

**The Importance of Investigative Audits in Indonesian Unicorn Companies
that Commit Investment Fraud**

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Article Info	Abstract
Received: 2024-09-15 Revised: 2025-02-20 Accepted: 2025-03-18 Keywords: Investigative audit, financial statement manipulation, eFishery, Indonesian unicorn, capital market regulation.	<i>This study analyzes the alleged financial statement manipulation of eFishery and highlights the urgency of investigative audits in detecting and preventing similar practices in Indonesian unicorn companies. Financial statement manipulation, such as revenue inflation, recording fictitious transactions, and concealing debt, is a common fraud scheme that threatens transparency and investor trust. Additionally, Ponzi schemes pose significant risks by promising returns funded by new investors rather than actual business profits. Using a normative legal approach, this study examines relevant regulations, including Law No. 8 of 1995 on Capital Markets and Law No. 10 of 1998 on Banking, which require companies to provide transparent and accurate financial information. Investigative audits play a crucial role in uncovering potential regulatory violations and supporting regulators such as OJK, Bappebti, and Kominfo in strengthening oversight and enforcing laws against fraudulent practices. Findings from investigative audits also contribute to maintaining investor confidence and ensuring the sustainable and transparent growth of the startup ecosystem.</i>

INTRODUCTION

The alleged fraud case involving eFishery, a unicorn company in Indonesia, has rocked the startup and investment ecosystem. The company is suspected of manipulating its financial statements to attract large investments. eFishery is suspected of inflating its revenue.¹ eFishery reportedly claimed revenue of US\$752 million (around Rp12.3 trillion) and profit of US\$16 million (around Rp261.3 billion) for the period from January to September 2024.² However, investigation results showed that its actual revenue was only around US\$157 million (around Rp2.6 trillion), with losses reaching US\$35.4 million (around Rp578 billion). The company is suspected of creating two sets of financial statements since 2018—one for internal use and one for external use with the aim of misleading investors and other stakeholders.³ The eFishery board of directors has reported two company executives with the initials G and C to the police regarding the alleged fraud. Further investigations are being conducted by the authorities. eFishery has engaged FTI Consulting to conduct an independent audit and investigation to uncover further details regarding the alleged manipulation.

This scandal has the potential to undermine investor confidence in Indonesian startups, particularly in the technology and aquaculture sectors. Investors may become more cautious and selective when allocating their capital in the future. The case underscores the importance of transparency and accountability in startup management. It is hoped that other startups will learn from this incident and improve their corporate governance to prevent similar occurrences. The eFishery case serves as a stark reminder of the significance of integrity and transparency in the business world, especially for rapidly growing companies that attract significant investor interest.

While various studies have emphasized the importance of financial transparency in startups, there remains a research gap regarding the role of investigative audits in uncovering and preventing financial statement manipulation in Indonesian unicorn companies. Most existing studies focus on financial regulations and the impact of financial scandals on capital markets, yet few have specifically examined how investigative audits function as a primary tool in detecting, proving, and preventing accounting fraud in the startup sector.

¹ Merewether, C. From Fascination to Folly: A Troubled History of Collecting since the 1600s.

² <https://www.techinasia.com/news/efishery-allegedly-overstated-revenue-600m#:~:text=EFishery%20Pte%2C%20an%20Indonesian%20agritech%20startup%2C%20is%20under,million%20for%20the%20nine%20months%20ending%20September%202024>

³ <https://thediplomat.com/2025/02/the-financial-scandal-at-indonesian-tech-unicorn-efishery-explained/>

This case has the potential to reduce investor confidence in startups in Indonesia, especially in the technology and aquaculture sectors. Investors may be more careful and selective in investing their capital in the future. This incident emphasizes the importance of transparency and accountability in the management of startup companies. It is hoped that other startups can learn from this and improve their governance to prevent similar incidents. The eFishery case is a reminder of the importance of integrity and transparency in the business world, especially for companies that are growing rapidly and attracting the interest of many investors.

This study aims to provide an in-depth analysis of the alleged financial statement manipulation case involving eFishery while highlighting the urgency of investigative audits in maintaining transparency, accountability, and investor trust. The study contributes by identifying gaps in financial oversight and recommending measures that regulators, investors, and companies can take to strengthen the investigative audit system within Indonesia's startup ecosystem. By doing so, this research aspires to offer new insights into the importance of implementing investigative audits as a critical component of financial supervision to prevent similar cases in the future.

This study aims to analyze in more depth the case of alleged manipulation of eFishery's financial statements, showing the importance of investigative audits in maintaining transparency, accountability, and investor trust.

RESEARCH METHODS

This study employs a normative legal approach to analyze regulations governing investigative audits, investment fraud, and corporate governance. The normative legal research method is used to examine relevant regulations concerning financial statement transparency and corporate obligations in providing accurate information to investors. The legal analysis focuses on several key regulations, including Law No. 8 of 1995 on Capital Markets, which mandates transparency in financial reporting for companies raising funds from investors, and Law No. 40 of 2007 on Limited Liability Companies, which outlines the responsibilities of directors and commissioners in managing corporate finances. Additionally, regulations issued by the Financial Services Authority (OJK) and Bappebti are examined, as these institutions oversee fintech and technology-based startups in Indonesia.

