of goods and services. government services. A study conducted by Croom and Brandon-Jones (2007), which examined the management of different dimensions with other e-Procurement researchers, where the aspect of successful technology adoption became the main study in research variables associated with the quality of electronic procurement of goods and services.

A similar study was also conducted in the 2008-2018 decade by Gunasekaran and Ngai (2008), who put more emphasis on research towards the management of successful adoption of information technology in the process of procurement of goods and services that can trigger the target of achieving e-Procurement implementation in the long term. Furthermore, research that has different dimensions from e-Procurement research includes the research conducted by Walker & Harland (2008), which focuses more on research studies on routine and non-strategic expenditures which are more likely to choose the e-Procurement method at United Nations public institutions. . Then the research of Aman & Kasimin (2011) focuses more on research on legal and administrative procedures, IT infrastructure, outsourcing contracts and IT skills which are considered very important in a series of successful procurement implementation management. Neupane, Soar, & Vaidya (2012) in their research tried to use the e-Procurement approach to combat corruption in public procurement, but did not reach the stage of building an e-Procurement implementation model within the framework of studying certain cases. Research conducted on the Malaysian government by Hui, Othman, Omar, Rahman, and Haron (2014) which also discusses the prevalence of interference from outsiders and cronyism, which affects the awarding of contracts, this research also does not reach the stage of building an e-Procurement implementation model in reducing the risk of corruption occurring. in the public sector.

The implementation model of e-Procurement in Indonesia, until now, has not been formulated by many researchers, so that the implementation pattern cannot be described properly as a reference for further research. In addition to the e-Procurement implementation model in Indonesia, which is still lacking interest in conducting research, another important issue that is interesting in research on e-Procurement implementation in Indonesia is the perspective of organizational behavior in the management series of e-Procurement implementation which is also still very minimal interest in research. e-Procurement. This implementation and behavioral perspective are the main focal points that are used as issues to be investigated further and in depth with a more specific form of case study so that the focus of the e-Procurement implementation study and behavioral perspective can be integrated into a unified whole in the research design. The purpose of this study is to formulate the best model to minimize the risk of corruption in the stages and processes of government procurement of goods and services. Contributions and updates that are expected in this study are the researchers' efforts to build an e-Procurement implementation model which is expected to reduce the risk of corruption at the planning stage of the procurement of goods and services package and the stage of provider selection management in the procurement of goods and services.

LITERATURE REVIEW

e-Procurement

Croom and Johnston (2003) explain e-Procurement is "systems in essence mirror the procurement process through the provision of two distinct, but connected, infrastructure-internal processing (via, for example, corporate intranet) and external communication with the supply base (via, for example, Internet-based platforms) ". In principle, the internal impact of customer service on e-Procurement performance is 1) cost efficiency and expenditure; (2) process conformance; and (3) internal customer satisfaction (Croom & Johnston, 2003). E-Procurement will be of efficient value when it can act as a system that can reduce costs in the process and stages of procurement of

goods and services. Process conformance, also becomes another indicator that can be used as a standard goal of e-Procurement implementation. Internal customer satisfaction is also an important part that must be achieved in the e-Procurement implementation stage, as an indicator of the success of the information technology system that is applied in the procurement of goods and services in the public sector.

E-Procurement can be defined as the use of internet technology in the purchasing process (Boer, Harink, & Heijboer, 2002). EPT is a system that can implement the procurement process through internet facilities. Successful adoption of EPT technology depends on many factors, including those related to adopters, technology, providers and the networks in which they operate (Mora-Monge, Quesada, González, Mueller & Mueller, 2010). Organizational purchasing and offering activities are one that includes internal services and B2B services (Croom & Johnston, 2003). B2B services are very important activities in an organization because they relate to the organization's financial expenditure as a whole. E-Procurement must also consider organizational design and adoption of innovation strategies (Barahona & Elizondo, 2014), to ensure the successful implementation of the electronic goods and services procurement process. Another goal of implementing e-Procurement is to avoid misalignment (Knudsen, 2003), so that there are no differences in objectives at each stage of the procurement process for goods and services.

