



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

23 NOV -6 P12 :12

SENATE

P. S. RES. No. 853

RECEIVED BY:

Introduced by SEN. WIN GATCHALIAN

RESOLUTION

DIRECTING THE APPROPRIATE SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE INVOLVEMENT OF AN INTERNET GAMING LICENSEE OF THE PHILIPPINE AMUSEMENT AND GAMING CORPORATION (PAGCOR) ON THE ALLEGED CRIMES OR OFFENSES, PARTICULARLY PROSTITUTION, HUMAN TRAFFICKING, TORTURE, KIDNAPPING FOR RANSOM, AND ONLINE SCAMS, WITH AN END VIEW OF CRAFTING A LEGISLATION OR POLICY RECOMMENDATION, AS MAY BE NECESSARY

1 **WHEREAS**, on 27 October 2023, an anti-human trafficking task force led by
2 the Presidential Anti-Organized Crime Commission conducted a raid on Smart Web
3 Technology Corp., (Smart Web), an Internet Gaming Licensee of the PAGCOR, located
4 in Pasay City¹ pursuant to a search warrant issued by Regional Trial Court Branch 35
5 for the alleged violation of Republic Act (RA) No. 9208 or the Anti-Trafficking in
6 Persons Act, as amended by RA No. 10364 or the Expanded Anti-Trafficking in Persons
7 Act²;

8 **WHEREAS**, Smart Web was previously operating under two companies,
9 namely Freego Gaming OPC and Xushen Technology Corp., which were previously
10 licensed by PAGCOR as Accredited Service Providers of Philippine Offshore Gaming
11 Operator (POGO)³;

¹ Pulta, B., "700 workers rescued in aid of Pasay POGO", available at: <https://www.pna.gov.ph/articles/1212715>

² Manabat, J., "Internet gaming license hub raided in Pasay over alleged human trafficking", available at: <https://www.rappler.com/philippines/internet-gaming-license-hub-raided-human-trafficking-october-27-2023/#:~:text=PASAY%20CITY%2C%20Philippines%20-%20Armed%20with,on%20Friday%20night%2C%20October%2027>

³ *Id.*

1 **WHEREAS**, a total of 731 Filipinos and foreign nationals alleged victims were
2 rescued and took in for questioning as a result of the raid⁴;

3 **WHEREAS**, the raiding team has discovered that the premises houses
4 aquarium-style viewing chambers, a torture chamber, and massage parlors allegedly
5 being used for prostitution⁵, and they also found out that Smart Web is also allegedly
6 involved in labor trafficking, and online crypto investment and love scams⁶. They also
7 found massage parlor, karaoke rooms, and restaurant inside the compound⁷;

8 **WHEREAS**, during the raid, two of the Chinese nationals working in the raided
9 premises claimed that they were victims of kidnapping and showed "torture marks"
10 on their bodies⁸. One of them also claimed that he was kidnapped and sold for Five
11 Hundred Thousand Pesos (PHP500,000) from another POGO⁹;

12 **WHEREAS**, PAGCOR issued a revised offshore gaming regulations, known as
13 the Internet Gaming Licensing Regulations which took effect on 12 July 2023¹⁰,
14 mandated that existing POGO licensees and Accredited Service Providers shall re-apply
15 under the new regulations¹¹. It also provided for stricter regulation over the offshore
16 gaming industry;

17 **WHEREAS**, the conduct of indecent and immoral activities which are contrary
18 to public morals and interest is one of the prohibited acts under the Internet Gaming
19 Licensing Regulations of PAGCOR¹²;

20 **WHEREAS**, anent to the PAGCOR's regulatory power, it shall regularly conduct
21 regulatory inspection¹³ and compliance review¹⁴ any time after the issuance of the

⁴ Cabalza, D., "Pasay police chief, 26 other cops sacked over raided Pogo", available at:

<https://newsinfo.inquirer.net/1854766/pasay-police-chief-26-other-cops-sacked-over-raided-pogo>