Beyond analyzing legal provisions, this study also explores legal theories related to fraud accounting, corporate governance, and investigative audits through a literature review of legal journals, academic books, and expert opinions. To provide a

comprehensive understanding, the research incorporates discussions on legal precedents and case studies relevant to financial statement manipulation and investigative audits in Indonesian unicorn companies.⁴

DISCUSSION

Investigative audits are crucial in handling investment fraud cases in Indonesian unicorn companies because they can uncover fraudulent acts, ensure accountability, and protect the interests of investors and the public. Here are some key reasons why investigative audits are needed in this context:

1. Revealing the Modus Operandi of Fraud

Investigative audits can identify how unicorn companies commit investment fraud, including financial statement manipulation, Ponzi schemes, or other unethical business practices. Investigative audits play an important role in uncovering the modus operandi of investment fraud committed by unicorn companies, as is alleged to have occurred in the eFishery case. The modes often used include financial statement manipulation, Ponzi schemes, and other unethical business practices.⁵ Financial statement manipulation is the modification or presentation of financial information that misleads investors, either by inflating revenue (revenue inflation), hiding debt, or creating fictitious transactions. In the eFishery case, internal and external financial reports are suspected of being different, which makes investors misjudge the company's financial condition.⁶

The regulation governing this is Law No. 8 of 1995 concerning the Capital Market, which stipulates that companies that collect public funds are required to provide transparent and accurate information to investors.⁷

If financial statements are manipulated, it can be categorized as fraud accounting, which is a capital market crime. The Financial Services Authority (OJK) Regulation requires companies to undergo independent audits so that financial statements can be

⁴ Huang, K., Parisi, C., Tan, L. J., Ma, W., & Zhang, Z. W. Web3 Applications Security and New Security Landscape.

⁵ Du Toit, E. (2024). The red flags of financial statement fraud: a case study. *Journal of Financial Crime*, 31(2), 311-321.

⁶ Blue, G., Chahrdahcheriki, M., Rezaee, Z., & Khotanlou, M. (2025). A model for predicting creative accounting in emerging economies. *International Journal of Accounting & Information Management*, 33(1), 1-31.

⁷ Jaswadi, J., Purnomo, H., & Sumiadji, S. (2024). Financial statement fraud in Indonesia: a longitudinal study of financial misstatement in the pre-and post-establishment of financial services authority. *Journal of Financial Reporting and Accounting*, 22(3), 634-652.

accounted for.⁸ The eFishery case shows the need for investigative audits to prove whether there are indications of financial statement fraud. Law No. 40 of 2007 concerning Limited Liability Companies also stipulates that the company's directors are responsible for the validity of the financial statements. If manipulation occurs, the directors can be subject to criminal or civil liability.

Investigative audits play an important role in uncovering the *modus operandi* of investment fraud committed by unicorn companies, as is alleged to have occurred in the eFishery case.⁹ This audit can identify various forms of fraud, including financial statement manipulation, Ponzi schemes, and other unethical business practices. One form of fraud that is often used is financial statement manipulation, which is the modification or presentation of financial information that misleads investors.¹⁰ This mode can be carried out by inflating revenue (revenue inflation), hiding debt, or creating fictitious transactions to increase the company's attractiveness in the eyes of investors. In the eFishery case, there are allegations that the internal and external financial reports have significant differences, so that investors misjudge the company's financial condition.

Investigative audits play an important role in uncovering the *modus operandi* of investment fraud committed by unicorn companies, as is alleged to have occurred in the eFishery case. This audit can identify various forms of fraud, including financial statement manipulation, Ponzi schemes, and other unethical business practices.

One of the modes often used in investment fraud cases is financial statement manipulation, where companies present misleading information to attract more investors. This practice can be done through revenue inflation, concealment of debt, or recording fictitious transactions to create the impression that the company has healthy financial growth. In the eFishery case, there are allegations that the internal and external financial reports have significant differences, so that investors misjudge the company's financial condition before investing their capital.

In the context of regulation, Law No. 8 of 1995 concerning the Capital Market requires companies that collect public funds to provide transparent and accurate information to investors.¹¹ If financial reports are manipulated, this can be categorized as fraud accounting, which is a capital market crime. In addition, the Financial Services

⁸ Demamu, A. Y. (2024). Legal issues of transparency and disclosure in Ethiopian state-owned enterprises: a global perspective. *International Journal of Law and Management*.

⁹ Kabir, M., & Hosen, M. M. (2024). A Study of Financial Crimes in the Banking Sector of Bangladesh. *International Journal of Law and Public Policy (IJLAPP)*, 6(2), 49-57.

¹⁰ Setiawan, N., & Soewarno, N. (2024). Protection of Hajj and Umrah pilgrims from fraud: Evidence from Indonesia. *Share: Jurnal Ekonomi dan Keuangan Islam*, 13(1), 908-930.