Detection of Corruption

Corruption has essentially taken place in all political systems, with facts at almost every level of government. Next Caiden (2014), outlines the origin of the word that "the word corruption means something spoiled; something sounds that have been made defective, debased and tainted; something that has been pushed off course into a worse or inferior form ". In a continued sense, corruption is equated with something that has been pushed off track to a worse or lower form. Someone who has committed corruption is considered as someone who has gone off track towards a worse or lower path in the social life of the community. Corruption according to Law Number 31 of 1999 concerning Eradication of Corruption is: "every person who is categorized as against the law, does the act of enriching himself, benefits himself or someone else or a corporation, abuses his authority or opportunity or means because position or position that can harm the country's finances or the country's economy."

Furthermore, according to Law Number 20 of 2001 concerning Eradication of Corruption, explaining that corruption is "an act against the law with the intention of enriching oneself, others, or corruption which results in detrimental to the state or the country's economy". Alatas (1987) divides 7 (seven) corruption typologies, including: 1) Transactive corruption, pointing to a reciprocal agreement between the giver and the recipient, for the benefit of both parties, 2) Corruption that extorts (extortive corruption), refer to coercion to the giver to bribe in order to prevent losses that are threatening him, his interests or things that he appreciates will be obtained in the future, 4) Corruption of kinship (nepotistic corruption), is an unauthorized appointment of a friend or relative to hold a position in government, or an act that gives preferential treatment contrary to applicable norms and regulations, 5) Corruption defensive (defensive corruption), is a victim of corruption by extortion. Corruption is in order to defend themselves, 6) Autogenic corruption (autogenic corruption), is corruption committed by someone alone, 7) Corruption of support (supportive corruption), is corruption committed to strengthen existing corruption.

The Theory of Planned Behavior

The implementation of e-procurement in Indonesia is also inseparable from the pattern of human behavior in a public organization. Much fraud begins with behavior that is not compliant with the rules of the procurement of government goods and services, which then causes a high risk of corruption in the procurement of goods and services. According to the results of the Constitutional Court Decree on the case of procurement of Electronic Resident Identity Cards, fraud in procurement was carried out by corporations with highly planned behavior patterns in public organizations and involving many perpetrators of fraud. Theory of planned behavior is one of the theories that will be used in this study with the aim of identifying individual intentions behind the fraud in the stages and processes of government procurement of goods and services. TPB shows that individual behavior is driven by the intention of the offender. Where intention is a function of three determinants namely individual attitudes towards behavior, subjective norms and behavioral control suggested (Ajzen, 1991). Attitudes towards behavior, refers to the extent to which a person has positive and negative feelings towards behavioral interests. Subjective norms, refer to beliefs about whether another significant person thinks that he will do the behavior. Subjective norms are related to one's perception of the social environment around behavior. Perceived behavioral control, refers to the individual's perception of the extent to which the performance of the behavior is easy or difficult (Ajzen, 1991). Perceived behavioral control, increases when individuals have more resources and confidence (Ajzen, 1991).

Theory of Reasoned Action (TRA) was developed by (Ajzen, 1991) and named TPB. TPB is explained as a construct that complements TRA. According to Ajzen, (1991) individual targets have a high likelihood to adopt a behavior if the individual has a positive attitude towards the behavior, get approval from other individuals who are close and related to the behavior and believe that the behavior can be done well. By adding a variable to this construct, which is perceived behavioral control. TPB assumes that perceived behavioral control has motivational implications for interest. People who believe that they do not have the resources available or do not have the opportunity to do certain behaviors may not form a strong interest in behavior to do so even if they have a positive attitude toward their behavior and believe that others will agree if they do the behavior. Thus, the relationship between perceived behavioral control and interests is not mediated by subjective attitudes and subjective norms.

