

EIGHTEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
*Third Regular Session* )

SENATE

COMMITTEE REPORT NO. 542

Submitted by the Committee on Women, Children, Family Relations  
and Gender Equality on January 26, 2022

RE: P.S. RES. 131

Recommending the adoption of the recommendation incorporated  
therewith

Sponsor: Sen. Risa Hontiveros

MR. PRESIDENT:

The Senate Committee on Women, Children, Family Relations and  
Gender Equality to which was referred P.S. Res. 131 introduced by Sen.  
Hontiveros, entitled:

**"A RESOLUTION**

**URGING THE SENATE COMMITTEE ON WOMEN,  
CHILDREN AND FAMILY RELATIONS AND GENDER  
EQUALITY TO CONDUCT AN INVESTIGATION IN AID OF  
LEGISLATION ON THE RECENT RESCUES OF SEXUAL  
TRAFFICKING VICTIMS AND PROBE INTO THE  
PROSTITUTION RINGS IN THE COUNTRY AND TO  
EXAMINE THE CIRCUMSTANCES THAT PUSH WOMEN TO  
WORK UNDER EXPLOITATIVE CONDITIONS WITH THE  
END IN VIEW OF CRAFTING LEGISLATION AND  
POLICIES THAT WILL ADDRESS THE ROOT CAUSE THAT  
DROVE THESE WOMEN INTO EMPLOYMENT THAT DOES  
NOT RESPECT AND FULLY UTILIZE THEIR POTENTIAL"**

**I. INTRODUCTION**

All countries in the world rely on the integrity of its borders for the  
maintenance of sovereignty and the protection of their people. A solid  
immigration policy can be humane while being rules-based; globally-oriented  
while maintaining adherence to the primary objective of upholding the interests



of its own citizens. When our borders are made porous by the malfeasance of those charged with protecting them, it is not the wealthy and the powerful who are put at risk. It is the already vulnerable who are made even more vulnerable – those who fall victim to human traffickers and are smuggled out to white slavery rings, those who lose their livelihoods because of the influx of foreign workers on spurious visa arrangements, women and girls who are prostituted to serve the sexual appetites of an exploding market composed of Chinese workers in the Philippine Offshore Gaming Operator (POGO) industry.

Based on the latest available official data provided by the Bureau of Immigration, almost 4 million Chinese nationals have entered the country from August 2017 to January 2020. This number starkly contrasts with arrivals in the previous years as tourists in the country's famed tourist destinations. This sudden influx can be explained by the rise of POGO operations in the country and the necessity of Mandarin-speaking workers. The data shows that as of January 2020, there are 59 POGO companies in the Philippines with licenses issued by the Philippine Amusement and Gaming Corporation (PAGCOR), with 123,056 Alien Employment Permits (AEPs) issued by the Department of Labor and Employment (DOLE) to foreign nationals working in POGO-related establishments. There is evidence, however, to demonstrate that many of POGO-related companies hire undocumented workers, i.e., workers who do not have the requisite work permits and/or visas. Further, the data submitted by the DOLE do not account for possible POGO workers in Special Economic Zones like Subic, Clark, Bataan and Cagayan.

The first section presents the evidence received by the Committee on Women, Children, Family Relations and Gender Equality (hereafter, the Committee), with focus on the testimonial evidence provided by its two whistleblowers, Allison "Alex" Chiong and Jeffrey Dale Ignacio. The second section presents the Committee's findings and analysis, particularly with respect to the various extractive schemes perpetrated by some unscrupulous employees and officials within the Bureau of Immigration that compromise our

borders, and outlines the legal, legislative and policy recommendations of the Committee.

Senate Resolution No. 131 was filed in the wake of continuous media reports on prostitution rings being busted by law enforcement agents. These prostitution rings were found to be serving a largely Chinese clientele, many or most of whom working in various POGO outfits. Its agenda was clear and simple: the protection of women and children victimized by the prostitution rings, as well as the creation of more responsive policies and measures to address the gender-related intersectional and social issues rising parallel to the growth of the POGO industry.

While the trajectory of the investigation has evolved and the evidence presented in the eight (8) hearings conducted by the Committee has given rise to explosive revelations, the fundamental agenda that has undergirded Senate Resolution No. 131 remains the same. The desire to protect women and children is the compass and lens by which the Chairperson of the committee has navigated the twists and turns that the investigation has taken.

## **II. PRESENTATION OF EVIDENCE**

This section will be further divided into two distinct parts. The first part focuses on prostitution, specifically the “sinofication” of the prostitution industry as a result of the influx of Chinese workers entering the country. The second part examines the various extortion schemes – including the “pastillas scam” that has now become part of the lexicon of corruption in the country -- that charge a “service fee” from arriving passengers in exchange for unfettered access into our borders.

### ***A. Women and girls for sale: the invisible social costs of the POGO industry***

The rise of the POGO industry in the Philippines has left a trail of social ills – from drugs<sup>1</sup>, to crime<sup>2</sup>, to money laundering<sup>3</sup>, to prostitution and trafficking. To quote Sherryl Loseno, long-time social worker and Executive Director of Voice of the Free, during her testimony at the Senate hearing dated January 28, 2020, when asked whether she might link the rise of the POGO industry to the increase in cases of prostitution and human trafficking:

*"...Kumbaga, iyong Chinese customers, mga Chinese girls din iyong kinukuha nila na mga clients. And iyong mga girls naman natin dito sa Pilipinas, usually Chinese din iyong nagiging customers nila... I think sobrang laki noong kinalaman noong POGO doon sa prostitution.<sup>4</sup>"*

When the Deputy Director for Special Investigation Service of the National Bureau of Investigation, Mr. Vicente De Guzman, was asked to confirm whether or not there is a proliferation of prostituted dens coinciding with the increased number of POGO operations in Manila, he answered in the affirmative and said that the raids conducted by NBI operatives on prostitution dens cater exclusively to Chinese clients, most of whom are POGO workers<sup>5</sup>. The same question was also asked of Major Gideon Ines, Makati Police Investigation Unit Chief, who also replied in the affirmative, and said that "based on our profiling with those arrested users of trafficked persons, they are all POGO employees. We have statistics in our office that those are POGO employees<sup>6</sup>."

