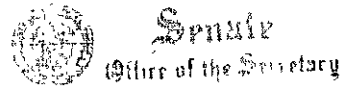
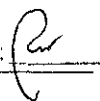


FIFTEENTH CONGRESS OF THE REPUBLIC  
OF THE PHILIPPINES  
Second Regular Session



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SENATE  
P. S. Res. No. 553

RECEIVED BY: 

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INTRODUCED BY SENATOR LACSON

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A RESOLUTION

DIRECTING THE SENATE COMMITTEES ON ACCOUNTABILITY OF PUBLIC OFFICERS AND INVESTIGATIONS, AND BANKS, FINANCIAL INSTITUTIONS AND CURRENCIES, TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON ALLEGED ANOMALOUS LARGE SCALE FINANCIAL TRANSACTIONS INVOLVING BEHEST LOANS AND/OR SIMILAR SWEETHEART DEALS DONE UNDER A CLOAK OF CONFIDENTIALITY DURING THE PREVIOUS ADMINISTRATIONS OF GOVERNMENT BANKS AND FINANCIAL INSTITUTIONS, PARTICULARLY IN LIGHT OF THE CIRCUMSTANCES SURROUNDING THE TRAGIC DEATH OF DBP ASSISTANT LEGAL COUNSEL BENJAMIN PINPIN, WITH THE END IN VIEW OF DETERMINING WHO THE ACCOUNTABLE PUBLIC OFFICIALS ARE, AMENDING THE CHARTERS OF THESE GOVERNMENT FINANCIAL INSTITUTIONS FOR TRANSPARENCY AND ACCOUNTABILITY AND FOR OTHER PURPOSES.

**WHEREAS**, Section 1, Article XII of the 1987 Constitution mandates: "Public office is a public trust. Public officers and employees must at all times be accountable to the people, serve them with utmost responsibility, integrity, loyalty, and efficiency, act with patriotism and justice, and lead modest lives;"

**WHEREAS**, Section 2, of R.A. 6713, otherwise known as "The Code of Conduct and Ethical Standards for Public Officials and Employees," provides: "It is the policy of the State to promote a high standard of ethics in public service. Public officials and employees shall at all times be accountable to the people and shall discharge their duties with utmost responsibility, integrity, competence, and loyalty, act with patriotism and justice, lead modest lives, and uphold public interest over personal interest;"

**WHEREAS**, Section 2, of R.A. 8791, otherwise known as "The General Banking Law of 2000," provides: "The State recognizes the vital role of banks in providing an environment conducive to the sustained development of the national economy and the fiduciary nature of banking that requires high standards of integrity and performance;"

**WHEREAS**, Newsbreak published last May 2011 a two series article about questionable transactions involving two alleged behest loans approved in two days with incomplete document submissions totaling P660 million pesos by Delta Ventures Resources Inc. (DVRI), a company with only a P650,000.00 paid up capital from the Development Bank of the Philippines (DBP);

**WHEREAS**, said loan was then used by Delta Ventures Resource Inc. (DVRI) to buy fifty million shares (at around P11.00 per share) of PHILEX Mining Company, which at that time were ironically owned by the DBP. Three weeks after, these same shares were then sold by DVRI at P21.00 per share to a third party;

**WHEREAS**, the decisions that approved these particular transaction happened from April 2009 to December 2009, under the term of former DBP President Reynaldo David who at that time was also sitting as a Director in PHILEX Mining Company;

**WHEREAS**, businessman Roberto V. Ongpin, also a director of PHILEX Mining company during the time of the questioned transactions, answered last May 2011 the Newsbreak article admitting all the transactions related to the said loans and purchase of Philex shares by his companies and noted that all were above board. In the same reply, he added that he was indeed a close friend of then First Gentleman Miguel "Mike" T. Arroyo, husband of former President Gloria Macapagal-Arroyo;

**WHEREAS**, in its finding dated July 9, 2011, the Commission on Audit (COA) said that the DBP lost P412 million from these transactions. Shortly thereafter, it was reported that the tragic death last 2 August 2011 of DBP Assistant Legal Counsel Benjamin Pinpin was linked to the investigations being undertaken in relation to this transaction because he was a direct witness to the same;

**WHEREAS**, the DBP Charter contains provisions on confidentiality that control disclosure of information to third persons on financial transactions and, hence, creates a situation that allows the occurrence of these anomalous transactions to happen under a cloak of secrecy which constrains any investigation on these anomalies because it severely limits the rights of the public to know and to hold public officials accountable;

**WHEREAS**, the stability and strength of the banking industry and government financial institutions is anchored on trust, particularly on the high standards of integrity and performance of its governing officers;

**WHEREAS**, in order to consolidate the stability of the banking industry and of government financial institutions, there is an urgent need to investigate further since it has been reported that there are other similar bigger financial anomalies involving government banks and financial institutions which are seen as clearly in breach of banking laws and the various anti-corruption laws; notably, (1) the acquisition of a controlling interest by the government (Development Bank of the Philippines and the Land Bank of the Philippines) in 2009 in the Metro Rail Transit Corporation in the amount of US\$180 million or roughly P7.5 billion, (2) alleged failed investments in Lehman, and (3) a couple of others; **NOW THEREFORE**,

**BE IT RESOLVED, AS IT IS HEREBY RESOLVED**, that the Senate direct, as it hereby directs, the Senate Committees on Accountability of Public Officers and Investigations, and Banks and Financial institutions to conduct an inquiry, in aid of legislation, on the alleged anomalous large scale financial transactions involving behest loans and/or similar sweetheart deals done under a cloak of confidentiality during the previous administrations of government banks and financial institutions, with the end in view of determining who the accountable public officials are, amending the charters of these government financial institutions for transparency and accountability, and for other purposes.

**Adopted,**

  
**PANFILO M. LACSON**  
Senator