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The Impact of E-Procurement Implementation and Organizational Commitment on Fraud Prevention in Government Procurement

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A B S T R A C T

This study examines the impact of e-procurement implementation and organizational commitment on fraud prevention in government procurement. A quantitative approach was employed using a structured questionnaire distributed to 95 respondents from the Department of Industry, Trade, Cooperatives, and SMEs of DKI Jakarta Province. The data were analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM). The findings indicate that e-procurement implementation does not have a significant effect on fraud prevention. In contrast, organizational commitment has a positive and significant effect. This highlights that strengthening employee commitment and ethical culture is more effective in mitigating procurement fraud than relying solely on technological systems. Government institutions are encouraged to enhance awareness, loyalty, and internal integrity to reduce opportunities for fraud.

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INTRODUCTION

Fraudulent practices in financial management are not exclusive to the private sector but also occur in the public or government sector, resulting in substantial losses to society and the state. Fraud within government institutions is commonly associated with acts of corruption. Over time, such fraudulent acts have become increasingly complex, employing various schemes. Public procurement is one of the most vulnerable sectors to misuse and fraud (Andari, 2020). Fraud in government procurement refers to illegal actions committed by individuals or groups to gain financial or personal benefit by deceiving or manipulating procurement systems. According to Albrecht et al. (2019), fraud encompasses all forms of information manipulation, collusion, and abuse of power to achieve such objectives. It is further defined as the dishonest use of organizational resources, often involving violations of organizational policies and procedures.

The Association of Certified Fraud Examiners (ACFE) classifies fraud into three main categories: financial statement fraud, corruption, and asset misappropriation. Among these, corruption is the most frequent and damaging form of fraud in Indonesia (ACFE Indonesia, 2019). The Corruption Eradication Commission (KPK) in 2024 reported that the highest number of corruption cases occurred at the municipal/regency level, accounting for 548 out of a total of 1,351 cases from 2004 to 2023. Specifically, 339 of those cases involved procurement-related corruption. The table below shows the number of corruption cases in public procurement in Indonesia over the past five years, indicating a rising trend from 2019 to 2023:

Table 1. Number of Corruption Cases in Government Procurement (2019–2023)

Year	2019	2020	2021	2022	2023
Number of Cases	18	27	30	14	62

Source: Report on Procurement-Related Corruption Cases (kpk.go.id)

Several cases within the Jakarta Provincial Government, as reported by Kompas (2021), revealed new corruption schemes involving inflated pricing, commonly referred to as "mark-ups" in procurement. The Supreme Audit Agency (BPK) uncovered budget waste due to overpayment in the procurement of rapid test kits and medical masks, amounting to IDR 7 billion. Given the above issues in public procurement, it is essential to develop solutions that prevent and reduce fraud. One such approach is through the implementation of an electronic procurement system (e-procurement) developed by the National Public Procurement Agency (LKPP), which aims to minimize fraud and misuse of funds through an integrated digital platform.

E-procurement serves as a tool for internal control to prevent procurement fraud, as it reduces face-to-face interactions between suppliers and procurement officials—interactions that often lead to collusion (Suseno, 2022). The system is designed to enhance transparency and accountability, expand market access, encourage healthy competition, improve efficiency, support monitoring and audits, and provide access to real-time procurement information (Andari, 2020).

Since the issuance of Presidential Regulation No. 12 of 2021, which amends Presidential Regulation No. 16 of 2018 on public procurement, all government agencies in Indonesia are required to register and record procurement activities—whether goods or services—through the Electronic Procurement System (SPSE), in accordance with the core principles of efficiency, effectiveness, transparency, openness, competition, fairness, and accountability.

Nurlina et al. (2018) noted that the e-procurement system is expected to support improved performance among government institutions and third parties, while also promoting good governance. The realization of good governance is expected to significantly reduce fraud in the public sector. In addition to e-procurement implementation, organizational commitment plays a critical role in fraud prevention. It is often a determining factor in justifying why an employee might engage in fraudulent behavior (Andari, 2020). Employees with low commitment tend to be indifferent and irresponsible toward organizational sustainability. This leads to disloyalty, careless work behavior, and a higher likelihood of engaging in deviant actions for personal gain, ultimately hindering organizational objectives.