The committee is also in receipt of evidence in the form of screenshots showing group chats in the WeChat app, a chat platform application originating from China and favored by Chinese nationals, where sexual services by women were being described and peddled in graphic detail, including the corresponding amounts for such services. An anonymous informant provided information on

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<sup>1</sup> <https://www.cnnphilippines.com/news/2019/9/22/Ace-Barbers-POGOs-drugs-syndicates.html>

<sup>2</sup> <https://mb.com.ph/2020/10/27/ex-pogo-employee-involved-in-gun-running-drug-peddling-arrested-in-makati/>

<sup>3</sup> <https://www.rappler.com/nation/senators-link-pogos-to-crimes>

<sup>4</sup> Page 23 of the TSN dated January 28, 2020.

<sup>5</sup> Page 47 of the TSN dated January 28, 2020.

<sup>6</sup> Page 49 of the TSN dated January 28, 2020.

these group chats and assisted a member of the staff of the Committee in accessing them.

For example, in one such post, sexual services from a Chinese prostituted woman commanded PhP30,000.00 for “all night” and PhP13,000.00 for “60 minutes - fast food”, while sexual services from a Russian prostituted woman commanded PhP12,000.00 for “45 minutes – fast food” and PhP45,000.00 for “all night”. Photos of scantily-clad women were also freely posted, with captions using various metaphors such as tea or car. (One post reads: “brother, we have new tea<sup>7</sup> available” and another reads “new car, highly experienced, superb, knows many styles and positions”).)

Samples of these screen shots are shown below:

**MISS, WANNA DATE? GROUP C**  
 (349 MEMBERS, 2 ADMINS)  
 GROUP CREATED: SEPTEMBER 08, 2019

**Chinese**

Package A:

- 13000 - 60 mins
- 16,000- 90 mins
- 30,000 - all night

Package B:

- 10k 60 mins
- 13k- 90 mins
- 26,000- all night

**Russian:**

- 12,000 - (fastfood, 40 mins)
- 18,000 - 60 mins
- 26,000 - 90 mins
- 45,000- all night

**Korean:**

- 13,000 - 60 mins
- 16,000 - 90 mins
- 32,000 - all night

**Chinese Menu Text:**

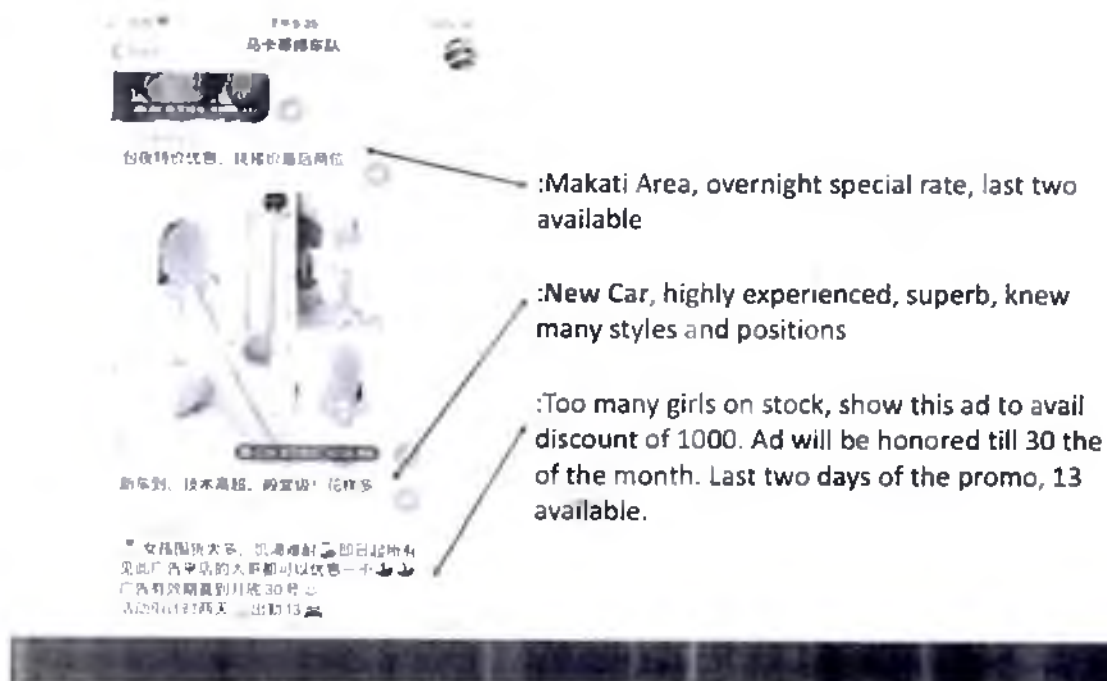
安全避孕，款式多样，包夜网：  
 金龙会所，美式服务，  
 氛围浪漫，独立酒吧  
 中国、俄罗斯、韩国、马来西亚、各国佳丽海选模式  
 中国无式：13000 (60分钟)、16000 (90分钟)、30000 (包夜)  
 中国无式：10000 (60分钟)、13000 (90分钟)、26000 (包夜)  
 俄罗斯：12000 (快餐40分钟)、18000 (60分钟)、26000 (90分钟)、45000 (包夜)  
 韩国：13000 (60分钟)、16000 (90分钟)、32000 (包夜)  
 兄弟组团优惠  
 三人行，其中一人半价 (最低消费)  
 四人行，其中一人只付5000 (最低消费)  
 五人行，一人买单 (最低消费)  
 充值会员卡：充值10万，送

<sup>7</sup> Upon consultation with a Chinese cultural expert, tea is a frequently-used metaphor for sex workers in mainland China.



:Brothers, we have new tea available, we welcome old customers to come and drink tea.

(Note: tea in China sex industry means prostitutes, this is to avoid Chinese online censors.)



*POGO and child sexual exploitation: the case of Carina*

The Committee also heard the testimony of one Carina (not her real name), a fifteen-year-old girl who was recruited in October of 2019, along with one other underaged friend, to perform so-called “massage services” for Chinese customers. According to Carina, when they first arrived at the safehouse, they were made to wear make up, nice clothes, and their photos were taken. Both of them were told that their photos would be uploaded to WeChat for the potential customers to look at.

