

FIFTEENTH CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES)
First Regular Session)

SENATE
S. No. 1538

Introduced by Senator Miriam Defensor Santiago

EXPLANATORY NOTE

Wars have inspired changes in our Government's contracting system. Given the nature of preparing for and implementing military action and reconstruction efforts, the Government has frequently sought and continues to seek goods and services from private contractors successfully to fulfill its mission. Whether the result of necessity or a response to prevailing public sentiments, the changes to the procurement system that follow resonate through-out the government contracting community.

This bill is designed to punish individuals or companies that have defrauded the government, or that have overvalued goods or services, in connection with military and reconstruction missions, and to deter such conduct in the future. The justification for the enactment of the bill is due to the lack of contractor accountability, as well as fraud, waste and abuse in the contract or the provision of goods or services, directly or indirectly, connected with a war, military action, or relief or reconstruction activities.

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MIRIAM DEFENSOR SANTIAGO

Introduced by Senator Miriam Defensor Santiago

1 AN ACT
2 TO PROHIBIT PROFITEERING AND FRAUD RELATING TO MILITARY ACTION,
3 RELIEF, AND RECONSTRUCTION EFFORTS, AND FOR OTHER PURPOSES.
4

5 *Be it enacted by the Senate and the House of Representatives of the Philippines in*
6 *Congress assembled:*
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8 SECTION 1. *Short Title.* This Act may be known as the “*War Profiteering Prevention*
9 *Act*”.

10 SECTION 2. *Prohibition.* Whoever, in any matter involving a contract or the provision
11 of goods or services, directly or indirectly, in connection with a war, military action, or relief or
12 reconstruction activities within the jurisdiction of the Philippine Government, knowingly and
13 willfully--

14 (a) Executes or attempts to execute a scheme or artifice to defraud the Philippine
15 Government;

16 (b) Materially overvalues any good or service with the specific intent to defraud and
17 excessively profit from the war, military action, or relief or reconstruction
18 activities;

19 (c) Falsifies, conceals, or covers up by any trick, scheme, or device a material fact;

20 (d) Makes any materially false, fictitious, or fraudulent statements or representations;

21 or

22 (e) Makes or uses any materially false writing or document knowing the same to
23 contain any materially false, fictitious or fraudulent statement or entry.
24

25 SECTION 3. *Penalties*

26 (a) Any person who shall violate any provision of this Act shall upon conviction, be
27 subject to a fine of not less than One hundred thousand pesos (P100,000.00) or imprisonment of
28 not less than six (6) years, or both upon the discretion of the court.

29 If the offender is an alien, he shall be deported after service of sentence and payment of
30 fine without further deportation proceedings.

31 (b) In case the offender is a naturalized citizen, he shall, in addition to the penalty
32 prescribed herein, suffer the penalty of cancellation of his naturalization certificate and its
33 registration in the civil register and immediate deportation after service of sentence and payment
34 of fine.

35 (c) Any director, officer or agent of a corporation who shall authorize, order or perform
36 any of the acts or practices constituting in whole or in part a violation of Section 2, shall be
37 subject to penalties to which that corporation may be subject.

38 In case the violation is committed by, or in the interest of a foreign juridical person duly
39 licensed to engage in business in the Philippines, such license to engage in business in the
40 Philippines shall immediately be revoked.

41 SECTION 4. *Separability Clause.* – If any provision or part thereof, is held invalid or
42 unconstitutional, the remainder of the law or the provision not otherwise affected shall remain
43 valid and subsisting.

44 SECTION 5. *Repealing Clause.* – Any law, presidential decree or issuance, executive
45 order, letter of instruction, administrative order, rule or regulation contrary to, or inconsistent
46 with the provisions of this Act is hereby repealed, modified or amended accordingly.

47 SECTION 6. *Effectivity Clause.* – This Act shall take effect fifteen (15) days after its
48 publication in at least two (2) newspapers of general circulation.

49 Approved.