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MANIPULATION IN PHILANTHROPIC BUSINESS: WHEN DONATION FUNDS ARE USED FOR PERSONAL GAIN

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Abstract

This study examines the vulnerabilities of philanthropy in Indonesia amid its rapid growth through digital platforms and social organizations, highlighting risks of abuse and misuse of donations. The case of Agus Salim, a victim of acid attack whose Rp1.5 billion in public donations was diverted for personal and family use, illustrates how weak regulatory oversight has triggered a trust crisis in philanthropic institutions. The research aims to analyze manipulative practices in philanthropic activities, the factors contributing to weak supervision, and the resulting legal and social implications. Using a juridical-normative method, the study draws on literature review, case analysis, and relevant regulations, including Law No. 9 of 1961, Government Regulation No. 29 of 1980, the Criminal Code, and the Electronic Transactions Law. By comparing legal norms (*das sollen*) with empirical practices (*das sein*), the findings reveal that donation funds are often transferred into personal accounts without accountability, government supervision remains inadequate, and while existing legal instruments such as Articles 372 and 378 of the Criminal Code are applicable, enforcement is slow and inconsistent. The study concludes that philanthropy should be recognized not only as a moral activity but also as a "business of philanthropy" highly vulnerable to manipulation. It underscores the urgency of regulatory harmonization, the establishment of a national philanthropic code of ethics, and the application of good governance principles. Recommendations include the adoption of open public audits and digital reporting systems to strengthen accountability and prevent future misuse.

Keywords: Philanthropy; Donation Misuse; Manipulation; Accountability; Good Governance

INTRODUCTION

Technological development is an inseparable part of the dynamics of human civilization. Since prehistoric times, humans have utilized simple tools such as stones, wood, and axes to meet their basic needs, protect themselves, and ensure survival (Simanjuntak, 2021). A fundamental transformation occurred when humans began to master fire, cultivate crops, and adopt a sedentary lifestyle. This shift not only reduced absolute dependence on nature but also generated creativity in managing surrounding resources (Mangunjaya, 2008). The invention of script and language marked another milestone, as knowledge was no longer transmitted orally but documented for future generations (Nöldeke & Samuelson, 2018). The continuous development of intellectual capacity triggered industrial revolutions that changed the way humans work, produce, and interact. Today, in the Fourth Industrial Revolution, humanity lives in a digital era driven by big data, the Internet of Things (IoT), and artificial intelligence (AI), which have penetrated almost all aspects of life, including philanthropy (Haqqi & Wijayati, 2019).

The central issue in this study arises from the emergence of new vulnerabilities in philanthropy. Whereas in the past donations were conducted face-to-face, today they can easily be collected through digital platforms. While this system facilitates aid distribution, it also poses challenges in the form of weak regulation and lack of oversight mechanisms (Muslimah, 2020). Modern society, which prioritizes speed, convenience, and accessibility, can donate across regions and even countries with just a few clicks. Third parties such as foundations, social institutions, and crowdfunding companies serve as intermediaries, which are believed to guarantee fund security and ensure that donations reach intended beneficiaries (Haq & Rodiah, 2023). However, integrity in donation management does not always accompany technological advances. Several cases, such as the misuse of donations by Agus

Salim and large institutions like *Aksi Cepat Tanggap (ACT)*, illustrate how public funds meant for humanitarian purposes were diverted for personal gain, thereby creating a crisis of public trust and exposing weaknesses in both governmental and institutional supervision (Media, 2024).

Previous studies have addressed aspects of digital philanthropy, including the potential of social media to enhance philanthropic awareness (Muslimah, 2020). Other research has highlighted weak institutional oversight and the risk of fund misuse at the organizational level (Jenniviera dkk., 2024). Nevertheless, few studies have comprehensively examined the misuse of donations from a legal perspective, particularly by connecting it to the gap between *das sollen* (normative law) and *das sein* (empirical practice). This study addresses that gap by investigating why, despite the existence of instruments such as Law No. 9 of 1961 and Government Regulation No. 29 of 1980, regulatory enforcement remains weak in the face of modern, digital-based philanthropy.