The safehouse they stayed in was a big apartment with six rooms and double deck beds. The oldest prostituted woman is in her mid 30s, and she was also the “house manager”. Their main “boss” is a Chinese man who goes by the name of Jeff and who is married to a Filipina. Whenever a client books them, they would be asked to go to the hotel or condo unit of the client via Grab or *Angkas*, and they would be wearing “office clothes” so as not to attract attention in the lobby of the hotel or condominium unit.

The minimum amount was PhP6000 or what they call “*gosak*” (somehow a corruption of “*sakto*”). The amount increases if they are asked to spend the night or perform extra services. According to them, they have no Filipino clients because Filipinos are not allowed. They average 3-4 customers a day, and serve a primarily Chinese clientele (with a few Japanese). They were also made to distribute calling cards in Little Tokyo in Makati to attract more clients. The youngest in the safe house was a 14-year-old who procured a sexually transmitted disease in the course of her work (Some clients offer to pay a hefty amount for “No CD” or No condom). This 14-year-old was also the one who tipped off the authorities on the operations, leading to their eventual rescue in November last year.

At the time of her testimony in January of 2020, Carina was in the custody of Voice of the Free Foundation and is undergoing psycho-social support.

*Held against her will: the case of Ivy/ Lai Yu Cian*

Lai Yu Cian (alias Ivy) was 23 years of age at the time she sought the assistance of the Committee and allowed her affidavit to be received in evidence. She is a Taiwanese national who arrived in the Philippines on October 1, 2019 after being recruited by someone she met online to work in an advertising company. She was told that she should travel to the Philippines and he can find her a job in advertising. She then applied for and was granted a 9A visa (tourist) that allows her to stay for 30 days in the Philippines. Upon arrival in the airport on October 1, 2019, someone picked her up in the airport and took her in a dormitory located in Guadalupe, where she stayed for a week. She was then taken to Circuit Corporate Tower where she worked for a company run by Chinese. Then after a week, she was transferred to a POGO company in the same building (Circuit Corporate Center, Tower 1, Makati). They transferred her residence to Acqua Private Residences, Coronado, Mandaluyong. Her passport was taken away from her. She attempted to escape several times but always ended up returning since her passport is not with her.



She has also experienced sexual harassment, such as groping, by her bosses. When her bosses would get angry, they would allegedly namedrop Michael Yang.

With the help of Filipino acquaintances, she was able to send a handwritten note to law enforcement authorities to inform them that she and 30 other colleagues are being prevented from going home by their employers and that she feels that her life is in danger. On February 3, 6pm, the operatives of the NBI Special Task Force together with a Chinese interpreter went to Circuit Corporate Center for the rescue operation. Four Chinese individuals identified as Su Jin Kun, Wang Kun Peng, Suzhi Yuan and Chen Cai Bao were arrested, after having been identified by Lai as the persons who confiscated their passports and threatened her with bodily harm. Upon checking with the Philippine Overseas Employment Administration (POEA), it was confirmed that the arrested individuals have no authority to conduct any recruitment activity in the Philippines.

Right now, Lai Yu Cian is back in Taiwan, through the interventions of the Chairperson of the Committee and the assistance of the Manila Economic and Cultural Office (MECO) of Taiwan.

***B. Compromised borders and corrupt immigration officials:  
unravelling the pastillas scam***

The social issues that emerge as a result of the rapid growth of the POGO industry would not have been possible without policies and practices that allow the near-indiscriminate entry into our borders of POGO industry workers. There are four conventional ways that a Chinese citizen may enter the Philippines, barring marriage to a Filipino citizen: the first is through a Special Resident Retirees Visa that requires a specific amount of investment depending on the retirees' age, the second is through pre-arranged work visa sponsored by the company hiring the said citizen, the third is through a normal tourist

visa applied in the Philippine consulate, and the fourth is through the Visa Upon Arrival (VUA) scheme which was instituted in 2017 through Department Order No. 41 signed by then Secretary Vitaliano Aguirre. Data obtained by the committee shows that the overwhelming majority of Chinese nationals entering the country to work in the POGO industry do so via third and fourth mode. Only around five percent enter via the Visa Upon Arrival mode, which is approved in the Bureau of Immigration main office, while the rest enter via the tourist visa mode.

Diagram 1. Two most common modes of entry for POGO workers



According to the latest available data provided by the Bureau of Immigration, of the nearly 4 million Chinese nationals that entered the Philippines from 2017 to January 2020, 157,459 individuals enter through VUA, while 3,826,529 have entered through non-VUA modes. For purposes of this Committee report, we focus only on the tourist visa mode of entry and the VUA mode of entry.

***The whistleblower testimonies of Allison "Alex" Chiong and Jeffrey Dale Ignacio***

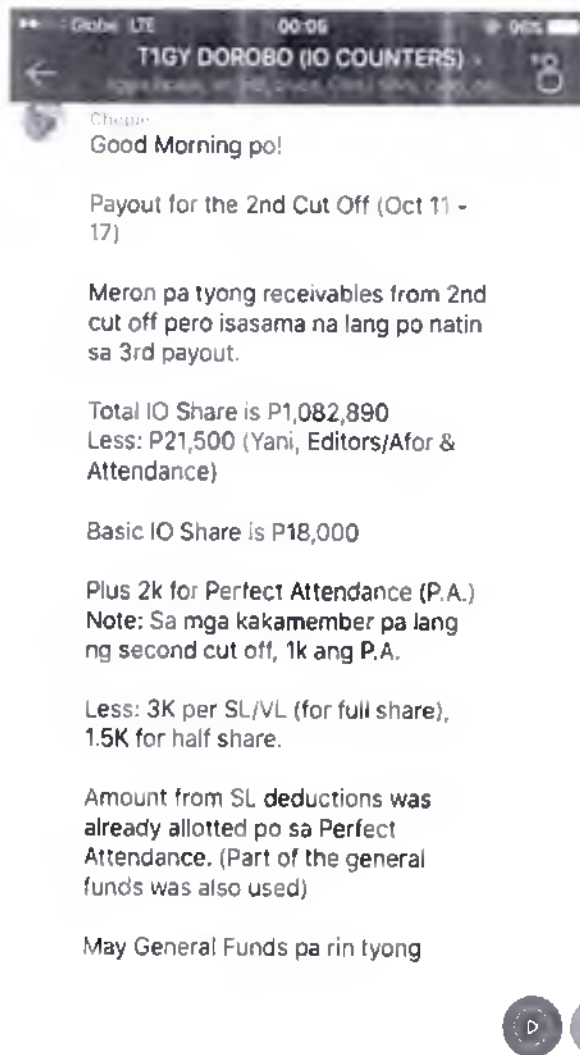
On February 20, 2020, Allison "Alex" Chiong, Immigration officer 1, testified under oath that immigration employees of the Bureau of Immigration allow Chinese nationals into the country, even when they do not meet the parameters for entry or should have been excluded. As a frontline immigration