¹¹ Setiawan, N., & Soewarno, N. (2024). Protection of Hajj and Umrah pilgrims from fraud: Evidence from Indonesia. *Share: Jurnal Ekonomi dan Keuangan Islam*, 13(1), 908-930.

Authority (OJK) Regulation requires companies to undergo independent audits to ensure that financial reports are accountable.¹² The eFishery case shows the need for investigative audits to prove whether there are indications of falsification of financial reports in order to attract more investors.

In addition, Law No. 40 of 2007 concerning Limited Liability Companies stipulates that the company's directors are fully responsible for the validity of the financial statements presented to the public. If manipulation is proven, the directors can be subject to criminal or civil sanctions. In the case of eFishery, if the alleged manipulation of the financial statements is proven, then the management can face serious legal consequences, including criminal charges for providing misleading information.

Investigative audits can also reveal the possibility of eFishery's involvement in a Ponzi scheme, where the profits obtained by old investors actually come from the funds of new investors, not from the real profitability of the business. Law No. 10 of 1998 concerning Banking prohibits the collection of funds that do not have official permits or are based on lies. If a startup uses investor funds without a clear business mechanism, this can be categorized as a banking crime.

The impact of the alleged investment fraud by eFishery is not only felt by investors who suffer losses, but also has the potential to damage trust in the startup ecosystem in Indonesia. If this case is not disclosed transparently, there will be concerns among investors that other startups may do the same thing. Therefore, investigative audits are an important step to restore investor confidence and prevent similar cases from recurring in the future.

With investigative audits, regulators such as OJK, Bappebti, and Kominfo can improve regulations governing investment, especially in the fintech and technology-based startup sectors. If there are indications of violations of the law in the eFishery case, the results of the investigative audit can be strong evidence for law enforcement to take action against the responsible parties. Therefore, investigative audits are not only corrective steps, but also preventive strategies in building a healthier and more trusted startup ecosystem.

2. Comparison of the eFishery Case with Similar Financial Scandals in Other Industries and Countries

The alleged financial statement manipulation case involving eFishery is not an

¹² Jaswadi, J., Purnomo, H., & Sumiadji, S. (2024). Financial statement fraud in Indonesia: a longitudinal study of financial misstatement in the pre-and post-establishment of financial services authority. *Journal of Financial Reporting and Accounting*, 22(3), 634-652.

isolated incident in the world of startups and investments. Similar financial scandals have shaken industries across various countries, revealing common patterns of revenue inflation, financial misreporting, and misleading accounting practices. By comparing the eFishery case with other incidents, a broader understanding can be gained regarding how these financial scandals occur, their impact on business ecosystems, and the measures that have been taken to prevent similar occurrences in the future.

One of the most comparable cases to eFishery is the Luckin Coffee scandal in China. This coffee startup, once seen as a major competitor to Starbucks in the Chinese market, was exposed for financial statement manipulation, inflating its revenue by approximately USD 310 million in 2019. The company engaged in fraudulent transactions by fabricating sales figures to boost its valuation on the U.S. stock market.¹³ As a result, Luckin Coffee's stock price on Nasdaq plummeted, leading to billions of dollars in investment losses.¹⁴ Similar to eFishery, Luckin Coffee also maintained two sets of financial records—one for internal use and another to deceive investors. However, after the fraud was uncovered, the company faced heavy fines from Chinese regulators and was forced to undergo massive business restructuring.

Another relevant case is WeWork, a company specializing in shared office spaces. Initially regarded as one of the most promising startups, with a valuation reaching USD 47 billion, WeWork faced scrutiny in 2019 when it was revealed that its financial reports were overly optimistic and failed to reflect the company's true financial condition.¹⁵ The company systematically exaggerated its revenue while concealing its mounting debt. This scandal ultimately led to the failure of WeWork's IPO, the removal of CEO Adam Neumann, and significant losses for investors.¹⁶

From these comparisons, it is evident that financial statement manipulation frequently occurs in rapidly growing startups that heavily rely on continuous investment inflows to sustain their operations. Like Luckin Coffee and WeWork, eFishery is suspected of using revenue inflation and fictitious transactions to maintain market confidence and attract further funding. However, as seen in other financial scandals, the consequences of such actions can be severe—including a dramatic decline in valuation, loss of investor trust, and potential legal consequences that may lead to bankruptcy.

¹³ Rajan, S., Niranjana, L. R., & Panicker, S. (2025). From Scandal to Soaring Success: The Remarkable Turnaround of China's Luckin Coffee.

¹⁴ Kersting, L., Kim, J. C., Mazumder, S., & Su, Q. (2024). Unveiling the Brew: Probing the Lingering Impact of the Luckin Coffee Scandal on the Liquidity of Chinese Cross-Listed Stocks. *Journal of Risk and Financial Management*, 17(11), 514.

¹⁵ Born, M. (2024). Nikola's Rise. In *Building Trust in Startup Communication: Exploring the Interplay of Arguments and Stories in the Case of the Nikola Corporation* (pp. 105-160). Cham: Springer Nature Switzerland.

