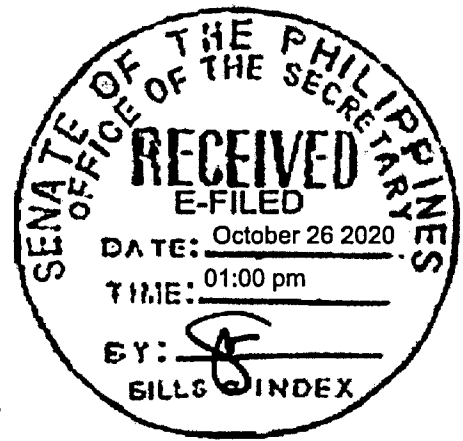


EIGHTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Second Regular Session)

SENATE

P.S. Res. No. 557



Introduced by **SENATOR LEILA M. DE LIMA**

RESOLUTION
DIRECTING THE APPROPRIATE SENATE COMMITTEE TO CONDUCT
AN INQUIRY, IN AID OF LEGISLATION, ON THE DELAYS IN
SUBMISSION OF THE PHILIPPINE SOUTHEAST ASIAN GAMES
ORGANIZATIONAL COMMITTEE (PHISGOC) FINANCIAL STATEMENTS
AND ITS REPORTED ₱387 MILLION OUTSTANDING DEBT TO
SUPPLIERS, AMONG OTHER CONTROVERSIES, RELATING TO THE
2019 SOUTHEAST ASIAN (SEA) GAMES

1 WHEREAS, Article II, Section 28 of the 1987 Constitution declares, in part,
2 that “[t]he State adopts and implements a policy of full public disclosure of all its
3 transactions involving public interest”;

4 WHEREAS, in July 2018, the Philippine Southeast Asian Games
5 Organizational Committee (PHISGOC) Foundation was incorporated and tasked
6 with overseeing the preparations and execution of the Philippines’ hosting of the 30th
7 edition of the Southeast Asian (SEA) Games¹, which were held from November 30 to
8 December 11, 2019;

9 WHEREAS, on 14 August 2019, the Philippine Sports Commission (PSC),
10 Philippine Olympic Committee (POC) and the PHISGOC signed a tripartite
11 agreement to assure a hassle-free and successful hosting of the 2019 SEA Games.
12 Under the agreement, the PSC has to make sure that the disbursement of the ₱6
13 billion funds through Department of Budget and Management (DBM) will be done
14 according to President Rodrigo Duterte’s directive “that there should be no
15 corruption”. It also mandates PHISGOC to ensure that any financial support granted

¹ Gavilan, J. (29 November 2019). *What do we know about SEA Games 2019’s Phisgoc?* Retrieved October 20, 2020, from <https://www.rappler.com/newsbreak/iq/things-know-sea-games-2019-phisgoc>

1 by the PSC will not be used for any purpose not related to the hosting of 30th SEA
2 Games. To ensure transparency and accountability, the agreement mandated the
3 PHISGOC to “submit to PSC and POC the required financial reports and make
4 available all records and documents, including disbursement vouchers, relative to the
5 utilization of the funds” and refund to PSC “any unutilized” amount received at the
6 conclusion of the 2019 SEA Games;²

7 WHEREAS, despite the Philippines amassing an all-time high 149 gold medals
8 and emerging as the overall champion³, the 2019 SEA Games was marred by
9 controversies surrounding PHISGOC. These include the alleged overpricing of the
10 custom-built cauldron used for the ceremonial lighting of the flame which cost a
11 whopping ₱59.2 million⁴, complaints over unfinished venues, a lack of coordination
12 with the corps of volunteers⁵, and logistics problems for incoming athletes regarding
13 their transportation and hotel arrangements⁶, among others;

14 WHEREAS, on September 30, over nine months since the conclusion of the
15 SEA Games, the POC finally invoked the tripartite agreement it had signed by
16 demanding that the PHISGOC submit a comprehensive report on the operations of
17 the 2019 SEA Games, including an audited financial statement, by October 10;⁷

18 WHEREAS, the POC would later double down on its demand and reiterate
19 that per the rules of the Commission on Audit (COA), agencies and organizations
20 who are recipients of government financial support are to liquidate the funds within
21 sixty (60) days after the completion of the project. This meant that the report should
22 have been submitted on 9 February 2020, meaning, that the financial statements
23 were already eight months overdue;⁸

² Musico, J. (14 August 2019). *Tripartite agreement for hosting of 30th SEA Games signed*. Retrieved October 20, 2020, from <https://www.pna.gov.ph/articles/1077849>

³ Go, B. (11 December 2019). *'Worth it': Philippines reclaims SEA Games 2019 overall championship*. Retrieved October 20, 2020, from <https://www.rappler.com/sports/philippines-overall-champion-2019>