officer at the counter gates of Terminal 3 of the Ninoy Aquino International Airport, Chiong claims to have personally witnessed, and benefitted from, extortion activities perpetrated by his superiors and fellow Immigration officers. The “pastillas scheme” – so named because the weekly commission distributed to each frontline officer would be wrapped in white paper similar to the Central Luzon sugary confection – was responsible, if Chiong’s testimony is given credence, for the overwhelming number of Chinese nationals in the country after 2017.

IO Chiong discussed in detail the modus operandi of the Pastillas group. As immigration officers, they would receive in a Viber group a list of names of foreign nationals with the corresponding arrival schedule. These viber groups were ran by the chat administrators who were also employees of the BI and who directly received these names from BI officials (referred to by Chiong as “bosses” or “Chinese suppliers) who in turn received them from foreign syndicates and travel agencies. Upon arrival of the foreign nationals in the airport, those immigration officers that are involved in the scheme are under instruction to allow them entry into the country without instituting the necessary checks, screening or profiling as is standard for arriving non-Filipinos.

Chiong presented to the committee screenshots of viber group conversations to corroborate his allegations. He also presented photos of the pastillas money before its distribution to immigration officers.

Screenshot 1. Photo of viber group conversation with details of payout. (Source: Alex Chiong)



Screenshot 2. *Photos of pastillas money before distribution.* (Source: Alex Chiong)



Most compelling, he presented a video demonstrating how a Chinese national is brought to a “back room” where his name is checked against a list of passengers. Chiong said that this used to be procedure before, but it was changed to the Viber system for the ease and comfort of the immigration employees, given the increasing number of Chinese arrivals. An example of the viber list is shown in the screenshot below:

Screenshot 3. *Viber list of Chinese names.* (Source: Alex Chiong)



According to IO Chiong, in exchange for the convenience and “peace of mind” of knowing that one will no longer be screened, the Chinese nationals would pay P10,000 each, with P2,000.00 distributed to the employees of the airport. These payments or “pastillas” were the source of the commissions of the immigration officers, who received them on a weekly or bi-weekly basis. This, according to him, is an open secret in the NAIA immigration operations, with the highest official and the lowest employee if not directly benefitting from it, aware of it, and acting as part of a mafia-like hierarchy.

The veracity of the Viber lists and the names of the passengers were confirmed by the Bureau of Immigration itself, through Deputy Commissioner Tobias Javier. The confirmation, as captured in the TSN, is as follows:

*The Chairperson: At iyong isang in-establish po noong sinabi ninyo, Deputy Commissioner, ay iyong nagmamatach iyong Viber lists at saka iyong mga pasaherong entering. Kasi hindi naman po namin sinabing hindi sila binayometrics (biometrics). So, established na totoong factual na listahan iyon ng mga taong pumasok on those days.*

*Mr. Javier: Yes Ma'am.*

*The Chairperson: So thank you, Deputy Commissioner.*

*Mr. Javier: It could be established in the affirmative.<sup>8</sup>*

IO Chiong named the Viber group administrators as the individuals he directly interacted and coordinated with. They act as bridge between the higher officials who supplied the names of Chinese nationals to be allowed entry and the immigration officers assigned to the counters. The Viber group administrators were identified as: GABRIEL, ERNEST ESTACIO, RALPH RYAN GARCIA, PHOL VILLANUEVA, ABDUL FAHAD CALACA, DANILO DEUDOR, MARC

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<sup>8</sup> Page 114 of the TSN dated March 2, 2020

MACABABAD, CHERIE PIE RICOLCOL, ABDULHAFEZ HADJIBASHER, AMBOY LUCERO, GEORGE BITUIN and SALAHUDIN PACALDA HADJINOOR.

In turn, these Viber group administrators coordinated with the suppliers of the Chinese nationals, also employees of the Bureau of Immigration. IO Chiong was able to identify GLENN FORD COMIA, DEON CARLO ALBAO, RODOLFO MAGBUHOS, JR., ANTHONY LOPEZ, DANIEVE BINSOL, DENNIS ROBLES, BRADFORD ALLEN SO and GERMAN ROBIN. According to IO Chiong, these suppliers obtain the names of the Chinese nationals from different travel agencies and compete with each other to curry favor from these travel agencies.

Running the pastillas operations in the airports, however, would not have been possible without the imprimatur – in Tagalog, “*basbas*” – of the high officials of the airports. IO Chiong identified MARC RED MARINAS as the one controlling, directing and protecting the entire pastillas operation, as the former Chief of Ports Operation Division (POD). Directly under him is ERWIN ORTANEZ, the overall Travel Control and Enforcement Unit (TCEU) head, and the TCEU heads and deputy heads for each terminal: terminal 1 – GLENN FORD COMIA (head), DEON CARLO ALBAO (deputy); terminal 2 - BENLADO GUEVARRA (head), ARLAN MENDOZA (deputy); terminal 3 – DANIEVE BINSOL (head), and ANTHONY LOPEZ (deputy). Aside from the TCEU heads, Chiong also identified the terminal heads of each terminals, namely: CECILLE JONATHAN OROZCO, DENNIS ROBLES, AND BRADFORD ALLEN SO, for terminals 1, 2 and 3. FIDEL MENDOZA, a Security Guard who was designated as the personal assistant of MARINAS, was identified as the “iron enforcer” of the group, and the one commandeering all operations.

