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Criminogenic asymmetries as the trigger of International fraud victimization in Indonesia – China trade relations. Study of victimization of Indonesian exporters

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Abstract. This study aims to examine criminogenic asymmetries as the triggering factors for the victimization of international fraud in Indonesia – China trade relations. The research uses a descriptive-qualitative approach with a case study method and limits it only from the perspective of Indonesia as a victim. Based on the identification and interpretation of research data using Levi's (2009) typology and stages of fraud victimization and the concept of criminogenic asymmetries of Passa (1999), it was found that fraud crimes by transnational organized criminal groups occurred on both sides of the Indonesia – China trade relationship, both as perpetrators and as victims. It also found victimization efforts by Chinese organized crime groups against Indonesian exporters when entering into trade contracts. There are four asymmetric criminogenic factors that have an impact on the victimization of Indonesian exporters in trade relations with China, namely the legal system, technology, knowledge and culture. Researchers also found that victimization by Chinese companies against Indonesian exporters is a form of international fraud. The researcher suggests that the victimization by Chinese criminal groups against Indonesian exporters should receive national legal facilities so that losses can be avoided.

Keywords. Indonesian Exporters; Transnational criminal groups; Asymmetric criminogenic; Organized fraud; Fraud victimization

Foreword

Global trade is currently undergoing changes along with the increasing speed and pattern of communication between world citizens facilitated by technological advances. Geographical boundaries between countries merged into a large village called McLuhan (1962) global village. Everything evolves to cut time and shorten distances, including in the economy and trade. Then, economic globalization related to international trade was born, such as carrying out export-import activities without obstacles.

Economic globalization is a multidimensional process in which markets, firms, production, and financial systems are integrated with one another on a global scale (Brawley, 2003). Economic globalization is becoming more and more prevalent as technology makes international transactions easier and the expansion of trade beyond national borders is increasing, offering many opportunities, including to improve economic fortunes. This relationship in global trade is in line with the jargon of the borderless world which is implemented in the rules of the World Trade Organization (WTO), where all countries that have

ratified the rules must remove all trade barriers with the obligation to implement them. All countries without exception must be ready to compete freely in international trade without any protection and subsidies (Damanhuri, 2008)

In trade with China, Indonesia is always encouraged to increase exports of various leading commodities such as fisheries, iron and steel, copper, footwear, rubber and many more. The market share of Indonesian products in China is very large which then increases the interest of domestic business players to export to China. Exports are trading activities in international markets or the sale of commercial goods to other countries. Exporting requires trading actions in international markets (Seyoum, 2013), using modes of transportation either by road, sea or air. Indonesia's total exports to China in 2020 reached US\$37.4 billion or around Rp533.43 trillion. This number is up 10.10% compared to 2019. In the first half of this year, Indonesia's exports to China reached US\$26.2 billion, equivalent to Rp373.69 trillion (Republika, 2021). In the following years, Indonesia's export faucets are expected to continue to increase in line with the increase in investment by large Chinese companies in Indonesia.

However, in the mid of the dynamics of free trade, there is inequality between countries and creates many crimes such as fraud, trade disputes, or defaults. Based on data from the Ministry of Trade (2019), many Indonesian exporters have become victims of crime, especially fraud crimes with considerable losses by potential Chinese buyers. The way the crime works is by taking advantage of the weaknesses of Indonesian exporters in interacting and transacting with the buyer. Most of the exporters who are also the victims do not have experience with the trading system in the destination country. This reality confirms that trade has implications for the emergence of transnational crime and confirms the results of the Pudjiastuti study (2014) that globalization facilitates the occurrence of transnational crimes.

In May 2014, PT SS became a victim of cyber fraud worth US\$50,000 or equivalent to Rp712.9 million by a businessman based in Foshan City, Guangdong Province, China. The products sent are in the form of electronic goods. A month later, in June 2014, the same case was experienced by PT PSP. This company was cheated by a company located in Taizhou City, Zhejiang Province. However, it did not mention the value of the loss and also the type of product. Still at almost the same time interval, in July 2014, PT MJK became a victim of fraud by a company based in Shanghai, with a loss value of US\$199,705.80. The product sent is in the form of steel but is not paid for by the buyer. Then in August 2014, PT AK became a victim of fraud after sending 2 units of tower cranes. In the transaction process, it turned out that the prospective buyer who was in Shanghai used a fake email so that the company lost up to US\$98,266. The next victim of victimization was PT BAL, which suffered a considerable loss of Rp12 billion. The commodity exported is marine fish. For several times, the delivery and payment went smoothly, so PT BAL put their trust in it, until then the company was in arrears and disappeared.

On the other hand, there are also Indonesian businessmen who commit fraud against Chinese importers. Two Chinese fishery importing companies were scammed by Indonesian businessmen on behalf of JC under the CM banner which is a fictitious company in Medan, North Sumatra in 2016. BHHI and MFL suffered losses of US\$57,120. The two companies are said to have purchased five containers of Layur fish. However, the item was never delivered.

From several examples of fraud cases, it can be seen that there are modes and work management involving transnational actors. The perpetrators are generally global crime syndicates that use advanced banking and information technology to trick or manipulate victims. Fraud cases that befell exporters or importers are basically the impact of trade globalization (Zaidan, 2016). Economic globalization has led to the globalization of crime as part of the contingent relationship between arrangements with rich and diverse opportunities,

the ability of potential offenders to recognize and act on those opportunities, and their interactions with controls, including law enforcement. This is because many global criminal groups utilize technology with transnational mobility that exists today (Ghosh, 2007).

