

THIRTEENTH CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES)
First Regular Session)

'04 JUN 30 P4:17

S E N A T E

S. No. 332

RECEIVED BY: *Osmeña*

Introduced by Senator S. R. Osmeña III

EXPLANATORY NOTE

Riding high on the euphoric triumph at EDSA in overthrowing a twenty-year-old dictatorship, the Aquino administration created the Presidential Commission on Good Government (PCGG) on February 28, 1986 by Executive Order No. 1. The PCGG was created for a specific purpose- that of recovering the ill-gotten wealth accumulated by the Marcoses and their cronies during the twenty years of the dictatorship, and preventing the dissipation of the assets involved. This specific task implies a time bound, albeit unspecified, to the existence and operation of the PCGG.

Fifteen years after its creation, the PCGG has produced little by way of accomplishments and actual results to justify its continued existence. The vast discretionary powers vested in the PCGG constitute dangerous opportunities for misuse of power and authority.

This bill proposes the abolition of the PCGG and the transfer of its functions to the Department of Justice, which is in keeping with the government policy of trimming off excess units and streamlining the bureaucracy.

In view of the foregoing, early passage of this bill is earnestly requested.

S. Osmeña III
SERGIO OSMEÑA III
Senator

THIRTEENTH CONGRESS OF THE REPUBLIC)
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AN ACT
ABOLISHING THE PRESIDENTIAL COMMISSION ON GOOD GOVERNMENT
AND TRANSFERRING ITS POWERS AND FUNCTIONS TO THE
DEPARTMENT OF JUSTICE AND FOR OTHER PURPOSES

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

1 SECTION 1. **Abolition of PCGG.** – The Presidential Commission on
2 Good Government (PCGG) created under Executive Order No. 1, dated
3 February 28, 1986 is hereby abolished under this Act.

4 SEC. 2. **Transfer of PCGG's Powers and Functions to the**
5 **Department of Justice; Creation of the Special Division for Sequestered**
6 **Assets and Properties.** – (1) The powers and functions of the PCGG are hereby
7 transferred to the Department of Justice (DOJ) through a Special Division for
8 Sequestered Assets and Properties (hereinafter referred to as "The Special
9 Division"), which shall be created in the Department of Justice (DOJ) specifically
10 for that purpose.

11 (2) The Special Division shall be headed by one of the Undersecretaries of
12 the DOJ, upon designation by the President of the Philippines.

13 SEC. 3. **Transfer of Sequestered Assets and Properties to the Special**
14 **Division.** – All sequestered and frozen properties and assets which, upon the
15 effectivity of this Act, are under the control and management of the PCGG, are
16 likewise transferred to the DOJ for the same purpose as they were held by the
17 PCGG. For this purpose, the DOJ shall, with the assistance of the Commission

1 on Audit and within thirty (30) days from the effectivity of this Act, conduct a
2 complete accounting and physical inventory of all sequestered and frozen
3 properties and assets to such transfer.

4 SEC. 4. **Transfer of all PCGG's Equipment and Personnel to the DOJ.** –
5 All Property, equipment, records and funds of the PCGG, and such personnel of
6 the PCGG of proven competence, integrity and probity as may be necessary
7 pursuant to the determination of the Secretary of the DOJ, are hereby transferred
8 to the DOJ.

9 SEC. 5. **Separated Employees: Benefits.** – Employees separated from
10 the service as a result of the abolition of the PCGG shall receive the benefits to
11 which they are entitled under existing laws, rules and regulations.

12 SEC. 6. **Effectivity of Contracts and Agreements.** – All contracts and
13 agreements entered into the PCGG prior to the effectivity of this Act shall remain
14 in full force and effect unless otherwise terminated, modified or amended for
15 lawful cause by the Secretary of Justice.

16 SEC. 7. **Directors/Nominees and Fiscal Agents: To Continue in Hold-**
17 **Over Capacity.** – All directors/nominees, fiscal agents or representatives
18 assigned by the PCGG in sequestered companies shall continue as such in a
19 hold-over capacity and receive the corresponding salaries and benefits until the
20 appointment of their successors by the Secretary of Justice.

21 SEC. 8. **Submission of Statement of Net Worth, Assets and**
22 **Liabilities.** – (1) Every director/nominee, fiscal agent or representative assigned
23 by the PCGG, prior to the effectivity of this Act, in an sequestered company shall
24 submit to the Secretary of Justice a written and verified statement of his net
25 worth, assets and liabilities before his appointment/designation as such as well
26 as of his current net worth, assets and liabilities. Such statements shall be
27 submitted to the Secretary of Justice within thirty (30) days from the effectivity of
28 this Act.

1 (2) Every person appointed/designated by the Secretary of Justice, under
2 this Act, as a director/nominee, fiscal agent or representative in any sequestered
3 company shall, within thirty (30) days from the assumption of his functions,
4 submit to the Secretary of Justice a written verified statement of his net worth,
5 assets and liabilities. He shall likewise be required to submit such a similar
6 statement after his separation from the service.

7 **SEC. 9. Implementing Rules and Regulations.** – The Secretary of
8 Justice shall promulgate and issue such rules and regulations as may be
9 necessary for the effective implementation and enforcement of the provisions of
10 this Act.

11 **SEC. 10. Appropriations.** – The unexpended appropriations of the PCGG
12 under the current General Appropriations Act shall be transferred to the
13 Department of Justice for the operations of the Special Division. Thereafter, such
14 amount as may be necessary for the continued operation of the *Special Division*
15 shall be included in the annual appropriation of the DOJ.

16 **SEC. 11. Repealing Clause.** – All laws, decrees, orders, rules and
17 regulations and other issuances inconsistent with the provisions of this Act are
18 deemed modified, revoked re repealed accordingly.

19 **SEC. 12. Effectivity.** This Act shall take effect fifteen (15) days after its
20 publication in two (2) leading newspapers of national circulation.

Approved,