According to IO Chiong, sometime in the first quarter of 2019, he was tasked by ALBAO to pick up from his vehicle the Pastillas commissions amounting to around One Million Two Hundred Ten Thousand Pesos (PhP1,210,000.00) pre-arranged in eight bundles. Chiong was asked to deliver

the money to PHOL VILLANUEVA, one of the Viber administrators, for distribution. One of the photos submitted by Chiong showed this transaction and it featured one JEFFREY DALE IGNACIO, together with two other immigration employees, standing in front of an office table with envelopes containing pastillas money for distribution.

In September 2020, seven months after Chiong's testimony, this same Dale Ignacio – Immigration Officer 2 – came forward. He had already been helping the National Bureau of Investigation (NBI) in its operations against one of its own lawyers who had been receiving kickbacks from members of the pastillas group, and he expressed the desire to testify before this Committee. In his testimony, Ignacio corroborated the testimony of Chiong and estimated that around 90% of the immigration personnel assigned at the NAIA terminals have joined the pastillas scheme and receive kickbacks. IO Ignacio said that he was recruited in 2017 by PHOL VILLANUEVA and he agreed to join because the removal of the overtime pay made it difficult for him to make ends meet. The scheme, according to him, was very clear: if an arriving Chinese passenger was included in the list disseminated through Viber by the Viber administrators, they should allow these passengers in without question or screening. However, if the name is not on the list, the "Tubos System" kicks in and they will be referred to the TCEU who will wait until somebody shows up to "claim" them. If the incoming passenger has a Visa Upon Arrival (VUA), then that person is also allowed in without further questions.

IO Ignacio corroborated the individuals named by IO Chiong, and confirmed that MARC RED MARINAS is indeed the ringleader of the Pastillas group, with FIDEL MENDOZA by his side as top enforcer. At one point, Ignacio was asked to alphabetize the names and flight details of the incoming Chinese nationals before these names were posted in the Viber group. To quote directly from the TSN:



*Totoo po ang naging salaysay ni Alex Chiong tungkol sa kalakaran sa pastillas gang. Kapag ang pasahero ay nasa listahan na pinapadala sa Viber group chat, tatatakan lang ito nang walang tanung-tanong. Kumbaga, parang VIP. Kapag wala naman sa listahan at may pagdududa, i-refer sa TCEU. Itse-check ng TCEU, kung may magtutubos doon sa ni-refer na pasahero. At kapag naman po Chinese na ang hawak ay visa upon arrival or VUA, automatic na iyon na makakapasok na walang pagtatanong. Bilang kapalit, nakakatanggap po kaming mga frontliner ng P5,000 to P20,000 weekly or every two weeks.*

*Batay po sa aking personal kaalaman at ito ay open secret na rin sa lahat ng miyembro ng pastillas group, ang nagbabasbas, nagkocontrol ng pastillas scheme at kumukubra ng maraming pera ay sina Sir Marc Red Marinas, ang POD chief noong time ng pastillas; Erwin Ortáñez, overall TCEU head ng Terminal 1, 2 and 3; Glenn Ford Comia, TCEU head ng Terminal 1; Benlado Guevarra, TCEU head ng Terminal 2; Denden Binsol, TCEU head ng Terminal 3; Deon Carlo Albao, deputy TCEU head ng Terminal 1; Arlan Mendoza, deputy TCEU head ng Terminal 2; at Anthony Lopez, deputy TCEU head ng Terminal 3.*

*Nagpapatuloy pa rin po ang pastillas scheme kahit noong pinalitan n ani Sir Grifton Medina si Sir Red. Na-retain din bilang chief of staff ni Sir Grifton si Fidel Mendoza<sup>9</sup>.*

After the investigation triggered by the revelations of IO Chiong in the Senate, IO Ignacio said that he attended meetings with those implicated. A meeting on September 8, 2020 was presided by Red Marinas and was participated in by Fidel Mendoza, Erwin Ortanez, Glennford Comia, Bienlado

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<sup>9</sup> Page 13 and 14 of the TSN dated October 6, 2020

Guevara, Deon Albao, Anthony Lopez, German Robin, Fahad Calaca, Abdulhafez Hadjibasher, Gabe Estacio, Ralph Garcia, Phol Villanueva, Danilo Deudor, Mark Macababad, Amboy Lucero, George Bituin, Salahudin Hadjinoor, Chevy Chase Naniong, Hamza Pacasum, Manuel Sarmiento, Dennis Robles, and Cherry Pie Ricolcol<sup>10</sup>. According to IO Ignacio, the meeting was a strategizing meeting to avoid legal accountability for the pastillas scam. It was even intimated during the meeting that MARINAS had a contact within the Ombudsman who would help them out of their predicament<sup>11</sup>. Promises of support were also assured by the “bosses” to the subordinates – as well as reminders of “*walang iwanan*”<sup>12</sup> or sticking together.