Throughout 2020, Pricewaterhouse Coopers (PwC) in its 2020 Global Economic Crime and Fraud Survey found that nearly half of the 5,000 respondents in 99 territories had experienced at least one fraud – with an average of six frauds per company. The most common types are customer fraud, cybercrime, and asset misappropriation. The total cost of these crimes reached US\$42 billion. Yet too many organizations fail to respond effectively. Only 56% investigate their worst incident (pwc.com, 2020).

Transnational Organized Crime

The term transnational crime refers to the complexity of the problems existing in organized crime, which is a serious problem in business activities. It is called a transnational crime because this criminal activity goes beyond national borders and has an impact on violating the laws of various countries (Massari, 2001). The term “transnational” is used by UNCA Transnational Organized Crime (2004) as reflected in Article 3 concerning several basic concepts: 1) committed in more than one country; 2) is carried out in one country but a significant part of the preparation, planning, directing or control activities takes place in another; 3) is committed in one country but involves an organized criminal group in more than one country; and 4) is committed in one country but has major consequences in another.

According to Massari (2001), organized crime is any crime committed by a person who occupies, in an established work division, a position designed to commit a crime provided that the division of labor also includes at least one position for corruptors and one position for law enforcement.

Meanwhile, Cockayne (2007) describes the definition of the concept of organized crime related to the development of transnational organized crime which is based on three main concepts. First, one conception characterizes organized crime as a series of activities that can be carried out by any actor or entity, whether economic or political, private or public. These activities ultimately produce a shadow socioeconomic system, which supplies illicit goods and services to meet latent demand.

The second conception relates to the mafia, in which organized crime is considered as a group of entities that are hierarchically organized, carrying out various commercial activities united by the underlying business. This approach focuses on certain membership-based business groups that can be characterized as illicit “companies,” conceptually distinct from government and politics, and primarily concerned with carrying out criminal activities. The third conception is agnostic, namely whether organized crime is actually seen as an activity or an entity, or vice versa, international attention to an organized crime must be triggered whenever it has a transnational effect.

The term transnational organized crime by Wang and Wang (2020) is defined as “an act of a group involving two or more countries which is a criminal act, according to at least one of the countries.” Albanese (2010) has included most of the important characteristics of transnational organized crime, namely that a criminal enterprise is sustainable, and works rationally to profit from illicit activities based on the use of force, threats, monopoly control and/or corruption of public officials. Transnational organized crime may not only engage exclusively in illicit activities (Paoli, 2002). However, it is also known to venture into legitimate businesses such as the service industry and, in some cases, compete for public office (Miragila, Ochoa, & Briscoe, 2012).

According to Massari (2001), the phenomenon of organized crime is becoming the focus of attention of several countries towards the formation of a new characteristic dimension in transnational, or what is called transnational organized crime, an organization that carries out criminal activities in many countries and across countries. Transnational organized crime consists of a network of relationships, contacts, and relationships formed between actors from various parts of the world (Olii, 2005). In operational activities, transnational organized crime uses the sovereign-free shadow areas of the international system, where state control is weak or ineffective such as war zones, cyberspace, and private bank accounts. Operating in such an area, making this crime slowly undermines the system of state, social and global governance (Cockayne, 2007).

In the view of global criminology, transnational crime is a form of crime by organized crime or institutions that have a certain level of power, so that they can commit crimes effectively on a global scale (Friedrichs, 2007: 4-5). According to Massari (2001), the forms of organized crime in several countries are slowly showing a systematic focus on the forms of new characteristic dimensions, namely the form of the transnational dimension. In the context of transnational crime, there are two aspects of organized crime that need to be the main concern, namely the process of forming ethnicity patterns in organized crime groups, as well as aspects of internationalization of crime and demand for illegal markets.

Along with its development, the approach to transnational organized crime which has a clear structure and hierarchy as a business organization has begun to encounter many obstacles in the study of criminology. At the end of the 90s, an organized crime approach began to develop as a network that no longer saw it as a hierarchical and structured organization as the mafia group exemplified by Cressey (1969).

Organized Fraud dan Fraud Victimization

Michael Levi (2008) discusses organized fraud in the context of crime networks, fraud opportunities, and victim-centered typologies of fraud. Levi points out the diversity of perpetrators, settings, and variables of the need to know the collaboration between fraud perpetrators in various types of fraud. This fact suggests that the globalization of crime is part of the contingent relationship between settings, and reflects patterns of business, consumer activity, and investment, variables of potential offenders' ability to recognize and act on these opportunities.

In terms of organized fraud, Levi presents the concept of fraud, not just conventional fraud, but can also mean fraud and embezzlement. He then asserted that fraud is basically a breach of trust (misuse of trust). Levi divides fraud into three layers: (1) pre-planned fraud – businesses set up to cheat their victims; (2) intermediate frauds—the business is legal, slowly turning into fraudulent; (3) slippery-slope frauds—cheats desperate to save the business.