¹⁶ Winship, V. (2024). Unicorn Shareholder Suits. *Indiana Law Journal*, 100(1), 1.

Lessons from these cases highlight the importance of financial transparency and strong corporate governance, particularly for high-growth startups in the technology sector. Stricter regulations, more frequent investigative audits, and enhanced oversight from regulators such as OJK and Bappebti are essential to preventing similar cases in Indonesia. By analyzing financial scandals from other industries and countries, more effective preventive measures can be formulated to ensure that Indonesia's startup ecosystem remains transparent, ethical, and sustainable.

2. Ponzi Schemes and Applicable Regulations

A Ponzi scheme is a mode in which a company pays profits to old investors using funds from new investors, not from legitimate business profits. This creates the illusion of profitability and healthy business growth, when in reality the company has no real assets or profits.¹⁷ Regulations related to this are First, Law No. 10 of 1998 concerning Banking prohibits the practice of raising funds that do not have official permits or are based on lies. If a startup uses investor funds without a clear business mechanism, this can be categorized as a banking crime.¹⁸ Second, Law No. 8 of 1999 concerning Consumer Protection provides a legal basis for taking action against companies that deceive their consumers with unrealistic promises of profits. Third, the Bappebti (Commodity Futures Trading Supervisory Agency) Regulation plays a role in supervising technology-based and fintech investments to prevent Ponzi schemes or fraudulent investments. Given the negative impacts caused by Ponzi schemes, investigative audits are an important instrument in detecting and preventing illegal investment practices in unicorn companies. Unlike conventional financial audits, investigative audits not only verify financial reports, but also trace indications of fraud, misuse of funds, and patterns of fraud committed by the company.

In the context of startups suspected of engaging in Ponzi scheme practices, investigative audits can uncover financial statement manipulation, including revenue inflation, debt concealment, and the creation of fictitious transactions. If the audit results find that the profits reported by the company do not come from real business, but from funds from new investors, then it can be concluded that the company is running a Ponzi scheme. In addition, investigative audits also play a role in verifying the company's source of income. If a company only relies on new investors to pay old investors, then its business model is unsustainable and has the potential to fail. Therefore, investigative audits can

¹⁷ Constantino, T. D. S. T., Da Silva, A. C. M., & Constantino, M. A. M. D. O. (2024). Ponzi schemes in Brazil: what leads people to still invest in this fraud?. *Journal of Financial Crime*.

¹⁸ Wightman, G. (2024). Slovakia ten years after the collapse of communist rule. In *Party Development and Democratic Change in Post-communist Europe* (pp. 126-140). Routledge.

prevent investors from experiencing further losses by providing early warnings regarding indications of a Ponzi scheme in a startup.

The eFishery case, which is suspected of manipulating financial reports to attract investors, can be linked to a Ponzi scheme if it is proven that the profits promised to investors come from new investor funds, not from actual business operations. In a healthy business model, startups earn revenue from the services or products they offer, not from a continuous flow of investor funds without business sustainability. Investigative audits in this case play an important role in revealing whether eFishery actually has healthy financial performance or is simply manipulating financial reports to create the illusion of profitability. One mode often found in Ponzi schemes is revenue inflation, where companies inflate revenue by recording fictitious transactions or delaying the recording of debt obligations to give the impression that their business is growing rapidly. If this allegation is true in eFishery, then it is a form of fraud accounting that violates Law No. 8 of 1995 concerning the Capital Market, which requires companies to present transparent and accurate financial information to investors.

In addition, in the case of a Ponzi scheme, the company usually does not have a real source of income from the operational business, but rather uses new investor funds to pay profits to old investors. If an investigative audit of eFishery finds that most of the income comes from investment funds without any significant profit from operational activities, then there is a possibility that the company is running a hidden Ponzi scheme. This violates Law No. 10 of 1998 concerning Banking, which prohibits the collection of funds without official permission and is carried out by fraud. Other regulations, namely Law No. 8 of 1999 concerning Consumer Protection, can also be used as a legal basis to take action against companies that mislead investors with promises of unrealistic profits. If eFishery is proven to have made statements that do not correspond to its actual financial condition, then this action can be categorized as a violation of consumer protection.

In addition, because eFishery operates in the technology-based trading sector, Bappebti Regulation plays a role in overseeing whether the investments offered by the company are truly in accordance with healthy financial principles or actually lead to a Ponzi scheme. If the results of the investigative audit indicate fraudulent investment practices in eFishery's business model, then the government through the Financial Services Authority (OJK) and Bappebti has the right to impose sanctions and follow up on this case through legal channels. Thus, the investigative audit is not only intended to uncover the Ponzi scheme that may occur in eFishery, but also to prevent further losses for investors and maintain the integrity of the startup ecosystem in Indonesia. If there is evidence of fraud in eFishery's financial report, then legal steps can be taken to provide a deterrent

effect and increase transparency in the world of startup investment.