The second feature is the possibility of a direct relationship between perceived behavioral control and perceived behavior. In some cases, the performance of a behavior depends not only on the motivation to do it but also sufficient control over the behavior carried out. Thus, perceived behavioral control (perceived behavioral control) can influence behavior indirectly through interest, and can also predict behavior directly. In his theory (Ajzen, 1991) adds one more dimension, namely the control of perception of behavior regarding the ease or difficulty of the behavior carried out. According to TPB, intentions are influenced by three things: attitudes, subjective norms, behavioral control (Ajzen, 1991). According to (Ajzen, 1991), intention is assumed to apprehend motivational factors that influence behavior, which is indicated by how hard an individual's planned effort is to try to do the behavior. TPB explained that conceptually the intention to behave could be predicted with a high degree of accuracy from one's attitude towards behavior, subjective norms, and perceived behavioral control. These three factors are factors that influence behavior intention.

Literature Review and Theoretical Framing

Kural and Alsac (2006) is more focused on explaining e-Procurement in his research in terms of public procurement procedures which are more likely to be supported by 2 (two) laws, namely public procurement law and public procurement contract law. E-Procurement changes the way businesses buy goods, because most products and services are obtained using electronic data exchanges and the Internet, the application of e-Procurement cannot be avoided in both manufacturing and service (Gunasekaran & Ngai, 2008). E-Procurement conducted by the United Nations (UN) is focused on routine and non-strategic purchase transactions (Walker & Harland, 2008). The challenges of implementing e-Procurement in the government sector are not only related to software integration, data management and launch strategies, but also legal and administrative procedures, information technology infrastructure, outsourcing contracts and IT skills (Safe & Kasimin, 2009). An important variable for the successful adoption of e-Procurement is to overcome the internal service quality attributes of the e-Procurement process (Croom & Brandon-Jones, 2007).

In previous e-procurement studies since 1998, the object of research was more dominant in discussions that explained the important role of government in electronic procurement, then entered the stages of the decade in 2002 and 2003 the research trend was more directed to the domain that explained how important regulation was in implementation e-Procurement, even in the 2004-2005 decade, there were very many studies that took the topic of discussion related to fraud in the practice of e-Procurement. In the decade 2006-2007 there was a shift in the trend of e-procurement research which was more dominant leading to the improvement of the e-procurement implementation system from the perspective of technological innovation. In 2008-2010 research trends have begun to dominate in the object of discussion about the implementation of e-Procurement in the business sector, which further emphasizes the improvement process of e-Procurement technology adoption. Furthermore, in 2012 and 2013 many research trends discussed the EPS topic, using the structure rational theory of technology use approach. The shift in research trends in 2014-2016 is more dominant, leading to topics that discuss the implementation of e-procurement in the public sector with a mall-practice analysis approach that is often carried out by goods and services procurement committees. Furthermore, in 2017 and 2018, research trends will also focus more on discussing the improvement of the e-Procurement application system, the factors that influence the adoption of e-Procurement in an organization.

Previous e-procurement studies raised many specific topics in depth that explained the stages and processes of procurement of government goods and services in certain countries, but were not yet in-depth in the types of cases that were more representative of general and frequent conditions in the public sector. Limitations of previous research can also be identified through objects and types of cases raised by previous researchers. As an example of the type of case in the procurement of electronic citizen identification cards, so far, no study has been found that conduct in-depth studies at the level of implementation that is strongly influenced by individual behavior in organizations. The case study of the procurement of electronic identity cards, will be very interesting to be appointed with certain characteristics to generalize the best model that can be used by the Indonesian government in the future to reduce the risk of corruption in the process of procurement of government goods and services, especially the procurement of goods and services for the needs of achieving national program performance targets with approach to qualitative research methods.