Levi (2009) then analyzes nine stages or processes of fraud. First, see the situation as an opportunity for financial crime. Second, get whatever funds are needed for the crime. third, finding people who are willing and able to commit crimes and who can be controlled and relied on. Fourth, collect the necessary equipment/data. Fifth, commit crimes at domestic and/or overseas locations with or without physical presence. The process is supported by various levels of complexity, technology, and interpersonal communication skills, so as to influence the victim's perception. Sixth, minimize operational risk through legal intervention, corruption, using different legal barriers in each country. Seventh, turning the proceeds of crime into money or other valuable assets. eighth, find a receptacle and a storage location. Finally, choose a region or country with the optimal balance between social or physical distance and the risk of legal sanctions.

Fraud crimes also have three main typologies, namely predatory, commercial and market-based (Levi & Lord, 2011). Pure predatory crime stems from the redistribution of existing wealth. It does not produce new goods or services and therefore does not increase the total income stream or have a direct effect on the gross national product. Examples of predatory crimes are burglary and robbery. The commercial crime involves applying illegal methods to the production and distribution of legal goods and services that would otherwise be produced by others using legal methods. An example is the use of business as a front to commit crimes such as cartels. Then market-based crime involves the production and distribution of new goods and services.

In the study of criminology, this reality is referred to as an effort to victimize, namely the process that causes victims, losses, or injuries. The field of study to see the victim's perspective is discussed by victimology, a sub-discipline of criminology. Victimology is more complicated because its study is closely related to the various practices adopted by activists to fight for what causes victims. The victimological theory recognizes that the characteristics, attitudes, and behaviors of potential victims influence the likelihood of criminal victimization.

An important question for victimization experts is whether potential victims are risking themselves by engaging in risky behavior or whether victimization is primarily due to bad luck. In the case of fraud, there is an interaction between the perpetrator and the victim cooperatively. Fraud victimization requires the victim to participate or follow the perpetrator to some degree. Personality characteristics that increase the likelihood that a person can work with fraud perpetrators also increase the likelihood of victimization (Levi, 2019).

In principle, the victim is the party who is harmed by the crime. The victim's perspective refers to several opinions. Robert Peacock (2011) says that victims generally have the following characteristics: 1) the victim is in a weak position concerning the perpetrator; 2) a victim is a person who does not do anything illegal and carries out daily activities in his business legally; 3) not guilty of what happened; 4) the victim is not in contact with and does not know the 'foreigner' who has committed the offense; 5) the culprit is clearly seen as a big and evil figure; and 6) the victim has the right combination of power, influencing people to sympathize and successfully attaining victim status without anyone feeling threatened.

Criminogenic Asymmetries

In cross-border trade, fraud is often caused by a gap factor in trade relations due to differences in culture, behavior, and patterns in doing business or what is known as criminogenic asymmetries. The term criminogenic refers more to the form of circumstances both environmental and experience that can shape personality so that it can lead to crime. In simple terms, criminogenic is something that supports the creation of crime itself (Andrews and Bonta, 1994).

Needleman and Needleman (1979:517) note that some criminal behavior may not be seen as personal deviance, but rather as the result of an individual's membership or contract with a predictable organizational system, particularly an industry or profession. Such systems are said to be criminogenic, where the characteristics of their internal structure, economic, legal, organizational, and normative, play a role that generates criminal activity within the system, independent to some extent from the personal motives.

Passas (1999:14) defines criminogenic asymmetries as conflicts, incompatibility, and inequality that occur in economic, political, legal, and cultural spheres. Globalization also plays a role in strengthening this asymmetry. At the same time, there is no effective and universally recognized international law-making mechanism or international law enforcement agency. As the international community changes into a global village, law enforcement officers are

generally constrained by various domestic rules and are limited to their respective jurisdictions. of the perpetrators.

Passas (1999:8) admits that asymmetry is a general condition that requires certain prerequisites so that the existing asymmetry condition becomes criminogenic asymmetry, or becomes a precursor condition for the emergence of crime. Asymmetry can lead to crime by: (a) encouraging demand for illegal goods and services; (b) provide incentives for individuals and organizations to commit illegal acts; and (c) weaken the ability of law enforcement officials in the crime control process.

Passas (1999:9) describes several contexts in which various forms of asymmetry become criminogenic. The emergence of illegal goods and services markets is a combination of economic and political asymmetry, accompanied by serious regulatory imbalances. Meanwhile, cost asymmetry and regulatory asymmetry encourage incentives for individuals and organizations to commit illegal acts. Concerning law enforcement efforts in controlling crime, the asymmetry of technology and knowledge, as well as the asymmetry of power and politics play a major role in weakening law enforcement efforts. This criminogenic potential is activated through the cultivation of awareness of economic asymmetry and its general interpretation as a condition that can be changed. New needs are created, new ideal conditions are widely promoted through popular culture so that they are generally legitimized and considered possible to be achieved. Conditions of old economic asymmetry were intensified to instill discontent.

Various other institutions facilitate the globalization of trade through the promotion of exports of local products. Often this is done through protective policies which then lead to various forms of asymmetry. Protectionism provides incentives for various forms of trade, adds to inequality, creates tension between traffickers from various countries, and forms a disincentive for effective control (Passas, 1999:13).

For Passas (1999:20) asymmetry will continue to exist, even some of them will develop. In fact, asymmetry exists even within the scope of culture. The eradication of crime should be carried out by reducing or eliminating harmful asymmetry and reducing the criminogenic impact of asymmetry. The study conducted by Button (2010) raises various challenges for law enforcement agencies, such as crimes occurring in one country with the victims residing in other countries, the difficulty of identifying the party responsible for dealing with fraud, the difficulty of coordinating effectively between law enforcement agencies across countries, and the values of values that apply between law enforcement agencies which may substantively differ.

