



REPUBLIC OF THE PHILIPPINES  
**Senate**  
Pasay City

# Journal

**SESSION NO. 26**  
Wednesday, September 25, 2013

**SIXTEENTH CONGRESS**  
**FIRST REGULAR SESSION**

**SESSION NO. 26**  
Wednesday, September 25, 2013

**CALL TO ORDER**

At 3:02 p.m., the Senate President, Hon. Franklin M. Drilon, called the session to order.

**PRAYER**

Sen. Maria Lourdes Nancy S. Binay led the prayer, to wit:

*Panginoon, salamat sa isa na namang araw na Iyong ginawa upang kami'y magtipon. Kami'y nagpapasalamat sa mga biyang Inyong ibinigay at sa pagbabahagi ng mga biyang aming tatanggapin pa.*

*Panginoon, puno ng ligalig at sigalot ang aming bayan ngayon, hindi lamang sa Zamboanga, kundi pati na rin sa mga bulwagan ng kapangyarihan. Dinayo rin ng unos ang bansa, kung saan lumubog sa tubig-baha ang maraming bahagi ng Luzon.*

*Sa gitna ng mga pagsubok na ito, amin pong idinudulog sa Inyo ang aming pagsusumamo; nawa'y manahan ang kapayapaan at hustisya sa bawat isa sa aming mga puso at tungo sa kapwa tao. Tipunin Ninyo kami upang magkaisa tungo sa pagbubuo at pagkamit ng pangmatagalang kapayapaan at hustisya.*

*Panginoon, gawin Ninyo kaming instrumento sa paghahanap ng katoto-*

*han. Bigyan Ninyo kami ng lakas upang ipaglaban kung ano ang wasto at tama. Gabayan Ninyo kami sa tamang landas sa hangaring makamtan ang katarungan.*

*Hangad din namin na sa paghahanap ng katotohan ay manaig ang hinahangad na katarungan na walang pagkiling kaninuman.*

*Siya Nawa.*

**ROLL CALL**

Upon direction of the Chair, the Secretary of the Senate, Atty. Oscar G. Yabes, called the roll, to which the following senators responded:

Angara, S.	Honasan, G. B.
Aquino, P. B. IV B.	Legarda, L.
Binay, M. L. N. S.	Pimentel III, A. K.
Cayetano, A. P. C. S.	Recto, R. G.
Drilon, F. M.	Revilla Jr., R. B.
Ejercito, J. V. G.	Sotto III, V. C.
Enrile J. P.	Villar, C. A.
Escudero, F. J. G.	

With 15 senators present, the Chair declared the presence of a quorum.

Senators Estrada, Marcos, Osmeña and Poe arrived after the roll call.

Senator Cayetano (P), who was on official mission, also arrived after the roll call.

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Senators Guingona and Lapid were on official mission.

Senator Defensor Santiago was on sick leave.

Senator Trillanes was absent.

#### **APPROVAL OF THE JOURNAL**

Upon motion of Senator Cayetano (A), there being no objection, the Body dispensed with the reading of the Journal of Session No. 25 (September 24, 2013) and considered it approved.

#### **SUSPENSION OF SESSION**

With the permission of the Body, the session was suspended to allow the senators to greet Senator Revilla on his birthday.

*It was 3:05 p.m.*

#### **RESUMPTION OF SESSION**

At 3:08 p.m., the session was resumed.

#### **REFERENCE OF BUSINESS**

The Secretary of the Senate read the following matters and the Chair made the corresponding referrals:

#### **RESOLUTIONS**

Proposed Senate Resolution No. 257, entitled

RESOLUTION URGING THE SENATE COMMITTEE ON HEALTH AND DEMOGRAPHY TO CONDUCT A STUDY, IN AID OF LEGISLATION, ON THE INCREASING INCIDENCE AND RELATIVELY HIGH RATES OF SUICIDE AND DEPRESSION CASES IN THE COUNTRY WITH THE OBJECTIVES OF FORMULATING A FOCUSED SUICIDE PREVENTION PROGRAM, ADOPTING RENAISSANCE APPROACHES ON NEW WAYS OUT OF DEPRESSION, AND ESTABLISHING MORE HELP UNITS FOR PEOPLE WHO WANT TO OPT OUT OF LIFE

Introduced by Senator Grace Poe

**To the Committee on Health and Demography**

Proposed Senate Resolution No. 258, entitled

RESOLUTION DIRECTING THE PROPER SENATE COMMITTEES TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE REPORTED LOWER RANKINGS OF PHILIPPINE UNIVERSITIES IN THE 2013 QUACQUARELLI SYMONDS (QS) WORLD UNIVERSITY RANKINGS

Introduced by Senator Lapid

**To the Committee on Education, Arts and Culture**

Proposed Senate Resolution No. 259, entitled

RESOLUTION DIRECTING THE PROPER SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE REPORTED BLACK SAND MINING ACTIVITIES IN THE COUNTRY

Introduced by Senator Lapid

**To the Committee on Environment and Natural Resources**

Proposed Senate Resolution No. 260, entitled

RESOLUTION DIRECTING THE APPROPRIATE SENATE COMMITTEES TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, INTO THE PROPER PROCEDURE OF DEPORTATION OF FOREIGN NATIONALS WHO ATTEND OR PARTICIPATE IN POLITICAL RALLIES IN ORDER TO PROTECT THE RIGHT OF FOREIGNERS TO FREEDOM OF EXPRESSION

Introduced by Senator Paolo Benigno "Bam" Aquino IV

**To the Committee on Justice and Human Rights**

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Proposed Senate Resolution No. 261, entitled

RESOLUTION DIRECTING THE PROPER SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE INCREASING INCIDENCE OF MOTORCYCLE ACCIDENTS IN THE COUNTRY, IN ORDER TO FORMULATE A COMPREHENSIVE MOTORCYCLE SAFETY LAW

Introduced by Senator Defensor Santiago

**To the Committee on Public Services**

Proposed Senate Resolution No. 262, entitled

RESOLUTION DIRECTING THE PROPER SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE REPORTED ANOMALOUS IMPORTATION DEALINGS IN THE BUREAU OF PLANT INDUSTRY (BPI) ALLEGEDLY ALLOWING FOR A MONOPOLY OF GARLIC IMPORTATION IN THE COUNTRY

Introduced by Senator Defensor Santiago

**To the Committees on Agriculture and Food; and Trade, Commerce and Entrepreneurship**

Proposed Senate Resolution No. 263, entitled

RESOLUTION DIRECTING THE PROPER SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE REPORTED ILLEGAL BLACK SAND MINING OPERATIONS IN THE CAGAYAN ALLEGEDLY INVOLVING OFFICIALS FROM THE DEPARTMENT OF JUSTICE, DEPARTMENT OF FINANCE, DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES, AND THE IMPACT OF THE MINING OPERATIONS ON THE ENVIRONMENT AND ITS AFFECTED COMMUNITIES

Introduced by Senator Defensor Santiago

**To the Committee on Environment and Natural Resources**

Proposed Senate Resolution No. 264, entitled

RESOLUTION DIRECTING THE PROPER SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE FORMULATION OF PUBLIC POLICY REGARDING GENETICALLY-MODIFIED ORGANISMS

Introduced by Senator Defensor Santiago

**To the Committees on Agriculture and Food; and Health and Demography**

Proposed Senate Resolution No. 265, entitled

RESOLUTION DIRECTING THE PROPER SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE REPORT THAT SOME 41,924 PUBLIC SCHOOLS ARE SQUATTING ON VARIOUS GOVERNMENT AND PRIVATELY-OWNED LANDS

