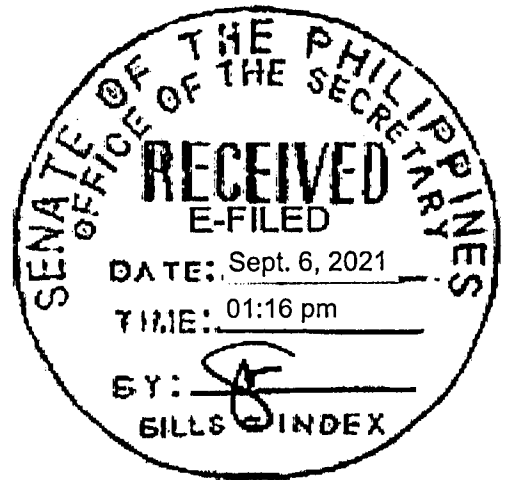


EIGHTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Third Regular Session)



SENATE

P.S. Res. No. 893

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

RESOLUTION
DIRECTING THE APPROPRIATE SENATE COMMITTEE TO CONDUCT
AN INQUIRY, IN AID OF LEGISLATION, ON THE ₱154.212 MILLION
PAYOUT OF THE PHILIPPINE CHARITY SWEEPSTAKES OFFICE
(PCSO) TO THE PEOPLE'S TELEVISION NETWORK INC. (PTNI)
WITHOUT AN ACCOMPANYING MOA, WITH THE END IN VIEW OF
IMPROVING TRANSPARENCY AND ACCOUNTABILITY IN ALL
GOVERNMENT TRANSACTIONS

1 WHEREAS, Article II, Section 27 of the 1987 Constitution provides that “the
2 State shall maintain honesty and integrity in the public service and take positive and
3 effective measures against graft and corruption”;

4 WHEREAS, Article II, Section 28 of the same states that “subject to
5 reasonable conditions prescribed by law, the State adopts and implements a policy of
6 full public disclosure of all its transactions involving public interest”;

7 WHEREAS, Article I, Section 3 paragraph of Republic Act No. (R.A.) 9184,
8 otherwise known as the “Government Procurement Reform Act”, proclaims that all
9 government procurement shall be governed by certain principles, including “public
10 monitoring of the procurement process and the implementation of awarded
11 contracts with the end in view of guaranteeing that these contracts are awarded
12 pursuant to the provisions of this Act and its implementing rules and regulations,
13 and that all these contracts are performed strictly according to specifications”;

14 WHEREAS, the Philippine Charity Sweepstakes Office (PCSO) is a
15 government-owned and controlled corporation mandated under R.A. No. 1169 to
16 conduct charity sweepstakes, races, and lotteries in order to generate fund sources
17 used for the payment of prizes; to finance and support its mandated programs

1 (health programs, medical assistance and services, and charities of national
2 character);

3 WHEREAS, the 2020 Annual Audit Report of the Commission on Audit
4 (COA) revealed that the PCSO paid a total amount of ₱154.212 million to the People's
5 Television Network Inc. (PTNI), from January 2019 to March 2020, for the airtime,
6 production, technical equipment, microwave transmission facility and post
7 production of its lottery draws without a memorandum of agreement (MOA)¹;

8 WHEREAS, the COA maintained that the agency-to-agency procurement
9 must have a MOA under R.A. No. 9184², further stating that "the absence of a
10 memorandum of agreement with the PTNI did not serve the best interest of the
11 PCSO as there were no well-defined or concrete terms and conditions that should
12 have bound both parties"³. The COA report also noted that "sanctions and penalties,
13 in case of nonfulfillment or partial fulfilment and/or poor rendition of services,
14 cannot be enforced in the absence of a MOA"⁴;

15 WHEREAS, the absence of a MOA between PCSO and PTNI is a violation of
16 the provision in Annex H of the 2016 Revised Implementing Rules and Regulations
17 (RIRR) of Republic Act No. 9184 or the "Government Procurement Law", which
18 provides that an agency-to-agency mode of procurement must be accompanied by
19 the requisite MOA;

20 WHEREAS, there is a need to conduct a probe on PCSO's transaction with
21 PTNI, given the fact that this is not the first time the PCSO failed to follow
22 procurement laws and regulations, increasing the risk and likelihood of corruption
23 within the agency. For example, the 2018 COA report states that the PCSO failed to
24 submit the copies and supporting documents of 25 contracts in 2017 and 2018 within
25 five working days upon execution thereof, which prevented State auditors from
26 conducting a timely review of the contracts. COA also stated that ₱2.2 million claims

¹ Ornedo, J. (10 August 2021). *COA: PCSO paid ₱154.21-M to PTV without a contract*. Retrieved 23 August 2021, from <https://www.gmanetwork.com/news/news/nation/798772/coa-pcso-paid-p154-21-m-to-ptv-without-a-contract/story>

² *Ibid.*

³ *Ibid.*

⁴ *Ibid.*

1 from PCSO were not supported by valid identification cards of the patients and
2 representatives, among others⁵;

3 WHEREAS, it is the duty of Congress to ensure that the PCSO and other
4 government agencies religiously comply with government procurement laws and
5 regulations;

6 WHEREAS, misfeasance, malfeasance and nonfeasance in public service are
7 inimical to the nation's interest and must never be countenanced. As required by
8 Rule I, Section 3(d) of the Revised IRR of R.A. No. 9184, officials and employees who
9 are responsible for violations must be subjected to investigation and held
10 accountable to the full extent of the law;

11 NOW, THEREFORE, BE IT RESOLVED BY THE SENATE, to direct the
12 appropriate Senate Committee to conduct an inquiry, in aid of legislation, on the
13 P154.212 million payout of the Philippine Charity Sweepstakes Office to the People's
14 Television Network Inc. without an accompanying MOA, with the end in view of
15 improving transparency and accountability in all government transactions.

Adopted,


LEILA M. DE LIMA

⁵ The Philippine Star. (30 July 2019). *PCSO shutdown: Breaking down key findings from COA report*.
<https://www.philstar.com/headlines/2019/07/30/1939209/pcso-shutdown-breaking-down-key-findings-coa-report>