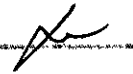


THIRTEENTH CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES)
Third Regular Session)

7 JAN 11 P5 01

SENATE
P.S. RESOLUTION NO. 607

RECEIVED BY: 

Introduced by Senator Lacson

RESOLUTION

DIRECTING THE APPROPRIATE SENATE COMMITTEES TO INQUIRE, IN AID OF LEGISLATION, ON THE ALLEGED \$14-MILLION PAYOFF THAT WAS MADE BY THE ARGENTINEAN FIRM INDUSTRIAS METALURGICAS PESCARMONA SOCIEDAD ANONIMA (IMPISA) TO SOME GOVERNMENT OFFICIALS IN EXCHANGE FOR THE APPROVAL OF ITS \$470-MILLION CONTRACT TO BUILD-REHABILITATE-OPERATE-TRANSFER THE CALIRAYA-BOTOCAN-KALAYAAN (CBK) HYDROELECTRIC PLANT

Whereas, it has been reported that the contract with the Argentinean firm Industrias Metalurgicas Pescarmona Sociedad Anonima (IMPISA) for the building-rehabilitation-operation-transfer of the Caliraya-Botocan-Kalayaan hydroelectric plant had already been disapproved by then President Joseph Ejercito Estrada during his term;

Whereas, four (4) days into the Arroyo administration, this controversial contract with the Argentinean firm Industrias Metalurgicas Pescarmona Sociedad Anonima (IMPISA) was approved by Her Excellency President Gloria Macapagal-Arroyo;

Whereas, it appears that the decision to approve the contract was due to the legal opinion rendered by then Secretary Hernando Perez of the Department of Justice that reversed the opinion of Justice Secretary Artemio Tuquero;

Whereas, in exchange for this Presidential approval of the IMPISA contract, \$14 Million was allegedly deposited in the Trade and Commerce Bank in Uruguay;

Whereas, of this alleged \$14 Million, \$2 Million allegedly found its way to the bank account of one Ernest Escaler and a certain Ramon Arceo, Jr. with the Coutts Bank in Hong Kong;

Whereas, when allegation to this effect came out, the Senate Committee on Government Corporation and Public Enterprises then chaired by Senator John Osmeña conducted a hearing on the matter where the main players i.e., former President Joseph Estrada and former Justice Secretaries Artemio Tuquero and Hernando Perez appeared before the said Senate Committee;

Whereas, the amount of \$2 Million was allegedly transferred to the Swiss bank accounts of Ramon Arceo and Rosario Perez;

Whereas, the Swiss government, suspecting the amount deposited as laundered money thereafter requested the Philippine government to assist in determining the source of this fund;

Whereas, from the time the request was made until January 9, 2006, the Philippine government did nothing to lend assistance in determining the source of this fund;

Whereas, the Office of the Ombudsman recently issued a report recommending the filing of charges against former Secretary Hernando Perez, his wife Rosario Perez, Ernest Escaler and Ramon Arceo in connection with the said \$2 Million in the Swiss accounts of Ramon Arceo and Rosario Perez;

Whereas, to date, statements were made that the case filed against former Secretary Perez et al was purely a case of extortion and that the occupants of Malacañang had nothing to do with the said money;

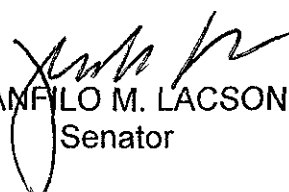
Whereas, it is more believable to conclude that the said amount was part of a grand scheme that facilitated the signing of the IMPSA deal that contained the government's sovereign guarantee and not a mere case of extortion as alleged by some quarters;

Whereas, there is a need to uncover the truth of this matter for it puts into doubt the sanctity and validity of the contracts entered into by the Executive Department;

Whereas, there is also the need to unmask the identity of the parties who facilitated the approval of a contract disadvantageous to the government for some consideration, monetary or otherwise, for them to be prosecuted for violation of the Anti-Graft and Corrupt Practices Act and of the Plunder Act; Now, therefore, be it

RESOLVED AS IT IS HEREBY RESOLVED, to direct as it hereby directs the appropriate Senate Committees to investigate the circumstances leading to the approval of this controversial contract with the Argentinean firm, Industrias Metalurgicas Pescarmona Sociedad Anonima (IMPISA), including the alleged \$14 Million payoff/bribe given to the government official/s that facilitated its approval by the President, with the end in view of providing remedial legislation to prevent the recurrence of the same, and unmasking and prosecuting said parties for violation of the Anti-Graft and Corrupt Practices Act and of the Plunder Act, for entering into a contract disadvantageous to the government for a consideration, monetary or otherwise.

Adopted,


PAMFILO M. LACSON
Senator