RESEARCH METHOD

We operate qualitative methods, prioritize the process of exploration to understand the meaning of individual or group behavior, describing social problems or human problems (Creswell, 2014). In this study, researchers used informants as a source of research information data. The sampling technique in this study is the purposive sampling technique (Lincoln & Guba, 1985, p. 40-41) which is a sampling technique based on the goals set by the researcher. The determined sample is a number of informants who have a lot of information regarding the implementation of e-Procurement in reducing the risk of corruption in Indonesia, whose case study will focus on the procurement of electronic identity cards. The criteria used in determining the informants in this study include, among others, informants who know in detail the case of procurement of goods and services from the investigation side to the best data input effort regarding the concept of building an e-Procurement implementation model in Indonesia from the KPK element, informants who know by detailed regulations on procurement of electronic identity cards, system stages and system mechanisms from LKPP, competent informants in the field of procurement of goods and services, especially procurement of electronic identity cards from the Ministry of Home Affairs ULP, informants who know in detail the stages and processes of procurement of electronic identity cards from the Directorate of Population and Civil Registration of the Ministry of Home Affairs of the Ministry, the informant who has the role as a procurement analyst who scientifically or competently follows the case of procurement of electronic identity cards, and the parties who are then based on information from the initial informant was considered relevant to the case study of the procurement of an electronic identity card. Interviews were conducted with 14 informants consisting of elements from the KPK, LKPP and Vendors.

RESULTS AND DISCUSSIONS

Limitations in previous studies include the absence of researchers who have raised a more specific case topic on the implementation of e-Procurement, especially in Indonesia. In some developing countries, the implementation of e-Procurement in the public sector is still strongly influenced by the behavioral factors of human resources in an organization in carrying out the stages and processes of state/regional spending through the procurement of goods and services. The implementation of e-Procurement is often colored by fraud and fatal errors that result in significant state/regional losses. Studies related to the intention of fraud in certain cases in the implementation of e-Procurement in Indonesia, have never been studied specifically, especially those related to the determinants of attitudes towards objects, subjective norms and perceived behavioral control. The implementation of e-Procurement in Indonesia has unique characteristics, different from other countries in the world. This uniqueness in implementing e-Procurement, which has not been widely raised by previous researchers as a research topic. Research on the implementation of e-Procurement carried out by research in Indonesia is still very limited in demand, especially the case study research design with a more comprehensive and focused discussion on the types of criteria for cases of government procurement of goods and services. Specific topics related to case studies of government procurement of goods and services in Indonesia are the difference between the research conducted and previous studies.

Budgetary Plan of Electronic Procurement in Indonesia

Overall, Indonesia needs the best model for e-Procurement implementation to reduce the risk of corruption in the procurement of government goods and services, especially the electronic identification card procurement model. The electronic identification card case in 2011-2012 provides a lot of information that the management of procurement of goods and services must be immediately corrected to reduce the risk of fraudulent practices in the procurement of goods and services and the implementation of an electronic identity card project. In certain situational budget planning is the first entrance to fraud in the procurement of government goods and services. After cheating on budget planning, the procurement committee of goods and services is free to mark up the price of the procurement unit of government goods and services to the stage of manipulation of documents for receipt of work.

Fraud in the process of procurement of goods and services is only one part of the follow-up process of collusion in the budgeting that has been previously planned. This condition has been happening for a long time, so that the entry gap for fraud in implementing certain project works starts from the planning and budgeting stages. Planning and budgeting that are still not in line at present still provide opportunities for fraud in contract implementation and ultimately high risk of corruption in the procurement of government goods and services. Procurement management using the auction method is no longer relevant at this time to become a procurement model intended for the delivery of public services in Indonesia because it is considered too risky so that it opens opportunities for HPS markup, risky in terms of price negotiations and many other cheating practices which then end in manipulation documents of acceptance of work results that are not in accordance with the procurement work contract. The synchronization between planning and budgeting is one of the solutions to the problem at the budget planning stage so as not to open up opportunities for the procurement package ijon system when the state budget / APBD has not yet been agreed between the executive and legislative branches.

