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REPUBLIC OF THE PHILIPPINES)
Third Regular Session)

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SENATE
P.S. Res. No. 1033

Introduced by SENATOR LEILA M. DE LIMA

RESOLUTION
DIRECTING THE APPROPRIATE SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE ALLEGED INVOLVEMENT IN THE ILLEGAL DRUG TRADE OF MICHAEL YANG, A CHINESE NATIONAL AND FORMER ECONOMIC ADVISER TO PRESIDENT RODRIGO DUTERTE, AND DETERMINE THE EXTENT OF HIS INFLUENCE IN DOMESTIC SOCIOECONOMIC AFFAIRS, IN PARTICULAR, THE NATURE OF HIS INVOLVEMENT IN THE COUNTRY'S ILLEGAL DRUG TRADE WHICH HAS REPORTEDLY WORSENERD UNDER THE DUTERTE ADMINISTRATION

1 WHEREAS, Article II, Section 7 of the Constitution states that “[t]he State shall
2 pursue an independent foreign policy. In its relations with other states the paramount
3 consideration shall be national sovereignty, territorial integrity, national interest, and
4 the right to self-determination”;

5 WHEREAS, Article II, Section 19 of the Constitution states that “[t]he State shall
6 develop a self-reliant and independent national economy effectively controlled by
7 Filipinos”;

8 WHEREAS, Article IX B., Section 4 of the Constitution states that, “[a]ll public
9 officers and employees shall take an oath or affirmation to uphold and defend this
10 Constitution”;

11 WHEREAS, Section 4 (c) of Republic Act No. 6713, otherwise known as the “Code
12 of Conduct and Ethical Standards for Public Officials and Employees” provides that
13 public officials and employees “shall refrain from doing acts contrary to law, good
14 morals, good customs, public policy, public order, public safety and public interest”;

1 WHEREAS, Section 4 (f) of the aforementioned law provides that, public officials
2 and employees “shall at all times be loyal to the Republic and to the Filipino people,”
3 and “shall endeavor to maintain and defend Philippine sovereignty against foreign
4 intrusion”;

5 WHEREAS, Section 2 of Republic Act No. 9165, otherwise known as the
6 “Comprehensive Dangerous Drugs Act of 2002” provides in part that, “[i]t is the policy
7 of the State to safeguard the integrity of its territory and the well-being of its citizenry
8 particularly the youth, from the harmful effects of dangerous drugs on their physical and
9 mental well-being, and to defend the same against acts or omissions detrimental to their
10 development and preservation. In view of the foregoing, the State needs to enhance
11 further the efficacy of the law against dangerous drugs, it being one of today’s more
12 serious social ills”;

13 WHEREAS, Section 28 of the aforementioned law provides that, “[t]he maximum
14 penalties of the unlawful acts provided for in this Act shall be imposed, in addition to
15 absolute perpetual disqualification from any public office, if those found guilty of such
16 unlawful acts are government officials and employees”;

17 WHEREAS, Section 31 of the same law provides that, “[i]n addition to the
18 penalties prescribed in the unlawful act committed, any alien who violates such
19 provisions of this Act shall, after service of sentence, be deported immediately without
20 further proceedings, unless the penalty is death”;

21 WHEREAS, the Supreme Court in *Domingo v. Scheer*¹ declared that, “[t]he
22 settled rule is that the entry or stay of aliens in the Philippines is merely a privilege and
23 a matter of grace; such privilege is not absolute nor permanent and may be revoked”;

24 WHEREAS, in the case of *Secretary of Justice v. Koruga*,² the Supreme Court
25 articulated that, “[e]very sovereign power has the inherent power to exclude aliens from
26 its territory upon such grounds as it may deem proper for its self-preservation or public
27 interest”;

¹ G.R. No. 154745 (January 29, 2004)

² G.R. No. 166199 (April 24, 2009)

1 WHEREAS, in the same case, the Supreme Court echoed the pronouncements of
2 the petitioner Board of Commissioners of the Bureau of Immigration in emphasizing the
3 State’s commitment and sworn duty to safeguard public health and public safety, to wit:
4 “[t]his country cannot countenance another alien with a history of a drug-related
5 offense”;

