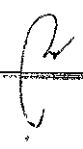


FIFTEENTH CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES)
First Regular Session)

SENATE
OFFICE OF THE SECRETARY

10 JUL 19 P5 00

SENATE
S. No. 1603

RECEIVED BY: 

Introduced by Senator Miriam Defensor Santiago

EXPLANATORY NOTE

The Constitution, Article II, Section 27 provides that:

SEC. 27. The State shall maintain honesty and integrity in public service and take positive and effective measures against graft and corruption.

Graft and corruption has placed a heavy burden in our country throughout our history. In 2000, the World Bank estimated that the Philippines had lost \$48 billion (P1.968 trillion) to corruption from 1977 to 1997. That amount would have addressed most of our current problems not the very least of them poverty. Each administration has had its own program in fighting graft and corruption. Although each has resulted into certain levels of success, we have yet to accomplish a truly significant step in fighting corruption. Economist Alejandro Lichauco has said the Philippines is perennially in crisis because of “the mortal mix of corruption and poverty and a consequent loss of popular confidence in government and the electoral process as instruments of change.” The fatal mix, he said, is poverty so massive and so intense as to have degenerated into a problem of mass hunger, and corruption that is as massive as the massive poverty.¹

A World Bank study released last June said that corruption in the Philippines is perceived to be the worst among East Asia’s leading economies. The Philippines is now at the bottom of the list of East Asia’s 10 largest economies when it comes to control of corruption, edged out by Indonesia, which scored the worst in the region in the 2007 survey.²

President Gloria Macapagal Arroyo herself recognizes the need to intensify the fight against graft and corruption. Early this year, she has allocated more than three billion pesos in

¹ Cost of corruption. Philippine Daily Inquirer. 12 February 2008.

² Dumlao, Doris. WB: Corruption in RP worst in East Asia. Philippine Daily Inquirer. 25 June 2008.

funds to fight graft and corruption in our country. In her State of the Nation address this year, she asked the Congress to enact a more stringent Anti-Graft Act.

We need to build on our experience in our fight against graft and corruption in order to capitalize in what we have so far achieved.

This bill seeks to provide our anti-graft and corruption agencies with a better tool against graft and corruption by addressing the weaknesses of R.A. No. 3019, otherwise known as the "Anti-Graft and Corrupt Practices Act."³

ccr 
MIRIAM DEFENSOR SANTIAGO


³ This bill was originally filed in the Fourteenth Congress, Second Regular Session

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

SENATE
OFFICE OF THE SECRETARY

10 JUL 19 11:00

SENATE
S. No. 1603

RECEIVED BY: 

Introduced by Senator Miriam Defensor Santiago

1 AN ACT
2 STRENGTHENING THE REPUBLIC ACT NUMBER THREE THOUSAND NINETEEN,
3 OTHERWISE KNOWN AS THE ANTI-GRAFT AND CORRUPT PRACTICES ACT
4

5 *Be it enacted by the Senate and the House of Representatives of the Philippines in*
6 *Congress assembled:*
7

8 SECTION 1. Section 2 of RA 3019, otherwise known as the Anti-Graft and Corrupt
9 Practices Act, is hereby amended to read as follows:

10 SEC. 2. Definition of terms. - As used in this Act, that term -

11 (a) "Government" includes the national government, the local governments,
12 the government-owned and government-controlled corporations, and all
13 other instrumentalities or agencies of the Republic of the Philippines and
14 their branches.

15 (b) "Public officer" includes elective and appointive officials and employees,
16 permanent or temporary, whether in the classified or unclassified or
17 exempt service, **WHETHER OR NOT** receiving compensation [, even
18 nominal,] from the government as defined in the preceding subparagraph.

19 (c) "Receiving any gift" includes the act of accepting directly or indirectly a
20 gift from a person other than a member of the public officer's immediate
21 family, in behalf of himself or of any member of his family or relative
22 within the fourth civil degree, either by consanguinity or affinity, even on

1 the occasion of a family celebration or national festivity like Christmas[, if
2 the value of the gift is under the circumstances manifestly excessive].

3 (d) "Person" includes natural and juridical persons, unless the context
4 indicates otherwise.

5 SECTION 2. Section 3 (b) of RA 3019 is hereby amended to read as follows:

6 (b) Directly or indirectly requesting or receiving any gift, present, share,
7 percentage, or benefit, for himself or for any other person, in connection
8 with any contract, [or] transaction, **OR PROCEEDING** between the
9 Government and any other part, wherein the public officer in his official
10 capacity has to intervene under the law.

11 SECTION 3. Section 3 (e) of RA 3019 is hereby amended to read as follows:

12 (e) Causing any undue injury to any party, including the Government, or
13 giving any private party any unwarranted benefits, advantage or
14 preference in the discharge of his official administrative or judicial
15 functions through **SIMPLE** [manifest] partiality, [evident] bad faith or
16 gross **OR** inexcusable negligence. This provision shall apply to officers
17 and employees of offices or government corporations charged with the
18 grant of licenses or permits or other concessions.