Stages of Goods and Services Procurement Planning

In the planning stages of procurement of goods and services starting from the HPS markup, technical speeches lead to certain vendors, solving certain packages, internal collusion in agencies with vendors and conflicts of interest with officials of these agencies. In recent years, the practice of fraud at the planning stage of procurement of goods and services is still happening and in different patterns and modes. If viewed from the management stage the planning mechanism in the procurement of goods and services has been done wrongly by planning something deliberately so that fraud in the implementation of procurement of goods and services can be easily done.

Stages of Selection of Goods and Services Procurement Providers

Furthermore, in the selection stage, fraud occurs starting from the announcement stage which is made limited, SPSE fraud, such as lowering bandwidth, changing server hours, account theft, auction document manipulation such as auction social gathering, same IP address, similar bidding documents, flag companies (or companies that are only borrowed by government officials), manipulation of the selection of winners, internal agreements with vendors and company/private conflict of interest affiliated with government officials. This selection stage is the deciding stage of the winner in the process of procurement of goods and services, so that if the fraud selection stage takes place, then the next stage can be continued to the contract implementation stage which

can also be easily carried out fraud. In the implementation phase it was also mentioned by the job informant that it was not in accordance with the specifications to accommodate the fraud that had been carried out from the start, namely at the budget planning stage and at the planning stage of procurement of goods and services. The stages of selecting goods and service providers, fraud in SPSE is done by lowering bandwidth, changing server hours, shutting down servers when the provider schedules submitting offers, theft of accounts committed by hackers or SPSE admins, manipulating tender documents with applications, implementing them in the form of arisan mode auction, same IP address, similar bidding document, flag company which is illustrated as a form of implementing fraud by only borrowing certain companies that are only for companion needs in the procurement of goods and services or acting as the winner of a conditioned auction, but the implementation is carried out by certain vendors who have already agreed in advance. Fraudulent practices in the selection of suppliers of goods and services have been running for a long time and many of the practices referred to have been processed legally but the mode of operation is increasingly strengthened with new references, so as if they are different in handling cases, even though the basis of fraud is almost the same as the fraud committed in cases large cases in the field of procurement of goods and services of the previous government. Manipulation of tender documents has become a cheating practice that can no longer be hidden because the practice referred to is a follow-up to facilitate the stages of fraud in the budget planning and planning of government procurement of goods and services.

Stages of Contract Agreement

At the stage of implementing a fraudulent contract, one of them is easily done which is not in accordance with the specifications in the work contract, manipulation of documents for the handover of goods and services caused by internal collusion between agencies and vendors. The entry point in the handling of electronic citizen identification card cases is when indications of fraud were discovered in the implementation of the contract, some items that became procurement items were manipulated to facilitate the payment of project fees that had been given starting from the budget planning stage to the stage of carrying out contract work. The project work package that had already been bonded, made the stages of selecting goods and service providers not according to the rules and in the end, fraud was repeatedly carried out to facilitate conspiracy in the contract implementation stage. The various modes include manipulating documents on the handover of work that is not in accordance with the technical specifications agreed by the vendor and the official making the commitment in the contract.

Overall, from budget planning, planning for government procurement of goods and services, selecting vendors or providers of procurement of goods and services, to the deadline for the implementation of the cheating scheme contract, seen from the stages in the process of procurement of government goods and services. There are 3 (three) types of budget planning stages and forms of fraud namely the project/package has been sold in advance (agreed) to the vendor before the budget is approved or approved, the agreement between the executive and legislative and private, and the conflict of interest of the company/private affiliated with executive, legislative/political party. At the planning stage of the procurement of goods and services packages, there are 5 (five) main items of fraud including HPS markup, technical speeches leading to certain vendors, internal collusion between agencies and vendors, conflict of interests of companies/private companies affiliated with agency officials. There are 6 (six) types of

vendors or provider inventoried fraud including announcements made limited, fraud in SPSE, tender document manipulation, winner selection manipulation, internal collusion with agencies, vendors of company/private conflicts of interest affiliated with agency officials. The final stage is the stage of inventoried contract implementation. There are 3 (three) types of fraud including work not in accordance with specifications, manipulation of handover documents, and internal collusion in agencies with vendors or providers.