Introduced by Senator Defensor Santiago

**To the Committee on Education, Arts and Culture**

Proposed Senate Resolution No. 266, entitled

RESOLUTION EXPRESSING THE SENSE OF THE SENATE URGING THE APPROPRIATE AGENCIES TO WORK COLLABORATIVELY IN THE IMMEDIATE RESOLUTION OF THE ISSUE OF OWNERSHIP OF THE LAND CURRENTLY OCCUPIED BY THE PHILIPPINE CHILDREN MEDICAL CENTER WITH THE END VIEW OF PROTECTING THE BASIC RIGHT OF CHILDREN TO HEALTH SERVICES

Introduced by Senator Paolo Benigno "Bam" Aquino IV

**To the Committee on Rules**

Proposed Senate Resolution No. 267, entitled

RESOLUTION DIRECTING THE APPROPRIATE SENATE COMMITTEE/S TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE STATE OF THE COUNTRY'S PRE-NEED INDUSTRY AND THE IMPLEMENTATION OF REPUBLIC ACT NO. 9829, OTHERWISE KNOWN AS THE PRE-NEED CODE OF THE PHILIPPINES

Introduced by Senator Sonny Angara

**To the Committee on Banks, Financial Institutions and Currencies**

Proposed Senate Resolution No. 268, entitled

RESOLUTION CONGRATULATING AND COMMENDING CLYDE WESLEY ANG, KYLE PATRICK DULAY, MATTHEW ANGELO ISIDRO, SHAQUILLE WYAN QUE, ADRIAN REGINALD SY AND THE REST OF THE PHILIPPINE CONTINGENT FOR RECEIVING THE HIGHEST HONORS AND GARNERING PRESTIGIOUS AWARDS IN THE 2013 AUSTRALIAN MATHEMATICS COMPETITION ADMINISTERED IN THE COUNTRY ON 1 AUGUST 2013

Introduced by Senator Lapid

**To the Committee on Rules**

#### COMMUNICATION

Letter from the Commission on Audit, dated September 18, 2013, furnishing the Senate with the 2012 Annual Financial Report (Volumes I-A and I-B) showing, among others, the financial condition of the National Government as of December 31, 2012 and the results of its operations for the year ended, pursuant to Section 4, Article IX-D of the Constitution of the Philippines.

**To the Committee on Finance**

#### ADDITIONAL REFERENCE OF BUSINESS

##### BILL ON FIRST READING

Senate Bill No. 1734, entitled

AN ACT PROMOTING THE CORRECTION AND REHABILITATION OF CRIMINAL OFFENDERS AND FACILITATING THEIR REINTEGRATION INTO THE COMMUNITY, ESTABLISHING FOR THE PURPOSE COMMUNITY CORRECTIONS DEVELOPMENT CENTERS IN EACH REGION OF THE COUNTRY, APPROPRIATING FUNDS THEREFOR AND FOR OTHER PURPOSES

Introduced by Senator Marcos Jr.

**To the Committees on Justice and Human Rights; and Finance**

##### RESOLUTION

Proposed Senate Resolution No. 269, entitled

RESOLUTION CONGRATULATING AND COMMENDING DENNIS ORCOLLO AND LEE VANN CORTEZA FOR WINNING THE WORLD CUP OF POOL TITLE ON 23 SEPTEMBER 2013 AT THE YORK HALL IN LONDON, ENGLAND

Introduced by Senator Lapid

**To the Committee on Rules**

##### SUSPENSION OF SESSION

Upon motion of Senator Cayetano (A), the session was suspended.

*It was 3:14 p.m.*

##### RESUMPTION OF SESSION

At 3:18 p.m., the session was resumed.

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## PRIVILEGE SPEECH OF SENATOR ESTRADA

Availing himself of the privilege hour, Senator Estrada spoke on the alleged anomalies involving the Priority Development Assistance Fund (PDAF).

*Following is the full text of his speech:*

### THE UNTOLD PDAF STORY THAT THE PEOPLE SHOULD KNOW

I rise today on a matter of personal privilege with regard to the allegations hurled against me and my colleagues, Senators Juan Ponce Enrile and Ramon Revilla Jr., in relation to the so-called "PDAF scam."

I also rise to tell the untold story of PDAF as well as to expose the biases and prejudices against the Opposition of certain institutions like the media, the Commission on Audit, the Department of Budget and Management, and even the Blue Ribbon Committee of the Senate.

Since the story broke on the alleged anomalies involving the Priority Development Assistance Fund (PDAF), there has been a serialized and obvious concerted effort in the media to demonize me, along with other members of this Chamber allegedly involved. *Mala-telenovela ang pagsasadula ng PDAF-scam, kumbaga.*

The media have prominently printed screaming headlines that have serialized reports designed to vilify us before the bar of public opinion.

*Si Senator Enrile, si Senator Revilla at ako ang tila ba inuulam at pinagpipistahan mula almusal, tanghalian, meryenda at hapunan.*

*Ito po ang ilan sa maligalig na headlines:*

*"50% ang Cut ng Senators";*

*Cash ang Bigayan!"*

*"Pork Scam Aabot sa P100 billion?"*

*"P3 Billion Pork Nasolo ni Way Kurat!"*

*"Bong Revilla Buking sa Pirma!"*

*At ito pa ho —*

*"Congress Kickbacks, How Much for Whom?"*

*"Solons Got 50% of Pork!"*

*"3 Senators Amassed 581 Million in Kickbacks."*

We have been singled out as our people should know in this so-called P10-billion PDAF scam. We have yet to be afforded the opportunity to confront the evidence thrown against us, but sadly, in the eyes of the Filipino people, we have already been marked and portrayed as the worst thieves and scoundrels of the government.

And just to belabor and drive home this point, even the Commission on Human Rights has recognized what is being done to us. *Kamakailan lamang, kinondena ng Commission on Human Rights ang trial by publicity na ginagawa sa mga nasasangkot sa pork barrel scam.*

On the other hand, Amando Doronila's column may have sadly and aptly predicted, when he wrote: "What is endangered in this mass hysteria lusting for blood without going through due process is that we might be laying the ground for the lynching or sending to the gallows of a fundamental principle of constitutional democracy—a fair administration of justice underpinned by the right to be heard before being condemned guilty."

### *The Hypocrites in Barong*

Even some of our colleagues here at the Philippine Senate have apparently passed judgment on us.

I initially welcomed the Senate Blue Ribbon Committee investigation on the PDAF scam. *Sa totoo lamang po, gusto ko pong dumalo at mag-participate sa pagdinig patungkol sa PDAF, but my lawyers pleaded with me not to. I heeded the advice of my lawyers. Ngunit bilang pagrespeto pa rin sa pagdinig ng Blue Ribbon Committee patungkol sa usapin ng PDAF, I went to the first hearing and personally relayed that I am inhibiting from the proceedings. At kung inyong matatandaan, bago ako nag-inhibit, personal kong pinabatid sa Blue Ribbon Committee ang kahalagahan ng kanilang gagawing pag-imbetiga upang makagawa ng batas na tutugon sa isang mahalagang isyu katulad ng tamang paggugol ng kaban ng bayan kasama po ang PDAF. Nasabi ko po iyon sa paniniwalang "in aid of legislation" ang gagawing pagdinig. Nagkamali po ako.*

*Hindi ko naman pipigilan at wala akong balak na pigilan ang mga resource persons na dumalo at dadalo sa pagdinig sa pagbanggit ng pangalan kung ito ay kasama sa paglalahad nila ng mga pangyayaring naaayon sa kanilang kaalaman. Ngunit kailangan po bang ulit-ulitin ang aming mga pangalan na para bang bingi o tanga ang mga kausap? O kaya parang isang sirang plaka? Pakinggan po natin.*

*At this juncture, video footages of the Senate Blue Ribbon Committee hearing were shown via a power point presentation.*