The novelty of this study lies in its integrative analysis that combines juridical-normative approaches with empirical case studies, particularly the Agus Salim case. This approach frames philanthropy not merely as a moral activity but as a *business of philanthropy* susceptible to manipulation. Theoretically, this research draws upon civil law perspectives (Article 1313 of the Indonesian Civil Code on agreements), criminal law (Articles 372 and 378 of the Criminal Code on embezzlement and fraud), as well as Soerjono Soekanto's theory of legal effectiveness and Eugen Ehrlich's *living law* to examine the dissonance between legal norms and practice.

Accordingly, this study is directed at answering two central research questions: (1) how the misuse of donation funds occurs in Indonesian philanthropic institutions, particularly through the use of personal accounts without accountability mechanisms; and (2) what structural and cultural barriers hinder effective legal enforcement, and what regulatory and institutional solutions can be offered. The findings are expected to contribute academically and practically to the formulation of a more transparent and accountable philanthropic governance model in Indonesia.

METHODS

This study employs a juridical-normative research type, which examines legal norms governing the collection and management of donations and compares them with empirical practices of fund misuse. The research design used is a qualitative descriptive design, intended to identify, analyze, and interpret legal gaps between *das sollen* (normative law) and *das sein* (empirical practice), with the Agus Salim case as the primary case study.

The data collection instruments consisted of literature review and document analysis. Primary data were derived from statutory regulations such as Law No. 9 of 1961 on the Collection of Money or Goods, Government Regulation No. 29 of 1980, the Indonesian Criminal Code (Articles 372 and 378), and the ITE Law, while secondary data came from academic works (Marzuki, 2017) and tertiary sources including media reports (inilah.com, 2024) that documented the chronology of the misuse of donation funds. These instruments enabled the researcher to build a comprehensive perspective that combined legal text with real-world evidence.

The data analysis technique applied was qualitative descriptive analysis, focusing on pattern identification and interpretation. The analysis was conducted through three stages: (1) mapping legal provisions related to fundraising and accountability, (2) comparing those provisions with actual practices in cases of fund misuse, and (3) evaluating the effectiveness of applicable legal instruments and governance mechanisms. This allowed the researcher to describe not only how misuse occurs, but also why supervision and enforcement are often ineffective.

The research timeline spanned approximately four months, from September to December 2024. During this period, the researcher systematically reviewed statutory documents, analyzed academic sources, and compiled case-based data from credible media outlets. This duration was considered sufficient to ensure comprehensive coverage of both normative and empirical aspects. The outcomes of this process are expected to provide academic contributions and practical recommendations for strengthening legal frameworks, implementing philanthropic codes of ethics, and developing public audit mechanisms to prevent manipulation in future philanthropic practices.

RESULTS

This study reveals several important facts about the misuse of donation funds in Indonesia, with the case of Agus Salim serving as a primary illustration. The main finding shows a significant gap between normative regulations and actual practices. Donation funds amounting to IDR 1.5 billion were transferred into a personal account and partially diverted for family purposes, rather than being fully allocated to medical treatment as initially promised.

The study also finds that weak government oversight, limited transparency of donation management, and low public legal literacy are key factors that increase the risk of misuse. From a legal perspective, although instruments such as Article 372 (embezzlement) and Article 378 (fraud) of the Criminal Code and Article 1313 of the Civil Code (agreements) can be applied, enforcement remains inconsistent and often delayed.

Supporting findings highlight that the public tends to place more trust in popular figures or influencers than in official institutions. This confirms Eugen Ehrlich's concept of *living law*, where social norms often outweigh formal written law. However, such tendencies open opportunities for fundraising practices without clear accountability mechanisms.

Table 1. Main Finding

Category	Brief Description	Implication
Main Finding	IDR 1.5 billion in donations entered Agus Salim's personal account; IDR 390 million was transferred to family members.	Demonstrates weak accountability in digital fundraising management.
Normative Regulation	Law No. 9/1961 and Government Regulation No. 29/1980 regulate permits and reporting but do not address digital practices.	Indicates the need for updated regulations tailored to crowdfunding.
Government Oversight	Ministry of Social Affairs only issues permits but does not conduct intensive monitoring.	Creates loopholes for illegal practices due to weak state supervision.
Legal Culture	Donations are perceived as purely voluntary gifts, rarely questioned regarding their use.	Low legal literacy worsens the likelihood of misuse.
Public Figures vs. Institutions	Fundraising is more trusted when organized by influencers than by official institutions.	Reflects dominance of *law in action* over *law in the books* in public practice.
Legal Dimensions	Misuse may constitute embezzlement (Art. 372 CC), fraud (Art. 378 CC), or breach of agreement (Art. 1313 CC).	Requires progressive law enforcement so misuse is not reduced to a mere moral issue.

