

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

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SENATE
P. S. R. No. 537

RECEIVED BY: Judy

Introduced by Senator Miriam Defensor Santiago

RESOLUTION
DIRECTING THE LABOR COMMITTEE TO INVESTIGATE,
IN AID OF LEGISLATION, THE LIABILITY FOR PLUNDER OF
FORMER PRESIDENT RAMOS AND OTHERS, FOR THE ILLEGAL
INVESTMENT OF OWWA FUNDS IN THE SMOKEY MOUNTAIN PROJECT,
CAUSING A LOSS TO OWWA OF ₱ 550.86 MILLION

WHEREAS, the general rule is that a trust fund must be disbursed in accordance with the purpose for which it was created;

WHEREAS, the Overseas Workers Welfare Administration (OWWA) Fund, consisting of contributions from overseas workers, is a trust fund intended only to promote the welfare of overseas workers;

WHEREAS, Department of Finance Circular No. 194-A dated 12 December 1994, instructed all Government Owned and Controlled Corporations (GOCCs) to invest their funds, particularly trust account funds, only in government securities, defined as those pertaining to "treasury bills and treasury notes;"

WHEREAS, the same DOF Circular 194-A mandates GOCCs to make their deposits or investments through the Bureau of the Treasury;

WHEREAS, OWWA violated Circular No. 194-A, as formally found by the 2000 COA Audit Report, when the OWWA invested its funds in the Smokey Mountain Project Participation Certificates (SMPPC) in the amount of ₱ 563 million, scheduled to mature on 12 October 1999;

WHEREAS, as stated in the 1999 COA Audit Report, upon maturity, the investment remained unredeemed;

WHEREAS, the SMPPC investment was insured with Home Guarantee Corporation (HGC), pursuant to Memorandum No. 38-A signed by then President Ramos;

WHEREAS, according to the 2004 COA Audit Report, as of 26 September 2002, the maturity value of the certificates amounted to ₱ 835 million;

WHEREAS, HGC defaulted in complying with its guarantee, and President Ramos failed to give a definite timeframe to fully settle this account;

WHEREAS, according to the 2004 COA Audit Report, the HGC default and the President's failure resulted in a loss to OWWA amounting to ₱ 550.86 million;

WHEREAS, on 11 August 2004, the undersigned Senator Miriam Defensor Santiago delivered a privilege speech entitled "Anak ng Amari," calling for investigation into the criminal liability of Mr. Ramos for illegally authorizing the National Housing Authority to enter into a joint venture agreement with R2 Builders owned by Reghis Romero II for the Smokey Mountain Development and Reclamation Project, which eventually cost the government some ₱ 3.1 billion;

WHEREAS, the same Reghis Romero II is the owner of the same R2 Builders involved in the Smokey Mountain Project where OWWA funds were illegally invested, and lost;

WHEREFORE, BE IT RESOLVED, by the Senate to direct the Committee on Labor to conduct an investigation in aid of legislation concerning the investment of OWWA funds, on the criminal liability for plunder of former President Ramos and others on the alleged loss of ₱ 550.86 million in OWWA funds.

Adopted,


MIRIAM DEFENSOR SANTIAGO