3. Unethical Business Practices and Applicable Regulations

In addition to financial statement manipulation and Ponzi schemes, several unicorn companies are also involved in unethical business practices, such as conflicts of interest, insider trading, and misuse of user data. There are regulations governing business practices, including: First, Law No. 11 of 2008 concerning Electronic Information and Transactions (UU ITE) stipulates that companies that manage user data are required to maintain transparency and security of the information.¹⁹ Second, the OJK Regulation on Corporate Governance (Good Corporate Governance/GCG) requires startups to implement business ethics and protect the interests of investors and other stakeholders.²⁰

Investigative audits play a crucial role in uncovering various unethical business practices carried out by unicorn companies, including conflicts of interest, insider trading, and misuse of user data.²¹ These practices often occur in secret and are difficult to detect through regular financial audits. Therefore, an in-depth investigative audit is needed to trace every transaction and business decision that has the potential to violate the law and harm investors, consumers, and the business ecosystem as a whole. One of the unethical business practices that often occurs is conflict of interest. In the startup world, conflicts of interest can arise when executives or company owners make decisions that benefit themselves or certain groups more than the interests of the company and its investors. For example, funding or business contracts given to companies that have personal relationships with startup leaders without going through a transparent selection process. Regulations such as the Financial Services Authority (OJK) Regulation on Good Corporate Governance require companies to implement transparency and accountability in business decision-making to prevent conflicts of interest that harm other parties.²²

In addition, insider trading also poses a serious threat to the integrity of the investment market in the startup sector. Insider trading occurs when someone who has access to material information that has not been published uses it to transact shares or

¹⁹ Huber, E., Harris, L., Wright, S., White, A., Radulescu, C., Zeivots, S., ... & Brodzeli, A. (2024). Towards a framework for designing and evaluating online assessments in business education. *Assessment & Evaluation in Higher Education*, 49(1), 102-116.

²⁰ Paleva, E. R. (2024). *Legal Protection For Securities Crowdfunding Service Investors Through Information Technology-based Stock Offering* (Doctoral dissertation, Universitas Islam Indonesia).

²¹ Den Nieuwenboer, N. A., Treviño, L. K., Bishop, D., Kreiner, G. E., & Murphy, C. (2024). Growth Through Ethical Role Identity Work: The Case of Ethics and Compliance Officers. *Journal of Business Ethics*, 1-22.

²² Poernomo, H. Analysis of the Impact of Financial Services Authority Regulations on the Development of the Financial Industry in Indonesia. *Law Development Journal*, 6(1), 126-133.

company assets. This practice provides unfair advantages to certain parties and harms investors who do not have access to the same information.²³ Law No. 8 of 1995 concerning the Capital Market strictly prohibits insider trading because it can disrupt market stability and create inequality in the investment world. In the digital era, misuse of user data is also a form of serious violation committed by several technology companies and unicorn startups. Customer personal data is often used without permission for certain business interests, including being sold to third parties or used for non-transparent strategic decision-making. Law No. 11 of 2008 concerning Electronic Information and Transactions (UU ITE) and Law No. 27 of 2022 concerning Personal Data Protection (UU PDP) stipulate that companies are required to maintain transparency in data management and obtain explicit consent from users before using their personal information. If a violation occurs, the company can be subject to administrative to criminal sanctions.

In facing these challenges, investigative audits are a very important instrument to uncover and prove business practices that are not in accordance with regulations. Investigative audits not only trace financial reports, but also conduct a thorough analysis of internal transactions, business communications, and company policies that have the potential to violate the law. With this method, auditors can identify whether there are violations, who is responsible, and what the *modus operandi* is used in unethical business practices. Furthermore, the results of investigative audits can be the basis for regulators such as OJK, Bappebti, and Kominfo to impose sanctions or even revoke business licenses of companies that are proven to have committed violations. In addition, investigative audits also help increase investor confidence in the startup ecosystem by ensuring that each company operates transparently and accountably.

To prevent similar violations from happening again, it is necessary to strengthen regulations and supervision of unicorn companies in Indonesia.²⁴ The government and financial authorities must require regular investigative audits for startups that raise public funds, so that any indication of violations can be detected early.²⁵ In addition, companies must improve compliance with good governance principles, especially in the transparency of financial reports, data management, and business policies that protect investors and consumers.

With strong investigative audits and strictly enforced regulations, the startup

²³ Brenncke, M. (2024). A Theory of Exploitation for Consumer Law: Online Choice Architectures, Dark Patterns, and Autonomy Violations. *Journal of Consumer Policy*, 47(1), 127-164.

²⁴ Wibowo, A., Alawiyah, W., & Azriadi. (2024). The importance of personal data protection in Indonesia's economic development. *Cogent Social Sciences*, 10(1), 2306751.

²⁵ Alharasis, E. E. (2025). The direct effect of the international standard on auditing-701 requirements on audit profession concerning the reimbursement costs: case study of Jordanian finance industry. *Asian Journal of Accounting Research*, 10(1), 19-44.

ecosystem in Indonesia can develop in a healthier, more innovative, and more trustworthy way. Investor and public trust in unicorn companies can be maintained, thus supporting sustainable and highly competitive digital economic growth.²⁶

The eFishery case, which is suspected of manipulating financial reports and unethical business practices, further strengthens the urgency of investigative audits in the startup ecosystem in Indonesia. The alleged differences between eFishery's internal and external financial reports raise questions about the company's transparency in presenting information to investors. If it is proven that the company inflated revenues or hid debts to attract more funding, then this can be categorized as fraudulent accounting, which violates Law No. 8 of 1995 concerning Capital Markets and threatens the credibility of the investment market.

