

ABSTRACT

This research aims to understand the mechanism of prevention and investigation of money laundering in Indonesia. This research is intended to explore the mechanism of prevention and investigation of money laundering in the perspective of of Supervisory and Regulatory Institution (SRI), Financial Intelligence Unit (FIU), and Law Enforcement (LE)

Informant used for this study are four persons, consisting of an employee from Bank of Indonesian who represented SRI. Two employees from FIU (Financial Transaction Reporting and Analysis Center/ PPATK). And then, an investigator from Bareskrim Polri. The Informan's experience in money laundering can explained the objectives of this research.

The finding show there are different views of the informants in perceiving money laundering: interpreted by the rule of law, based on elements and by practical. That, refers to legal framework. Increased money laundering caused by several factors such as development of crime, lack of public awareness, corruption in Indonesia, transnastional crime such as drug traficking and terrorism financing and technology advances, Mechanism of prevention money laundering done in storied, that is preventing the predicate crime after that prevent the proceeds of crime entered in financial system. Mechanism of investigation money laundering done by a police assisted data by SRI and analysis report by FIU. Thats, begin with an suspicious transaction reporat and police reports. Also, this study shows that money laundering is not affair of state financial and does not have specifically accounting reporting.

Keyword: money laundering, prevention, investigation, financial system.