A study by Romaissah et al. (2019) found that e-procurement implementation does not significantly affect fraud prevention, whereas internal control has a significant effect. In contrast, Milenius et al. (2022) reported that both e-procurement systems and internal control have positive and significant effects on fraud prevention in procurement. Furthermore, Andari (2020) concluded that internal control and organizational commitment significantly impact government performance accountability, but e-procurement, internal control, and organizational commitment did not show a significant effect on fraud prevention. This study seeks to build upon previous research, particularly that of Andari (2020), by introducing organizational commitment as an additional variable. This addition is considered important because organizational commitment is a key factor in achieving the goals and objectives of any organization. Based on the above background, this research is titled: "The Impact of E-Procurement Implementation and Organizational Commitment on Fraud Prevention in Government Procurement.".

LITERATURE REVIEW

Agency Theory

Agency theory explains the relationship between a company's management (agents) and its owners (principals). Principals delegate authority to agents to carry out various activities on their behalf. The principals, typically the owners or shareholders, expect full disclosure of information regarding company operations, including how financial resources are managed. Through accountability reports prepared by the management, the principals obtain necessary information to evaluate the agent's performance over a specific period (Purba, 2023).

This relationship inherently involves information asymmetry, which may lead agents to commit fraud, particularly by manipulating financial statements to present a more favorable image of the organization than the reality. The conflict of interest between agents and principals can give rise to agency

problems (Sagala, 2023). Such conflicts can trigger agency costs, which are ultimately borne by the organization. If not properly addressed, persistent conflicts of interest can result in losses not only to the organization itself but also to external stakeholders.

This study applies agency theory to empirically test how e-procurement implementation and organizational commitment impact fraud prevention. In this context, the government (agent) is entrusted by the public (principal) to improve governance through the application of e-procurement and a strong commitment to organizational integrity, thereby enhancing public accountability and minimizing fraud. This is expected to build public trust and improve the government's image.

Fraud Triangle Theory

Fraud is generally defined as an act committed with the intent to gain personal or group benefit through unethical or illegal means (Sagala, 2023). It occurs across both public and private sectors. According to the fraud triangle theory, three primary factors lead to fraudulent behavior: pressure, opportunity, and rationalization.

- Pressure refers to internal or external demands that compel individuals to commit fraud.
- Opportunity represents conditions that enable individuals to perpetrate fraud with minimal risk of detection.
- Rationalization is the mental justification that fraudsters use to legitimize their unethical actions.

Organizations should develop and reinforce a strong culture of integrity and commitment to detect or prevent fraud early. This study uses the fraud triangle theory as a middle-range theory to explain the dependent variable, fraud prevention. The application of e-procurement and strong organizational commitment is expected to reduce opportunities for fraud and increase awareness within public institutions.

E-Procurement

According to Presidential Regulation No. 12 of 2021, e-procurement is a system utilized in public procurement processes that leverages internet-based information and communication technology to ensure transparency, efficiency, and accountability. Sucahyo et al. (2019) highlight the risks associated with traditional (non-electronic) procurement, including:

- Collusive bidding schemes and kickbacks,
- Bribery to secure tender wins,
- Lack of transparency in procurement announcements,
- Artificial price inflation (mark-ups),
- Favoritism toward relatives or politically connected firms,
- Tender specifications tailored to a specific vendor,
- Incomplete documentation from winning suppliers,
- Non-disclosure of tenders to the public.

Pratiwi (2017) asserts that the adoption of e-procurement aims to enhance public accountability. It fosters an open, fair, and competitive procurement environment, thereby reducing opportunities for fraudulent practices. To support this, the government has established Electronic Procurement Services (LPSE) in various institutions, guided by technical standards from the National Public Procurement Agency (LKPP). Key features of e-procurement include e-tendering, e-catalogue, and e-purchasing systems.

Organizational Commitment

Organizational commitment refers to an individual's psychological attachment and involvement with their organization. It typically involves three dimensions: Strong belief in and acceptance of the organization's goals and values, Willingness to exert significant effort on behalf of the organization, A strong desire to remain a member of the organization (Widiutami et al., 2017).

Yusuf et al. (2018) identify three components of organizational commitment:

- Affective Commitment: Emotional attachment to and identification with the organization.
- Continuance Commitment: Commitment based on the perceived cost of leaving the organization.
- Normative Commitment: A sense of obligation to remain with the organization due to internalized values.

Commitment impact ethical behavior in the workplace. When organizational commitment is weak, employees may become indifferent or self-serving, potentially engaging in fraudulent behavior that undermines the organization's objectives.