This reality is also found in the study of Puranti and Paramasatya (2014) when discussing the context of original fraud. According to them, in the free trade zone set out in international treaty instruments by providing tariff reduction facilities for member countries, it is still vulnerable to crime. One of them is origin fraud which causes losses to the recipient country, where there is identification of "nationality" of imported or exported products. The identity of the origin of a product then has an impact on the rules that will be applied to the goods and is used as a justification tool for implementing "discriminatory trade policies."

It was confirmed by the findings of Utama et.al (2016) when researching crimes against wood industry exporters in Jepara. They conclude that the fraud on the origin of goods appears as a form of deviation from the free trade process, which then has the potential to harm Indonesian exporters, and threatens the sustainability of MSMEs which are still very dependent on middlemen in the international trade process.

Shulzhenko & Romashkin (2020) see that online fraud is rife nowadays where crimes are committed with online software to illegally allocate money from bank accounts and payment systems and/or transfer money to other bank accounts. Therefore, combating the manifestations

of cyber-crime requires consolidating the efforts of banking institutions, law enforcement, NGOs, and of course bank card users.

Building on these studies, the researcher focuses on the gaps in trade relations that trigger victimization and seeks to uncover economic, political, legal, and cultural asymmetries concerning various forms of fraud victimization. This effort is carried out by analyzing cases of fraud as asymmetric and criminogenic indicators. The research then contextualizes and conceptualizes organized fraud into international fraud victimization. The results of the research are expected to contribute knowledge and understanding to policymakers and business people in dealing with the problem of international fraud.

Research method

This type of research is descriptive with an explanatory qualitative approach. Descriptive research was conducted to collect information about the status of a symptom, namely the real condition at the time the research was conducted in order to obtain a systematic, factual, and accurate explanation of the facts (Arikunto, 2002). Researchers use an explanatory qualitative approach to identify the reasons for something to happen by looking for causes and the relationships between various factors (Neuman (2013). Neuman emphasized explanatory research outlines existing theories for later development to become a new group theory.

The researcher uses the case study method (Rahardjo, 2017) to explore the problem of victimization of Indonesian exporters in trade relations with China. A case study is a series of studies carried out intensively, in detail, and in-depth about an event to gain in-depth knowledge about the event.

Researchers collected data using interviews and documentation to produce observable descriptive data. The resource persons were selected subjectively with the criteria of insight, knowledge, experience, and expertise related to issues surrounding Indonesia-China trade relations. This research was then developed using taxonomic inductive analysis which is generally useful for theory development (Sandelowski, 2006:200). Next, the researcher interprets the data to conceptualize the victimization of Indonesian exporters in relation to China using the theory developed by Levi (2008) and then summarizes and integrates various cases with related theories (Mainheim & Rich, 1995).

Discussion

Transnational organized crime (TOC) is one of the global crimes driven by transnational criminal groups. This crime is the most serious and complex problem. There are interweaving, distribution of power and concentration of power which requires high level of human resources. Mastering financial technology and information technology is a pillar to smooth the plans and workings of criminal groups to commit crimes, including fraud. Not only that, they also have access to global banking to embezzle victims' money.

This reality makes fraudulent crimes committed in international trade difficult to detect and trapped in a jurisdictional dichotomy. Moreover, there is almost no agreed international law to resolve these types of crimes. What can be done is a settlement through international arbitration, but still taking into account the jurisdiction of each country.

This study finds at least four factors that create conflict or inequality in the settlement of cases of trade crimes between Indonesian exporters and Chinese entrepreneurs when referring to the concept of Passas (1999). The four factors are law, technology, knowledge, and culture. Graphically, these factors can be described as follows:

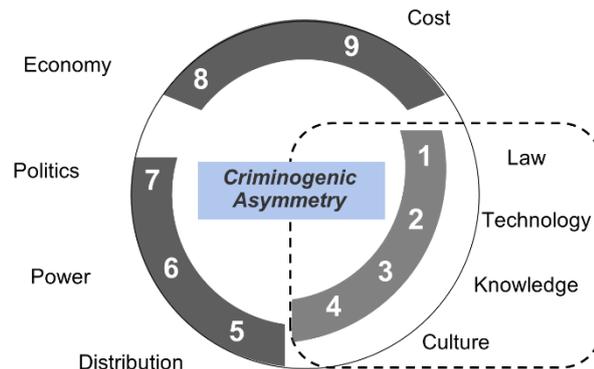


Figure 1. Factors for the occurrence of Criminogenic Asymmetry

Legal factors

Legal factors are the most complex issues in international trade fraud cases. This is because crimes generally occur in one country with the victim being in another. In addition, it is difficult to identify the party responsible for dealing with fraud at the international level and also the difficulty of coordinating and cooperating effectively between law enforcement agencies between countries, and the values that apply between law enforcement agencies that may substantively differ (Button, 2010:290). Legal challenges to jurisdiction and who has the right to prosecute are also factors that encourage criminogenic asymmetries.