Overall, this study confirms that misuse of donation funds is not only an individual problem but also a structural and cultural issue. Weak regulatory frameworks, lack of government monitoring, and the dominance of public trust in popular figures over institutions push fundraising practices into a legal grey area. As a consequence, public trust in philanthropy declines, reducing community participation and ultimately harming those who truly need assistance.

DISCUSSION

Forms of Misuse of Donation Funds in Philanthropic Institutions in Indonesia, Especially Related to the Use of Personal Accounts Without an Accountability Mechanism

The practice of misuse of donation funds in philanthropic institutions in Indonesia generally arises due to weak financial governance and the absence of strict accountability mechanisms (Jenniviera dkk., 2024). One of the modes that often occurs is the use of personal accounts as a forum for public fundraising. This mechanism poses a number of serious problems (Ghozali & Faridah, 2023). First, the incoming donation funds are not recorded as part of the institution's accounting system, making it difficult to audit or be legally accounted for. Second, the use of personal accounts makes it easier for administrators or recipients of funds to make transfers or expenses without internal control. Third, the public or donors do not have adequate access to know whether the funds they donate are really used according to the original purpose.

Muhammad Agus Salim, a worker at a café in the Green Lake area, Cengkareng, West Jakarta, was a victim of violence in the form of hard water by his own co-worker, JJS alias Aji, who was 18 years old. This incident started from a personal conflict in the work environment, where Aji felt hurt by Agus's communication style which was considered rude and often offensive to him. The recurring tension prompted Aji to plan an act of revenge by pouring hard water on Agus. The incident was recorded by CCTV cameras when Aji followed Agus' motorbike and then poured the dangerous liquid on his face. As a result of this incident, Agus suffered serious injuries and lost one of his vision. The case has received widespread public attention, especially after it was raised on social media by humanitarian activists (Tempo, 2024).

Public attention was even greater when Agus was invited to Denny Sumargo's "Curhat Bang" podcast in September 2024. The invitation was facilitated by Novi Pratiwi, a social activist who often handles humanitarian issues through the Rumah Peduli Kehumanan Foundation. In the podcast, Agus openly told about the suffering he experienced. The public was touched, and the wave of sympathy turned into a donation action. On the basis of trust, it was decided that the donation funds were not managed by official institutions, but were directly channeled to Agus' personal account. Denny Sumargo with 7 million followers on his YouTube channel opened donations, and in a short time the funds collected reached billions of rupiah (Promise, 2024).

However, as time goes by, signs of irregularities in fund management appear. Novi Pratiwi, who accompanied Agus, began to find allegations of irregularities. Initially, the financial report submitted by Agus only mentioned a receipt of around IDR 500 million. After further investigation, it turned out that the amount of donations that came in reached IDR 1.5 billion. The results of the account mutation print showed a number of transactions that were not in accordance with the initial agreement, namely the funds were used to pay for hospital costs. On the contrary, it was found that the flow of funds to the family was carried out: Rp90 million was transferred to a relative (uwa/aunt), Rp250 million to his wife, and Rp50 million to his brother. Agus reasoned that after the donation went to his personal account, the money was completely his. (inilah.com, 2024).

The findings sparked great disappointment from donors. Many feel betrayed, because from the beginning the contribution was given for medical purposes, not for personal or family needs. Some donors even ask for refunds or demand that the remaining donations be diverted to those who really need it. Others cooperated with advocates to bring this case to the legal realm. The polemic heated up until finally Denny Sumargo and Novi Pratiwi agreed to take over the management of donations through official foundations, in order to maintain transparency and restore public trust.

