

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

'04 AUG 17 P2:33

SENATE

RECEIVED BY: \_\_\_\_\_ *R*

S. No. 1726

**INTRODUCED BY HONORABLE MAR ROXAS**

**EXPLANATORY NOTE**

This bill intends to combat corruption by augmenting the financial resources of the Ombudsman. It seeks to provide more funding to the Ombudsman by giving it a share in any property forfeited in favor of the State under Republic Act No. 1379, otherwise known as the Forfeiture Law.

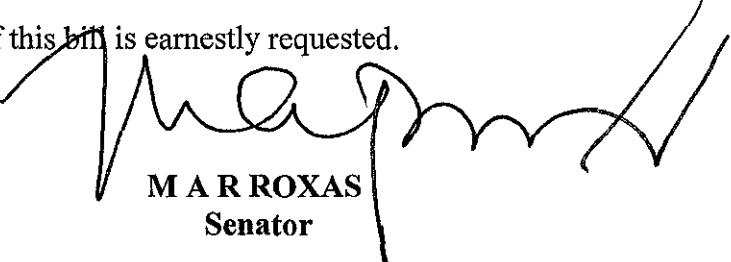
The mechanism by which this bill seeks to provide additional funding to the Ombudsman is through the amendment of Section 5 of the Forfeiture Law. Specifically, it will be done by earmarking ten percent (10%) of the value of the assets forfeited in favor of the government under the said law. It is this percentage which will be used as additional funding to the general budget of the Ombudsman. It is hoped that with these extra funds the Ombudsman will be able to effectively perform its mandate.

For comparison, thirty years ago, Hong Kong was considered as one of the most corrupt countries in Asia. It is now perceived as the 2<sup>nd</sup> least corrupt country in Asia. On the other hand, the Philippines is currently perceived to be the 4<sup>th</sup> most corrupt country in Asia.

World Bank studies conclude that the most important factor in the Hong Kong experience was the establishment of the Independent Commission Against Corruption (ICAC) in 1974. The ICAC budget for 2003 was equivalent to P5 billion while the budget of the Ombudsman and other support anti-graft agencies only totaled P500 million. The ICAC has a staff of 1,060 that looks after a bureaucracy of about 150,000 people. On the other hand, the Ombudsman and the other agencies have a staff of approximately 1,100 which looks after a bureaucracy with a size of 1.4 million. It is, thus, clear that the effectiveness of any anti-graft body is directly related to the resources and logistical support it has relative to the number of public officers it has to watch.

On this basis, there is a clear need for the anti-graft agencies led by the Ombudsman to be given more funding whenever possible so that it will be more effective in the performance of its mandate.

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

  
**MAR ROXAS**  
Senator

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**AN ACT**

**TO PROVIDE A PERCENTAGE OF THE VALUE OF FORFEITED PROPERTIES DERIVED FROM ANTI-CORRUPTION CASES PROSECUTED BY THE OMBUDSMAN TO BE EARMARKED FOR THE OFFICE OF THE OMBUDSMAN AMENDING FOR THIS PURPOSE SECTION 6 OF REPUBLIC ACT NO. 1379 OTHERWISE KNOWN AS THE FORFEITURE LAW.**

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

Section 1. Sec.6 of Republic Act No. 1379 is hereby amended to read as follows:

“Sec. 6. Judgment. – If the respondent is unable to show to the satisfaction of the court that he has lawfully acquired the property in question, then the court shall declare such property in question forfeited in favor of the State, and by virtue of such judgment the property aforesaid shall become property of the State: PROVIDED, THAT TEN PERCENT (10%) OF THE VALUE OF SUCH PROPERTY FORFEITED IN FAVOR OF THE STATE SHALL BE EARMARKED AS ADDITIONAL FUNDING IN FAVOR OF THE OFFICE OF THE OMBUDSMAN; PROVIDED, FURTHER, THAT IF THE PROPERTY IS NOT IN CASH IT SHALL BE SOLD AT PUBLIC AUCTION AND THE PROCEEDS THEREFORE, AFTER DEDUCTING THE 10% FOR THE OFFICE OF THE OMBUDSMAN, SHALL ACCRUE TO THE GENERAL FUND. No judgment shall be rendered within six months before any general election or within three months before any special election. The Court may, in addition, refer this case to the corresponding executive department for administrative or criminal action, or both.

Section 2. Separability Clause. – Any portion or provisions of this Act that may be declared unconstitutional or invalid shall not have the effect of nullifying other portions and provisions hereof as long as such remaining portion or provision can still subsist and be given effect in their entirety.

Section 3. Repealing Clause. – All laws, decrees, executive orders, proclamations and administrative regulations, or parts or parts thereof inconsistent herewith are hereby repealed or modified accordingly.

Section 4. Effectivity Clause. – This Act shall take effect fifteen (15) days after its publication in at least two (2) national papers of general circulation.

Approved.