In the Procurement Process of Government Goods and Services

In the management of procurement of government goods and services in Indonesia, corruption can also be seen from different dimensions based on the actors in the process of procurement of government goods and services. LKPP classifies the mode of corruption based on actors in the process of procurement of goods and services into 3 (three) groups, namely fraud committed by vendors, fraud committed by collusion between vendors and fraud committed by government and vendor collusion. In Indonesia, fraud committed by the government and vendors has the most modus operandi and most often involves the perpetrators of crime. In certain conditions, fraud perpetrators of government procurement of goods and services committed by the government and vendors have many examples of modes which are then carried out massively and repeatedly in ministries, institutions and local governments.

Fraudulent Procurement of Government Goods and Services Conducted by Vendors

The operating modes carried out by the vendor is hacking the system by practicing to interfere with the SPSE system, changing the opponent's bidding documents and others whose overall fraud is at the SPSE system level. Furthermore, cheating the system hack model is done with the help of information technology experts sponsored by vendors. This information technology expert then helps vendors to commit fraud to the level of changing opponent's bids in government procurement of goods and services auctions. The second mode is practiced in the form of cheating work that is not according to specifications. Fraud in this mode utilizes the weaknesses of budget users, the power of budget users, commitment makers and officials/committees receiving work that have limited knowledge and skills in terms of obtaining the types of goods or services that are openly auctioned in the SPSE system.

Fraudulent Procurement of Government Goods and Services Conducted by Collusion among Vendors

Fraud in other modes of collusion between vendors can be seen as a different phenomenon compared to the phenomenon of fraud committed by a single vendor. Hacking the SPSE system by interfering with the SPSE system, changing the opponent's bidding documents, etc. was also carried out in the collusion modus operandi between vendors. Next is the manipulation of tender documents with examples such as auction social gathering, similar bidding documents, flag companies and others. The mode of fraud committed by collusion between vendors is a crime that has begun to be structured because there is the practice of social gathering auctions and flag companies with an explanation that the flag company is intended that between vendors have agreed among themselves who the winner of the auction. Then the auction arises are mentioned in the mode of fraudulent procurement of goods and services carried out by collusion between vendors carried out by the practice of vendors bidding on several procurement packages

of goods and services by appointing the auction winner in turn to trick the government procurement committee/working group in ULP/UKPBJ.

Fraudulent Procurement of Government Goods and Services Conducted by Collusion between Government and Vendors

Between structured fraud involving single vendors and collusion between vendors, collusion between government and vendors is a more massive form of fraud. Fraud committed by government and vendor collusion is the most common practice in Indonesia with several modus operandi. Government procurement of goods and services in terms of stages are not many rules that are violated, but the practice of cheating stems from packages / projects that have been licensed in advance, both at the budget planning stage and at the planning stage of procurement of goods and services or at the stage of the supplier or vendor selection process. who won the auction. The worst practice is collusion involving the executive, legislature and vendors. This practice opens up vast and extensive fraud space and leads to the arrangement of auction packages that have been conditioned before the stages and vendor selection process is carried out. The practice of conflict of interest also occurs in the corporate / private dimension affiliated with the executive, legislative or political parties. Furthermore, fraudulent practices between the government and vendors are implemented in the form of HPS markup, solving packages in the planning and budgeting stages and processes or at the planning stages of government procurement of goods and services packages. Conspiracy is carried out in the SPSE system, manipulation of documents, manipulation of the selection of auction winners, manipulation of job handover documents and internal conspiracy in agencies with vendors leading to massive fraud. Based on the mode of identification based on the actors, the procurement of goods and services has 2 (two) categories of types of corruption, first is corruption based on stages and the mode of corruption is based on the actors. These types of corruption are a series of different because the stages of procurement of goods and services are stages that are classified to further facilitate the boundary between one process with another process. While corruption is seen from the perpetrators, identifying forms of fraud committed by each actor both by a single vendor, collusion between vendors and other vendors and more massive fraud between the government and vendors.