6 WHEREAS, in the case of *Lao Gi v. CA*³, the Supreme Court said that, “[t]he
7 power to deport an alien is an act of the State. It is an act by or under the authority of
8 the sovereign power. It is a police measure against undesirable aliens whose presence in
9 the country is found to be injurious to the public good and domestic tranquility of the
10 people”;

11 WHEREAS, Yang Hong Ming, also known as Michael Yang, a Davao-based,
12 Chinese businessman who owns Full Win Company, was reportedly appointed by
13 President Rodrigo Duterte as his Presidential Economic Adviser and had been issuing
14 calling cards bearing the official seal of the Office of the President of the Philippines in
15 addition to the logo of his aforementioned company⁴;

16 WHEREAS, President Duterte further fueled the speculation that he had been
17 working closely with Mr. Yang when Malacañang photographs showing the President
18 along with Foreign Secretary Alan Peter Cayetano walking with Mr. Yang and Chinese
19 Ambassador Zhao Jianhua in Wangfujing street during President Duterte’s state visit to
20 China in Oct 2016 as well as a photos of Mr. Yang and his associates in President’s office
21 were made public⁵. This was validated by the actual admission from the President in a
22 speech on October 4, 2018 that Mr. Yang was indeed part of the Presidential Entourage
23 to China⁶ and revealed the latter’s close relations with Chinese Ambassador Zhao
24 Jianhua⁷;

³ G.R. No. 81798 (December 29, 1989)

⁴ Ranada, P. (10 October 2018.) *Look: Michael Yang’s calling card bears Malacañang seal*. Retrieved from <https://www.rappler.com/nation/213995-michael-yang-calling-card-bears-malacanang-seal>.

⁵ Tordesillas, E. (8 October 2018) *Michael Yang is presidential economic adviser*. Retrieved from: <http://verafiles.org/articles/michael-yang-presidential-economic-adviser>

⁶ Montalvan A. (15 October 2018) *A ‘wang-wang’ for Michael Yang*. Retrieved from <https://opinion.inquirer.net/116755/wang-wang-michael-yang>.

⁷ *Ibid.*

1 WHEREAS, President Duterte publicly denied that Mr. Yang was his Presidential
2 Economic Adviser⁸ and declared further that Mr. Yang cannot be an official appointee as
3 he is a Chinese citizen⁹;

4 WHEREAS, following President Duterte's denial, records retrieved from
5 Malacañang revealed that the Palace entered into two contracts with Mr. Yang in 2018,
6 granting him the title of "Economic Adviser to the President." Both contracts, entitled
7 "Contract for Expert and/or Technical Services," were obtained by Rappler from the
8 Malacañang Records Office (MRO) through the Freedom of Information system¹⁰;

9 WHEREAS, after the public revelation of Mr. Yang's contract with the Office of
10 the President, Presidential Spokesperson Salvador Panelo admitted that Mr. Yang was
11 indeed an Economic Adviser acting in his capacity as a "consultant"¹¹, which is an
12 unacceptable and precarious appointment and decision on the part of the President as it
13 can compromise the country's national security and public interest;

14 WHEREAS, during the period of Mr. Yang's appointment, the Philippines entered
15 into various loan agreements with China¹². For instance, on March 8, 2018, three months
16 after Mr. Yang's appointment as Economic Adviser, the Philippines entered into the ₱4.3
17 billion Chico River Pump Irrigation Project, the first flagship infrastructure project to be
18 financed by China under President Duterte's "Build, Build, Build"¹³ – which would later be
19 revealed as an 'onerous, one-sided' loan agreement¹⁴ that not only highly favors China,¹⁵ but
20 also amounted to a surrender of the Philippines' sovereignty according to experts¹⁶;

⁸ Corrales, N. (09 October 2018) *Duterte denies Chinese businessman is his economic adviser*. Retrieved from <https://newsinfo.inquirer.net/1040982/rodrigo-duterte-economic-adviser-michael-yang>.