One of our colleagues, during the course of these investigations, even tried to play with the

gallery by making snide remarks while asking the witness about the identity or an alias of a senator involved. Why play this up when there have already been reports in the media on this, and which I had vehemently denied? Why play up this issue? He even referred to a known campaign slogan of a fellow senator. *Akalain mong sabihin pa nila, "Sino iyong senador na iyon? Ano ba ang slogan noon? Gusto ko happy ka?" Ano ba ito? Bastusan ba ito?*

*Alam ko na alam ng mga taong ito na sila ang tinutukoy ko. Ang tanging mensahe ko lamang sa mga taong ito ay "sa bawat pagturo ninyo ng mapanghusga at mapangkutyang daliri o hintuturo ninyo ay apat na daliri ang nakaturo pabalik sa inyo."*

*At mahilig din lamang na mag-quote mula sa Bibliya ang isa sa mga taong ito na parang isang maamong tupa, pagnilayan kaya niya ang mga katagang ito: "Kung sino mang walang bahid ng anumang kasalanan, kayo ang unang bumato sa taong ito." Huwag kayong magmalinis at lalung-lalo na huwag kayong masyadong ipokrito!*

#### **Selective Investigation**

*At matanong ko lamang: Bakit ba ang direksyon ng imbestigasyon ng Blue Ribbon ay tila nililimitahan ng komite sa mga foundations na nauugnay kay Janet Lim Napoles? Hindi ba't may higit sa 82 foundations na nakasaad sa COA report na sinasabing may bahid na katiwalian? Sadya bang nagbubulag-bulagan lamang sila kaya hindi nakikita ang ibang nilalaman ng COA report, katulad ng hindi pagbusisi ng Blue Ribbon Committee patungkol sa pondong inilaan ng ilang mambabatas sa sarili nilang korporasyon o NGO? As blatant and as violative of a law as this and yet this does not even merit a mere mention in the Blue Ribbon investigation. Biruin mo, inilagay ang pondo sa isang NGO foundation na sila mismo ang incorporator or board of director or stockholder. Di parang kumuha ka ng pera mula sa isang balsa at inilagay sa kabilang balsa, hindi po ba?*

*At ito pa, hindi ba't paulit-ulit na sinasabi ni Senador Guingona sa hearing ang tungkol sa mga kuwestyunableng transaksyon diumano ng Napoles NGO at mga suppliers nito? Bakit hindi niya nakikita o binabanggit nang paulit-ulit din sa Blue Ribbon hearing ang mga kuwestyunableng transaksyon naman ng mga local government units na siyang nag-implement ng proyektong pinundohan mula sa PDAF ng ilang mambabatas?*

*Ayun din sa COA report, mayroong P1.2 billion in LGU transactions or local government unit transactions funded from PDAF na hindi po nag-comply sa procurement law. Ilan sa mga pinanggalingan ng P1.2 billion na ito ay galing sa PDAF ni, unang-uma, Miriam Defensor Santiago, Alan Peter Cayetano, Francis "Kiko" Pangilinan, at si Manny Villar. Bakit hindi po nabanggit ang mga ito? Dahil ba sila ay kaalyado ninyo? Pero hindi ko naman po sinasabi na sila ay nagkasala. Ito po ay base sa COA report na mayroon daw pong irregularities ang kanilang pinaglaanan na pondo.*

*Kumustahin naman natin iyong PDAF allocations ng isang kongresista ng kapit-bahay o kapit-lungsod ng pinakamamahaling kong bayan ng San Juan, ang pangalawang pinakamataas na opisyal sa Lower House at ang pangalan niya ay si Congressman Neptali "Boyet" Gonzales Jr. ng Mandaluyong.*

*Si Congressman Gonzales ay mahigit anim na taon nang nanunungkulan bilang congressman kaya't masasabi na sa loob ng mga taong ito nagkaroon na siya ng minimum na P420 million na PDAF allocation. Kaya P420 million iyan dahil P70 million per congressman a year times six, P420 million. I say minimum kasi majority leader itong si Congressman Gonzales kaya sigurado akong may natatanggap pa siyang "additional" mula sa kanilang liderato.*

*Kung susuriin po ang COA report, maki-kita pong sa sarili niyang distrito nilalagak ni Congressman Boyet Gonzales ang halos lahat ng kanyang PDAF. Sa madaling salita, opisina niya mismo ang implementor ng kanyang PDAF. Kaya naman pala isa si Congressman Gonzales na masigasig na nagsusulong na mapanatili ang PDAF. Hindi ba't sinabi niya kamakailan lang sa plenary ng Kamara ng "sa mga ayaw ng PDAF, e di okey lang. Kung ayaw nyo, huwag nyo." Pero, maayos naman kayang nagagamit ang kanyang PDAF?*

*Mukha pong hindi, dahil ayon din sa COA Special Audit Report, dalawampu't walong suppliers ng Mandaluyong City denied having undertaken 167 transactions amounting to P28.74 million. Ibig sabihin, mayroong dalawampu't walong suppliers ng Mandaluyong ang nagsabi ng wala silang transaction na nagkakahalaga ng P28.74 million sa siyudad ng Mandaluyong kaya maaaring masabi na "ghost projects" din ang mga iyon.*

*At mayroon din pong cash advances si Congressman Gonzales na nagkakahalaga ng P275 million na walang kaukulang pinag-*

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*lalaanan ayon din sa COA report. Still, according to the COA report, there were transactions worth P263.676 million considered questionable as the suppliers were not legally and/or physically existing. Hindi po matagpuan ang mga suppliers.*

*At ito pa ho, maniwala kayo o hindi, mayroon pa ngang nakita ang COA na P6.6 million worth of transactions sa Jollibee! Ano ito? P6.6 million worth ng hamburger, chicken joy, at jolly hotdog? Aba! Langhap na langhap ang sarap, hindi po ba? Kung ang isang hamburger ay halagang kuwarenta pesos, P6.6 million divided by P40 ay mukhang kulang-kulang dalawang daang libong hamburger ang binili ni Congressman Boyet Gonzales. At saan kaya niya pinamigay ang dalawang daang libong hamburger?*

*Napakalinaw ng report ng COA na hindi ginamit sa tama ang PDAF ni Congressman Gonzales. Ngunit ang mga ito ay hindi lumalabas po sa mga pahayagan o ni hindi napag-uusapan. Ito kaya ay dahil siya po ay miyembro ng Liberal Party? Nagtatanong lamang po.*

*Kumustahin naman natin ang ka-tandem ni Congressman Gonzales na dating party-list representative na si Florencio Noel. Ang party-list ni Congressman Noel ay iyong tinatawag na An Waray na naka-base sa Leyte, sa Samar at sa Biliran, but it might as well be called "An Mandaluyong" kasi ayon sa COA report, milyun-milyon din ng PDAF ni Congressman Noel ay nilagak niya sa Mandaluyong City. Mula sa P25 million na pondo, sinabi ng COA na P23.9 million worth of transactions did not — I repeat, did not — comply with the procurement law, "and P19.6 million transactions were with suppliers with questionable existence."*

The COA report was likewise peppered with information on anomalous transactions like the P388.3 million PDAF-related transactions of Mandaluyong, Taguig, Tarlac and Las Piñas, considered questionable as purported suppliers were not legally and/or physically existing, cannot be located or have issued questionable receipts.

*Ang akin pong mga nabanggit ay ilan lamang sa mga questionable transactions or irregularities indicated in the COA Special Report. At ang mga ito ay hindi po sinasama sa kasalukuyang imbestigasyon. Sa madaling salita po, there were 356 congressmen, 15 senators, kabuuan 371 legislators were involved in the COA report ngunit bakit kaming tatlo lamang ang iniimbestigahan?*

There is a saying, "Selective justice is injustice."