Moreover, criminogenic asymmetry is triggered by the interests of law enforcement officers who tend to pay less attention to fraud cases, especially if the victim is not in their jurisdiction. In addition, the funding for cooperation costs may be substantial, and the prevailing values between law enforcement agencies may differ substantially.

In Indonesia, the government is almost never familiar with the term “crime of fraud” in international trade cases. This refers to the data attachment of the Ministry of Trade and the Ministry of Foreign Affairs, which states that Indonesia does not have the obligation and authority to handle cases of trade fraud, trade disputes and defaults. A government informant said that the duties and functions of the Directorate of Trade Security at the Ministry of Trade are limited to handling export market access barriers arising from accusations of dumping, subsidies, safeguards and other trade barriers in the form of technical barriers to trade (TBT), sanitary and phytosanitary (SPS) and regulations. and the policies of the trading partner countries concerned. The main tasks and functions are contained in Articles 62-67 of Law Number 7/2014 and the safeguarding of Indonesia's foreign trade policies as contained in Article 38, paragraph 3 (e) of Law No. 7/2014.

However, terminology that is closely related to the term “fraud” is the application of actions against alleged unfair trade practices, namely fraud against intellectual property and import or export documents, and/or violations of the provisions of standard technical barriers to trade and quarantine. The term fraud generally concerns the falsification of export-import documents or the misuse of documents of origin. Therefore, cases of trade fraud and default are reported to the authorities, among others, through the courts of the state party reported and Interpol. The informant claimed that although he had data on trade disputes, he did not include handling cases of “fraud” that occurred in private business to business (B2B) transactions. This is because what is handled in the government's portfolio is only within the scope of implementing government-to-government (G2G) and/or government-to-business (G2B) agreements. According to the government, B2B trade cannot be controlled and is not tied to the impact of implementing government requirements. Thus, the case data was recorded by the

Ministry of Trade and successfully obtained only recorded cases of fraud, default, and trade disputes until 2015.

The Ministry of Trade has a list of reputable Indonesian entrepreneurs, in the sense of having permits and administrative completeness (IUI, SIUP, and NIB), and listed in the OSS Intrade belonging to the Ministry of Trade. This effort is made to prevent trade disputes, defaults, and fraud by Indonesian companies to other countries. However, if the case occurs, the government will carry out several stages of resolving the fraud case.

The first step taken was to find a solution for fraud cases involving trade facilitation provided by the government. For example, an Indonesian exporter has sent goods but the importer does not pay, then the government representative abroad will verify the non-paying importer to be reported back to the center. If the perpetrator of the fraud is an exporter from Indonesia, the representative abroad will forward to the center about the complaint of the importer who has paid but the goods sent are not according to specifications and or the goods are not delivered. These Indonesian exporters generally use unclear identities. However, in cases where the exporter has sent the product according to the standard but the importer does not pay or the importer is not willing to pay, or the importer refuses to accept the goods and threatens to re-export, then this is not under the authority of the government.

The legal framework provided by the government does leave a gaping hole. During the rapid penetration of information technology, these legal loopholes can be exploited by foreign importers to commit trade crimes. As happened to some of the exporters in this study, they generally suffer losses because they cannot process legal cases in other countries. The government certainly doesn't want to risk entering this realm, instead Indonesian exporters are companies that carry out international trade activities without going through the government's door.

Button (2010:298) then emphasized that in overcoming various forms of global infrastructure weaknesses in handling cross-border fraud, it is necessary to establish an international central institution that aims to coordinate and facilitate the handling of fraud cases in various parts of the world. Some of the functions of interfraud institutions are to: (1) establish a standard that is mutually agreed upon by all members; (2) accommodate reports or intelligence data related to cross-border fraud; (3) conduct analysis and distribution of intelligence data to its members; (4) publish statistical analysis of trends in cross-border fraud; (5) providing forums and other forms of media to collaborate and share best practices; (6) resolve disputes between countries related to responsibility for instructions; (7) provide training and education in handling cross-border fraud; (8) campaigning and highlighting the various risks of cross-border fraud; (9) finance and facilitate disruption; and (10) funding and/or providing support for cross-border fraud investigations in countries with limited resources on behalf of the global community.

However, it cannot be denied that although many countries in the world cooperate with each other, in its implementation there are problems such as differences in the legal system, banking, and financial systems of the country where the fraudulent money is located. The most complicated is when it comes to state sovereignty in inter-state relations in various court practices abroad, namely the right of sovereign immunity before foreign court forums (Bhakti, et al, 1995). At best an international arbitration tribunal. However, with the exporter's minimal financial structure, it is difficult to pay the court fees, which may be more expensive than trade losses.

Technological factors

As Grabosky (2000) emphasized that crime is increasing along with the development of globalization and internet technology. It can be seen in this study that the majority of Indonesian exporters lose money because they are victims of cybercrime. Along with internet penetration, banking institutions are also innovating, for example by producing digital banks. Unfortunately, this system can be used by tax evaders or criminals (read: criminal groups) to hide assets or money from crimes. The act of embezzling money through the mode of money laundering is often perfected by accountants, lawyers, and bankers hired by criminals, making it more difficult to track down. They are a group of professionals in finance and law with special skills, knowledge, and access to the global financial system to conceal the proceeds of criminal acts of fraud or corruption.