E-Procurement Implementation Model to Reduce the Risk of Corruption

The change in procurement management referred to is a strategic step by the government to improve the procurement system that has the lowest risk of corruption in Indonesia. At a certain stage the KPK states that procurement using e-Catalog is a very small method of the risk of corruption in the procurement of government goods and services. E-Catalog is an international best practice implemented to reduce the occurrence of corruption in the management of government goods and services procurement. Access to fraud, collusion even the project bonded system is also very small the chance of this method. Whereas several times have been carried out by the Ministry of Home Affairs through the Directorate General of Population and Civil Registration until now there has not been identified any form of fraud until December 2019 specifically for the implementation of the procurement of electronic citizen ID cards.

Fraud in Procurement of Electronic Goods and Services

Previous studies explain that another function of e-Procurement implementation is a positive and significant relationship with the concepts of usability, ease of use, and

trust when democratic governments in developing countries attempt to fight corruption in public procurement (Neupane et al., 2012). Specifically developing countries in previous studies explained that the e-Procurement function as much as possible put forward the function to minimize the occurrence of corruption in the procurement of goods and services. Practices that occur in Indonesia in the procurement of electronic goods and services using the auction method still occur in various modes including reducing bandwidth, changing server hours, shutting down servers, account theft and others. From the results of the investigation of case handling documents from LKPP, the aforementioned mode has been identified in the government procurement of goods and services system. The case study on the procurement of an electronic identity card the auction process is not carried out in full electronic, so that part of the procurement process of goods and services is done manually. The identification of problems focused on the e-Procurement process that is implemented is not appropriate and does not comply with the regulatory procedures that apply to the e-Procurement implementation method in Indonesia. Previous research also explained that the process of procurement of goods and services that are not transparent becomes a potential for corruption that is difficult to control. Research by Liao et al., (2003) also explains that in the government sector, procurement is sometimes a source of corruption, scandal and misuse of public resources

The results of the study are expected to have theoretical implications in strengthening the theory used as the main benchmark in this study. The implications of the theory are expected to strengthen the theory of planned behavior developed to predict behaviors that are not entirely under the control of individuals. In perceived behavior control, there are 2 (two) factors, namely control beliefs (beliefs about the ability to control) and perceived power (perception of the power possessed to perform a behavior). In its implementation, the individual continues to conduct behaviors that tend not to be in accordance with the rules of procurement of government goods and services even though there are behavioral interventions from other individuals (through mentoring in procurement of goods and services conducted by LKPP) which states that the structural pressure is seen as not in accordance with the rules. The second factor is the practice of giving bribes or gifts on the basis of abuse of authority in a public organization in a series of government procurement of goods and services, this factor also in the context of behavior can exert external pressure on individual behavior.