Furthermore, in the context of unethical business practices, the eFishery case can also be linked to the possibility of a conflict of interest in the management of investment funds. If it is found that the company's funding or business projects are given more to parties who have personal relationships or affiliations with management without transparency, then eFishery could violate the principles of Good Corporate Governance (GCG) as regulated in the Financial Services Authority (OJK) Regulation. Conflicts of interest like this can harm investors because the funds collected are not managed objectively and accountably. In addition, in the technology-based startup ecosystem, misuse of user data is a crucial issue. As a digital-based company that provides services to fish farmers, eFishery likely has access to customer data, transactions, and consumption patterns of its users. If an investigative audit finds that eFishery uses customer data without permission or sells the information to third parties without transparency, then the company has the potential to violate Law No. 11 of 2008 concerning Electronic Information and Transactions (UU ITE) and Law No. 27 of 2022 concerning Personal Data Protection (UU PDP).

Furthermore, the alleged unsustainable business scheme at eFishery can be linked to indications of a Ponzi scheme. If an investigative audit reveals that the company is using new investor funds to pay obligations to old investors, not from business operational profits, then this falls into the category of illegal investment. In Indonesian financial regulations, Law No. 10 of 1998 concerning Banking and the Bappebti Regulation prohibit the collection of public funds that do not have official permits or are carried out by deceiving investors. With these various allegations, an investigative audit becomes the main instrument in proving whether eFishery is truly involved in unethical business

²⁶ Cristofaro, M., Abatecola, G., Giannetti, F., & Zannoni, A. (2024). The survival of the fastest: Unveiling the determinants of Unicorns and Gazelles' early success. *Scandinavian Journal of Management*, 40(2), 101335.

practices. This audit not only examines financial reports, but also traces transaction patterns, internal company communications, and business policies implemented by management. If strong evidence of irregularities is found, regulators such as the OJK, Bappebti, and Kominfo have a legal basis to impose administrative to criminal sanctions, including revoking business licenses if necessary.

The eFishery case is an important lesson for the startup ecosystem in Indonesia that transparency and accountability in the management of investment funds must be strictly maintained. To prevent similar cases from happening again, the government must strengthen regulations that require startups to conduct regular investigative audits, especially for companies that have raised large amounts of funds from the public. In addition, investors must also be more careful in assessing startup financial reports and ensuring that the funds invested are actually used for sustainable business growth. With the implementation of stricter investigative audits and firm regulations, the Indonesian startup ecosystem can grow more healthily, transparently, and reliably. Investor confidence will increase, thus supporting the growth of a more stable and highly competitive digital economy.

4. Protecting Investors and the Public

Many unicorn companies receive large funding from individual and institutional investors. With investigative audits, transparency can be increased so that investors do not suffer major losses due to misleading information.²⁷ Audit investigations help reveal the extent to which management is involved in fraud scandals, as well as provide a basis for shareholders, regulators, and the government to take legal action or improve corporate governance.²⁸ Unicorns that commit fraud can have a major impact on Indonesia's digital economy.²⁹ Investigative audits can prevent broader impacts such as the loss of investor trust in the startup ecosystem.³⁰ The findings of investigative audits can be used by regulators (OJK, Bappebti, or Kominfo) to improve investment regulations, especially related to fintech and startups engaged in the financial sector. If there are indications of

²⁷ Dhamija, S., & Nayyar, R. (2024). Corporate governance mishap in a startup: a case of GoMechanic. *Emerald Emerging Markets Case Studies*, 14(1), 1-25.

²⁸ Mandal, A. (2024). Fathoming fraud: unveiling theories, investigating pathways and combating fraud. *Journal of Financial Crime*, 31(5), 1106-1125.

²⁹ Maulana, I. (2024). The Position of MSME in the Discourse of Platform Capitalism. In *The Digitalization of Indonesian Small and Medium Enterprises: Human Capital, Inclusivity and Platform Capitalism* (pp. 67-90). Singapore: Springer Nature Singapore.

³⁰ Salgado-Criado, J., Mataix-Aldeanueva, C., Nardini, S., López-Pablos, C., Balestrini, M., & Rosales-Torres, C. S. (2024). How should we govern digital innovation? A venture capital perspective. *Technological Forecasting and Social Change*, 200, 123198.

violations of the law, the results of investigative audits can be strong evidence for the authorities to prosecute the responsible parties.