### **COA Special Audit Report**

Now we go to the COA Special Audit Report. We, in the opposition, are also included in the COA special audit, but we believe that we have been specifically singled out by the COA.

The Commission on Audit finally came out with the results of their special audit covering only the years 2007, 2008 and 2009. *Pati si COA Chairperson Ma. Gracia Pulido-Tan ay sumali sa PDAF teleserye nang kaniyang inilabas sa media noong August 16 ang resulta ng kanilang special audit. Ito siguro ang pinakaunang pagkakataon na sa media inilabas ng COA ang kanilang audit. Ganito na ba ang kalakaran diyang sa COA? Whatever happened to Commission on Audit Resolution No. 97-006 which provides that, "No COA audit report of whatever nature shall be released to any person until a copy of said report has been officially transmitted to and received by the head of the government agency being audited in the report with sufficient opportunity to explain their side and also to ensure that no fact or data material to the audit finding is omitted in the report"? The said resolution further provides that, "Since the findings in the audit reports are appealable to the Commission proper, no member thereof may give an opinion, remark or comment which may cast doubt on the impartiality and objectivity of the member and even cause his or her disqualification from participating in the deliberation of the case for showing undue interest or bias."*

*Nakalimutan na yata ni COA Chairperson Ma. Gracia Pulido-Tan ang resolusyon na ito because it was before the media that she dramatically presented the Special Audit Report. Inilako at inilibot pa ni Chairperson Ma. Gracia Pulido-Tan ang audit report sa iba't-ibang TV stations, emosyonal at madrama pa nga niyang sinabi na napahagulgol siya dahil sa kahindik-hindik na nakita niya sa COA report. Aba, baka nga kahit ako o kayo ay mapahagulgol kung ang isang report na ibinigay ay hindi pa kumpleto, wala ni piso man lang na disallowance, and even violative of a COA resolution as to the way it was disseminated.*

Despite having taken nearly three years to conduct, the Special Audit Report was still incomplete in coverage. Chairperson Pulido-Tan said that the audit covered only 58% of the total PDAF releases in the years covered, 2007 to 2009, and only 32% of the total VILP or releases to DPWH. Chairperson Pulido-Tan attributed



this crudely done piecemeal report to DBM's failure to render the complete schedule of releases under the 2007-2009 PDAF and the infrastructure projects under the VILP of DPWH.

*Bakit po sa DBM or Department of Budget and Management lamang nag-rely si Chairperson Ma. Gracia Pulido-Tan? May kopya ng SARO na natatanggap ang COA through its resident auditors and implementing agency, 'di po ba? Why not question these resident auditors? Why not include or involve them in the special audit? And why not require them to provide documents as is the common practice? Why not look into the book of accounts or trial balance of the audited implementing agencies? In fact, nowhere can we find in the special audit report of Chairperson Pulido-Tan any mention of the comments or statement of results of the regular audit undertaken by resident auditors on PDAF transactions in their respective areas of jurisdiction.*

Either Chairperson Ma. Gracia Pulido-Tan is too lazy to do her job, or she is ignorant of the main functions of COA, or just plainly clueless as to what is being done by her resident auditors. *Noong tinanong kasi siya during the first hearing kung bakit hindi nakita itong sinasabing maling paggamit ng PDAF considering that there are resident auditors in every level of governance, here was the lame response of the Chairperson: "I am not really too comfortable answering that because, unang-una po, I don't know that for a fact, na hindi isinama. Gusto ko lamang sabihin na iyan ay isa sa aking mga binabalak, na talagang tatanungin ko rin iyong aming mga resident auditors noong mga panahon na iyon kung bakit hindi pa nila nakita." Iyon po ang kasagutan ni Chairperson Gracia Pulido-Tan. Ano raw? Eh bakit hindi niya ginawa ang pagtatanong noong binalangkas pa lamang ang report? Bakit hindi inalam ni Chairperson Pulido-Tan sa kaniyang mga resident auditors kung may nakita silang mga irregularities during regular audit bago niya inilabas sa media ang sinasabi niyang kahindik-hindik na mga impormasyon?*

*Ang totoo po, taun-taon simula noong 2004 ay kasama sa regular audit ng Department of Agriculture ang PDAF na napupunta sa kanilang ahensya. At malamang, nasa regular audit din itong DSWD, DPWH at iba pang implementing agencies kasama ang local government units. Ang siste, year-in and year-out, pare-pareho ang findings ng auditor na hindi tama ang paggugol patungkol sa PDAF na napupunta sa implementing agencies ngunit wala ni isang disallowance kaya nagtutuloy-*

*tuloy ang pagdaloy ng PDAF sa mga ahensyang ito. Kung taun-taon kasama sa regular audit ng mga implementing agencies ang PDAF, dapat ay taun-taon ding kasama ito sa isinusumiteng report ng COA sa Kongreso.*

It should be remembered that under Republic Act No. 7276, COA is required to submit to Congress annual reports of amounts obligated, warrants issued, and expenditures made in each municipality, province and city by national government agencies and instrumentalities including GOCCs. Did this escape the scrutiny of the powerful Congressional Oversight Committee on Public Expenditures?

To further prove the incompleteness of the COA report, consider the following:

1. Per the COA report, the total releases for PDAF, VILP and other sources amounted to P115.9 billion. But for this staggering amount, COA was able to audit only P41 billion. *Ano po ang nangyari at saan napunta ang higit kumulang na P75 billion?*
2. The report said that appropriation for PDAF, meaning the soft projects for the years 2007 to 2009, amounted to more than P29 billion. And out of this P29 billion, COA was able to audit only P8 billion. *Saan napunta ang P21 billion? Na-release ba ito? Kanino napunta at bakit hindi po na-audit?*
3. The COA report also said that it was not able to establish the total releases for each legislator. *Inuulit ko, the COA report also said that it was not able to establish the total releases for each legislator. Kulang na kulang. Kaya ba P2 million lamang ang na-audit kay Congresswoman Henedina Abad, ang asawa ni Sec. Butch Abad ng Department of Budget and Management; P178 million lang ang na-audit kay Congressman Niel Tupas; P197 million lang ang na-audit kay Congressman Isidro Ungab; P351 million lang ang na-audit kay Sen. Alan Peter Cayetano; P5 million lang ang na-audit sa PDAF ni dating Senador Mar Roxas; P3 million lang ang na-audit kay Sen. Antonio Trillanes? Samantalang ang kay Enrile, kay Revilla at kay Estrada ay binusisi at tiningnan ang kabuuan ng kanilang PDAF. What makes us so special, Chairperson Gracia Pulido-Tan? Napaka-special naman namin.*
4. The report was peppered with remarks such as "unidentified legislator." It was not able to identify the legislators behind the P69.2 billion in infrastructure projects and the legislators behind the more than P1 billion PDAF releases. *P70 billion ang hindi*

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*malaman kung kanino napunta. Hindi ba dapat malaman ng publiko kung sino ang mga mambabatas na ito? Hindi ba talaga ma-identify o ayaw lang talagang i-identify ni Chairperson Ma. Gracia Pulido-Tan, o sadyang ayaw ibigay ni Secretary Abad ng DBM ang listahan sa COA?*

5. The report also said that it is a government-wide performance audit, yet it covered only three national government implementing agencies, namely, Department of Agriculture, DPWH and DSWD; five provinces, namely, Tarlac, Bataan, Nueva Ecija, Compostella Valley and Davao Oriental; and nine local government units. *Paano nila nasabi na government-wide ito? Obviously and pointedly, selective and bias ang audit na ito, hindi po ba?*

Again, I say selective justice is injustice.

Our people should know that, curiously, even the report of Chairperson Ma. Gracia Pulido-Tan during the first hearing of the Blue Ribbon Committee on the PDAF scam was deliberately selective and, again, blatantly incomplete, just like her Special Audit Report.