The chronology of Agus Salim's case shows a recurring pattern in the practice of misappropriation of philanthropic funds in Indonesia. The use of personal accounts without an accountability system blurs the line between the right of the beneficiary and the moral obligation to use the funds according to the purpose. Legally, donations are voluntary and irrevocable. However, if there are indications of abuse or embezzlement, the case can be processed both civilly and criminally, given that there is an implicit agreement between the donor and the recipient that the funds are used for a specific purpose (Media, 2024).

This case is empirical evidence (*das sein*) that although digital technology brings extraordinary convenience in social fundraising, without strict control mechanisms, the potential for abuse is even greater. Donations collected online can reach billions of rupiah in a short period of time, but at the same time are vulnerable to being diverted for personal interests if there is no adequate accountability system. This situation is inversely proportional to the normative condition (*das sollen*), where Indonesian law has actually provided a legal framework to regulate the governance of fund collection, namely through Law No. 9 of 1961 concerning the Collection of Money or Goods and Government Regulation No. 29 of 1980 concerning the Implementation of Donation Collection. In principle, the regulation requires a permit to collect funds and report accountability to the state, but its implementation is still weak. This gap shows the weak legal protection for donors and the fragility of public trust in philanthropic institutions.

The practice of misuse of donation funds in Indonesia shows a relatively uniform pattern, namely the use of personal accounts in both the collection and distribution stages. This pattern is problematic because it goes against the principles of transparent governance. First, the use of personal accounts makes the flow of funds difficult to trace, both by management institutions and supervisory officials, thus opening up room for manipulation. Second, the absence of an official reporting system causes the use of funds to be based solely on trust in the recipients, without the support of independent auditable accounting documents. In fact, public trust cannot be maintained only in good faith, but must be supported by an instrument of accountability.

Philanthropy is essentially a form of collective public financial management, so the principle of transparency is an absolute requirement. Without transparency, donations will lose their social meaning as a form of solidarity, and have the potential to turn into a means of exploitation by certain parties. Furthermore, this kind of abuse also has serious legal implications. Within the framework of criminal law, the act of using donation funds for personal interests can be categorized as embezzlement (Article 372 of the Criminal Code) or fraud (Article 378 of the Criminal Code). From a civil perspective, such abuse can be considered a default because it violates the *causa* agreement that has been implicitly agreed between the donor and the recipient.

The tendency to use personal accounts in donation practices also reflects the weakness of philanthropic governance in Indonesia institutionally. Many donation activities run outside the supervision of the Ministry of Social Affairs or other authorities, especially when collected by public figures or influencers. The popularity factor often replaces legal legitimacy, so the public trusts figures more than legitimate institutional mechanisms. This pattern shows a shift in values: philanthropy is no longer understood as a social activity based on law and governance, but rather a purely moral activity that depends entirely on the individual's personality. If this condition is left unchecked, the risk of misuse of funds will continue to recur, and the impact will not only harm donors, but also reduce community participation in philanthropic activities.

Second, the practice reduces the basic principles of philanthropy as an instrument of social solidarity. Public funds that should have been used in accordance with the initial agreement, for example for medical treatment or humanitarian assistance, are often diverted for personal consumption. The case of Agus Salim is a real illustration. The funds collected through public trust of Rp1.5 billion should be intended for medical expenses. However, account mutations show that there are transactions to the family and other needs that are not in accordance with the original purpose. This kind of deviation not only violates ethical norms, but also has the potential to enter the realm of criminal law, such as embezzlement (Article 372 of the Criminal Code) and fraud (Article 378 of the Criminal Code).

Third, the use of personal accounts eliminates the separation between personal interests and social responsibility. In civil law, donations are indeed a form of voluntary giving which, once received, can become the right of the recipient. However, if there is *a clear causa* that the funds are given for a specific purpose—for example, medicine—then there is a moral as well as a legal obligation to use the funds according to that purpose. If abuse is proven, this can be disputed civilly or criminally. In other words, although Indonesia's positive law does not specifically regulate the legal relationship between donors and recipients, there is a general principle of agreement (Article 1313 of the Civil Code) that can be used as a basis for demanding accountability.

Fourth, the misuse of donations through personal accounts has serious social implications. The public has lost trust in philanthropic institutions and figures involved in fundraising. This erosion of trust results in a decrease in public participation in donations, which in turn harms those who really need help. In the long run, this crisis of trust can damage the philanthropic ecosystem in Indonesia, considering that donation-based social solidarity is one of the important pillars in social development.