Investigative audits are not only corrective measures but also preventive measures in building a healthier and more trustworthy Indonesian startup ecosystem.³¹ Investigative audits play an important role in ensuring the transparency and accountability of unicorn companies, especially those that receive large funding from individual and institutional investors.³² Fraud cases involving financial statement manipulation and illegal investment schemes have caused huge losses for investors and threatened the stability of the startup ecosystem in Indonesia.³³ In this context, investigative audits serve to reveal the extent to which management is involved in unethical business practices, while also being the basis for shareholders, regulators, and the government to take legal action or improve corporate governance. The existence of investigative audits is very relevant to the increasing cases where unicorn companies provide misleading financial reports in order to attract greater investment. Practices such as overstatement of income, recording fictitious transactions, or hiding debt can create the illusion of stable growth, when in fact the financial condition is in poor condition. For this reason, regulations such as Law No. 8 of 1995 concerning the Capital Market require every company that raises public funds to submit accurate and transparent information. In addition, the Financial Services Authority (OJK) also requires independent audits to ensure that financial reports reflect the actual condition of a company.

In cases where fraudulent practices occur, the results of an investigative audit can be strong evidence for regulators to impose sanctions or bring the case to court. Law No. 10 of 1998 concerning Banking prohibits the collection of funds without official permission and the misuse of investor funds, which can be categorized as banking crimes. Meanwhile, Law No. 8 of 1999 concerning Consumer Protection provides a legal basis for the government to take action against companies that make unrealistic promises of profit. If a startup is proven to have carried out a Ponzi scheme or other forms of fraudulent investment, the Commodity Futures Trading Regulatory Agency (Bappebti) can revoke its operational license and impose sanctions on the responsible parties. The impact of the fraud scandal by unicorn companies is not only felt by investors, but can also disrupt the development of the digital economy in Indonesia. When investors lose confidence in the startup ecosystem, the flow of capital that has supported technological innovation can decrease drastically. In

³¹ Aliano, M., Cestari, G., & Madonna, S. (2024). Sustainable Finance for SMEs. *SUSTAINABLE FINANCE*.

³² Lawan, A. A., & Henttonen, P. (2024). Preserving evidence integrity: the key to efficient anti-corruption investigations. *Records Management Journal*, 34(1), 41-57.

³³ Naher, K., Mia, M. R., Chowdhury, S., & Islam, N. *Financial Risk and Management Reviews*.

addition, if more and more startups are involved in fraud scandals, the reputation of the Indonesian technology industry can be tarnished in the eyes of global investors. Investigative audits are a tool that can detect and prevent these broader impacts by providing early warning of potential irregularities in the management of company funds and business.

In addition to being a corrective measure, investigative audits also have a preventive role in building a healthier and more trustworthy startup ecosystem. With strict supervision, companies will be encouraged to carry out more transparent and responsible business practices. Therefore, the government and regulators can consider requiring regular investigative audits for startups that have received large amounts of funding, especially in the fintech and financial technology sectors. In addition, stricter implementation of Good Corporate Governance (GCG) principles can help prevent similar cases from recurring in the future.³⁴ In an effort to strengthen transparency and investor confidence, investigative audits must be supported by more effective reporting mechanisms.³⁵ For example, companies are required to publish annual reports that not only list financial conditions but also reflect compliance with regulations and good governance principles. In addition, the government can improve the whistleblowing system, so that employees or other stakeholders can report indications of irregularities without fear of retaliation from the company.

With the wider implementation of investigative audits, the Indonesian startup ecosystem can develop in a healthier, more transparent, and sustainable manner.³⁶ Investor trust in local startups can continue to increase, thus supporting the growth of a more stable and highly competitive digital economy. Stricter regulations and more effective implementation of investigative audits will be crucial steps in maintaining the integrity of the Indonesian startup industry, as well as ensuring that technological innovation can develop without sacrificing the principles of honesty and accountability. The eFishery case highlights the importance of investigative audits in maintaining the transparency and accountability of unicorn companies, especially those that receive large funding from individual and institutional investors. Allegations of financial report manipulation and

³⁴ Prabowo, M. A., Hanipa, S. D., Ulfah, F., Hidayadi, T., Zuhdi, M., & Sabri, N. A. A. (2025). Analysis of the Impact of PT Waskita Karya Corruption on State Financial Accountability: Government Accounting Perspective. *Mandalika Journal of Business and Management Studies*, 3(1), 16-23.

³⁵ Lei, X., Wang, H., Deng, F., Li, S., & Chang, W. (2024). Sustainability Through Scrutiny: Enhancing Transparency in Chinese Corporations via Environmental Audits. *Journal of the Knowledge Economy*, 1-70.

³⁶ Prabowo, M. A., Hanipa, S. D., Ulfah, F., Hidayadi, T., Zuhdi, M., & Sabri, N. A. A. (2025). Analysis of the Impact of PT Waskita Karya Corruption on State Financial Accountability: Government Accounting Perspective. *Mandalika Journal of Business and Management Studies*, 3(1), 16-23.

significant differences between internal and external reports indicate that investors may have received inaccurate information about the company's financial condition. If proven true, this could be categorized as fraudulent accounting, which is contrary to Law No. 8 of 1995 concerning the Capital Market, which requires companies that raise public funds to provide transparent and correct information to investors.

