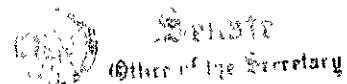


SIXTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Second Regular Session)



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SENATE

P. S. Res. No. 1114

Introduced by Senator Antonio "Sonny" F. Trillanes IV

RESOLUTION

DIRECTING THE COMMITTEE ON ACCOUNTABILITY OF PUBLIC OFFICIALS AND INVESTIGATIONS OF THE SENATE OF THE PHILIPPINES, WITH THE REQUEST THAT IT BE REFERRED TO THE SUBCOMMITTEE, TO INVESTIGATE, IN AID OF LEGISLATION, THE ALLEGED IRREGULAR TRANSACTIONS ENTERED INTO BY THE HOME DEVELOPMENT MUTUAL FUND (HDMF)/PAG-IBIG FUND AND THE BOY SCOUTS OF THE PHILIPPINES (BSP), UNDER THE LEADERSHIP OF VICE PRESIDENT JEJOMAR BINAY AS CHAIR OF THE HDMF/PAG-IBIG BOARD OF TRUSTEES AND AS PRESIDENT OF BSP, RESPECTIVELY, AND OTHER RELATED ANOMALIES, WITH THE END IN VIEW OF ENACTING REMEDIAL LEGISLATION AND TO RECOMMEND AMENDMENTS TO THE APPROPRIATE PROCUREMENT LAWS AND LAWS GOVERNING THE TRANSACTIONS OF GOVERNMENT-OWNED AND CONTROLLED CORPORATIONS (GOCCS), TO ENSURE THE PROPER USE OF PUBLIC FUNDS

WHEREAS, the transparent and accountable use of public funds is the hallmark of true graft and corruption reform in the country;

WHEREAS, Article II, Section 27 of the 1987 Philippine Constitution provides that *"the State shall maintain honesty and integrity in the public service and take positive and effective measures against graft and corruption"*;

WHEREAS, Section I of Republic Act No. 3019, otherwise known as the Anti-Graft and Corrupt Practices Act states: *"It is the policy of the Philippine Government, in line with the principle that a public office is a public trust, to repress certain acts of public officers and private persons alike which constitute graft or corrupt practices or which may lead thereto, "* and Section 3(e) includes among the acts defined as the prohibited corrupt practices of public officers: *"Causing any undue injury to any party, including the Government, or giving any private party any unwarranted benefits, advantage or preference in the discharge of his official administrative or judicial functions through manifest partiality, evident bad faith or gross inexcusable negligence"*;

WHEREAS, Republic Act No. 10149, otherwise known as the GOCC Governance Act of 2011 mandates that *"the governing boards of every Government Owned and Controlled Corporation (GOCC) and its subsidiaries are competent to carry out its functions, fully accountable to the State as its fiduciary, and acts in the best interest of the State"*;

WHEREAS, irregular transactions have been purportedly committed by two of the country's GOCCs, under the watch of their present leadership;

WHEREAS, the principal personalities involved in said irregularities are the same personalities involved in the anomalies uncovered by the Subcommittee of the Senate Blue Ribbon Committee in its ongoing investigation into the Makati City Hall Parking Building and related anomalies;

WHEREAS, the Home Development Mutual Fund (HDMF), otherwise known as the Pag-IBIG Fund was established on 11 June 1978 by virtue of Presidential Decree No. 1530, in response to the need for a national savings program and an affordable shelter financing of the Filipino people¹;

WHEREAS, thereafter, three amendatory laws were signed to strengthen the stability and viability of the fund which was initially handled by two agencies, merging it under one independent organization, now known as the Pag-IBIG Fund;

WHEREAS, with the improved law in effect, the Fund's rule-making power was vested in its own Board of Trustees², and among its power and functions is the effective administration, custody, development, utilization and disposition of the Fund or parts thereof, including payment of amounts credited to members or to their beneficiaries or estates³;

WHEREAS, however, there are allegations that such power has been abused, with the present Chairman thereof using his position for his own personal interest;

WHEREAS, among the aforementioned allegations is the report that OMNI Security Investigation, Inc., formerly OMNI Security Investigation and General Services Inc, which bagged at least Php 296 Million worth of security contracts from the Makati City government from March 2013 to March 2014, obtained contracts worth at least Php 1.37 Million from HDMF/Pag-IBIG, sans bidding, from January 2013 to January 2014;⁴

WHEREAS, no less than the Fund's President and Chief Operating Officer, Atty. Marie Berberabe, who happens to be the sister-in-law of the Chief-of-Staff of Vice President Binay, admitted that it was Vice President Binay himself, the Fund's Chairman of the Board, who recommended to Pag-IBIG the services of OMNI, although she was quick to justify that at that time, an emergency procurement was necessary because there was imminent danger to a Pag-IBIG fund executive⁵;

WHEREAS, the officers of aforesaid company are contributors to Vice President's Binay campaign in 2010, as well as to the campaigns of Senators Nancy Binay and Makati Mayor Jejomar Erwin "Junjun" Binay; and that said contributors were also officers of companies that secured contracts from the Makati City Government, acquiring more than P296.83 Million worth of contracts between 2013 and early 2014⁶;

WHEREAS, further, said officers connected to OMNI and contributors to VP Binay's campaign are also officers of the controversial Agrifortuna, Inc. – the company that purportedly sold the alleged Binay Batangas farm to businessman Antonio Tiu.⁷

WHEREAS, furthermore, aside from the exclusive awarding of contracts to a single security agency, it is alleged that the current Chairman of the Pag-IBIG has reportedly taken away the Fund's housing life insurance business, which used to be managed by a Yearly Renewable Term (YRT) Insurance Pool that has been engaged by the Fund since 1985, in favor of a monopoly of certain insurance providers which have been hand-picked by the Chairman to corner the said business;

WHEREAS, above allegations, if true, are in direct contravention to the provisions of Republic Act No. 9184, otherwise known as the Government Procurement Reform Act which mandates for competitive bidding in the acquisition of goods and services;

¹ The birth of the Home Development Mutual Fund (HDMF). Information retrieved from <http://www.pagibigfund.gov.ph/aboutus/pdf/history/index.html> on 1/12/2015.

