
Introduced by Senator Miriam Defensor Santiago

RESOLUTION

DIRECTING THE PROPER SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION ON THE RECENT COMMISSION ON AUDIT REPORT THAT THE PHILIPPINE FOREST CORP. RELEASED ₱115 MILLION IN PORK BARREL FUNDS TO THREE NON-GOVERNMENT ORGANIZATIONS WITHOUT LEGAL BASIS

WHEREAS, the Constitution, Article 2, Section 27 provides: “The State shall maintain honesty and integrity in the public service and take positive and effective measures against graft and corruption”;

WHEREAS, the *Philippine Daily Inquirer* on 21 January 2015 reported that the Commission on Audit (COA) questioned the Philippine Forest Corp.’s (PFC) release of ₱115 million in pork barrel funds to three non-government organizations (NGOs) that were handpicked by nine lawmakers without any bidding;

WHEREAS, the COA report said that the three NGOs namely Kalipunan ng mga Samahan ng Mamamayan Inc. (Kasama Inc.), Maharlikang Lipi Foundation Inc., (MLFI) and Kapuso’t Kapamilya Foundation Inc. (KKFI) was without legal basis and were chosen based merely on endorsements from nine past and present members of the House of Representatives;

WHEREAS, state auditors claimed that the process was contrary to Resolution No. 12-2007 of the Government Procurement Policy Board (GPPB);

WHEREAS, they further said that the 2011 General Appropriations Act (GAA) which earmarked the “Upland Agro-Forestry Development Program specifically for the Planting of *Jatropha Curcas*” did not have a provision stating that these projects could be contracted out to NGOs;

WHEREAS, the PFC allegedly released ₱15 million in pork funds to these NGOs in 2013 even though the foundations had not yet liquidated their previous releases worth ₱34.273 in 2011 and 2012;

WHEREAS, the Priority Development Assistance Fund (PDAF) for the three NGOs reportedly came from nine lawmakers, namely Masbate Rep. Antonio Kho (₱30 million), Laguna Rep. Ma. Evita R. Arago (₱5 million), Cagayan de Oro Rep. Jose Benjamin A. Benaldo (₱15 million), Cebu Rep. Ramon Durano (₱9 million), Basilan Rep. Hadjiman Hataman-Saliman (₱11 million), Apec Rep. Ponciano Payuyo (₱2 million), Agap Rep. Nicanor M. Briones (₱5 million), and 1-CARE Representatives Salvador Cabaluna (₱22.5 million) and Michael Angelo C. Rivera (₱15 million);

WHEREAS, the COA would issue a notice of disallowance for the PDAF releases;

WHEREAS, the state auditors further said that the PFC failed to provide accreditation documents and memorandums of agreement between Kasama and the lawmakers, which prevented the COA from determining whether Kasama was legitimate and whether the parties involved performed their duties of delivering and monitoring the project;

WHEREAS, further investigation allegedly showed that Kasama, which received a total of ₱5 million in pork funds, was not a registered member of the Cooperative Development Authority (CDA);

WHEREAS, the other NGOs like MLFI which received ₱2 million, and KKFI which received ₱103 million, were given ₱12 million in additional pork in 2013 even though they had yet to liquidate the ₱34 million that they received in 2011 and 2012, contrary to COA guidelines;

WHEREAS, the COA said that the NGOs' nonliquidation of the funds released to them raises doubts as to whether the amounts were expended for the purpose intended;

WHEREAS, it was also noted that the NGOs were not based in the community where the projects are located, in violation of COA rules that require NGOs to be based in the communities where the projects are to be implemented;

WHEREAS, the COA further noted missing subsidiary ledgers on ₱443.29 million funds given to NGOs, which made it difficult for its auditors to determine which NGOs still have outstanding accounts and how much their remaining accountabilities are;

WHEREAS, amid the pork barrel scandal involving NGOs allegedly controlled by Janet Lim Napoles, the government should exercise due diligence when allocating public funds to NGOs;

WHEREFORE, BE IT HEREBY RESOLVED BY THE PHILIPPINE SENATE to direct the proper Senate committee to conduct an inquiry, in aid of legislation on the COA report that the Philippine Forest Corp. released ₱115 million in pork barrel funds to three non-government organizations without legal basis.

Adopted,

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MIRIAM DEFENSOR SANTIAGO
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