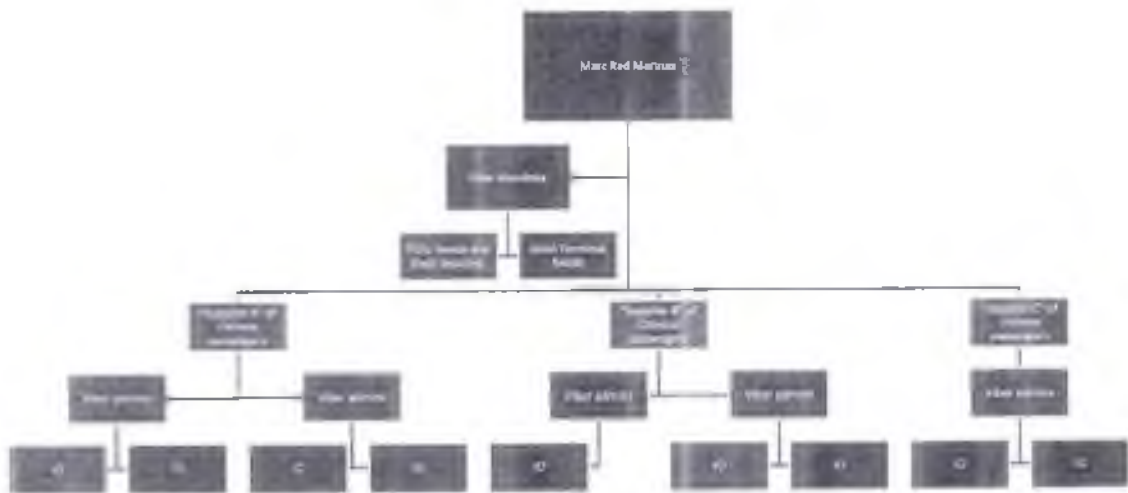
The testimonies of IO Chiong and IO Ignacio are consistent with each other and, taken together, paint a picture of a Mafia-like hierarchy with MARC RED MARINAS at the helm, assisted by FIDEL MENDOZA and appointed terminal heads and TCEU heads. Below Marinas in the power structure are the suppliers (who in some cases are also the TCEU and the terminal heads or their deputies) of Chinese passengers who compete with each other for the loyalty and business of the travel agencies that provide the names of these passengers. These names are downloaded to the Viber group administrators who in turn, cascade to the immigration officers.

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<sup>10</sup> Page 16 of the TSN dated October 6, 2020

<sup>11</sup> Page 16 of the TSN dated October 6, 2020

<sup>12</sup> Page 16 of the TSN dated October 6, 2020



The identified ring leaders appear to be consistent with findings received by the Committee on individuals who have been found to have failed to file the required Statement of Assets, Liabilities and Net Worth (SALN) as required by law under Article XI Section 17 of the 1987 Constitution and Section 8 of Republic Act No. 6713, otherwise known as the "Code of Conduct and Ethical Standards for Public Officials and Employees". The following Bureau of Immigration employees found to have incomplete SALN filings are: (1) DANIEVE BINSOL, (2) DIMPLE MAHYUMI MALLARI, (3) MARC RED MARIÑAS, (4) MAYNARDO MARIÑAS, (5) GRIFTON MEDINA, and (6) ARLAN MENDOZA. In the case of Marc Red Mariñas, the data initially showed that he has no SALN on file for the years 2014, 2015, 2016, and 2018.

When the Committee investigated and probed the question of the missing SALNs further, particularly of Mr. Red Marinas, it was learned that the 201 file of the same had been mysteriously borrowed from the personnel office, with the reason for the borrowing remaining largely unexplained<sup>13</sup>. When Commissioner Tobias Javier was interviewed by the Chairperson of the Committee, he confirmed that he borrowed the 201 file of Mr. Marinas, but only

<sup>13</sup> Page 91 of the TSN dated October 20,2020.

the 2017 SALN was accounted for. A verbatim account of the exchange is as follows:

**THE CHAIRPERSON:** *Iyong mga SALNs po ba na itinatanong po ng Chair ay kasama po diyan sa mga dokumento na nasa desk niyo na ngayon?*

**MR. JAVIER:** *Ma'am, I browsed through the records, 201 file...*

**THE CHAIRPERSON:** *Yes.*

**MR. JAVIER:** *...only the SALN for 2017 appears to be here in the 201 file.*

**THE CHAIRPERSON:** *All right, Sir. So unaccounted for pa iyong tatlo.*

**MR. JAVIER:** *For other years, wala po dito. Wala po dito<sup>14</sup>.*

In similar fashion, the Committee has found that the elder Marinas, Maynardo, has failed to file his SALN for 2017 and 2018; Mr. Grifton Medina has failed to file his SALN for 2017 and 2018; Danieve Binsol failed to file for the year 2018; and Arlan Mendoza failed to file his SALN for the year 2016.

Upon review of the declared amounts in the SALN, the Committee also found noteworthy increases in the aforementioned individuals' SALN that are disproportionate with their positions and corresponding salary grades. Most notably, Arlan Mendoza, a Confidential Agent with the rank of Immigration Officer 3 should have a salary grade of SG 16, equivalent to P39,650.00 (step 6), and yet his declared net worth of PhP 40,750,000 in 2018. Erwin Ortáñez, of similar rank, has a declared net worth of PhP27,968,000 for the same year. Fidel Mendoza, a security guard, had a declared net worth of PhP 10,205,000 in 2016.

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<sup>14</sup> Page 93 of the TSN dated October 20, 2020.

Moreover, their travel records were also reviewed by the Committee based on documents submitted to it, and it was found that some of the individuals' travel records do not reflect arrivals upon departing from the following countries: Singapore, China, Hong Kong, Republic of Palau, Saipan, and Malaysia. Interestingly, the individuals with questionable "No Arrivals" data are also the individuals identified by Ignacio as involved in the "Pastillas" scam, and some are those with irregular SALN entries. These individuals are: Marc Red Mariñas, Maynardo Mariñas, Dimple Mahyumi Mallari, Roderick Buhay, Glenn Ford Comia, Anthony Lopez, Arlan Mendoza and Erwin Ortanez.

### ***C. Department Order 41, s.17 and Chinese-only Visa Upon Arrivals***

Temporary Visitors' Visa Upon Arrivals (TV-VUA or VUA) are not new in Philippine jurisdiction. Philippine immigration policy allows citizens from about thirty countries around the world, to enter its borders and spend a maximum of 59 days in the country. By its name alone, it suggests that the visa is obtained at the airport, upon disembarkation from the aircraft carrier. VUAs issued by the force of Department Order No. 41, series of 2017, issued by Former Justice Secretary Vitaliano Aguirre II is already a misnomer in this regard, considering that the application for a VUA shall commence at least ten (10) working days before the arrival of the qualified People's Republic of China (PROC) national, with the accredited tour agency and shall be processed at the main office of the Bureau of Immigration.