Fraud

According to ACFE Indonesia (2019), fraud involves illegal acts committed intentionally for personal or organizational gain, by individuals either within or outside an organization. Gbegi (2018) defines fraud as any deceptive act designed to obtain an unfair advantage over another. Similarly, Black's Law Dictionary (2023) defines fraud as "any activity involving deceit for personal benefit," often through concealment or misrepresentation of material facts.

In public procurement, fraud can involve both government officials and suppliers acting in collusion. Reginasti (2018) identifies several common fraud schemes:

- Collusive bidding and kickbacks,
- Bribery to secure contracts,
- Non-transparent bidding processes,
- Artificial price inflation,
- Favoritism toward relatives or political affiliates,
- Tailored technical specifications,
- Preferential treatment for alumni groups,
- Incomplete supplier documentation,
- Failure to announce tenders publicly,

- Lack of open access to bidders from surrounding areas.

Fraud Prevention

Organizational culture significantly impacts the level of fraud risk within an institution. A culture that promotes honesty and transparency contributes to a low-fraud environment (Andari, 2020). According to Pongsapan (2017), two primary strategies can prevent fraud: Fostering a culture of honesty, openness, and support, Minimizing opportunities for fraudulent behavior.

Widiutami et al. (2017) emphasize that fraud prevention can be achieved by improving internal controls, ensuring compliance with accounting standards, and reinforcing organizational commitment. Continuous monitoring and evaluation of internal control systems are essential to enhance public sector accountability and mitigate fraud risks. In this study, fraud prevention is examined through the lens of e-procurement implementation and organizational commitment as key factors that support government efforts to minimize fraudulent practices in public procurement.

Impact of E-Procurement Implementation on Fraud Prevention in Public Procurement

Based on Agency Theory, one of the efforts to prevent fraud in procurement is through the implementation of an electronic procurement system (e-procurement). E-procurement is believed to be an effective tool to reduce the potential for fraud. A well-implemented procurement system can improve the efficiency and effectiveness of government management while minimizing conflicts of interest. This is consistent with previous studies by Milenius et al. (2022) and Primastiwi et al. (2020), which concluded that the e-procurement system has a significant impact on fraud prevention in public procurement. Their findings show that procurement through information technology can prevent fraudulent practices, as suppliers and procurement officials are not required to meet face-to-face during the procurement process. The reduced opportunity for direct interaction between vendors and procurement officers, along with the transparency facilitated by e-procurement, helps eliminate corrupt practices and lowers the likelihood of irregularities.

H_1: The implementation of e-procurement has a positive effect on fraud prevention in public procurement.

The Impact of Organizational Commitment on Fraud Prevention in Public Procurement

The relationship between organizational commitment and fraud prevention is closely interconnected. Organizational commitment within a government agency or institution is believed to play a vital role in supporting efforts to prevent fraud. Essentially, management commitment and organizational policies are key factors in detecting and preventing fraudulent behavior. Employees who are committed to their work will perceive their performance and contributions as meaningful not only to the organization but also to their personal well-being. High organizational commitment fosters a strong understanding of the

organization's vision, mission, and goals, thereby reducing the likelihood of deviant behavior.

Studies conducted by Hadi et al. (2021) and Andari (2020) concluded that organizational commitment has a positive relationship with fraud prevention. An increase in the level of organizational commitment corresponds to a stronger effort in fraud prevention. Similarly, research by Pramesti et al. (2020) found that organizational commitment has a positive and significant effect on fraud prevention in public procurement at RSUD Badung Mangusada Regional Hospital. This suggests that organizational commitment fosters honesty, transparency, mutual support, and loyalty—values that promote ethical behavior and help prevent fraud within the organization.

H_2: Organizational commitment has a positive effect on fraud prevention in public procurement.

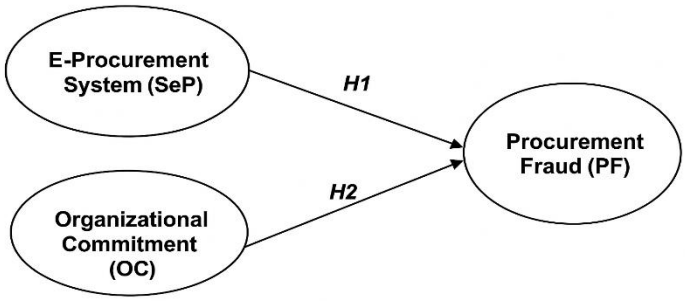

Figure 1. Conceptual Framework

METHODOLOGY

Research Approach

This study employs a quantitative research approach using a causal method to determine the Impact of the implementation of e-procurement and organizational commitment on the prevention of fraud in the procurement of goods and services within a government institution. A survey method was utilized to collect empirical data from respondents directly involved in procurement processes.