Thus, the form of misuse of donation funds through the use of personal accounts without an accountability mechanism can be categorized as a multidimensional problem: (1) legal issues, because they violate regulations and have the potential for criminal acts; (2) ethical issues, because they violate the principles of honesty and social responsibility; and (3) social problems, because they undermine public trust in philanthropy. To overcome this, it is necessary to reformulate more specific regulations regarding donation governance, the obligation to use official accounts of institutions, and the implementation of open public audits so that similar practices can be minimized in the future.

From a legal point of view, the practice of using personal accounts without supervision clearly violates the principle of transparency mandated by Law No. 9 of 1961 concerning the Collection of Money or Goods and Government Regulation No. 29 of 1980 concerning the Implementation of Donation Collection. These two regulations require donation organizers to obtain official permits and provide accountability reports to relevant agencies. Furthermore, Article 372 of the Criminal Code regarding embezzlement can be used as a criminal basis for parties who deliberately use donation funds not according to their purpose. Thus, the use of personal accounts is not only an ethical issue, but also has the potential to enter the criminal realm.

In addition, the use of personal accounts also undermines the principle of *trust* which is the main foundation of philanthropy. In this context, donors distribute aid on the assumption that their funds will be appropriately channeled. When funds are used for personal interests, there is an erosion of public trust which in turn can reduce public participation in philanthropic activities. The loss of public trust will have a systemic impact because it not only harms donors, but also hinders access to aid for people who really need it.

Thus, the form of misuse of donation funds in Indonesia, especially through the use of personal accounts, shows two dimensions: first, the legal dimension in the form of violations of the rules of fundraising and the potential for criminal acts of embezzlement; Second, the social dimension is in the form of a breakdown of public trust in philanthropic institutions. For this reason, a strict accountability mechanism is needed, including the obligation to use the institution's official accounts, periodic external audits, and transparency of financial statements that are accessible to the public, so that similar practices can be minimized.

The findings of this study are consistent with Jenniviera et al. (2024), who found similar misuse of philanthropic funds within large-scale institutions such as ACT, where weak governance structures created room for irregularities. However, this research differs in its focus on an individual case, which highlights that misuse is not only an institutional problem but can also occur at the personal level when donations are managed without accountability systems. This comparison strengthens the argument that misuse of donation funds in Indonesia has both micro and macro dimensions, requiring reform at multiple levels.

Structural and Cultural Barriers in Law Enforcement against Misuse of Philanthropic Funds

Structural obstacles in law enforcement against the misuse of philanthropic funds mainly stem from weak regulations, lack of supervision, and limitations of law enforcement officials in interpreting the legal relationship between donors and recipients. The main regulations that apply, namely Law No. 9 of 1961 concerning the Collection of Money or Goods and Government Regulation No. 29 of 1980, are no longer relevant to the development of digital technology. The regulation only regulates the mechanism for permits for collecting donations, without touching aspects of accountability governance, the use of personal accounts, or public audit obligations. As a result, the practice of digital donations that are rampant through social media and *crowdfunding* platforms runs in legal gray spaces.

This weakness is in line with Satjipto Rahardjo's view of "laws that lag behind the development of society." Positive laws are often rigid, while social practices develop much faster (Aulia, 2018). This situation creates *legal vacuum* which causes law enforcement officials to hesitate to ensnare the perpetrators of misuse of donations, even though it is morally clear to violate the purpose of philanthropy.

In addition to regulations, supervision by the Ministry of Social Affairs and related authorities is also still weak. Many donation activities run without official permission, but still gain social legitimacy due to the public support of figures or influencers. This shows that there is a *regulatory gap* between written legal norms and social practices in the field. From the perspective of Soerjono Soekanto's theory of legal effectiveness, weak law enforcement can be caused by three factors: (a) the content of norms that are not in accordance with the needs of the community, (b) the apparatus is not optimal in enforcing the law, and (c) people who do not have high legal awareness (Soerjono, 2004).