The Visa Upon Arrival Scheme had made it possible for Chinese citizens to enter the Philippines and stay for a period of up to six months. The VUA program was open to Chinese nationals who are members of tour groups organized by tour operators accredited by the Philippines Department of Tourism (DOT), businessmen endorsed by local and foreign chambers of commerce and other government agencies, athletes, and delegates to conventions and exhibitions. Applicants cannot appear on the BI's black list or

be subject to an Interpol red notice. According to the 2017 rules, interested Chinese nationals may, through their tour operator, apply for the VUA for an initial authorized stay of 30 days with the provision for an extension up to a maximum period of six months<sup>15</sup>. Based on the original version of the Department Order, the Board of Commissioners of the Bureau of Immigration may authorize the conversion of the status of a PROC national under a VUA classification to other visa categories<sup>16</sup>.

According to both IO Chiong and IO Ignacio, when a PROC national holds a Visa Upon Arrival under Department Order No. 41, that individual is no longer screened or scrutinized. In fact, according to them, the individual is no longer even included in the Viber list downloaded to them because the instruction given to them is that a VUA holder should be allowed automatic entry into the country. This appears to be partially corroborated by the statements made by Former DOJ Secretary Vitaliano Aguirre during the hearing on October 20, 2020.

**Chairperson:** *Tapos po, kung iyong Chinese national na iyon ay walang derogatory record, tapos wala siya sa kahit anumang watchlist at bahagi siya ng isang tour group, iyong issuance po ng VUA ay halos ministerial at pwedeng pumasok iyong taong yon sa Pilipinas<sup>17</sup>.*

**Mr. Aguirre:** *Well, more or less, ministerial, but there is still – needs the approval of the responsible officers of the Bureau of Immigration.*

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<sup>15</sup> Section 9 and 10, D.O. 41, s. 2017.

<sup>16</sup> Section 11, D.O. 41, s. 2017.

<sup>17</sup> Page 105 of the TSN dated October 20, 2020.

Presumably, the screening is done at the main office of the Bureau of Immigration. However, a perusal of Department Order No. 41, s. 2017 shows a troubling lack of meaningful checks and balances. According to Section 5 of the Department Order, the Ports Operation Division (POD) and the Special Operations Communication Unit (SOCU) shall jointly the review, assessment and preparation of Orders on all requests for the issuance of TV-VUA to be submitted to the Office of the Commissioner for approval. Disturbingly, when the Department Order came into force the POD and the SOCU was helmed by the father and son tandem of Marc Red Mariñas and Maynardo Mariñas, respectively. Former DOJ Secretary claims to have no personal hand, or even no memory, of the decision-making process that led to the conflict of interest, despite the fact that the chief of the Ports Operation Division is his own appointee.

**The Chairperson:** *Sec, iyong panahon na inissue ninyo iyong Department Order 41, kaa-appoint ng SOJ – kaa-appoint ninyo kay Mr. Marc Red Mariñas bilang chief ng Ports Operation Division, tama po?*

**Mr. Aguirre:** *Hindi ko na po masyadong matandaan iyon.*

**The Chairperson:** *So si Mr. Red Mariñas ba may input doon sa Department Order 41?*

**Mr. Aguirre:** *Ang makakaalam ho siguro niyan ay iyong – when it was being drafted ay iyong aking usec, Usec Eric Balmes, at saka iyong mga kausap niya na mga responsible officials from the Bureau of Immigration.<sup>18</sup>*

This disavowal of any involvement in the selection process and in the crafting of the rules of the VUA appears dubious in light of information obtained by the Committee that Marc Red Marinas and the son of former Secretary

Aguirre are high school friends. This was corroborated on record by the father, Mr. Maynardo Mariñas himself.

**The Chairperson:** *Sir, iyong anak niyo po ay nasa parehong klase noong anak ni Sec Aguirre na si Aries Aguirre, tama po?*

**Mr. Mariñas:** *Pagkakaalam ko, ganoon, noong high school<sup>19</sup>.*

Another testimony offered during a hearing of the Committee suggested that former Secretary Aguirre is a protector of the father-and-son Mariñas. This is from the testimony of columnist Ramon Tulfo:

**The Chairperson:** *Mr. Tulfo, pwede ninyo ba kaming i-walk through sa post na ito, particular ano po iyong connect ni dating Sec. Aguirre kina Mr. Mariñas?*

**Mr. Tulfo:** *Base po sa sinabi sa akin ni Mr. Chiong, siya po iyong protector ng sindikato, si Secretary Aguirre – former Justice Secretary Aguirre.*

**The Chairperson:** *Could you explain more paano sila naging protector ng mag-amang Mariñas?*

**Mr. Tulfo:** *Kasi po he castrated the powers of Commissioner Morente. Ang power po kasi dapat to hire and fire or reassign immigration personnel should be laid on the responsibility of Commissioner Morente. Ang power po kasi dapat to hire and fire or reassign immigration personnel should be laid on the responsibility of Commissioner Morente. Pero inalis po iyong power na iyan, kinuha po niya iyan. He arrogated on to himself the power to assign and reassign immigration personnel and appointed the father and son tandem. Hindi po na – parang, hindi ba, sabi nga, very obvious, bakit ia-assign mo – bakit iyong tatay at saka anak nasa Immigration holding key positions?<sup>20</sup>*

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<sup>19</sup> Page 2 of the TSN dated October 20, 2020.

<sup>20</sup> Page 103 of the TSN dated March 2, 2020.



In fact, in the questioning of Senator Imee Marcos, even the Commissioner of the Bureau of Immigration himself, Commissioner Morente, admitted that the father and son Mariñas had arrogated unto themselves an unseemly amount of powers, rendering the Commissioner himself a lame duck.

