

ABSTRACT

This study discusses fraud practices, potential fraud and accountability systems applied by agents to musicians and/or songwriters in the context of the indie/label music industry to find out fraud practices, potential fraud and accountability systems applied by agents in that context. This study was conducted using qualitative phenomenological methods to answer research questions: (1) how is fraud committed by agents against musicians/songwriters in the digital era; and (2) how is the accountability system applied by music labels/aggregators/publishers or Collective Management Institutions to copyright owners.

Research respondents totaled 3 respondents and data collection was done by means of in-depth interviews, observation and documentation. All three respondents were interviewed in depth, then the data were analyzed by means of data reduction, categorization, withdrawal similar theme with other process stages of completion of writing and drawing conclusions. The validity or credibility of the data uses data triangulation, thick and rich descriptions along with presenting data that is contrary to the research theme.

The findings show some of the reasons musicians/songwriters working with agents are: 1) the extent of the distribution of music offered sales agents; 2) geographic location between musician/songwriter and agent; 3) an offer of cooperation from an agent comes when a musician/songwriter wants to create a song album; 4) looking for a bigger payment; and 5) limited capital for musicians/songwriters if they want to produce albums.

The results of the analysis show that the answer to the first research question is the discovery of fraudulent practices and information asymmetry carried out by music labels and publishers as agents of musicians and/or songwriters as principals. The action of the agent that harms the musician/songwriter makes the musician/songwriter respond to the agent's actions, the response of the musician/songwriter after being harmed by the agent is: 1) humble/sincere, the agent's actions that are detrimental are considered a lesson for the musician/songwriter; 2) terminate the contract, after being harmed by the agent, the musician/songwriter chooses to manage their own copyrighted works; 3) resolved amicably/compensated/resolved conflicts through the courts.

Fraud practices and information asymmetry carried out by agents along with the response of musicians/songwriters after being harmed by agents create a supervisory measure that is applied by musicians/songwriters to monitor the income of musicians/songwriters and minimize the recurrence of incidents that harm musicians/songwriters. The supervisory measures implemented by musicians are: 1)

demands for transparency to agents; 2) monitoring from the community; 3) monitoring of band members; and 4) the monitoring measures develop based on the experiences of musicians and/or songwriters. While the answer to the second research question is that the accountability applied by the agent is in the form of legal accountability and honesty as well as financial accountability, coupled with the integrity of the agent resulting in transparent income reporting to musicians so that there is no financial conflict related to income originating from the exploitation of musicians/songwriters' creations. Meanwhile, the potential for fraud based on the perception of musicians/songwriters occurs during the negotiation process, agents who are not transparent and the potential for fraud is found in song cover activities carried out without permission.

Keywords: fraud, potential fraud, information asymmetry, supervisory measure, accountability, indie/label music industry.