⁹ Cuazon, C. (10 October 2018). *Michael Yang is not my presidential economic adviser since he is Chinese. - Prez Duterte*. Retrieved from <http://dzhnews.com.ph/michael-yang-is-not-my-presidential-economic-adviser-since-he-is-chinese-prez-duterte>.

¹⁰ Ranada, P (5 November 2018) *Malacañang contracts show Michael Yang is economic adviser*. Retrieved from: <https://www.rappler.com/newsbreak/in-depth/215992-exclusive-malacanang-documents-michael-yang-tapped-as-economic-adviser>

¹¹ CNN Philippines (6 November 2018) *Chinese businessman Michael Yang one of Duterte's 'advisers', Palace says*. Retrieved from: <http://nine.cnnphilippines.com/news/2018/11/06/michael-yang-duterte-adviser.html>

¹² ABS CBN News (20 November 2018) *LIST: Philippines, China sign 29 deals in Xi Jinping visit*. Retrieved from: <https://news.abs-cbn.com/news/11/20/18/list-philippines-china-sign-29-deals-in-xi-jinping-visit>

¹³ Philippine Information Agency (13 June 2018) *Chico River pump irrigation project completion within 3 years-Chinese official*. Retrieved from: <https://pia.gov.ph/news/articles/1008945>

¹⁴ CNN Philippines (01 March 2019) *Colmenares exposes 'onerous,' 'one-sided' loan agreement between PH, China*. Retrieved from: <http://nine.cnnphilippines.com/news/2019/02/28/chico-river-pump-irrigation-project-china-philippines-colmenares.html>

1 WHEREAS, Executive Secretary Salvador Medialdea recently stated that Mr.
2 Yang was no longer President Duterte’s adviser given that his contract ended in
3 December 31, 2018¹⁷;

4 WHEREAS, an Anti-drug operative and former deputy director for
5 administration of the Philippine National Police Drug Enforcement Group (PNP-DEG)
6 in the person of Mr. Eduardo Acierto, recently revealed that President Rodrigo Duterte
7 and the PNP had ignored an intelligence report submitted in 2017 linking Mr. Yang to
8 the illegal drug trade¹⁸ which further blocked investigation into his alleged drug links¹⁹;

9 WHEREAS, Malacañang remains unconvinced that former Presidential
10 Economic Adviser Michael Yang is involved in illegal drugs, despite a report from law
11 enforcement agencies of the Chinese national's suspicious activities²⁰;

12 WHEREAS, during a Palace news briefing on March 26, 2019, Spokesperson
13 Panelo stated that President Duterte’s “trust and confidence remains” in the absence of
14 more proof with regards to the allegations against his former Economic Adviser²¹;

15 WHEREAS, following Mr. Acierto’s exposé, the Philippine National Police (PNP)
16 cleared Mr. Yang of his links to illegal drugs, despite the aforementioned intelligence
17 report submitted to key officials in President Duterte’s anti-drug campaign, namely,
18 former PNP chief Ronald dela Rosa, incumbent PNP chief General Oscar Albayalde,
19 former police director for operations Lieutenant General Camilo Cascolan, and
20 Philippine Drug Enforcement Agency (PDEA) chief Director General Aaron Aquino²²;

¹⁵ GMA News (27 February 2019) *Chico River irrigation deal hit for 'highly favoring' China*. Retrieved from: <https://www.gmanetwork.com/news/money/economy/686384/chico-river-irrigation-deal-hit-for-highly-favoring-china/story/>

¹⁶ GMA News (23 March 2019) *Carpio on Chico River irrigation loan: China can seize assets if PHL defaults on payment*. Retrieved from: <https://www.gmanetwork.com/news/news/nation/688964/carpio-on-chico-river-irrigation-loan-china-can-seize-assets-if-phl-defaults-on-payment/story/>

¹⁷ Placido, D (26 March 2019) *Palace: Chinese trader Yang no longer Duterte's adviser*. Retrieved from: <https://news.abs-cbn.com/news/03/26/19/palace-chinese-trader-yang-no-longer-dutertes-adviser>