Furthermore, structural problems are also evident in the evidentiary aspect in court. Donations are basically seen as voluntary gifts, so that once the funds are disbursed, they legally become the full property of the recipient. This view makes many cases of donation abuse difficult to process criminally, because the recipient can argue that no legal obligation has been violated. However, in practice, not a few donations are made with *Causa* for example, "for medical expenses," "for the construction of houses of worship," or "for disaster relief." In such a situation, a donation can no longer be viewed as an unconditional grant, but rather as a conditional agreement that gives rise to certain obligations on the part of the recipient (Subekti, 2014).

This gap then creates juridical difficulties in ensnaring the misuse of donation funds. Positive law in Indonesia, both the Criminal Code and administrative regulations, has not specifically recognized the existence of an implicit legal relationship between donors and recipients. As a result, when irregularities occur, law enforcement officials are often faced with a dilemma: should misuse of funds be treated as a criminal act of embezzlement or simply a moral issue? In fact, from the perspective **of agreement theory** in *the Burgerlijk Wetboek* (Civil Code), any legal act that meets the requirements for the validity of the agreement—agreement, skill, certain objects, and causa that is halal—can give rise to legal rights and obligations. Therefore, a donation with certain conditions should be treated as an agreement, not just an ordinary grant.

With this construction, if the recipient of the donation uses funds outside the agreed purpose, the action can be seen as a form of default in civil law. In addition, the misuse of donations can also meet the elements of criminal acts, for example Article 372 of the Criminal Code regarding embezzlement or Article 378 of the Criminal Code regarding fraud, if it is proven that the recipient deliberately misled the public to obtain funds. However, to be effectively applied, courts need a clearer legal framework so that judges do not hesitate to qualify conditional donations as agreements.

Second, the level of public legal literacy regarding donor rights is still low. Many donors don't realize that they can demand transparency and accountability from recipients and fundraisers. This is in line with Lawrence Friedman's theory of the legal system, which states that legal culture is one of the key variables that affect the effectiveness of the law (Friedman, 1975). If the legal culture of society is permissive, then even a good law will not be effective.

Third, there is a strong tendency in society to give legitimacy to charismatic figures or popular figures in the donation collection process. This phenomenon is evident in the case of Agus Salim, who gained widespread support after being invited to Denny Sumargo's *Curhat Bang* podcast . The presence of a public figure with millions of followers has a significant domino effect, so that in a short time the donations collected reach billions of rupiah. The public trusts the personal reputation and popularity of the figure more than in official institutional mechanisms. As a result, the process of raising funds is carried out without permission and without going through the accountability mechanism as regulated in state regulations.

This phenomenon indicates a shift of authority from formal institutions to individual figures. Popularity often serves as "social capital" that is considered sufficient to replace legal legitimacy. This is dangerous, because it further widens the gap between the written law (*law in the books*) and the laws that apply in society (*law in action*). Within the framework of Eugen Ehrlich's theory of *living law*, the laws that live in society are not always identical to the legal norms set by the state (Ehrlich & Ziegert, 2017). People tend to obey norms that are seen as relevant to their practical needs, even though these norms have no formal legal basis.

In other words, the existence of charismatic figures creates *pseudo-legitimacy* that is accepted by the public without questioning its legal validity. This may explain why figure-based fundraising is faster to gain trust than official institutions that have strict rules. However, when abuse occurs, the figure does not have the legal or institutional tools to account for the funds collected. It is at this point that a fundamental weakness is seen: the social legitimacy born of popularity can never replace the legal legitimacy derived from the rule of the state.

If this phenomenon continues to be left unchecked, philanthropic practices will increasingly shift towards *personality-based fundraising*, which is vulnerable to manipulation and difficult to supervise. Therefore, strict regulations need to be enacted to ensure that any fundraiser, even if carried out by a public figure or influencer, is obliged to comply with the applicable legal rules. Thus, the social norms that grow in society can go hand in hand with formal legal norms, so that *living law* is no longer in conflict with *the law in the books*, but rather strengthens each other for the sake of creating a healthy and accountable philanthropic system (Farber & Yehezkel, 2025).

