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SENATE

RECEIVED BY: 

Senate Resolution No. 255

Introduced by Senator Aquilino Q. Pimentel, Jr.

**RESOLUTION**  
**DIRECTING THE SENATE COMMITTEES ON BANKS, FINANCIAL INSTITUTIONS AND CURRENCIES, AND NATIONAL DEFENSE AND SECURITY, TO CONDUCT AN INVESTIGATION, IN AID OF LEGISLATION, INTO THE ALLEGED IRREGULARITIES AND CORRUPTION IN THE PHILIPPINE VETERANS BANK, AND TO INSTITUTE REFORMS TO PROTECT THE RIGHTS AND INTERESTS OF THE WORLD WAR II VETERANS**

Whereas, Republic Act No. 3518 created the Philippine Veterans Bank where the P100 million authorized capital of the Bank is divided into 510,000 common shares and 490,000 preferred shares with a par value of P100.00. These common shares were fully subscribed by the Government for and on behalf of the veterans, their widows and orphans, and paid out of the Veterans Trust Fund;

Whereas, under Section 6 of RA 3518, the affairs and business of the Veterans Bank shall be directed and its property managed, controlled and preserved, unless otherwise provided in the Law, by a Board of Directors consisting of eleven (11) members to be composed of three ex-officio members to wit: the Philippine Veterans Administrator, the President of the Veterans Federation of the Philippines, and the Secretary of National Defense, and the remaining members who shall be veterans of good standing with formal business training and/or experience in banking and finance;

Whereas, many World War II Veterans complained that the shares of stock of deceased or missing veterans and / or their widows are allegedly taken over by the Philippine Veterans Bank Corporate Secretary to be cast in favor of selected candidates for the bank's directorship;

Whereas, this irregular practice resulted to the manipulation of the election of the members of the Board of Directors by using the shares of stocks of the deceased stockholders, in violation of the mandate of Section 6 of RA 3518 that the members of the Board of Directors shall be elected annually by the stockholders-veterans themselves;


Whereas, the leadership of the Philippine Veterans Bank allegedly allowed the election of directors of the bank who are not veterans, despite the express provision of the law that members should be veterans of good standing and must have formal business training and/or experience in banking and finance;

Whereas, there are complaints from the World War II veterans that some officers and directors of the Philippine Veterans Bank indulge in lavish lifestyle, with expensive cars, fat salaries, per diems and allowances and expensive travel abroad, in contrast to the plight of the veterans and their families who are living in poverty, beset with ailments;

Whereas, there is a need to look into these serious issues involving the Philippine Veterans Bank in order to curb the web of corruption in the said Institution.

**Now therefore, be it resolved as it is hereby resolved, to direct the Senate Committees on Banks, Financial Institutions and Currencies, and National Defense and Security, to conduct an investigation, in aid of legislation, into the alleged irregularities and corruption in the Philippine Veterans Bank, and to institute reforms to protect the rights and interests of the World War II veteran.**

Adopted,



**AQUILINO Q. PIMENTEL, JR.**