Population and Sampling

The population of this research includes civil servants from the Department of Industry, Trade, Cooperatives, and SMEs (PPKUKM) of DKI Jakarta Province who are actively involved in procurement activities. These include Commitment Making Officials (PPK), Technical Implementation Officers (PPTK), and Procurement Officers (PPBJ). A saturated sampling technique was employed, resulting in a total of 95 respondents who fully met the research criteria.

Data Collection Technique

Primary data were collected using a structured questionnaire distributed via Google Forms, with items rated using a 5-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). The questionnaire was designed based on indicators derived from theoretical frameworks and prior research.

Operational Definition of Variables

The variables in this study are divided into independent variables (e-procurement implementation and organizational commitment) and a dependent variable (fraud prevention in procurement). Each variable consists of specific dimensions and indicators:

- E-Procurement Implementation (X_1)

Dimensions: Effectiveness, Efficiency, Competitiveness, Transparency, Accountability

Indicators: Alignment with needs, process speed, selection objectivity, information openness, policy compliance

Sources: Romadiyanti (2021), Heriawati (2018)

- Organizational Commitment (X_2)

Dimensions: Loyalty, Responsibility, Work Ethics, Morality, Satisfaction

Indicators: Discipline, ethics, involvement in goals, rule compliance, pride

Sources: Meyer & Allen (1997), Yusni (2022)

- Fraud Prevention (Y)

Dimensions: Compliance with procedures, Internal control, Transparency, Early detection, Reporting openness

Indicators: Fraud detection system, audit effectiveness, risk indicators, complaint handling

Sources: ACFE (2020), Pongsapan (2017)

Data Analysis Technique

The data were analyzed using Partial Least Squares – Structural Equation Modeling (PLS-SEM) with the help of SmartPLS version 3.2.9. The analysis consisted of: Descriptive Statistics: Measuring mean, standard deviation, minimum and maximum values. Outer Model Testing: Validity and reliability testing, including: Convergent validity (outer loading ≥ 0.6, AVE ≥ 0.5), Discriminant validity (cross loading), Composite reliability and Cronbach's alpha (≥ 0.7). Inner Model Testing: R-Square (R^2) to assess the strength of the model in explaining variance, Q-Square (Q^2) for predictive relevance, Hypothesis testing using bootstrapping method with t-values and p-values (significance if $p < 0.05$).

RESEARCH RESULT

Descriptive Analysis of Variables

Descriptive statistics explain the processed results of questionnaire data consisting of mean, median, min, max, and standard deviation values. Out of the total 95 respondents, all 95 employees completed the questionnaire. The distribution details of the questionnaire responses are shown in the following table:

Table 3. Questionnaire Response Summary

No	Description	Total	Percentage
1	Questionnaires distributed	95	100%
2	Questionnaires completed	95	100%
3	Questionnaires processed	95	100%

Source: Questionnaire Respondents

The following table presents the distribution of questionnaire data for each indicator based on the variables of e-procurement implementation, organizational commitment, and fraud prevention in the procurement of goods/services:

Table 4. Questionnaire Data Distribution

Variable	n	Min	Max	Mean	Standard Deviation
E-Procurement Implementation (X_1)	95	3	5	4.165	0.388
Organizational Commitment (X_2)	95	3	5	4.056	0.245
Fraud Prevention in Procurement (Y)	95	3	5	4.280	0.329

Source: Processed Data

Validity and Reliability Test Results

Before testing the hypotheses, an assessment of the measurement model (outer model) was conducted to evaluate the validity and reliability of the research instruments. The analysis was performed using SmartPLS 3.2.9, and consisted of the following tests:

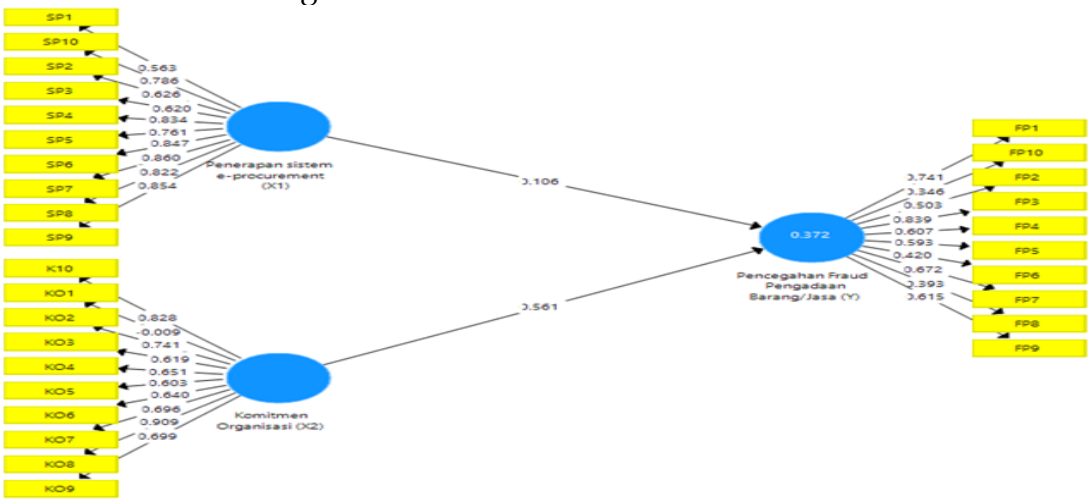

Figure 2. Outer Model

In the path diagram above, it was observed that there were seven indicators with loading factor values below 0.6. These indicators are as follows: SP1 with a value of 0.563, KO1 with 0.009, FP10 with 0.346, FP2 with 0.503, FP5 with 0.593, FP6 with 0.420, and FP8 with 0.393. Referring to the validity testing criteria proposed by Wati (2021), any indicator with a loading factor value of less than 0.6 should be removed from the model. Therefore, the seven indicators

mentioned above were excluded, and the outer model was re-evaluated to determine whether any remaining indicators still had loading values below the acceptable threshold. The results of the revised measurement model, after removing the seven indicators (SP1, KO1, FP10, FP2, FP5, FP6, and FP8), are presented as follows:

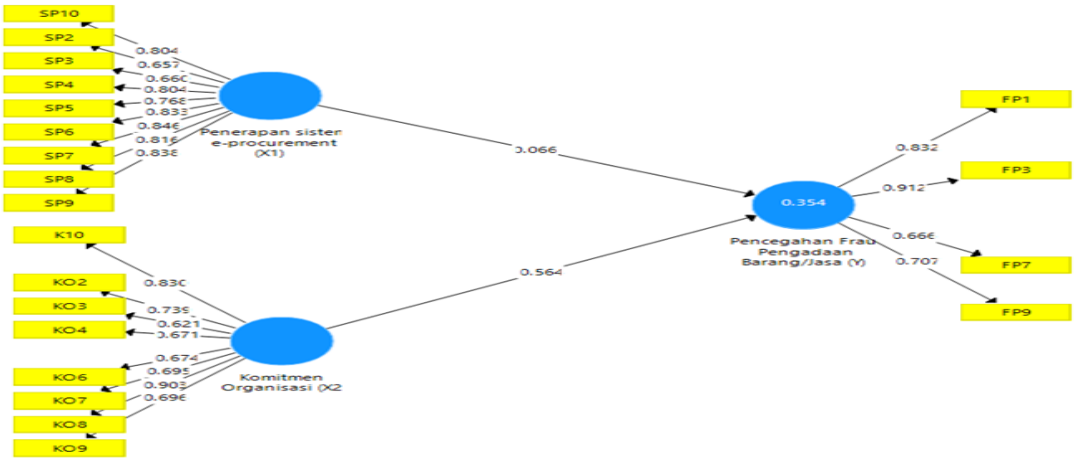

Figure 3. Loading Factor

Based on the revised path diagram above, it can be observed that the loading factor of each indicator now exceeds 0.6, indicating a strong correlation between the indicators and their respective latent variables. These results confirm that all retained indicators meet the requirements for convergent validity. The detailed results are presented in the following table of Outer Loadings (Measurement Model):

