

## **In Brief Politics**

### **Non-HMI Vs. HMI: a boomerang and the war within Democrat Party**

Internal friction has sharpened inside President Yudhoyono's Democrat Party, with the two camps of "the real Democrat cadres" and the figures with strong affiliation to Islamic Student Organization (HMI) find the real political battlefield.

The friction has begun since the party's national congress in Bandung, West Java, in 2010, when Anas Urbaningrum won the position as chairman of the party, defeating incumbent Sport and Youth Minister Andi Mallarangeng. Indeed, the result of the 2010 congress left Yudhoyono with dissatisfaction as he wished to give the position to Mallarangeng.

Strong connection of Urbaningrum to Islamic Muslim Association (HMI) was the reason on why Yudhoyono was upset, according to the source, adding that the real political implication for Democrat is that it allows Urbaningrum to contest in 2014 presidential election, unless there is the party's internal policies set to rule out the party's chairman as single candidate.

And the move was there. The forming of the party's board of advisory led by Yudhoyono himself had come with a decision that the names of 2014 presidential candidates should be proposed by the grassroots and be endorsed by the board of advisory.

Urbaningrum has pursued political guerilla, though, as he tries to give political stage in 2014 to Akbar Tandjung, the former Golkar chairman-cum-ex HMI chairman. Tandjung is also known as Urbaningrum's political mentor.

"Even though Tandjung is still with Golkar Party, he wishes to use Democrat Party as his political vehicle in 2014 – such a move that is not recognized by Ical," a source told the Report as he referred to the nickname of Golkar Party Chairman, Aburizal Bakrie.

In the last year's HMI gathering, senior HMI alumni agreed to allow Tandjung to run in the 2014 election; and "Anas (Urbaningrum) has been assigned as one of the fundraiser team," the source added.

In Indonesian politics, HMI has a great influence with many prominent figures of the organization serve the portfolio position in both the government and private sectors. Apart from Tandjung and Urbaningrum, other HMI figures are also Fuad Bawazier, who served as director general of tax under Soeharto regime and Juhur Hidayat, who serves as Chairman as the National Agency for the Placement and Protection of Overseas Labor (BNP2TKI). Bawazier is believed to play key roles that gave the victory to Urbaningrum in the 2010 Democrat Party congress. Former Finance Minister of the New Order regime, Mari'e Muhammad, is also connected to HMI.

As the political guerilla turned to be crystalize, the camp of “the real Democrat cadres” seeks the way to push Urbaningrum into the corner, and it finds a scandalous bidding of the construction project of an athlete’s dormitory for the next SEA Games in South Sumatra, as the way because the case has implicated Urbaningrum’s closest ally, Muhammad Nazaruddin. The case also implicates a middleman, Mindo Rosalina Manullang, who serves as marketing official of PT Anak Negeri – a company owned by Nazaruddin and into which Urbaningrum once served as top-level executive.

Investigation into the case, however, would likely be a boomerang for Yudhoyono, rather than allowing him to deal with further damage. According to the source, “Nazaruddin keeps the record of more cases of Democrat’s alleged misappropriates use of the state budget that could reach hundreds of trillions of rupiah,” the source said.

As the House of Representatives’ Budget Commission, Nazaruddin manages more than 1,000 trillions of state budget every year. And it is such of common practices that private partners who wish to win tender project from the government should give kickback to the House amounting 7 to 15 percent of the total budget allocation of each project, in return to the endorsement given by the House, according to the source.

“And it is equal to hundreds of trillions of rupiah of the kickback that goes to the pocket of legislators, which is distributed among the parties based on the percentage of the total seats they posses at the House,” the source said, “And Democrat, as the party with the largest seats at the House receives the largest amount of the kickback,” he said.

According to him, such of practices have been taking place even under Soeharto’s regime of New Order, but “at the time (the New Order regime), the amount of the kickback was only around 3 percent for each project.”