*Bakit ko po nasabi ito?*

*Una, the Special Audit Report covered 82 NGOs to which PDAF was transferred by the implementing agencies, but what was conveniently presented by Chairperson Ma. Gracia Pulido-Tan during the hearing ay walo lamang. She even classified these eight NGOs as "Napoles NGOs." Wala naman po akong nabasa sa Special Audit Report na ganitong klasipikasyon ng NGOs. Paano at saan kaya niya nakalap ang ganitong impormasyon? May first-hand information kaya si Chairperson Ma. Gracia Pulido-Tan sa mga NGOs ni Ginang Napoles?*

*Pangalawa, the Special Audit Report also covered PDAF releases to 371 legislators, yet during the hearing again, Chairperson Ma. Gracia Pulido-Tan conveniently mentioned and repeatedly named only four legislators: again, Enrile, Revilla, Estrada and Honasan. At ang nakakamangha rito, noong ipinababanggit na sa kanya ang iba pang pangalan ng mga mambabatas, nang tanungin ni Senator Nancy Binay kay Chairperson Ma. Gracia Pulido-Tan kung sino pa ang mga mambabatas na itinutukoy mo sa iyong report, ano ang ginawa ni Chairperson Ma. Gracia Pulido-Tan? She suddenly excused herself, biglang nahilo si Chairperson Ma. Gracia Pulido-Tan at umalis ng Senado.*

We therefore ask why the propensity for selective reporting? Why are certain pieces of information readily released while others are conveniently kept?

*Mga kababayan, ito po ang kopya – nandiyan po ang kopya ng COA Special Audit Report. More than 450 pages all in all, and nowhere in all these pages can we find a single peso disallowance or even a suspension. Ito po dapat ang nagpahagulgol kay Chairperson Ma. Gracia Pulido-Tan. Hindi ba nga at sinabi ni Chairperson Ma. Gracia Pulido-Tan na kahindik-hindik ang nakita niya sa report? Excessive releases, anomalous transactions such as bogus NGOs, nonexistent beneficiaries, overpriced inputs – eh bakit wala pong disallowance galing sa COA? No single peso disallowance.*

This, as our people must know, is the most blatant, inept defect in the Special Audit Report. Given that under the Constitution, the COA has the exclusive power to disallow expenses, and given the plethora of cases decided by the Supreme Court upholding the disallowance made by COA, *bakit walang ni piso na disallowance dito sa audit ng PDAF?* There were also no recommended, realistic and effective measures to enable the government to recover government funds allegedly wasted on anomalous transactions by the implementing agencies and LGUs.

Very clearly, Chairperson Ma. Gracia Pulido-Tan failed to obey the constitutional mandate reposed on COA, and that is, compliance audit focused on public accountability that disallow irregular, unnecessary, excessive and extravagant or unconscionable expenditures or uses of government funds. Add also the fact that she violated, and continues to do so, COA Resolution No. 97-006.

*Chairman Grace, gumising ka na! Mukha yatang lagi kayong may jet lag sa kabibiyaha ninyo sa ibang bansa.*

*Lagi ho siyang wala rito sa ating bansa. Noong 2010, limang beses siyang umalis ng ating bansa. Noong 2011, siyam na beses, at noong nakaraang taon lamang, 2012, 10 beses. Halos buwan-buwan ay umaalis siya. At sa taong ito, hindi pa natapos ang taon, siyam na beses na siyang umalis ng ating bansa. Kahindik-hindik, hindi po ba? At mukhang mapapahagulgol din tayo rito.*

*Kaya po siguro mukhang hindi ninyo natututukan at nababantayan nang husto ang paggawa ng Special Audit Report kasi panay ang biyahe ninyo. Hindi po ba kaya hindi rin kayo nakadalo sa ilang pagdinig ng Blue*

Ribbon Committee dahil sinabi ninyong hindi "polite" kapag hindi kayo ang personal na magpunta sa New York? Balita ko po ay pwede namang hindi kayo ang magpunta doon for our candidature sa U.N. Board of Audit kasi kayang-kaya namang gawin ng mga taga-DFA at ng ating Philippine Mission sa New York ang pangampanya na sa November pa naman ang botohan.

Chairwoman Grace, gawin po muna ninyo nang maayos ang inyong trabaho at hanapin ang P69.2 billion unaudited releases noong taong 2007, 2008 at 2009. Tapusin na rin po ninyo ang pag-audit ng mga pondong inilaan noong 2010, 2011 at 2012. Huwang muna kayong bumiyaha sa ibang bansa. Ito muna ang inyong atupagin.

At ang isa pang hirit patungkol sa COA. Since when did COA ever start to have its audit findings validated by a broadsheet? Kahindik-hindik kasi ang statement ni Chairwoman Grace Pulido-Tan nang kanyang sabihin sa isang pahayagan, "Inquirer validates our findings. It is providential!"

Is this the kind of Commission on Audit we have now? Commission on Audit pa nga ba o Commission on Accusations na ang ibig sabihin ng COA? At ang ibig sabihin naman ng SAO na dapat Special Audit Office na nagsagawa ng audit, dapat iyon Selective Audit Office.

### **Meaty Pork**

Now, at the very heart of this issue is the allegation that Ms. Janet Napoles and her bogus NGOs cornered a huge chunk of the legislators' PDAF allocations. It is also alleged that we, the legislators implicated, knowingly allocated funds to these alleged bogus NGOs. Worst of all, we are also accused of pocketing commissions from Ms. Napoles in exchange for channeling our PDAF allocations to government agencies at her behest.

Plainly stated in Tagalog: *Ninakaw ni Ms. Napoles ang PDAF gamit ang mga pekeng NGOs at pinaghatian ito ng mga mambabatas at ni Ms. Napoles sa halip na mapunta sa mga tunay na proyekto.*

*Kaya ngayon, anumang pagtangga at anumang pagpapaliwanag namin ay hindi na pinakikinggan at hindi na matanggap ng galit nating mamamayan dahil nakondisyon na ang kanilang paniniwala ng walang humpay na istorya sa media. Hindi pa man nagpapasya ang mga naatasan ng ating Pangulo na suriin ang mga testimonya at magsampa ng kaukulang kaso base sa ebidensya, nahusgahan na*

*po kami ng walang kalaban-laban, lalo na ng makapangyarihang mga alagad ng media.*

*Masakit, napakasakit at mabigat ang mga paratang na ito. Ngunit ang higit na masakit ay ang kawalan ng katarungan at walang habas na pagdidiin at panggigipit sa amin sa isang hindi patas na paliwanagan.*

*Nasabi ko na at nasabi na rin ng aking mga kasamahang napagbibintangan din na handa kaming humarap sa anumang imbestigasyon. We stand by this, and we remain accountable for our actions as elected senators of this Chamber. At yaman din lamang na kapwa senador at kasamahan dito sa Senado mismo ang nag-iimbestiga para umano malaman ang puno at dulo ng sinasabing katiwalian na ito, at yaman din lamang na humaharap sila ngayon sa ating mga mamamayan bilang taga-usig para malaman ang katotohanan, marahil napapanahon na rin upang ilahad at malaman ng lahat ang ilang katotohanan na hindi sinasakop ng media ukol sa tinatawag na PDAF o pork barrel. Kung talagang sinsero at seryoso tayo na itama ang mali at isaayos ang tiwali, nararapat lamang na malaman ng sambayanang Pilipino ang buong katotohanan sa likod ng PDAF.*

Here now, as our people must know, are some ugly facts and information on the PDAF that our people must know and which I challenge anyone in this Chamber to deny.