⁵ Bautista, N., "Pasay shuts down POGO sex dens, available at: <https://www.philstar.com/nation/2023/11/02/2308282/pasay-shuts-down-pogo-sex-dens>

⁶ Manabat, J., "Internet gaming license hub raided in Pasay over alleged human trafficking", available at:

[https://www.rappler.com/philippines/Internet-gaming-license-hub-raided-human-trafficking-october-27-](https://www.rappler.com/philippines/Internet-gaming-license-hub-raided-human-trafficking-october-27-2023/#:~:text=PASAY%20CITY%2C%20Philippines%20-%20Armed%20with,on%20Friday%20night%2C%20October%2027)

[2023/#:~:text=PASAY%20CITY%2C%20Philippines%20-%20Armed%20with,on%20Friday%20night%2C%20October%2027](https://www.rappler.com/philippines/Internet-gaming-license-hub-raided-human-trafficking-october-27-2023/#:~:text=PASAY%20CITY%2C%20Philippines%20-%20Armed%20with,on%20Friday%20night%2C%20October%2027)

⁷ "Nearly 600 detained anti-trafficking raid on Pasay Pogo", available at: <https://newsinfo.inquirer.net/1852182/nearly-600-detained-in-antitrafficking-raid-on-pasay-pogo>

⁸ *Id.*

⁹ *Id.*

¹⁰ Philippine Amusement and Gaming Corporation, Internet Gaming Licensing Regulations, effectivity cl. (Jul. 12, 2023), available at: <https://pagcor.ph/regulatory/pdf/offshore/Internet-Gaming-Licensing-Regulations.pdf>

¹¹ Gonzales, I., "PAGCOR sets new rules on internet gaming operations", available at:

<https://www.philstar.com/business/2023/08/01/2285229/pagcor-sets-new-rules-internet-gaming-operations>

¹² Regulation 3, Section 4, PAGCOR Internet Gaming Licensing Regulations.

¹³ Philippine Amusement and Gaming Corporation, Internet Gaming Compliance and Enforcement Regulations, effectivity cl. (Jul. 12, 2023), Regulation 3, Section 1, available at: <https://pagcor.ph/regulatory/pdf/offshore/Internet-Gaming-Compliance-and-Enforcement-Regulations.pdf>.

¹⁴ *Id.*, Regulation 4, Section 1.

1 internet gaming license to confirm the legality of the conduct of operations of its
2 licensees¹⁵;

3 **WHEREAS**, notwithstanding the foregoing, after only three months from the
4 implementation of PAGCOR's Internet Gaming Licensing Regulations, an internet
5 gaming licensee has already been found to have allegedly violated various laws and
6 regulations specially on prostitution, human trafficking, torture, kidnapping for
7 ransom, and online scams;

8 **WHEREAS**, it bears stressing that under the Convention for the Suppression
9 of the Traffic in Persons and of the Exploitation of the Prostitution of Others, the
10 "prostitution and the accompanying evil of the traffic in persons for the purpose of
11 prostitution are incompatible with the dignity and worth of the human person and
12 endanger the welfare of the individual, the family and the community";

13 **WHEREAS**, PAGCOR's inability to properly regulate the operations that
14 contributed to the failure to abate the commission of various crimes perpetuated by
15 Internet Gaming Licensees, and then and again undermined the state policy that
16 recognizes "the dignity of every human person and guarantees full respect for human
17 rights"¹⁶, thus, it is imperative that the power and capability of PAGCOR to regulate
18 the gaming industry be reviewed;

19 **NOW, THEREFORE, BE IT RESOLVED**, as it is hereby resolved by the
20 Senate, to direct the appropriate Senate committee to conduct an inquiry, in aid of
21 legislation, on the involvement of an Internet Gaming Licensee of PAGCOR on related
22 incidents of prostitution, human trafficking, torture, kidnapping for ransom, and online
23 scams, with an end view of crafting a legislation or policy recommendation, as may
24 be necessary.

Adopted,



WIN GATCHALIAN

¹⁵ *Id.*, Regulation 6, Section 1.

¹⁶ 1987 Philippine Constitution, Article II, Section 11.