

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



Senate
Office of the Secretary

73 JUL 29 P2:24

SENATE
S. No. 1138

RECEIVED BY: *ji*

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 throughout 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
MIRIAM DEFENSOR SANTIAGO



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S. No. 1138

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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

Be it enacted by the Senate and the House of Representatives of the Philippines in Congress assembled:

4 SECTION 1. *Short Title.* – This Act may be known as the “War Profiteering Prevention
5 Act”.

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

10 (a) Executes or attempts to execute a scheme or artifice to defraud the Philippine
11 Government;

12 (b) Materially overvalues any goods or services with the specific intent to defraud and
13 excessively profit from the war, military action, or relief or reconstruction activities;

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

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

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

18 SECTION 3. *Penalties.* – (a) Any person who shall violate any provision of this Act
19 shall, upon conviction, be subject to a fine of not less than One hundred thousand pesos

20 (P100,000.00) or imprisonment of not less than six (6) years but not more than twelve (12) years,
21 or both, upon the discretion of the court.

22 If the offender is an alien, he or she shall be deported after service of sentence and
23 payment of fine without further deportation proceedings.

24 (b) In case the offender is a naturalized citizen, he or she shall, in addition to the penalty
25 prescribed herein, suffer the penalty of cancellation of his or her naturalization certificate and its
26 registration in the civil register and immediate deportation after service of sentence and payment
27 of fine.

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

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

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

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

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

Approved,