

15 FEB 20 2015

SENATE  
P.S.R. No. 326

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Introduced by **Senator Teofisto "TG" Guingona III**

**RESOLUTION**

**DIRECTING THE SENATE COMMITTEE ON ACCOUNTABILITY OF PUBLIC OFFICERS AND INVESTIGATIONS (BLUE RIBBON) TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, INTO ALLEGED MALFEASANCE AND MISFEASANCE COMMITTED BY DIFFERENT GOVERNMENT OFFICIALS IN THE DISBURSEMENT AND USE OF THE MALAMPAYA GAS TO POWER PROJECT FUNDS.**

WHEREAS, on October 1989, Occidental Philippines, Inc. (OXY) under Geophysical Survey and Exploration Contract (GSEC) No. 47 discovered the Camago natural gas well in a deep-water located in northwest off-shore Palawan;

WHEREAS, in 1998, President Gloria Macapagal Arroyo issued Executive Order 68 paving the way for the release to Palawan of some P2.572 Billion from the Malampaya natural gas project royalty incomes;

WHEREAS, the transfer of funds were such that it was used to fund three projects identified by the Provincial Governor – then Governor Joel T. Reyes, Congressman Antonio Alvarez, and then Congressman, now current Governor Abraham Kahlil Mitra – for the province's 2<sup>nd</sup> congressional district;

WHEREAS, the portion allotted to the provincial government amounted to P966M, for the 1<sup>st</sup> district P816M, for the second district P520M and for the city of Puerto Princesa (taken out of the 2<sup>nd</sup> district allocation) P270M;

WHEREAS, in 2011, the Fraud Audit and Investigation Office of the Commission on Audit (COA) came out with a report stating that the primary agencies tasked to implement the above mentioned projects violated standard and established government bidding rules in order to favor certain contractors;

WHEREAS, the COA report points out how the Bids and Awards Committee (BAC) awarded 217 infrastructure projects amounting to P1.7B without following the standard procedure of posting invitations to bid in the Government Electronic Procurement System (PhilGEPS) and its website;

WHEREAS, the COA report also finds that contracts were awarded to certain contractors even if they had failed to submit and complete the requisite documents prior to bidding;

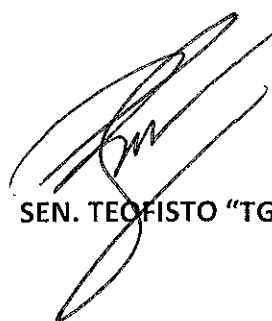
WHEREAS, the COA report finds that there was an apparent splitting of contracts to favor certain contractors;

WHEREAS, the COA also found that P6M worth of funds used for the Home Solar System Distribution Project could not be accounted for;

WHEREAS, former provincial board member and lead member of the advocacy group Kilusang Love Malampaya, Dr. Gerardo "Gerry" Ortega was assassinated on January 24, 2011 allegedly because he became too vocal and critical in his radio commentaries about how the Malampaya shares were being spent in Palawan and the corruption surrounding its use;

WHEREFORE, be it resolved, as it is hereby resolved by the Philippine Senate, to direct the Senate Committee on Accountability of Public Officers and Investigation to conduct an inquiry, in aid of legislation, on the alleged malfeasance and misfeasance committed by the different government officials in the disbursement and use of the Malampaya Gas to Power Fund.

*Adopted.*



SEN. TEOFISTO "TG" GUINGONA III