19 SECTION 4. Section 3 (g) of RA 3019 is hereby amended to read as follows:

20 (g) Entering, on behalf of the Government, into any contract or transaction
21 [manifestly and grossly] disadvantageous to the same, whether or not the
22 public officer profited or will profit thereby.

23 SECTION 5. Section 4 (a) of RA 3019 is hereby amended to read as follows:

24 SEC. 4. Prohibition on private individuals. -

25 (a) It shall be unlawful for any person having family or close personal relation
26 with any public official to capitalize or exploit or take advantage of such

1 family or close personal relation by directly or indirectly requesting or
2 receiving any present, gift or material or pecuniary advantage from any
3 other person having some business, transaction, application, request or
4 contract with the government, in which such public official has to
5 intervene. Family relation shall include the spouse or relatives by
6 consanguinity or affinity in the **FOURTH** [third] civil degree. The word
7 "close personal relation" shall include close personal friendship, social and
8 fraternal connections, and professional employment all giving rise to
9 intimacy which assures free access to such public officer.

10 SECTION 6. Section 5 of RA 3019 is hereby amended to read as follows:

11 SEC. 4. Prohibition on certain relatives. - It shall be unlawful for the spouse or
12 for any relative, by consanguinity or affinity, within the **FOURTH** [third]
13 civil degree, of the President of the Philippines, the Vice-President of the
14 Philippines, the President of the Senate, or the Speaker of the House of
15 Representatives, to intervene, directly or indirectly, in any business,
16 transaction, contract or application with the Government: Provided, That this
17 section shall not apply to any person who, prior to the assumption of office of
18 any of the above officials to whom he is related, has been already dealing with
19 the Government along the same line of business, nor to any transaction,
20 contract or application already existing or pending at the time of such
21 assumption of public office, nor to any application filed by him the approval
22 of which is not discretionary on the part of the official or officials concerned
23 but depends upon compliance with requisites provided by law, or rules or
24 regulations issued pursuant to law, nor to any act lawfully performed in an
25 official capacity or in the exercise of a profession.

26 SECTION 7. Section 7 of RA 3019 is hereby deleted.

27 SECTION 8. Section 9 (b) of RA 3019 is hereby deleted.

1 SECTION 9. Section 11 of RA 3019 is hereby amended to read as follows:

2 SEC. 11. Prescription of offenses. - All offenses punishable under this Act
3 shall prescribe in **TWENTY** [fifteen] years.

4 SECTION 10. Section 12 of RA 3019 is hereby amended to read as follows:

5 SEC. 12. Termination of office. – **ANY PROVISION OF LAW TO THE**
6 **CONTRARY, NOTWITHSTANDING,** No public officer shall be allowed
7 to **RECEIVE OR CLAIM RETIREMENT BENEFITS** [resign or retire]
8 pending an investigation, criminal or administrative, or pending a prosecution
9 against him, for any offense under this Act, **R.A. No. 7080 “AN ACT**
10 **DEFINING AND PENALIZING THE CRIME OF PLUNDER”** or under
11 the provisions of the Revised Penal Code on bribery. **RESIGNATION OF A**
12 **RESPONDENT PENDING ADMINISTRATIVE INVESTIGATION**
13 **ARISING FROM ANY VIOLATION OF THIS ACT, R.A. NO. 7080, OR**
14 **PROVISIONS OF THE REVISED PENAL CODE (RPC) ON BRIBERY**
15 **SHALL NOT PREJUDICE THE SAID ADMINISTRATIVE CASE AND**
16 **SHALL PROCEED UNTIL FINALLY RESOLVED.**

17 SECTION 11. Section 14 of RA 3019 is hereby amended to read as follows:

18 SEC. 14. Exception. – [Unsolicited gifts or presents of small or insignificant
19 value offered or given as a mere ordinary token of gratitude or friendship
20 according to local customs or usage, shall be excepted from the provisions of
21 this Act.] Nothing in this Act shall be interpreted to prejudice or prohibit the
22 practice of any profession, lawful trade or occupation by any private person or
23 by any public officer who under the law may legitimately practice his
24 profession, trade or occupation, during his incumbency, except where the
25 practice of such profession, trade or occupation involves conspiracy with any
26 other person or public official to commit any of the violations penalized in
27 this Act.

1 SECTION 12. *Separability Clause.* – If any provision, or part hereof is held invalid or
2 unconstitutional, the remainder of the law or the provision not otherwise affected shall remain
3 valid and subsisting.

4 SECTION 13. *Repealing Clause.* – Any law, presidential decree or issuance, executive
5 order, letter of instruction, administrative order, rule or regulation contrary to or inconsistent
6 with, the provisions of this Act is hereby repealed, modified, or amended accordingly.

7 SECTION 14. *Effectivity Clause.* – This Act shall take effect fifteen (15) days after its
8 publication in at least two (2) newspapers of general circulation.

9 Approved.