Table 1. Outer Loading

Indicator	*Outer Loadings*	Remark
FP1	0,832	Valid
FP3	0,912	Valid
FP7	0,666	Valid
FP9	0,707	Valid
SP2	0,657	Valid
SP3	0,660	Valid
SP4	0,804	Valid
SP5	0,768	Valid
SP6	0,833	Valid
SP7	0,846	Valid
SP8	0,816	Valid
SP9	0,838	Valid
SP10	0,804	Valid
KO2	0,739	Valid
KO3	0,621	Valid
KO4	0,671	Valid
KO6	0,674	Valid
KO7	0,695	Valid
KO8	0,903	Valid

KO9	0,696	Valid
K10	0,830	Valid

Based on the table above, it can be concluded that all constructs (variables) in this study have loading factor values greater than 0.6. The highest loading was observed for FP3, with a value of 0.912, while the lowest was for KO3, with a value of 0.621. These results indicate that the measurement instruments used in this study are valid and meet the requirements for convergent validity. Another method for assessing convergent validity is by examining the square root of the Average Variance Extracted (AVE). The AVE output is presented in the following table:

Table 6. Average Variance Extracted (AVE)

Construct	Average Variance Extracted (AVE)	Remark
E-Procurement Implementation (SP)	0.614	Valid
Organizational Commitment (KO)	0.539	Valid
Fraud Prevention (FP)	0.617	Valid

Source: SmartPLS v.3.2.9

The results in the table above show that each construct has an AVE value above 0.5, which confirms that the data meet the criteria for discriminant validity and are therefore considered valid.

Discriminant Validity

Discriminant validity testing can be assessed through cross-loading analysis. Discriminant validity is established when the loading value of each indicator on its associated construct is higher than its loading values on other constructs. The cross-loading output is presented in the following table:

Table 7. Cross Loading

Indicator	Fraud Prevention (FP)	E-Procurement Implementation (SP)	Organizational Commitment (KO)	Remark
FP1	0.832	0.192	0.380	Valid
FP3	0.912	0.273	0.547	Valid
FP7	0.666	0.089	0.438	Valid
FP9	0.707	0.371	0.460	Valid
KO10	0.445	0.337	0.830	Valid
KO2	0.542	0.329	0.739	Valid
KO3	0.292	0.403	0.621	Valid
KO4	0.370	0.348	0.671	Valid
KO6	0.286	0.295	0.674	Valid
KO7	0.376	0.216	0.695	Valid
KO8	0.542	0.354	0.903	Valid

KO9	0.488	0.244	0.696	Valid
SP10	0.258	0.804	0.346	Valid
SP2	0.139	0.657	0.366	Valid
SP3	0.281	0.660	0.302	Valid
SP4	0.144	0.804	0.325	Valid
SP5	0.211	0.768	0.234	Valid
SP6	0.232	0.833	0.360	Valid
SP7	0.272	0.846	0.386	Valid
SP8	0.291	0.816	0.323	Valid
SP9	0.210	0.838	0.349	Valid

Source: SmartPLS v.3.2.9

Based on the table above, it can be observed that the cross-loading values for each indicator are higher on their respective constructs than on the other constructs within the model. Therefore, it can be concluded that, according to the discriminant validity test via cross-loading, all indicators used in this study are considered valid.

Reability Test

Based on the results of the validity test, the processed data meet the requirements for proceeding to the next stage—reliability testing. Reliability is assessed using Cronbach's Alpha, Composite Reliability (rho_a), and Composite Reliability (rho_c) as shown in the following table:

Table 8. R-square Value

Construct	Cronbach's Alpha	Composite Reliability (rho_a)	Composite Reliability (rho_c)	Remark
Fraud Prevention (FP)	0.786	0.802	0.864	Reliable
E-Procurement Implementation (SP)	0.920	0.931	0.934	Reliable
Organizational Commitment (KO)	0.876	0.895	0.902	Reliable

Source: SmartPLS v.3.2.9

The table above shows that all variables have values exceeding 0.70, which indicates a high level of internal consistency. Therefore, it can be concluded that each construct in this study demonstrates strong reliability, as the criteria for both composite reliability and Cronbach's Alpha have been satisfied.

Inner Model Evaluation (Structural Model)

Following the validity and reliability testing, structural model analysis (inner model) was conducted by examining the R-square (R^2) value to measure

the proportion of variance in the dependent variable explained by the independent variables. The results are presented in the following table:

Table 9. R-square Value

Variable	R-square
Fraud Prevention in Procurement (FP)	0.354

Source: SmartPLS v.3.2.9

The table above shows that the R-square value for the Fraud Prevention (FP) variable is 0.354, meaning that 35.4% of the variance in fraud prevention can be explained by the independent variables, namely E-Procurement Implementation (SP) and Organizational Commitment (KO). The remaining 64.6% is explained by other variables not included in this research model.

