

WHEREAS, given the sophisticated counterfeiting technology now available in the market, it is already possible that a credit card skimmed or copied in the Philippines in the morning can be downloaded to a cloned credit card in Hong Kong by noontime and used for spending sprees (or sell the counterfeit credit cards for hundreds of dollars) by night time. This hi-tech credit card fraud is now a big problem in the credit card industry;

WHEREAS, there have been cases in other countries where the police were able to apprehend credit card syndicates and seize thousands of finished and semi-finished counterfeit cards as well as blank credit cards. In one case, a European credit card forger had turned his bedroom into a credit card factory. The forger's equipment can produce near perfect replica of American Express, Visa and Master credit cards. In another instance, at least 500 credit card details were found in the forger's computer. It has been reported that many computer hackers are able to gain unauthorized access to the computer system of credit card companies and acquire thousands of confidential information from the credit cards;

WHEREAS, the provisions of Section 9 of Republic Act No. 8484, otherwise known as the "Access Devices Regulation Act of 1998", provides that "Any person who possesses one or more counterfeit access devices or uses the said access device with intent to defraud financial transactions is punishable by law";

WHEREAS, the provisions of R.A. 8484 further provides that obtaining money or anything of value through the use of a device, with intent to defraud or with intent to gain financial gains is also punishable by law;

WHEREAS, despite the existence of Republic Act No. 8484, critics have pointed out that the implementation of said law is ineffective because many of the implementing agencies tasked to implement the provisions of this law lack the technical capabilities, technology and know-how to effectively catch up with the developments in the computer and information technology (IT);

WHEREAS, there is an urgent need to determine whether the implementing agencies of the government tasked to implement the provisions of R.A. 8484 are well equipped with the technology and know-how to address the issue of credit card fraud in the country in order to protect the public from this unscrupulous undertaking.

NOW, THEREFORE, BE IT RESOLVED, AS IT IS HEREBY RESOLVED to direct the appropriate Committees in the Senate to conduct an inquiry, *in aid of legislation*, into the rising incidence of credit card fraud in the country, with the end in view of strengthening the provisions of existing laws to protect the general public from this unlawful transactions.

ADOPTED,


MANUEL "LITO" M. LAPID
Senator