⁴ Velasco, B. (18 November 2019). *Million-dollar SEAG cauldron*. Retrieved October 20, 2020, from <https://www.philstar.com/sports/2019/11/18/1969788/million-dollar-seag-cauldron>

⁵ Philippine Daily Inquirer. (21 November 2019). *'Kaldero ng Diyos'*. Retrieved October 20, 2020, from <https://opinion.inquirer.net/125378/kaldero-ng-diyos>

⁶ Rappler.com. (24 November 2019). *SEA Games organizers sorry for inconvenience, confusion*. Retrieved October 20, 2020, from <https://www.rappler.com/sports/phisgoc-organizers-sorry-inconvenience-confusion>

⁷ Paedralvez, M. (2 October 2020). *POC asks for PHISGOC report on SEA Games spending by Oct. 10*. Retrieved October 20, 2020, from <https://news.abs-cbn.com/sports/10/02/20/poc-asks-for-phisgoc-report-on-sea-games-spending-by-oct-10>

⁸ ABS-CBN News. (8 October 2020). *POC calls on PHISGOC to submit SEA Games report 'immediately'*. Retrieved October 20, 2020, from <https://news.abs-cbn.com/sports/10/08/20/poc-calls-on-phisgoc-to-submit-sea-games-report-immediately>

1 WHEREAS, the POC's October 10 deadline passed with the PHISGOC failing
2 to comply with its request. This prompted majority members of the POC Executive
3 Board to call for a special meeting on October 22 to discuss the failure of the
4 PHISGOC to comply with the POC resolution;⁹

5 WHEREAS, a few days earlier, in a Senate budget hearing held on October 6,
6 it was revealed by PSC Executive Director Guillermo Iroy Jr. that the PHISGOC had
7 asked them to request from the DBM an additional ₱387 million to pay off
8 outstanding debts to some of the suppliers mobilized for the 2019 SEA Games;¹⁰

9 WHEREAS, in its defense, the PHISGOC asserted that it had no existing
10 unpaid obligations and that the ₱387 million request from the DBM are to settle the
11 accounts of the PSC which exceeded the ₱6 billion SEA Games budget under the 2019
12 General Appropriations Act. PHISGOC added that the PSC only remitted ₱1.481
13 billion out of the ₱6 billion approved budget as "financial support" while the
14 remaining balance was allegedly distributed among the different agencies who were
15 vital to organizing the 2019 SEA Games;¹¹

16 WHEREAS, the POC states that they are asking for the financial statements to
17 enable them to perform their oversight functions, in accordance with their tripartite
18 agreement;

19 WHEREAS, given the controversies surrounding the 2019 SEA Games – from
20 allegations of corruption and overspending to logistical nightmares and a bevy of
21 complaints from foreign athletes and delegates – it is imperative for Senate and other
22 agencies with supervision over PHISGOC to look into the matter. A complete
23 financial report will help shed light on these questions surrounding the PHISGOC's
24 handling of the event;

25 WHEREAS, it is essential that this financial report be submitted as soon as
26 possible and be made available to the public in the interest of transparency and
27 accountability;

⁹ Paedralvez, M. (16 October 2020). *POC board seeks meeting after SEA Games organizers don't submit spending report*. Retrieved October 20, 2020, from <https://news.abs-cbn.com/sports/10/16/20/poc-board-seeks-meeting-after-sea-games-organizers-dont-submit-spending-report>

¹⁰ Ramos, M. *Foundation chaired by Speaker still owes P387M to SEA Games suppliers*. Retrieved October 20, 2020, from <https://newsinfo.inquirer.net/1344497/foundation-chaired-by-speaker-still-owes-p387m-to-sea-games-suppliers>

¹¹ Go, B. (8 October 2020). *'No unpaid obligations,' says SEA Games organizing committee on P387-million request*. Retrieved October 20, 2020, from <https://www.rappler.com/sports/sea-games-organizing-committee-statement-obligations-suppliers>

1 WHEREAS, there is a need to investigate these series of events to determine
2 the cause of delay in the submission of PHISGOC's financial statements and finally
3 determine the truth behind the allegations of corruption and mismanagement of the
4 PHISGOC during the 2019 SEA Games;

5 WHEREAS, there is also a need to ensure that support and funding are given
6 to the agencies that have the proper mandate, and that accountability lies even with
7 private organizations, especially those who have access to government resources;

8 NOW, THEREFORE, BE IT RESOLVED BY THE SENATE, to direct the
9 appropriate Senate Committee to conduct an inquiry, in aid of legislation, on the
10 delays in submission of the Philippine Southeast Asian Games Organizational
11 Committee (PHISGOC) financial statements and its reported ₱387 million
12 outstanding debt to suppliers, among other controversies, relating to the 2019
13 Southeast Asian (SEA) Games.

Adopted,


HEILA M. DE LIMA