In the worst case scenario, an investigative audit may reveal indications of a Ponzi scheme, where the profits obtained by old investors do not come from legitimate business operations, but from funds raised from new investors.³⁷ If this pattern is found in eFishery's financial statements, then the company can be categorized as making illegal investments in accordance with Law No. 10 of 1998 concerning Banking and the Bappebti Regulation which prohibits the collection of funds without official permission and misuse of investment funds. Another unethical business practice that is relevant in the eFishery case is the possibility of a conflict of interest in the management of investment funds. If it is found that the company provides contracts or funding to parties who have personal relationships with management without transparency, then this is contrary to the principles of Good Corporate Governance (GCG) as regulated in the Financial Services Authority (OJK) Regulation. In addition, insider trading can also be a potential violation if there are internal parties to eFishery who use non-public information for personal gain in investment transactions.

On the other hand, eFishery as a technology-based startup has access to customer data, including transaction patterns and information on fish farmers who are users of their services. If it is found that this customer data is misused without permission or sold to third parties in a non-transparent manner, then the company may violate Law No. 11 of 2008 concerning Electronic Information and Transactions (UU ITE) and Law No. 27 of 2022 concerning Personal Data Protection (UU PDP). This data misuse not only harms users, but can also threaten public trust in the digital startup ecosystem in Indonesia.

Investigative audits have corrective and preventive functions in handling cases such as eFishery. As a corrective measure, this audit helps reveal the extent to which management is involved in the fraud scandal and provides a basis for shareholders, regulators, and the government to take legal action or improve corporate governance. If evidence of irregularities is found, regulators such as the OJK, Bappebti, or Kominfo can impose sanctions, revoke business licenses, or even take the case to court.

As a preventive measure, investigative audits can help build a healthier and more

³⁷ Hassan, S. W. U., Kiran, S., Gul, S., Khatatbeh, I. N., & Zainab, B. (2025). The perception of accountants/auditors on the role of corporate governance and information technology in fraud detection and prevention. *Journal of Financial Reporting and Accounting*, 23(1), 5-29.

transparent startup ecosystem. By requiring periodic investigative audits for startups that raise large funds, especially in the fintech and financial technology sectors, potential fraud can be detected early on before it develops into a major scandal that harms many parties. Stricter regulations can also prevent investors from experiencing major losses due to misleading information.

The eFishery case shows that when unicorn companies fail to maintain transparency and accountability, the impact can spread throughout the digital economy ecosystem. The loss of investor trust in local startups can hamper the flow of capital that has supported technological innovation in Indonesia. Therefore, investigative audits are not only a solution to address violations that have already occurred, but also a strategic step in ensuring sustainable, stable and trusted digital economic growth.

CONCLUSION

Investigative audits play a crucial role in uncovering and preventing unethical business practices in unicorn companies, particularly in cases of investment fraud involving financial statement manipulation and Ponzi schemes. The presence of investigative audits is not only intended to detect fraud that has already occurred but also serves as a preventive measure to ensure transparency and accountability in Indonesia's startup ecosystem. Alleged cases of financial statement manipulation by several unicorn companies demonstrate how misleading information can be used to attract greater investment. Practices such as revenue inflation, recording fictitious transactions, and concealing debt create the illusion of stable business growth, when in reality, the company's financial condition may be in distress. This contradicts Law No. 8 of 1995 on Capital Markets, which requires companies raising public funds to provide accurate and transparent information to investors.

In the case of eFishery, investigative audits serve as an essential tool in uncovering alleged financial statement manipulation, which, if proven, could be categorized as investment fraud. Several indications suggest that the company may have engaged in revenue inflation or fictitious transaction recording to create the impression of stable business growth and attract greater investment. If these allegations are confirmed, eFishery could be found in violation of capital market regulations and engaged in fraudulent accounting practices, which could have serious implications for investors and the Indonesian startup ecosystem. Additionally, an investigative audit could reveal the possibility that eFishery's profits did not come from legitimate business operations but rather from new investor funds used to pay returns to earlier investors. If such a pattern is detected, the company could be classified as operating a Ponzi scheme, which is prohibited

under Law No. 10 of 1998 on Banking and Bappebti regulations concerning unauthorized fundraising activities.

As a recommendation, policymakers should strengthen regulations on financial statement transparency for startups receiving public funding and enhance oversight of unicorn companies in Indonesia. Authorities such as OJK and Bappebti must take a more proactive approach in implementing periodic investigative audits to detect potential violations early. For investors, it is crucial to carefully examine financial reports and ensure that investments are directed toward businesses with sound financial governance. Furthermore, startups should adopt stricter accounting standards to build trust and ensure sustainable growth.

This study has limitations in terms of access to primary data that could further substantiate the analysis of alleged financial statement manipulation. Therefore, future research is recommended to adopt a more in-depth case study approach, including interviews with relevant stakeholders, to gain a more comprehensive understanding of fraudulent practices in Indonesia's unicorn companies. By doing so, investigative audits can continue to develop as an instrument that is not only corrective but also preventive in maintaining transparency, accountability, and the stability of Indonesia's startup ecosystem.

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