We all know that the Executive Department wields the power over the release of PDAF allocations. During the administration of President Gloria Macapagal Arroyo, it was a known fact that those who were not friendly or allies of her government had to beg for the release of their PDAF and infrastructure funds. Some of us just totally gave up and chose not to avail of our allocations because we knew we will not get any releases because we are from the opposition. We know, too, that the Executive has used the releases for PDAF and infrastructure projects as a form of reward or incentive to secure the support of legislators for or against certain pet legislations or for other political purposes. Much has been written about how former President Arroyo used the PDAF to prevent several impeachment cases against her from prospering in the House of Representatives and, thus, never reaching the Senate.

Even DBM Secretary Florencio Abad's text message warning that there will be no releases to certain congressmen if they did not vote in favor of impeaching former Ombudsman Merceditas

Gutierrez, was very much publicized and confirmed by a number of lawmakers. As expected, Secretary Abad had to deny that he sent those text messages.

*At noong kasagsagan ng debate sa sin tax bill, naisulat din sa mga pahayagan na nag-aalok ang secretary ng Presidential Legislative Liaison Office (PLLO) sa mga kongresista ng mga SARO para maipasa ang panukalang batas na iyon. Hindi po ako bumoto sa sin tax bill kaya wala po akong SARO.*

*Ganoon din ang mainit na balita noong tinatalakay ng Kongreso ang kontrobersyal na RH bill or Reproductive Health bill. Again, I voted against the measure kaya wala po akong SARO. Ito po ay mga nalathala sa mga pahayagan.*

*Hindi na tuloy nakapagtataka na kumalat ang balita na ang mga kongresista at mga senador ay inalok ng PDAF para siguraduhin ang impeachment at conviction ng dating punong hukom ng Korte Suprema. Hahayaan ko na po ang taumbayan ang gumawa ng konklusyon kung ito ba ay totoo o hindi. Pero ang maidagdag ko lamang sa kuwento, after the conviction of Chief Justice Renato Corona way back May of 2012, those who voted to convict Renato Corona were allotted an additional P50 million. That was provided in a private and confidential letter-memorandum of the then chair of the Senate Committee on Finance. Ito po ang sulat, private and confidential.*

*Ang tanong lamang po, saan galing ang pondo? Saan galing ang pinamigay na pondo sa mga senador? Siguradong-sigurado ako, alam na alam ni Secretary Abad ang sagot sa tanong na ito. At sigurado rin ako na hindi unilateral decision ni Senate President Drilon ang mamigay ng P50 million kada senador.*

I maintain, however, that I stand by my decision in my vote to convict the former chief justice and assure our people that I was not influenced by this incentive which came after the fact.

But another fact which was confirmed in an interview by no less than former Budget Secretary and now Congressman Rolando Andaya Jr. is that P200 million for each senator and P70 million for each congressman in annual allocations are "only minimums." Congressman Andaya said in the past that there was no rule setting a maximum amount that a legislator can receive as pork barrel funds. "It all depended on the leadership of the Senate and the House and,

of course, Malacañang. What we had was a minimum amount." Those were Andaya's own words, not mine.

So, in effect, he practically confirmed that the Executive allows legislators to avail themselves of allocations over and above the reported amounts.

So, if we scrutinize the GAA, or the General Appropriations Act, or the budget law, *taun-taon, mula 1999 hanggang 2010, walang makikita na probisyon na nagsasabing magkano ang kabuuang PDAF at VILP ng mga mambabatas. Sa GAA ng 2011 lamang nagkaroon muli ng malinaw o specific provision on PDAF and VILP allocations.*

*Ang tila hindi malinaw na sistema at tila sekretong kalakaran kung magkano talaga ang PDAF na natatanggap ng bawat mambabatas ang marahil dahilan why the DBM refuses to render a complete account of releases to all lawmakers as requested by the COA. Pati ang DBM website ay hindi rin po kumpleto. It only provides information on PDAF releases from 2009 onwards. Bakit wala ang 2006, 2007 at 2008 at iba pang mga taon? Pag binuksan mo naman ang 2009, iyong mga releases ng PDAF para kay Senador Biazon, kay Senador Roxas, kay Senador Pimentel, kay Senador Escudero, kay Senador Trillanes, kay Senador Manny Villar, are among those conspicuously not posted. Wala raw ho silang nakuhang PDAF. Bakit hindi po pino-post ng DBM iyong amount ng kanilang PDAF?*

I believe our very own Senate President also acknowledged in an ambush interview that the release of the legislators' PDAF lies solely at the discretion of the Executive. The senators who served as heads of the Committee on Finance of the Senate, notably, Sen. Manny Villar, Sen. Edgardo Angara, Sen. Juan Ponce Enrile and the Senate President, all know that the budget negotiations they conduct with the House and the DBM include negotiations not only for the PDAF and the infrastructure projects of legislators but also for the so-called "congressional initiatives" or "budget insertions."

At one point, when Sen. Edgardo Angara was chair of the Committee on Finance, I remember he even advised the senators in a caucus that there was a so-called economic stimulus fund where legislators from both Houses were allowed to avail of allocations for projects over and above their regular pork barrels. Thereafter, they were all asked to submit their listings to the committee.

*M*

Am I accurate so far, Mr. President?

*At sa sarili kong karanasan mula noong ako ay nahalal bilang senador noong taong 2004, ang mga opisyal ng Senado at ng Kongreso, mula sa Senate President, sa Senate President Pro Tempore, sa Majority Leader, hanggang sa Minority Leader at chairman ng Committee on Finance ay nabibigyan din ng karagdagang alokasyon taun-taon. Alam ko yan dahil naging Senate President Pro Tempore ako.*

*Hindi rin lingid sa kaalaman ng lahat ng senador na para mapabilis at maipasa ang budget proposal ng administrasyon para sa susunod na taon, pinapakiusapan po tayo na huwag nang masyadong busisiin ang budget, at pagkatapos noon ay magpapa-release ng SARO pagkatapos maaprubahan ang budget. Iyan ang kailangang malaman ng taumbayan.*

Foregoing considered, I challenge now the Senate's Legislative Budget Research and Monitoring Office (LBRMO) under Dir. Gen. Yolly Doblón to disclose in full not only the PDAF allocations but all these budgetary amendments or insertions and extra amounts authorized by the Finance Committee Chair for each senator over the years starting from the 12<sup>th</sup> Congress up to the present.

The LBRMO provides the research and staff support for the Finance Committee. But its real boss is neither the Finance Committee Chair nor the Senate President. They serve the Senate as an institution. So I am very confident that Director Doblón, who has served under so many Finance Committee Chairmen in her decades of exemplary service, will respond to my call to bare all these facts.

I likewise challenge Sec. Florencio Abad of the Department of Budget and Management na ibigay sa COA ang mga dokumento upang makumpleto ang pag-audit ng P115 billion na na-release noong 2007, 2008, at 2009. Hina-hamon ko rin si Secretary Abad na ilantad sa publiko ang mga dokumento patungkol sa mga "additional," sa mga "rewards" o sa mga "suhol" para sa mga mambabatas. Nakakapag-takang napakatahimik ng DBM sa gitna ng usapin patungkol sa PDAF. Napakahalaga ng papel na ginagampanan ng DBM kaya dapat sila ang nangunguna sa pagtatanong kung saan napunta ang inilabas nilang pondo, hindi ba?

All of us are now deluged with so many requests for funding of projects and financial assistance from local government executives,

political leaders and supporters, and our constituents. They come to our offices for help. I and some other senators have consistently allocated part of our PDAF for the benefit of indigent patients seeking medical attention in government hospitals like the Philippine Heart Center, the National Kidney and Transplant Institute, Children's Hospital, the Philippine General Hospital and even hospitals outside of Metro Manila. But, of course, none of these is good copy or juicy talk because the current attention and fixation is on the Napoles issue instead of serious and disturbing developments unfolding in our country like Zamboanga.