Subsequently, Predictive Relevance (Q-square) was analyzed to assess the model's predictive capability. The results are as follows:

Table 10. Q-square Value

Variable	Q-square
Fraud Prevention in Procurement (FP)	0.179

Source: SmartPLS v.3.2.9

The Q-square value for the dependent variable indicates a value greater than 0, which suggests that the research model has good predictive relevance.

Hypothesis Testing

The next step was to conduct hypothesis testing using the bootstrapping method by analyzing the total effect that reflects the direct Impact of an independent construct on a dependent construct. The level of significance used for this analysis was 5% ($p < 0.05$). A hypothesis is considered supported if the p-value < 0.05, and not supported if p-value > 0.05. The results of the hypothesis testing are shown below:

Table 11. Path Coefficients

Path Relationship	Original Sample (O)	T Statistics	P Values	Interpretation
E-Procurement (SP) → Fraud Prevention (FP)	0.066	0.755	0.450	Negative & Not Significant
Organizational Commitment (KO) → Fraud Prevention (FP)	0.564	3.893	0.000	Positive & Significant

Source: SmartPLS v.3.2.9

Based on the results shown in the table above:

The implementation of e-procurement does not have a significant effect on fraud prevention in government procurement. This is indicated by the p-value of 0.450, which is greater than the significance threshold of 0.05. In contrast, organizational commitment has a positive and significant Impact on fraud prevention, as demonstrated by a p-value of 0.000, which is well below the 0.05 threshold. These findings indicate that strengthening organizational commitment plays a more substantial role in reducing fraud in public procurement compared to relying solely on e-procurement systems.

DISCUSSION

The Impact of E-Procurement Implementation on Fraud Prevention in Government Procurement

This study concludes that the hypothesis suggesting a positive Impact of e-procurement implementation on fraud prevention is not supported. The analysis resulted in a negative beta value of 0.066 with a p-value of 0.450, which exceeds the significance threshold of 0.05. These findings contradict previous research by Milenius et al. (2022), Primastiwi et al. (2020), and Yusni (2022), who reported a significant positive relationship between e-procurement and fraud prevention. However, the results align with studies by Romaissah et al. (2019), who found that e-procurement had no significant effect on fraud prevention, and Andari (2020), who argued that electronic procurement alone cannot fully prevent fraud, as several procurement stages are still vulnerable to manipulation.

The lack of significance in this study may suggest that the implementation of e-procurement is not yet optimal at the regional agency level, and thus, it has not been effective in reducing opportunities for fraud. Several factors may contribute to this: Unhealthy competition among suppliers may still occur despite the use of electronic systems, leaving space for collusion and unethical practices, Ambiguity or lack of clarity in the information provided through the e-procurement platform may force suppliers to contact procurement officials for clarification—an interaction that increases the risk of fraud, Limited IT literacy or technical issues (e.g., system errors, unstable networks) may cause suppliers or users to seek direct assistance from procurement officers, potentially opening the door for insider intervention or favoritism, Lack of awareness and education among civil servants regarding fraud and its prevention may also result from insufficient training or direction from leadership, further increasing the risk.

If these challenges are not addressed properly, e-procurement will remain suboptimal and will not function effectively as a tool for fraud prevention in public procurement. This finding implies that government institutions must optimize the implementation of e-procurement to enhance its role in fraud prevention. This can be achieved through: Conducting training and education programs to improve employees' understanding of fraud risks and the e-procurement system, implementing anti-fraud policies and building a culture of integrity, Applying strict procedures and controls throughout the procurement process.

Based on the Fraud Triangle Theory, the results of this study indicate that even with the adoption of e-procurement, the opportunity element remains open.

Unhealthy competition, lack of transparency, ambiguous system information, and limited technical competence among users can still create conditions conducive to fraud. Moreover, pressure to win tenders and rationalization due to lack of awareness or education may further increase the risk of fraudulent behavior. If these weaknesses are not properly resolved, e-procurement will struggle to serve as an effective instrument in the prevention of fraud.