From the description above, it can be concluded that structural and cultural obstacles in law enforcement over the misuse of donation funds are interrelated and mutually reinforcing. Regulations that are still weak and not adaptive to the development of digital technology make abusive practices difficult to be firmly enforced. Existing legal norms, such as Law No. 9 of 1961 and Government Regulation No. 29 of 1980, are still general and have not reached the complexity of modern philanthropic practices that are widely carried out through social media and *crowdfunding* platforms. Meanwhile, society's permissive legal culture further exacerbates the situation, where donations are often seen only as a moral realm without the awareness that they also have legal consequences. The combination of regulatory weaknesses and low public legal literacy causes law enforcement to run slowly, inconsistently, and often even ends without sanctions that have a deterrent effect.

The Agus Salim case is a real reflection of how the loophole is used. Donation funds amounting to billions of rupiah can be easily transferred to personal accounts and used for family benefits, without strict supervision mechanisms. The public only learned of irregularities after the appearance of non-transparent financial statements, which were actually disclosed by the accompanying party, not by the state supervisory agency. This shows how weak legal protection for donors is and how fragile public trust in philanthropic institutions is. If this condition is left unchecked, public participation in donations will decrease, and the main purpose of philanthropy as a means of social solidarity can be reduced to a manipulative practice that harms the wider community.

To overcome these problems, serious legal reform steps are needed. Regulations must be adapted to the development of digital philanthropic practices by prohibiting the use of personal accounts in any form of fundraising. Any fundraising must be mandated through an official institution subject to accountability mechanisms, including the obligation to submit financial statements publicly and publicly accessible. In addition, the government through the Ministry of Social Affairs needs to strengthen the supervisory function by implementing a digital-based system that allows *real-time* monitoring of transactions. With this system, irregularities can be detected and followed up more quickly legally.

On the other hand, improvement efforts must also touch on cultural aspects. There needs to be legal education to the public that donations are not only a form of moral generosity, but also a social mandate that contains legal obligations for the recipients. Donors have the right to demand transparency, while the recipient of the donation is obliged to use the funds in accordance with the initial purpose that has been determined. With this change in perspective, donations can be understood not only as a form of sincerity, but also as a legal agreement that gives rise to rights and obligations for both parties. If strong regulations are combined with high legal awareness of the community, philanthropic practices in Indonesia can be managed in a more transparent, accountable, and sustainable manner.

Nevertheless, this study has certain limitations. The analysis is primarily normative and case-based, relying on legal documents, secondary data, and media reports. It does not yet incorporate empirical fieldwork, such as interviews with donors, recipients, or regulators, which could provide deeper insights into legal awareness and enforcement practices. Future research should adopt a mixed-method approach to enrich the findings and offer more comprehensive recommendations.

CONCLUSION

The results of this study indicate that philanthropic practices in Indonesia, while rapidly developing through digital platforms, remain highly vulnerable to abuse. The case of Agus Salim clearly demonstrates how public funds collected for humanitarian purposes—amounting to billions of rupiah—were diverted into personal accounts and used for private gain. This reflects a recurring pattern in which accountability is weak, supervision from state institutions is minimal, and public trust in philanthropy is severely undermined. Normatively (*das sollen*), Indonesian law has provided a legal framework through Law No. 9 of 1961 and Government Regulation No. 29 of 1980; however, empirically (*das sein*), there exists a significant gap due to the absence of specific rules governing digital-based philanthropy.

This research contributes to the field of legal studies by integrating normative analysis with empirical case studies to highlight the structural and cultural barriers that hinder effective regulation of philanthropic practices. It enriches the academic discourse on the intersection of law, governance, and social solidarity, emphasizing that philanthropy must no longer be viewed merely as a moral or voluntary activity but as a legal relationship that creates obligations. By introducing the concept of *philanthropy as a business of philanthropy*, this study provides a novel perspective on the risks of manipulation and the urgent need for harmonized regulations, national codes of ethics, and accountability mechanisms grounded in principles of *good governance*.

For future research, it is recommended to expand the scope beyond case studies such as Agus Salim by conducting comparative analyses of philanthropic regulation in other countries with more advanced digital governance systems. Further empirical studies, including surveys and interviews with donors, recipients, and regulators, would also provide deeper insights into public perceptions and legal awareness. In addition, interdisciplinary approaches—combining law, sociology, and information technology—could help design practical frameworks for transparent and accountable philanthropic practices in the digital era.

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