*Sino ba sa atin dito sa Senado ang hindi nakakatanggap ng dagsa-dagsang requests para mabigyan ng PDAF? Lahat ba ng nag-iimbestiga ngayon ay nakakasiguro na hindi nasasayang, nabubulsa o nada-divert ang kanilang inilaang pondo sa kamay ng mga ahensiyang pinagkatiwalaan ng DBM na humawak ng pondong ito? May isa bang makapagsasabi na napakalinis ng paggamit ng kanilang PDAF para magkaroon sila ng karapatang sumali sa pambabato ng putik?*

The media frenzy, the cry for blood, and for heads to roll have reached much intensity that it seems impossible for those implicated to be given any just and fair treatment.

Justice Secretary Leila de Lima said that once they are done reviewing the affidavits and testimonies of the so-called whistleblowers, then all those implicated will have the opportunity to file counteraffidavits. And then based on the panel's review of this, they will decide if there is probable cause to file appropriate charges against some respondents based on evidence.

*Sa kakaunti kong nalalaman sa batas, iyan po ang proseso. Sana nga po may tunay na hustisya. Sana nga mayroon pa rin ang bawat isa sa atin ng karapatan ng lahat ng ina-akusahan sa ilalim ng ating Saligang Batas. Mayroon pa kaya ngayong presumption of innocence pagkatapos ng paninira at panlibak na sinasapit namin ngayon? Katulad nga po ng sinabi ko kanina, selective justice is injustice.*

Na-mention ko rin lamang ang pangalan ni Sec. Leila de Lima, I received reports that the second batch of cases that the DOJ will file would still pertain to the PDAF-related transactions with the alleged Napoles' bogus NGOs. And after this, DOJ will just let the inter-agency body created by the President to investigate the whole gamut of the so-called PDAF scam. Should this

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be the case, sadly, it will only confirm and validate our belief that all of these are politically motivated and it would appear that the government is not really sincere in reforming the system.

### ***Darkest Hour Before Dawn***

I believe that we all here are victims of a flawed system which is so ingrained that it has been institutionalized. However, the recent events which unfolded before us have given us the chance to finally reform the system and do away with the pork barrel mentality.

There has been clamor from the people to abolish the PDAF and to hold accountable those who have bastardized the system for their own vested interests. *Ngunit sa gitna ng lahat ng ingay at sigaw ng sambayanan na baguhin ang bulok na sistema, nawa ay marinig pa rin ang tinig ng mga nauna nang pinaratangan. Bigyan naman sana kami ng pagkakataon na linisin ang nadungisan naming pangalan at harapin ang mga nag-aakusa sa amin sa tamang panahon at sa isang pantay at walang kinikilingan na hukom. At kapag nabago na ang bulok na sistema, naiwasto ang tiwali at naitama ang mali, doon pa lamang natin masasabi na tunay na ang "tuwid na daan."*

### **SUSPENSION OF SESSION**

Upon motion of Senator Sotto, the session was suspended.

*It was 4:28 p.m.*

### **RESUMPTION OF SESSION**

At 5:54 p.m., the session was resumed.

### **INTERPELLATION OF SENATOR SOTTO**

At the outset, Senator Sotto said that his attention was partly caught by the COA Special Audit Report on the Priority Development Assistance Fund (PDAF) of Congress from 2007 to 2009. He admitted to being amazed and puzzled by a number of issues brought out by Senator Estrada in the audit report as he himself had his own misgivings about the audit report.

Asked about the unnamed legislators in the report, Senator Estrada replied that the COA report did not indicate the numbers nor the identity of the legislators behind the P69.2 billion worth of infrastructure projects.

Senator Sotto asked how COA could come out with a special report on the PDAF amounting to P69.2 billion without naming the legislators.

Senator Estrada concurred that it was an interesting question which has to be answered by COA. He stated that precisely such was the reason that he repeatedly mentioned in his speech that the COA report was incomplete. He agreed with Senator Sotto that not only the Senate but also the people would like to know the identity of these unnamed legislators and how the huge amount was used.

Asked if this was the same COA report which stated that billions of pesos was used by Congressman Way Kurat, Senator Estrada replied in the affirmative, as he recalled that it was COA Chairwoman Grace Pulido-Tan herself who disclosed in a press conference that a certain Congressman Way Kurat of Compostela Valley utilized P3 billion pork barrel funds, an accusation that Representative Way Kurat denied.

But Senator Estrada noted that despite the denial and the DBM's admission that there was a typographical error on that portion of the report. Chairwoman Pulido-Tan had said that she was standing by the Commission's special report. He added that the report also mentioned a non-legislator who turned out to be a former congressman of Mandaluyong City.

As to the number of unnamed legislators, Senator Estrada said that he had encircled more than a hundred in Table 61 on page 120 of the COA special report.

Stating that he was confused with the report given the DBM's admission that the report contained errors, Senator Sotto suggested that the Senate closely scrutinize how such reports were being done in light of the fact that established procedures require COA to first conduct a consultation meeting and an exit conference with the agencies concerned before an official report is finalized and made public. He noted that these procedures were not observed by COA when it disclosed the special report to the media without informing the concerned agencies.

Senator Estrada pointed out that Chairwoman Grace Pulido-Tan violated COA Circular No. 97-006

on the Guidelines in the Release of Audit Report to the Public, the text of which he read into the record, to wit:

WHEREAS, the Constitution mandates transparency in the efforts of Government thereby underscoring the right of the people to information on matters of public concern;

WHEREAS, there is an increasing demand by Congress for audit information concerning the operations of various government agencies for use in policy formulation during deliberation of bills and the annual national budget;

WHEREAS, even the Supreme Court is increasingly relying on COA reports as basis of its decisions, as exemplified in the case of the *Civil Liberties Union vs. Executive Secretary, 194 SCRA 317*;

WHEREAS, it can now be asserted that the information value of COA audit reports is gaining greater importance even by the various sectors of society, particularly the media, as a reliable source of informing the taxpayers concerning the utilization of public fund and resources;

WHEREAS, the disclosure of information to the public should be balanced with the right of the Government to withhold information by reason of national security, public safety or public health, as well as the right of public officers adversely affected by the audit reports;

NOW, THEREFORE, upon motion of Commissioner Sofronio B. Ursal, duly seconded by Commissioner Rogelio B. Espiritu, BE IT RESOLVED, AS IT DOES HEREBY RESOLVE that:

1. No COA audit report of whatever nature shall be released to any person until a copy of said audit report has been officially transmitted to and received by the head of the government agency being audited. The purpose hereof is to give the officials adversely affected in the report with sufficient opportunity to explain their side, and also to ensure that no fact or data material to the audit finding is omitted in the report.
2. After receipt of the audit report by the head of the audited agency, copies of the report may be made available to any party, for any lawful purpose, upon payment of the cost of duplication thereof if desired, and such other incidental expenses relative thereto, upon previous written permission from the COA director concerned. However, where the

production of copies of the audit report is directed by the Courts, the Office of the Special Prosecutor, and the Office of the Ombudsman, or any of the latter's Deputies, thru a subpoena *duces tecum* or other compulsory process, the auditor concerned shall forthwith comply herewith without the necessity of prior clearance or authority from her superiors.

3. Since the findings in the audit reports are appealable to the Commission Proper (CP), no member thereof may give an opinion, remark or comment which may preempt the Commission Proper in its decision-making function, or which may cast doubt on the impartiality and objectivity of the member, and even cause his disqualification from participating in the deliberation of the case for showing undue interest or bias.
4. The COA director concerned may however give comment on matters mentioned in the report which are within his knowledge, as well as offer explanation of procedural matters governing the preparation of the report. He should nevertheless desist from making any comment on aspects which he has no personal knowledge, or give opinion on controversial or debatable issues in the report.