In the case of the four exporters, it can be seen that the perpetrators generally use fake emails or identities to carry out trade transactions. From the timeline, it appears that these incidents were carried out sequentially for four months. It can be assumed that the crime was committed by the same perpetrator in a certain place, in China for example. They are targeting Indonesian exporters who are generally still new to international trade transactions. Researchers see that with sophisticated technological capabilities, the perpetrators certainly study exporters' portfolios to take opportunities to commit fraud, including studying the legal system that applies in Indonesia regarding cybercrimes.

The Indonesian legal system does not specifically regulate cyber law. Several laws have regulated the prevention of cybercrime, such as Law No. 36 1999 concerning Telecommunications, Law No. 19 Year 2002 concerning Copyright, Law No. 15 Year 2003 concerning Eradication of Terrorism, and Law No. 11 Year 2008 concerning Information and Transactions. Electronics (ITE). However, this has never spoken clearly about cybercrimes, especially international cybercrimes. In Law No.11/2008 Article 30 only regulates unlawful acts by accessing other people's computers or electronic systems to obtain electronic information or electronic documents. Including acts of violating, breaking through, exceeding, or breaking into the security system to access electronic systems (Thantawi, 2014).

With the opening of cybercrime opportunities, it seems that Indonesian exporters do not really understand international financial technology. According to research informants, in transferring funds, Indonesian exporters apparently used telegraphic transfers (TT) and did not use letters of credit (L/C). Telegraphic transfer is a solution if someone wants to send money to an account abroad, or to another bank abroad that is not included in the global transfer facility. This payment method is often used because it is easy and fast. However, as a novice exporter, it is advisable to use L/C because the buyer cannot hold back the funds paid if there is a problem with the goods purchased. Especially if the exporter has sent some money as a down payment. Because for the bank, all transfers using the TT method are recorded as legal so that funds cannot be returned. Although it is somewhat complicated to process documents, novice exporters should use the L/C payment method.

Shulzhenko & Romashkin (2020) say the most traditional way of financial crime today is crimes committed with online software to illegally allocate money from bank accounts and payment systems and/or transfer money to other bank accounts. Online financial crimes include hacking or accidental electronic transmissions to an ambush, such as passwords, credit card information, or other types of identity theft. Both suggest that businesses should have a server security mechanism that stores, coordinates, and transmits important company data; the existence of valuable information available to the company; awareness of staff working with information security issues; use of advanced authentication tools, threat deployment tools, and more.

Knowledge factors

Research informants said that the majority of exporters affected by cybercrime generally obtained little electronic information about overseas buyers. They do not check the background of Chinese companies that are partners, both in terms of credibility, track record, or experience with other Indonesian exporters. According to the informant, usually each commodity has various stakeholders depending on the type. However, in general, the Ministry of Trade plays a role in licensing, the Ministry of Foreign Affairs through the Indonesian Embassy in partner countries plays a role in issuing certificates and legalizing agreements between two parties, and carrying out export promotion efforts. Trade transactions that occur between Indonesian exporters and Chinese companies may use the instant line. The ignorance of exporters about the working model and information system of criminal groups can facilitate fraudulent acts under the guise of export-import.

As shown in the study of the Center for Counter Fraud Studies at the Institute of Criminal Justice Studies, University of Portsmouth, England, which shows the level of innovation and knowledge skills in committing fraud, thus creating the word scampreneur to describe these criminals. There are various techniques used to commit fraud: (1) victim selection techniques; (2) action strategy; (3) detection avoidance strategies; and (4) securing profits.

Victim selection techniques include the use of open and illicit sources of information to target individuals. A large number of people have become victims or are close to being victims of fraud. However, the characteristics of the victims are different. The typology distinguishes their differences in knowledge about fraud, the degree of cooperation, and loss. Action strategies vary according to the particular type of fraud but some of the most common include using good business skills, latest technology, promoting a professional appearance, utilizing 'good' sales techniques, making small amounts of money, and operating in a legal setting. Fraudsters also use various strategies to avoid detection. They often operate in jurisdictions where they are unlikely to be harassed by law enforcement. They change locations regularly to avoid detection and operate in legal areas.

According to research informants, efforts that Indonesian entrepreneurs can take to avoid becoming victims of fraud in the international trade process include asking for the down payment for ordering goods, using a payment method with a bank guarantee. You can also use an independent survey service to check the goods in the country of origin and destination even though there is an additional fee. Regarding the payment mechanism, it really depends on the agreement and trust between entrepreneurs.

Cultural factors

A globalized world has been described as a 'moving world', permeated by transnational networks and flows of goods, capital, information, and cultural symbols, and potentially risky individuals and substances. This world of global networks and flows introduces new notions of social order and exclusion, and challenges prevailing conceptions of society, community, culture, and social ownership while increasing demands to control global mobility create complex dynamics between nation-states and the emergence of 'at-risk societies'. world' (Franko, 2007). The sharp distinction between domestic and international issues is in itself a major source of injustice. One of them is the difference in legal culture inherent in every business actor.

In Indonesia, research informants stated that there is a reluctance of business actors to report losses suffered due to trade disputes or fraud cases because they are considered time-consuming and costly. Possible efforts are arbitration, for trade disputes. However, in the

context of fraud cases where the perpetrators are difficult to trace, business actors tend not to report. The reluctance of exporters to report is also reflected in the difficulty of finding reports related to this in the police. Reporting data is very minimal, especially in relation to Indonesian exporters who are victims from China, both in the International Crime Section, NCB-Interpol Polri, and the Dertipideksus Bareskrim Polri.