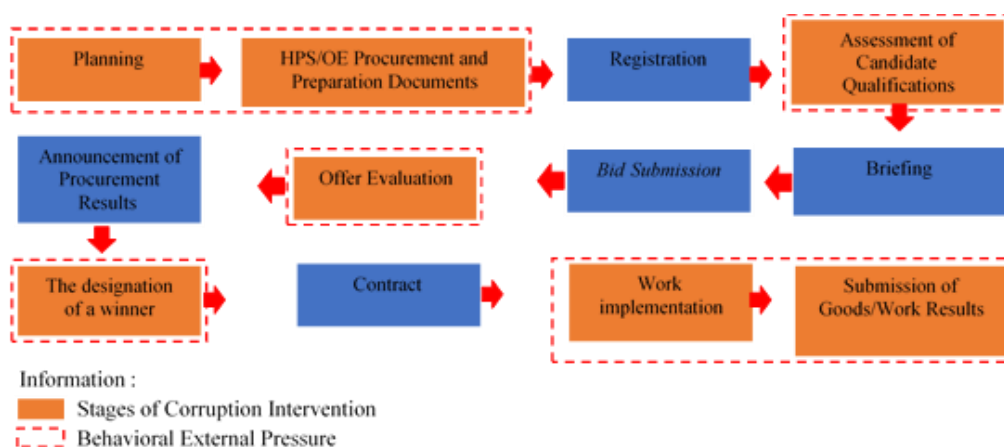


Figure 1. Tender Process Flow and Stages of Corruption Intervention

Identification of Opportunities for Corruption Intervention in the Procurement of Goods and Services

Specifically, the process of procurement of goods and services has the potential for corruption at the planning stage of the procurement of goods and services, the selection of providers and the implementation of the procurement of goods and services. The flow of research results can be seen in Figure 1 as follows.

In the government goods and services procurement management workflow with the tender process, the behavior of individuals in public organizations can be directly intervened through external pressure, starting from the planning stage for the procurement of goods and services and the preparation of procurement documents and preparation of HPS/OE by intervening state administrators, namely PA/KPA, PPK and at the stage of evaluating the qualifications of prospective participants, evaluating bids, appointing the winner of behavioral pressure intervention carried out at the level of the goods and services procurement committee or ULP/UKPBJ working group, while at the level of pressure contract implementation, individual behavior occurs at PA/KPA and PPK up to the final stage of handover of goods or work results pressure individual behavior in public organizations occurs in the committee receiving the results of the work. The tender process for the procurement of the electronic identity card project has a very crucial weakness if it is carried out using the tender or auction method.

The Best Implementation Model for Procurement of Goods and Services

The best e-Procurement implementation model in the procurement of goods and services is to change the auction method to the e-Purchasing method with the e-Catalogue mechanism without price negotiation. The application of the mechanism for shopping for goods and services through the e-Purchasing method with the e-Catalogue mechanism currently has competitive advantages, among others, the shopping list for goods and services needed is already in the electronic catalog. Another advantage from the management point of view is that using e-Catalogue is more efficient in terms of time and cost and even the process can run more accountable and transparent. In general, electronic procurement through e-Catalogue has the least risk of fraud that leads to corruption. The explanation related to the e-Purchasing method with the e-Catalogue mechanism with price negotiations still allows the procurement official/commitment maker to communicate and/or meet face-to-face with vendors that allow business ethics to be violated in the process of procuring goods/services. Meanwhile, with the e-Purchasing method with the e-Catalogue mechanism without price negotiation, the procurement process is carried out with no communication and/or face-to-face contact with vendors during the provider selection process.

CONCLUSIONS AND SUGGESTIONS

This study has limitations on the actual dimensions in general, because the study only focused on one single case, namely the procurement of electronic identity cards organized by the Directorate of Population and Civil Registration of the Ministry of Home Affairs. Furthermore, the limitation in this study was only able to find external factors that can encourage individual behavior to do something that is considered negative and not in accordance with the norms that apply in public organizations, especially the series of e-Procurement implementations with e-Tendering or auction methods. The series of e-Procurement implementations using the e-Purchasing method with the e-Catalogue

mechanism is more specific to efforts to prevent corruption that closes the loopholes in fraud behavior in the procurement of government goods and services. More detailed factors internal drive individual behavior to commit fraud that is massive cannot be identified in depth in this single case study. Qualitative research with a single case study cannot generalize all cases in government procurement of goods and services using the same method. The identification of a single case study applies only to the dimensions of a single, rigorous case. Further research recommendations, other researchers can develop a research framework towards more general with multiple case studies, so that the model of the research results can be implemented for all types of procurement cases in public sector organizations, especially cases of procurement of government goods and services. Further research can be developed more specifically in old cases but using qualitative methods that lead to many bureaucratic pathology themes in the procurement of goods and services. A single case in a qualitative study can be developed into a number of cases so that further research provides more general general information relating to cases that occur in Indonesia.

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