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In order to save the party’s image, Yudhoyono is only left with a single option: to replace the party’s executives who are implicated in alleged corrupt practices and let the country’s legal system to proceed them; while on the other hand, the option should be able to curb political maneuvers pursued by the HMI affiliation. And if the extraordinary congress would be something unavoidable, picking up figures who are freed from scandalous cases is a must – but this is a tall order.

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### **Extraordinary Congress of Democrat Party is possible: a source**

Rampant corruption allegedly accused to top executives of President Yudhoyono's Democrat Party has paved the way for a camp inside the party to call on for extraordinary congress aimed at pushing into corner the incumbent chairman, Anas Urbaningrum, and his insider allies.

The congress would likely set an agenda to replace Urbaningrum from his position, and Hayono Isman, a Democrat legislator from Commission I at the House of Representative, has been named as a stronger candidate, a source told the *Report* recently. But the schedule is not known.

A scandalous bidding of construction project of an athlete's dormitory for the next SEA Games in South Sumatra is one of the cases that comes to the national highlight within the recent weeks. The party's top figures who are allegedly involved in the scandal including the party's treasurer Muhammad Nazaruddin and legislators Angelina Sondakh and Mirwan Amir – the three are also in the House' Budget Committee.

Nazaruddin is also owner of PT Anak Negeri, in which Urbaningrum once served as the top executive.

The scandal came to surface after investigators from Corruption Eradication Commission (KPK) caught red-handed a businessman, El Idris, as the latter tried to bribe Secretary of Sport and Youth Ministry, Wafid Muharram. Acting as middleman in illegal transaction was Mindo Rosalina Manullang, a marketing official of PT Anak Negeri.

To win the bidding of the Rp191 billion-worth construction project, Idris offered Muharram Rp 3.2 billion in bribes.

Apart from the bidding scandal, other top executives, including Minister of Sport and Youth Andi Mallarangeng, are also accused for implicated in corruption practices, forcing a group of youth-wing party, KAUM Demokrat Sejati, to call on for extraordinary congress to sack the party's chairman, according to *Rakyat Merdeka*.

According to the source, President Yudhoyono, as the party patron, actually does not really happy with Urbaningrum's maneuvers as the latter tries to give political stage to Golkar senior politician, Akbar Tandjung, who wishes to contest in 2014 presidential election using Democrat Party as his vehicle.

Both Tandjung and Urbaningrum are the alumni of Islamic Student Organization (HMI) and Tandjung is also known as Urbaningrum's political mentor.

**Would the fresh friction between ESDM office and BP Migas leads to the reshuffle?**

Rumor over possible reshuffle sacking the top executives involving the Ministry of Energy and Mineral Resources (ESDM) and the office of the regulator, BP Migas, has come to surface following the fresh friction between ESDM Minister Darwin Zahedy Saleh and BP Migas Chairman R. Priyono.

The friction between the two officials broke after Saleh issued a decree early in June appointing three new officials in charge at BP Migas. The three new appointed BP Migas executives are Achmad Syahroza, Johannes Widjanarko, and Wibowo S. Wirjawan.

A source close to both institutions said that Priyono had only proposed Widjanarko, a former official at the office of ESDM Ministry, to become BP Migas' deputy chairman of general affairs. Meanwhile, the appointments of Syahroza and Wirjawan have come from Saleh's authority.

"If the friction continued, it is possible that the President would finally replace both Saleh and Priyono," the source said, citing that Saleh is one of the inner circle of Yudhoyono's wife, Ibu Ani, while Priyono places himself as a figure who should maintain loyalty to certain political parties at the House of Representatives, which gave endorsement to his promotion as BP Migas Chairman in the fit-and-proper test in 2008.

According to the decree, Syahroza serves as deputy chairman of finance and Wirjawan serves as deputy chairman for operation. Previously, Syahroza was expert staff at the ESDM Ministry, while Wirjawan served as BP Migas' deputy chairman of finance.

Speculation has been rife that both Syahroza and Wirjawan have strong political affiliation to President Yudhoyono's Democrat Party.