According to investigators, several countries that are often listed include the Philippines, India, the United Arab Emirates, and Thailand. On several occasions, it was the legal representatives of the victims from China who reported the perpetrators from Indonesia. Temporary data obtained from the Criminal Investigation Department is a chronology of trade disputes over coal purchases from Indonesia to India. Disputes are resolved through arbitration in Singapore. Data obtained from Jatinter NCB-Interpol Police Headquarters, are 2 cases involving Indonesian companies with companies from the Netherlands and Dubai.

In the 2018-2020 period, the Indonesian Embassy in Beijing recorded at least four reports from Indonesian companies: one in 2018 and three in 2020. In 2018, Indonesian companies paid down payments but the goods were not delivered and the down payments were not returned. Last year, several companies became victims of trafficking. One of the cases is that the Indonesian company paid in full according to the contract but the goods received were not according to the specifications in the contract. Then, another Indonesian company also paid in full according to the contract but the goods received were not according to the specifications in the contract. Moreover, another Indonesian company also paid in full under the contract, however, most of the goods received were damaged or unfit.

In the cases involving Chinese importers, it seems that the Indonesian government is quick to respond if there are reports of losses in trade transactions. However, when a trade fraud occurs by a Chinese importer who is outside the government's main duties, there is a tendency for the case not to be investigated or assisted in its resolution. The vertical construction of culture that considers China to be more advanced and economically strong continues to overshadow the culture of law enforcement in the country.

Franko (2007) asserts that in the context of differences in legal culture, it is finally difficult to distinguish between conflicts between countries and within states and the scope of criminological discourse. Many people view globalization as a source or a contributing factor to conflict and there are many case studies of the destabilizing impact of economic and cultural forces, spreading from the West, on local politics and culture in places like Iran, Sierra Leone, or Indonesia. To that end, Franko urges that globalization should pave the way for those who are excluded and marginalized to organize and protest against the power of subordination and homogenization.

International Fraud Victimization

International fraud victimization is an entirely new concept. This concept was developed to frame cases of fraud experienced by Indonesian exporters by Chinese-based companies. The discovery of this concept departs from the inductive interpretation of a number of concepts and theories used in research. In this study, the researcher uses several theoretical frameworks related to the cases that plagued Indonesian exporters, including global criminology, organized crime, transnational organized crime, organized fraud, and fraud victimization. The researcher views that in the case of international trade fraud, these structures operate intensively in victimizing trade relations. Researchers formulate that international fraud victimization is victimization through fraudulent crimes committed by cross-border criminal groups who take advantage of trade relations as an opportunity to gain financial gain.

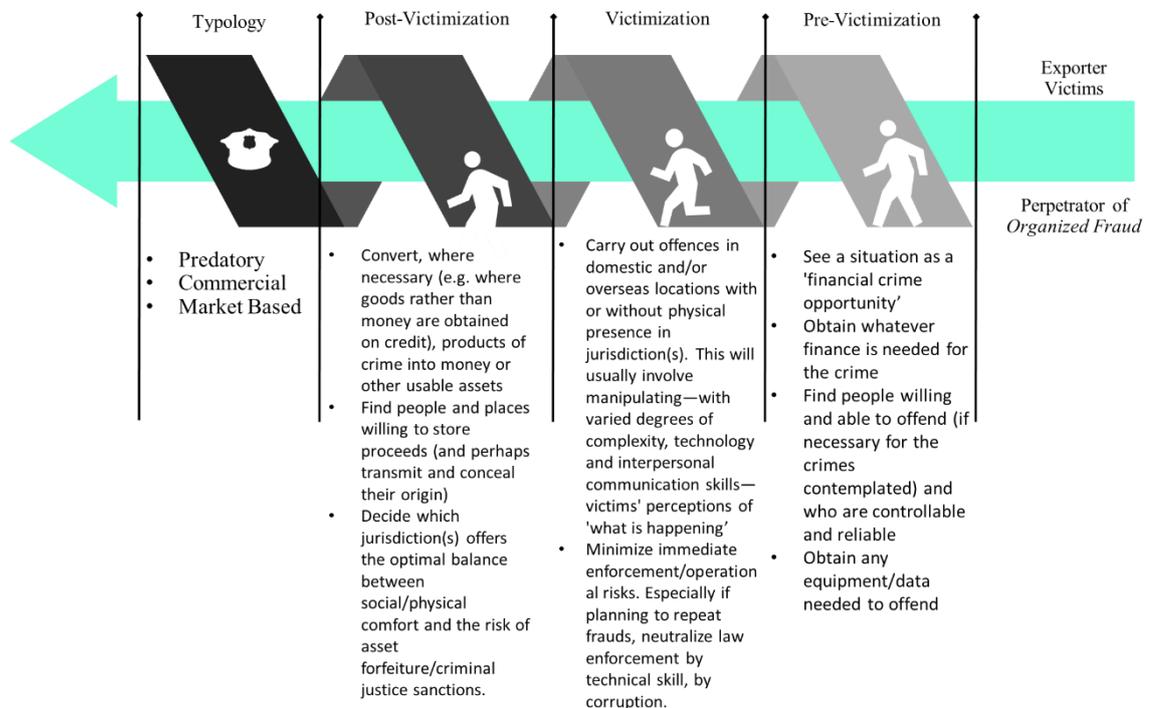
As Levi (2019) points out, this victimization of fraud requires the victim to participate or follow the perpetrator to some degree. For example, making a payment at the start of a trade, but then no longer paying it on a larger trade contract. The characteristics of companies that increase their likelihood of working with fraud perpetrators also increase the likelihood of victimization. There is a presumption that both perpetrators and victims of fraud are involved in risky businesses and that bad luck may not be the only factor involved in victimization by fraud (Levi, 2008). On the other hand, victims of fraud may play a role in facilitating their victimization. For example, entering into a trade contract outside a trade agreement facilitated by the governments of the two countries, so that the legal door is closed in the event of a trade dispute. In addition, the company's portfolio also does not have a good reputation, so it is reluctant to report cases of fraud or trade disputes to the authorities.