RESOLVED, FINALLY, to caution the auditors and the directors supervising them, to follow strictly the reporting standards as provided for in Section 56 of P.D. No. 1445, otherwise known as the Government Auditing Code of the Philippines, as well as the procedure prescribed in the COA Memorandum No. 101, COA Memorandum No. 91-732, and all other existing COA issuances relative to report writing, as modified by this Resolution.

Signed: Celso Gangan, Chairman  
Rogelio Espiritu, Commissioner  
Sofronio Ursal, Commissioner

Asked who audits COA, Senator Estrada replied that the resident auditor of COA conducts the audit on the Commission.

Senator Sotto reiterated that the Senate should now look more closely on the issues raised by Senator Estrada regarding the disclosure of the reports. At the proper time, he said that he would request the Body to study the possibility of creating a committee to be composed of people of impeccable character and integrity like former Chief Justice Reynato Puno, Nini Quezon Avancena, and former Senator Rene Saguisag, who will study all the issues surrounding

the matter. However, if that would not be possible, he said that at the proper time, he would move that the speech of Senator Estrada be referred to the Committee of the Whole.

Senate President Drilon gave the assurance that the motion of Senator Sotto would be taken up at the proper time.

#### **INTERPELLATION OF SENATOR ENRILE**

Senator Enrile noted that in the privilege speech, there was mention of the amount of P50 million given supposedly to senators who voted for the impeachment of former Chief Justice Renato Corona. He said that as head of the Senate that conducted the impeachment trial of the Chief Justice, he was duty-bound to seek clarification because it might be taken by the public that the money was a reward to the members of the Impeachment Court. He then asked if any member of the Senate solicited additional PDAF after the impeachment trial.

Senator Estrada replied that he had no idea but as far as he was concerned, he denied asking for additional funds from anybody after the conviction of the former Chief Justice, and that nobody influenced him on his decision to convict the Chief Justice based on the evidence presented during the trial.

On whether anybody approached him to vote for the impeachment of the former Chief Justice in consideration of a reward later on, Senator Estrada disclosed that somebody approached him but did not promise any reward and whose identity he would rather keep to himself since he was never swayed by the person. He gave the assurance that if Senator Enrile really wanted to know the person's identity, he would give it to him in due time.

At this juncture, Senate President Drilon asked if he can categorically state that it was not a bribe. Senator Estrada replied that it was not a bribe.

To Senator Enrile's query, Senator Estrada affirmed that there was no offer of any consideration and that it was simply an appeal.

Senator Enrile stressed that he simply wanted a clarification because he wanted to preserve the integrity of the Senate as an impeachment court.

Senator Estrada reiterated that he was never swayed by anybody, not even by Senate President Drilon nor the one close to Malacañang.

#### **MOTION OF SENATOR SOTTO**

Senator Sotto moved that the speech of Senator Estrada be referred to the Committee of the Whole.

However, Senator Cayetano (A) stated that since presently there was no existing Committee of the Whole and there have been precedents wherein the Body in plenary converted itself into a Committee of the Whole to consider a specific matter and allow non-members to speak, he would propose instead that Senator Sotto's motion be referred to the Committee on Rules. He gave assurance that he would coordinate with Senators Enrile and Sotto to discuss the proposal to convert the Body into a Committee of the Whole.

Thereupon, there being no objection, the Chair referred Senator Sotto's motion to the Committee on Rules.

#### **OVERSIGHT COMMITTEE MEMBERSHIPS**

Upon nomination by Senator Cayetano (A), there being no objection, the following senators were elected members to the oversight committees indicated hereunder:

##### ***Joint Congressional Power Commission***

Guingona	Cayetano (A)
Legarda	Honasan
Poe	Estrada

##### ***Congressional Oversight Committee on Biofuels***

Poe	Honasan
Guingona	Estrada

*Ex-officio:* Senator Villar, as chairman of the Committee on Agriculture and Food;

Senator Aquino, as chairman of the Committee on Trade, Commerce and Entrepreneurship

##### ***Oversight Committee on Public Expenditures***

Osmeña	Sotto
Legarda	Honasan
Guingona	
Recto	



## OVERSIGHT COMMITTEE CHAIRMANSHIPS

Upon motion of Senator Cayetano (A), there being no objection, the following senators were elected chairpersons to the oversight committees indicated hereunder:

- ***Congressional Oversight Committee on Ecological Solid Waste Management Act***  
Senator Legarda
- ***Select Oversight Committee on the Local Government Code of 1991***  
Senator Pimentel
- ***Congressional Oversight Committee on Special Purpose Vehicle Act***  
Senator Marcos, Jr.
- ***Congressional Oversight Committee on Anti-Money Laundering Act***  
Senator Guingona
- ***Oversight Committee on Climate Change***  
Senator Cayetano (P)
- ***Oversight Committee on Bases Conversion***  
Senator Cayetano (P)

## SECOND ADDITIONAL REFERENCE OF BUSINESS

Upon direction of the Chair, the Secretary of the Senate read the following resolution which the Chair referred to the Committee on Rules:

Proposed Senate Resolution No. 270, entitled

RESOLUTION AUTHORIZING ALL COMMITTEES OF THE SENATE TO HOLD MEETINGS, HEARINGS OR CONFERENCES DURING THE RECESS OF THE CONGRESS FOR THE PURPOSE OF STUDYING AND PREPARING ANY PROPOSED LEGISLATION OR TO INVESTIGATE ANY MATTER OR SUBJECT FALLING UNDER THEIR JURISDICTION.

Introduced by Senator Cayetano (A)

## PROPOSED SENATE RESOLUTION NO. 270

With the permission of the Body, upon motion of Senator Cayetano (A), the Body considered Proposed Senate Resolution No. 270, entitled

RESOLUTION AUTHORIZING ALL COMMITTEES OF THE SENATE TO HOLD MEETINGS, HEARINGS OR CONFERENCES DURING THE RECESS OF THE CONGRESS FOR THE THE PURPOSE OF STUDYING AND PREPARING ANY PROPOSED LEGISLATION OR TO INVESTIGATE ANY MATTER OR SUBJECT FALLING UNDER THEIR JURISDICTION.

The Secretary of the Senate read the text of the resolution, to wit:

*Resolved by the Senate,* To authorize, as it hereby authorizes, all committees of the Senate to hold meetings, hearings or conferences during the recess of the Congress for the purpose of studying and preparing any proposed legislation or to investigate any matter or subject falling under their jurisdiction;

*Resolved finally,* To require the Committee which has held any meeting, hearing or conference to file a report of these studies, hearings or investigations to the Senate in its regular session with such recommendation which it may deem necessary and advisable.

## ADOPTION OF PROPOSED SENATE RESOLUTION NO. 270

Upon motion of Senator Cayetano (A), there being no objection, Proposed Senate Resolution No. 270 was adopted by the Body.

## CHANGE OF REFERRAL

Upon motion of Senator Cayetano (A), there being no objection, the Chair referred Senate Bill No. 1090 (*Liga ng Bayanihang Kabataan*) and Senate Bill No. 68 (strengthening and reforming the SK) to the Committee on Youth as the secondary committee.

## SUSPENSION OF SESSION

Upon motion of Senator Cayetano, the session was suspended.

*It was 6:21 p.m.*

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**RESUMPTION OF SESSION**



At 6:23 p.m., the session was resumed.

**ADJOURNMENT OF SESSION**

In accordance with the legislative calendar, upon motion of Senator Cayetano (A), there being no objection, the Chair declared the session adjourned until three o'clock in the afternoon of Monday, October 14, 2013.

*It was 6:24 p.m.*

I hereby certify to the correctness of the foregoing.

  
OSCAR G. YABES  
Secretary of the Senate  


Approved on October 14, 2013