

SIXTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Third Regular Session)



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SENATE
P.S. Res. No. 1668

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Introduced by Senator SONNY ANGARA

RESOLUTION

DIRECTING THE PROPER SENATE COMMITTEE TO CONDUCT AN INVESTIGATION, IN AID OF LEGISLATION, ON THE NON-DECLARATION OF ACTUAL SALES BY THE OPERATORS OF SMALL TOWN LOTTERY (STL) WHICH ALLEGEDLY DEFRAUDED THE PHILIPPINE CHARITY SWEEPSTAKES OFFICE (PCSO) OF AT LEAST P50 BILLION A YEAR

WHEREAS, the National Bureau of Investigation (NBI) investigated selected small town lottery (STL) operations in the provinces of Bulacan, Zambales, Olongapo, Laguna, Batangas, Nueva Ecija and Quezon and found that STL is being used as a front for the illegal numbers game jueteng;

WHEREAS, according to the NBI report, some STL operators were using their licenses to conduct jueteng operations and not declare actual sales which defrauded the Philippine Charity Sweepstakes Office (PCSO) of at least P50 billion a year;

WHEREAS, while the STL system was established in 1987 to combat jueteng, the implementing rules and regulations of STL lack countermeasures in the system of recording of bets, collection and auditing, making the system vulnerable to manipulation and exploitation;

WHEREAS, the NBI found that STL operators were able to underreport their sales by manually recording and collecting bets using white papelitos, and doing their accounting through a portable register instead of using point of sale terminals in their operations;

WHEREAS, the same report said it was impossible for the PCSO to monitor the actual sales of STL operators given that even the conduct of actual draws were not being supervised by the PCSO;

WHEREAS, since 2006, STL has an estimated annual income of P50 billion nationwide but only P4.5 billion has been declared in the past years, while only P800 million of which has been transferred to the PCSO;

WHEREAS, PCSO's Gaming Product Development and Marketing Sector said that the potential income of all illegal games in the country, including the non-declaration from STL, could reach to approximately P100 billion annually;

WHEREAS, such non-declaration of sales contributed to the loss of income of the PCSO, constraining the agency's health programs, medical assistance and services and charity programs especially to indigent patients;

WHEREAS, there is a need to promote transparency and accountability at all levels of transactions involving public revenue, including STL operations and other games, so as to expand the number of PCSO beneficiaries and improve the quality of its charity services;

NOW, THEREFORE, BE IT RESOLVED, to direct the proper Senate committee to conduct an investigation, in aid of legislation, on the non-declaration of actual sales by the operators of small town lottery (STL) which allegedly defrauded the Philippine Charity Sweepstakes Office (PCSO) of at least P50 billion a year, with the end in view of promoting transparency and accountability in all levels of public transactions.

Adopted,



SENATOR SONNY ANGARA