Levi (2019) also views that having a positive attitude towards taking financial risks, in this case, the payment method in trade transactions that looks easy and fast can accelerate victimization. Therefore, exporters need to understand the system of safe international trade transactions unless both parties have worked under trust. Not only that, the way fraud works is supported by various levels of complexity, technology, and interpersonal communication skills so that it can influence the victim's perception. Many of Indonesia's exporters are victims of fraud in international trade relations. Not only that they are deceived through false identities, but also tricked by global criminal groups with incentives or requests for certain goods and services.

The operation of global criminal groups in targeting Indonesian exporters is likely due to the suitability and accessibility of perpetrators and victims. As Felson (2003) emphasized, the convergence of offenders helps criminals to find each other in the context of their routine activities. Such arrangements provide a sustainable structure for criminal cooperation, even as their victims change. This mode of operation was evident in the efforts to victimize four Indonesian exporters during the May-August 2014 period. They commit fraud in almost the same time interval, namely one month, and carry out trade transactions beyond the detection of security and legal snares of the Indonesian government.

Referring to the typology and stages of fraud found by Levi (2009) and Levi & Lord (2011), the researchers found three stages of international fraud victimization against Indonesian exporters as described below:

Figure 2. Typology and Stages of Victimization



Source: Levi (2009, Levi and Lord (2011)

In the pre-victimization stage, the perpetrator sees the situation as a 'financial crime opportunity'. Then they get funds in any way for the crime. Furthermore, perpetrators also find people who are willing and able to commit crimes and who can be controlled and can be relied on. In the final stage, they collect the necessary equipment or data.

At the victimization stage, the perpetrator commits a crime at a domestic and/or overseas location with or without a physical presence in the jurisdiction. The process is supported by various levels of complexity, technology, and interpersonal communication skills so that it can influence the victim's perception. Furthermore, perpetrators seek to minimize operational risks among others through legal intervention, corruption, using different legal barriers in each country.

In the post-victimization stage, the perpetrator converts the proceeds of the crime into money or other valuable assets. Then find safe containers and storage locations, and choose a region or country with the optimal balance between social or physical distancing and the risk of legal sanctions. These stages of victimization indicate that international fraud crimes are committed by organized criminal groups that have structures and resources spread across various countries. In the context of Indonesian exporter fraud, it is possible that Chinese companies rely on certain groups or individuals in Indonesia as third parties. This group is tasked with studying the company's portfolio and finding loopholes to commit fraud.

Regarding this case, Cross (2019) stated that there is a complexity that surrounds the perspective on liability in terms of fraud. In interviews with dozens of professionals in the UK and Canada, it was revealed that responsibility lies across the spectrum be it victims, perpetrators and third parties. This is because the accountability perspective is strongly influenced by various types of fraud and there is a process of victims experiencing losses. While

perpetrators can be people who should be held accountable for their actions, the lack of an official response to fraud offenses means that perpetrators are largely invisible and the inability of law enforcement to bring perpetrators into the realm of the criminal justice system. Others say that accountability lies with victims being held accountable for their actions. On the other hand, there is an opinion that victims cannot be held accountable for actions beyond their control. The third party is responsible for the fraud case.

Therefore, eradicating organized crime is a matter of establishing appropriate judicial authorities and competencies at the national level (Paraschiv, 2013). Parashciv said the fight against organized crime has become the subject of international regulation, focusing on the transnational dimension of organized crime and expressing the desire of states to cooperate more effectively and harmonize national laws. This organization has become a major challenge to governance both at the national and global levels. They are inherently hostile to domestic or international attempts to control their behavior because of their ability to continue their activities. The paradoxical reality of governance in certain domains can provide criminal organizations with great opportunities to expand their activities and increase profits. For this reason, the establishment of regulatory regimes in certain areas can create incentives that are detrimental to criminal organizations to engage in activities that harm large numbers of people.

Conclusion

Based on the results of the research and discussion above, the researcher can conclude several main things. First, the study found that fraud crimes by organized criminal groups occurred among Indonesian exporters in trade relations with China. Second, there are efforts to victimize transnational organized crime groups against Indonesian exporters when entering into trade contracts with Chinese companies. Third, the study found four asymmetric criminogenic factors that have an impact on the victimization of Indonesian exporters in trade relations with China, namely the legal system, technology, knowledge, and culture. Fourth, the victimization efforts carried out by Chinese criminal groups against Indonesian exporters are a form of international fraud that must receive national legal facilities. Future research can be carried out to look at Indonesian legal facilities in cases of fraud by Chinese importers.

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