The Impact of Organizational Commitment on Fraud Prevention in Government Procurement

This study concludes that the hypothesis stating a positive Impact of organizational commitment on fraud prevention in government procurement is supported. The analysis produced a positive beta value of 0.564 with a significance level of 0.000, which is below the 0.05 threshold. These findings contradict the results of Marsita (2020), who argued that organizational commitment does not have a significant effect on fraud prevention in procurement. However, they are consistent with the findings of Yusni (2022), Hadi et al. (2021), and Pramesti et al. (2020), all of whom concluded that organizational commitment has a significant positive effect on fraud prevention in the procurement of goods and services. Respondent feedback on the organizational commitment variable indicates that employees within the PPKUKM Department of DKI Jakarta Province demonstrate a high level of commitment to their organization. This is reflected in a strong sense of belonging and emotional attachment. High organizational commitment among employees contributes to reducing the likelihood of fraud in procurement activities.

These results support the statement by Yusni (2022), who noted that the greater the employee's commitment to the organization, the lower the tendency for fraudulent behavior. Organizational commitment helps instill honesty, transparency, and mutual support within the workplace, fostering a culture in which employees engage meaningfully with the organization and actively contribute to fraud prevention efforts. Employees with strong organizational commitment also perceive their work and performance as meaningful contributions to the organization, which fosters loyalty and discourages self-serving actions. These findings also align with the Fraud Triangle Theory, particularly in addressing the three key elements: pressure, opportunity, and rationalization. Employees who are committed to their organization are more likely to resist internal pressures (e.g., financial need), reject rationalizations for misconduct, and refrain from exploiting opportunities to commit fraud.

Organizationally committed employees understand that their primary obligation is to serve the interests of the organization, not personal gain. Thus, the stronger the commitment, the lower the probability of fraudulent behavior occurring within the organization. Even in the presence of pressure, employees with high commitment are more likely to restrain themselves from unethical acts, driven by their loyalty and sense of belonging to the organization

CONCLUSIONS AND RECOMMENDATIONS

This study was conducted to analyze the impact of e-procurement implementation and organizational commitment on fraud prevention in the

procurement of goods and services within government institutions. Based on data analysis using the Partial Least Squares – Structural Equation Modeling (PLS-SEM) method with SmartPLS 3.2.9, the following conclusions can be drawn:

1. E-Procurement Implementation does not have a significant Impact on fraud prevention in government procurement. Although the system is designed to increase transparency and accountability, its current implementation may not be fully optimized, and gaps in technical, behavioral, and procedural areas may still allow opportunities for fraud to occur.
2. Organizational Commitment has a significant and positive Impact on fraud prevention. Employees who are loyal, ethical, and strongly attached to their organization are less likely to engage in or tolerate fraudulent behavior. A high level of organizational commitment fosters honesty, transparency, and responsibility, which are essential in reducing fraud risk.

Based on the results of this study, several recommendations are proposed for relevant government agencies and stakeholders:

1. Enhance the effectiveness of e-procurement by addressing technical limitations, improving the clarity and completeness of information presented in the system, and minimizing face-to-face interactions that could potentially lead to fraud.
2. Strengthen organizational commitment by creating a positive work culture centered on integrity, shared values, and ethical responsibility. This can be achieved through:
    - Providing training and education programs related to fraud prevention and ethical behavior.
    - Implementing clear and consistent anti-fraud policies and whistleblowing mechanisms.
    - Recognizing and rewarding ethical conduct to encourage employee loyalty and accountability.
3. Improve digital literacy among procurement practitioners to ensure they can operate the e-procurement system efficiently and avoid errors or vulnerabilities due to technical misunderstandings.
4. Conduct further research involving other variables such as leadership, internal control, organizational culture, or audit mechanisms, and expand the study to include multiple government institutions for broader generalizability.

This study contributes to the growing body of knowledge on public sector governance by highlighting the critical role of organizational commitment in fraud prevention, alongside the importance of improving technological systems like e-procurement.

ADVANCED RESEARCH

This research is expected to serve as a reference for further studies related to fraud prevention in the public sector, especially in the context of government procurement. Future researchers are encouraged to explore additional variables such as internal control systems, ethical leadership, organizational culture, and regulatory compliance that may have significant Impact on fraud mitigation.

Expanding the scope to include multiple government institutions across different regions can also provide broader insights into best practices and challenges in e-procurement implementation and integrity development. Furthermore, adopting mixed-method approaches or longitudinal studies may help deepen the understanding of behavioral and structural factors contributing to procurement fraud.

This study opens the door for in-depth discussions on how technological systems and organizational values can be synergized to create more transparent, accountable, and fraud-resistant public services.

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