¹⁸ Placido, D (26 March 2019) *Palace: Ex-cop who linked Duterte adviser to illegal drugs only seeking revenge*. Retrieved from: <https://news.abs-cbn.com/news/03/26/19/palace-ex-cop-who-linked-duterte-adviser-to-illegal-drugs-only-seeking-revenge>

¹⁹ Elemia, C. & Talabong, R. (25 March 2019) *Ex-cop Acierto speaks out: Duterte, PNP ignored intel on Michael Yang's drug links*. Retrieved from: <https://www.rappler.com/newsbreak/investigative/226600-ex-cop-acierto-says-duterte-pnp-ignored-intel-michael-yang-drug-links>

²⁰ Ranada, P. (26 March 2019) *More proof needed to shake Duterte's trust in Michael Yang - Panelo*. Retrieved from <https://www.rappler.com/nation/226670-panelo-says-more-proof-needed-shake-duterte-trust-michael-yang>

²¹ *Ibid.*

²² Talabong, R. (26 March 2019) *PNP clears Michael Yang of drug links despite Acierto intel report*. Retrieved from: <https://www.rappler.com/nation/226666-pnp-clears-michael-yang-drug-links-despite-acierto-intel-report>

1 WHEREAS, PDEA Director Aaron Aquino confirmed that he received and
2 submitted the intelligence report to Malacañang, which recommended probing Mr. Yang
3 and his alleged link to the illegal drug trade. Despite this intelligence report, Director
4 Aquino said Mr. Yang was not included in President Duterte's narco-list²³;

5 WHEREAS, after further inquiry on how Mr. Yang was cleared of the allegations
6 in the intelligence report, PNP spokesperson Colonel Bernard Banac briefed the media
7 that he was just echoing the statement of Malacañang, which earlier cleared Yang,
8 thereby withholding concrete information from the public by providing insubstantial
9 explanation concerning the issue²⁴;

10 WHEREAS, in a press conference on Wednesday, March 27, 2019, PDEA cleared
11 Mr. Yang and reasoned that while indeed the name Michael Yang exists in their
12 database, he hails from and his operations are within Pangasinan and not Davao;²⁵

13 WHEREAS, undeterred by local and international criticism and denunciation,
14 the government's bloody drug war has further exacerbated the Philippines' drug
15 problem, as admitted by no less than President Duterte himself, given the possible
16 penetration and access to high-ranking officials by elements who may have businesses
17 and links to the drug trade in the country²⁶;

18 WHEREAS, the independence of the State from foreign control must be
19 perpetually upheld in congruence with the mandate of public officials to at all times
20 maintain allegiance and loyalty to the Philippines. There is a need to inquire into and
21 demand concrete explanation into the citizenship of presidential appointees such as Mr.
22 Michael Yang, with the nature and scope of his work and influence over foreign and
23 economic policy, as a public office held by a foreign national is inimical to national
24 security, public interest and welfare;

25 WHEREAS, a comprehensive probe into Mr. Yang's alleged links to the illegal
26 drug trade is imperative, as accountability must be sought given his official, high-level
27 capacity as a former Presidential Economic Adviser which may have been abused to

²³ *Ibid.*

²⁴ *Ibid.*

²⁵ Manila Bulletin (27 March 2019) *PDEA investigation leads to another 'Michael Yang'*. Retrieved from: <https://news.mb.com.ph/2019/03/27/pdea-investigation-leads-to-another-michael-yang/>

²⁶ Corrales, N. (25 March 2019) *Duterte: Drug problem in PH has "worsened"*. Retrieved from: <https://newsinfo.inquirer.net/1099664/duterte-drug-problem-in-ph-has-worsened>

1 advance personal interest and have resulted to threats to national security, public
2 interest, welfare and security;

3 NOW, THEREFORE, BE IT RESOLVED BY THE SENATE, to direct the
4 appropriate Senate Committee to conduct an inquiry, in aid of legislation, on the alleged
5 involvement in the illegal drug trade of Michael Yang, a Chinese national and former
6 Economic Adviser to President Rodrigo Duterte, and determine the extent of his
7 influence in domestic socioeconomic affairs, in particular, the nature of his involvement
8 in the country's illegal drug trade which has reportedly worsened under the Duterte
9 Administration.

Adopted,


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