² *Ibid.*

³ P.D. No. 1752 Amending the Act Creating the Home Development Mutual Fund.

⁴ Jamaica Jane Pascual. Special Report: *Makati supplier is also Pag-IBIG contractor*. Information retrieved from <http://www.gmanetwork.com/news/story/384915/news/specialreports/special-report-makati-supplier-is-also-pag-ibig-contractor> on 1/13/2014.

⁵ *Ibid.*

⁶ *Ibid.*

⁷ *Ibid.*

WHEREAS, on the other hand, the Boy Scouts of the Philippines (BSP), which was declared a GOCC subject to government rules and procedures, by virtue of the Supreme Court's decision per G.R. No. 1777131 dated June 7, 2011 is also under scrutiny;

WHEREAS, recently, at the urging of the anti-crime group Volunteers Against Crime and Corruption (VACC), Department of Justice Secretary Leila de Lima vowed to look into the controversy over the questionable joint venture agreement between BSP under the leadership of Vice President Binay, and a private firm for the transfer, construction and development of a leased property in Manila⁸;

WHEREAS, documents submitted by the VACC reveal that in July 9, 2008, Malacanang granted authority to enter into an agreement with the company concerning a property with TCT No. 68365 at 181 Natividad Almeda Lopez Street in Ermita, Manila which allowed the construction and development of a 16-storey office building and the payment of P18 Million to BSP which in turn would transfer 10,721.80 square meters of the land to Empire East⁹;

WHEREAS, VACC confirms that said joint venture agreement resulted in the ongoing construction of the Suntrust Parkview, a building complex located near the Manila City Hall consisting of 1,768 condominium units priced at a minimum of P1,999.919.13 each for a 24-square-meter unit¹⁰;

WHEREAS, moreover, among the findings included in the COA Annual Audit Report on BSP on CY ending December 31, 2012 is the alleged anomalous Joint Venture Agreement of the BSP with the Alphaland Corporation, pertaining to the former's Malugay property. Under said agreement – jointly controlled operations for the development of the land – the BSP gave rights to the Alphaland over the mentioned property, in exchange for 15% of the “total gross floor area of completed and disposable units,” which is equivalent to P600 Million investment.;

WHEREAS, above transactions have transpired during the term of Vice President Binay as President of the BSP, having been elected to the said position in 1994, making him the longest serving President of the BSP, which has a membership of 2 million¹¹;

WHEREAS, there are other reported incidents that Vice President Binay, in his capacity as President of BSP and as Chairman of the Board of Trustees of the HDMF/Pag-IBIG Fund, has abused his power, and unduly influenced the policies and acts of aforesaid organizations, to pursue his personal interests;

WHEREAS, said transactions are allegedly replete with anomalies and are in dire need of review and scrutiny to ensure compliance with pertinent laws and regulations governing GOCCS;

WHEREAS, the governance of GOCCs ought to be carried out in a transparent, responsible and accountable manner and with the utmost degree of professionalism and effectiveness;

WHEREAS, the Filipino people have the right to demand truth and to exact accountability regarding transactions which involve graft and corruption, as well as plunder at all levels of government;

WHEREAS, it is the duty of the Philippine Senate to ensure that bidding laws and procurement policies are complied with to prevent the abuse and misuse of public funds for illicit personal gain, as well as to ensure that public funds are used only for the benefit of the Filipino people;

⁸ Tetch Tirres-Tupas. *Binay faces yet another probe, this time over BSP-private firm joint venture*. Information retrieved from <http://newsinfo.inquirer.net/650133/binay-faces-yet-another-probe-this-time-over-hsp-private-firm-joint-venture> on 1/13/2014.

⁹ *Ibid*.

¹⁰ *Ibid*.

¹¹ Neal H. Cruz. *Binay overstaying as BSP President*. Information retrieved on 1/13/2014.

NOW THEREFORE, BE IT RESOLVED, as it is hereby resolved by the Philippine Senate, to DIRECT THE COMMITTEE ON ACCOUNTABILITY OF PUBLIC OFFICIALS AND INVESTIGATIONS OF THE SENATE OF THE PHILIPPINES (BLUE RIBBON COMMITTEE), WITH THE REQUEST THAT IT BE REFERRED TO THE SUBCOMMITTEE HEADED BY SEN. AQUILINO PIMENTEL II, TO INVESTIGATE, IN AID OF LEGISLATION, THE ALLEGED IRREGULAR TRANSCATIONS ENTERED INTO BY THE HOME DEVELOPMENT MUTUAL FUND (HDMF)/PAG-IBIG FUND AND THE BOY SCOUTS OF THE PHILIPPINES (BSP), UNDER THE LEADERSHIP OF VICE PRESIDENT JEJOMAR BINAY AS CHAIR OF THE HDMF/PAG-IBIG BOARD OF TRUSTEES AND AS PRESIDENT OF BSP, RESPECTIVELY, AND OTHER RELATED ANOMALIES, WITH THE END IN VIEW OF ENACTING REMEDIAL LEGISLATION AND TO RECOMMEND AMENDMENTS TO THE APPROPRIATE PROCUREMENT LAWS AND LAWS GOVERNING THE TRANSACTIONS OF GOCCS, TO ENSURE THE PROPER USE OF PUBLIC FUNDS.

Adopted,


ANTONIO "SONNY" F. TRILLANES IV
Senator