

Critique of Online Gambling and Business Crime Law Enforcement: Addressing Legal Challenges in the Digital Era

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Abstract

Background - The rapid growth of the internet has drastically transformed how businesses operate, providing unprecedented opportunities for commerce but also creating significant challenges for law enforcement. Among the most problematic areas is the rise of online gambling, which has become a significant global business, generating billions of dollars annually. While it provides a legitimate entertainment and revenue stream in some jurisdictions, online gambling is also associated with numerous illegal activities, including money laundering, fraud, and organized crime. In many countries, including Indonesia, business crime laws struggle to adapt to the digital nature of these activities. Despite existing legal frameworks aimed at regulating gambling and business crimes, such as the Indonesian Criminal Code (Kitab Undang-Undang Hukum Pidana, KUHP) and Law No. 7 of 1974 on Social Welfare, enforcement agencies often face difficulties in tackling cybercrimes associated with online gambling. These issues are exacerbated by the international scope of online gambling platforms, which often operate across multiple jurisdictions, making it challenging for national authorities to enforce laws effectively. Recent studies have highlighted the lack of a cohesive and proactive approach to combatting online gambling and related business crimes, suggesting gaps in the regulatory and enforcement mechanisms. This article explores the current legal landscape, identifies existing gaps, and proposes potential improvements in business crime law enforcement in the digital era, focusing on online gambling.

Purpose - The main objectives of this study are: 1. To critically assess the current state of business crime law enforcement in relation to online gambling in Indonesia, 2. To analyze the gaps in existing laws, particularly concerning digital business crimes and online gambling platforms, 3. To propose actionable recommendations for improving the legal framework and enforcement mechanisms, and 4. To evaluate the role of international cooperation and technological advancements in addressing online gambling-related crimes.

methodology - This study employs a normative legal research methodology, focusing on the analysis of existing statutory provisions, legal precedents, and international best practices regarding online gambling and business crime law enforcement. The primary legal sources examined include: 1. Indonesian Criminal Code (KUHP): Provides the foundational legal framework for addressing business crimes, including fraud, money laundering, and organized crime. 2. Law No. 7 of 1974 on Social Welfare: Governs gambling regulations in Indonesia and outlines the legal boundaries for various gambling-related activities. 3. Financial Transaction Reports and Analysis Center (PPATK) regulations: Governs the prevention of money laundering and the regulation of financial transactions related to gambling activities. 4. International conventions: Such as the United Nations Convention against Transnational Organized Crime, which provides a framework for international cooperation in addressing cross-border online gambling activities. In addition to the statutory analysis, this research incorporates comparative legal studies of countries with robust online gambling regulations, such as the United Kingdom and Australia, to understand how they address business crimes related to gambling in the digital space. The study also examines case law and reports from law enforcement agencies to identify challenges and gaps in the enforcement of existing laws.

Findings - The study reveals several critical findings regarding the enforcement of business crime laws in the context of online gambling. First, it identifies significant legal gaps and fragmented regulations within Indonesia's legal framework. Although the country's laws prohibit illegal gambling, they are not fully adapted to the challenges posed by the digital space. Key issues such as fraud, money laundering, and cybercrimes are inadequately addressed in the context of online gambling platforms. The existing legal framework is fragmented, with insufficient coordination between national and international authorities, hindering the effective enforcement of laws against transnational gambling operations. Another key challenge is the difficulty in enforcing laws due to the ability of online gambling platforms to operate across multiple jurisdictions. Many of these platforms are registered in countries with more lenient regulations or where gambling is legal, which complicates efforts by Indonesian authorities to enforce domestic laws. Moreover, the digital anonymity provided by online gambling makes it difficult to trace and prosecute perpetrators involved in illegal activities, including money laundering and fraud. The cross-border nature of these platforms further complicates the enforcement of business crime laws, making it difficult for authorities to take meaningful action against offenders. The study also highlights the inadequacy of technology and resources within law enforcement agencies in Indonesia. As online gambling and business crimes become more sophisticated, law enforcement agencies struggle to keep up with technological advancements. The lack of specialized training and resources to track and investigate cybercrimes hampers the effectiveness of law enforcement efforts. Additionally, the lack of collaboration between different government agencies, financial institutions, and technology companies exacerbates these issues, making it harder for authorities to effectively address online gambling-related crimes. Lastly, the study points to significant challenges in international cooperation. Given the global nature of online gambling, effective regulation requires collaboration across borders. However, Indonesia faces difficulties in establishing effective international agreements to address online gambling-related business crimes. Differences in regulatory approaches between countries, along with the complexity of enforcement across borders, complicate the situation further. These challenges highlight the need for a more cohesive and cooperative international approach to tackling online gambling and related business crimes.

Originality - This study contributes a novel perspective by focusing on the intersection of business crime law and online gambling, an area that has not been thoroughly explored in the context of Indonesia. Previous research has primarily concentrated on individual aspects of gambling regulation or business crime, but this study provides a holistic critique, identifying key legal gaps and enforcement challenges. By integrating international comparisons, the research offers valuable recommendations for policymakers, law enforcement, and international organizations to adapt existing laws and frameworks to better address the challenges posed by online gambling in the digital era. Furthermore, the study's emphasis on the need for greater international cooperation and technological innovation offers a forward-looking approach to combating these crimes effectively.

Keywords: Business Crime Law, Digital Era, Legal Challenges, Online Gambling