**Sen. Marcos:** *But the information derived has made some writers such as si Ramon Tulfo, hindi ba, sinabi na parang nagiging kuwan lang kayo, lame duck daw ang commissioner pagkat nandoon sa frontliners lahat ng kapangyarihan at lahat ng mga sikat na hawak noong Mariñas, tama po ba?*

**Mr. Morente:** *That was the general impression we have, Your Honor.*

**Sen. Marcos:** *And actually the words used were, lame duch si Morente at saka figure head lang, saying daw si Medina. Ano hong reaction ninyo sa mga salitang ganoon?*

**Mr. Morente:** *Well, I think these are realities dahil limited nga ho ang authority na ibinigay ng lumang batas ng immigration, your Honor<sup>21</sup>.*

While further investigation is needed to determine if Mr. Aguirre is indeed a protector of the father and son Mariñas, it is hard to deny that the arrangement gives the appearance of impropriety. Even an employee of the Bureau of Immigration trusted by the Mariñas, one Atty. Gemma dela Cruz, noted that a potential check and balance issue may arise. In her words, “as far as I’m aware, *wala pong prohibition i-appoint ang mag-ama. But, definitely, there is – mayroon nga pong question on check and balance dito sa ag appoint<sup>22</sup>.*” Supporting this is the testimony of Atty. Coronel, Executive Director of the Inter-agency Council Against Trafficking, who stated that: “in the bigger scale, in matters of delicadeza, it is not good practice.... Especially in

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<sup>21</sup> Page 38 and 39 of the TSN dated February 20, 2020.

<sup>22</sup> Page 112 of the TSN dated October 6, 2020.

government when we try to give the impression that there is presumption of regularity.”<sup>23</sup>

If the testimonial evidence presented to the Committee is correct, those availing of visas via the TV-VUA program are those who would not be able to withstand even the cursory scrutiny of the tourist visa application through the Philippine consulates. The VUA program therefore appears to be the vehicle of choice of those with deficiencies in their record, and as such, commands a higher kickback rate than the “pastillas” system attached to tourist visas.

The evidence generated by the Committee also shows that a certain travel agency has managed to corner a sizeable chunk of the VUA market. According to Atty. Casibang from the Bureau of Immigration, just from May 2019 to January 2020, or a period of one year, there were 112,053 approved VUAs<sup>24</sup>, and of that number 30% were processed by Empire Travel, owned and operated by a certain Liya Wu. However, when the witness Alex Chiong was asked, he said that based on his experience, around seven to ten of VUA holders were processed by Empire<sup>25</sup>. It is therefore safe to say that the VUAs processed by Empire range from a low of 30% to a high of 70%. Atty. Kalaw, who represented Ms. Wu during the hearings of the Committee, estimated that Empire earned around P3,500.00 to P7,000.00 per VUA applicant – an amount he later amended to P1,000.00 in a subsequent Committee hearing<sup>26</sup>.

According to testimony received by the Committee, Ms. Wu is a powerful figure at the Bureau of Immigration and knows her way around the various offices. There are some inconsistencies, however, when Immigration officials of the BI are asked. According to Atty. Gemma dela Cruz, who according to her was given a letter-directive to sign for VUA applications, she does not know Liya Wu personally – *“hindi ko po siya personally kilala pero nakikita ko po siya*

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<sup>23</sup> Page 24 of the TSN dated March 2, 2020.

<sup>24</sup> Page 134 of the TSN dated October 20, 2020.

<sup>25</sup> Page 135 of the TSN dated October 20, 2020.

<sup>26</sup> Page 157 of the TSN dated October 20, 2020.

*sa Immigration bilang accredited travel agent*<sup>27</sup>". Interestingly, in the next hearing, or on October 20, 2020, Atty. Dela Cruz amended her answer and said that she spoke to Ms. Wu once a month<sup>28</sup>.

All said, there are enough red flags to warrant raising critical questions on the VUA arrangement and the complicity of the government officials involved in the scheme, as well as its implications on the security of our borders. This committee takes notice of the fact that the VUA scheme was suspended by the Department of Justice.

### **III. FINDINGS AND RECOMMENDATIONS**

#### **1. On the social costs of the POGO industry**

There is more than enough evidence pointing to the direct correlation between the explosion of the POGO industry and the worsening of the prostitution and human trafficking situation. This is based on multiple testimonies from law enforcement agents, non-government organizations and civil society organizations engaged in issues of human trafficking, and other stakeholders.

The supply aspect of the POGO-related prostitution issue is a two-pronged one. First, it has exacerbated local prostitution, necessitating the recruitment of more Filipino woman and girls to meet the demands of a fast-growing market. Second, it has created the phenomenon of "Chinese-only prostitution", growing the problem of inbound human trafficking of female foreign nationals to an unprecedented scale. Our laws currently offer scant protections for foreign nationals who are victims of inbound human trafficking, and rescued Chinese prostituted women have had to be released by law enforcement agents

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<sup>27</sup> Page 118 of the TSN dated October 6, 2020

<sup>28</sup> Page 151

because of an inability to provide for them or even find suitable female interpreters. Post-raid protocols need to be further established and put into place – whether for foreign prostituted women or local victims – as the gaps in policy allow for the phenomenon of “recycling”, where rescued victims of trafficking are reintegrated into the sex industry. The Committee also recommends the forging of bilateral treaties to protect foreign women from trafficking and prostitution, inasmuch as law enforcement agencies reported the lack of responsive coordination from the Chinese embassy when the matter of the rescued Chinese women were brought to its attention.

Further, new technologies and online platforms make it easier for male clients to remain anonymous while transacting with prostitution syndicates, and make it more difficult for law enforcement agents to crack down on these syndicates and rescue trafficked women. There is a critical need to amend our current laws on trafficking in order to address the use of online platforms for criminal ends, and to immediately pass the amendments to Republic Act No. 9208, or the Anti Trafficking in Persons Act. For example, penalties should be imposed on electronic service providers and online financial intermediaries that allow their platforms to be used for activities related to human trafficking. It should likewise be easier for law enforcement agents to access non-content data such as subscriber information in order to track down traffickers and protect victims. The current Anti-Prostitution Law should likewise be amended to reflect the reality of technology-abetted prostitution.

## **2. On the potential criminal liability of the “pastillas” architects and the potential tax liability of the travel agencies involved in the VUA scheme**

The unabated entry into the Philippines of PROC nationals has been facilitated by a multi-billion peso industry divided into multiple revenue streams. Two of the major revenue streams – “*pastillas*” kickbacks received from Chinese nationals entering the country through tourist visas, and VUA kickbacks paid to

the BI main office through tour agencies – have been cornered by the father and son tandem of Maynardo Mariñas and Marc Red Marinas. The combined total of these two revenue streams alone is in the vicinity of Forty Billion Pesos.

These revenue streams are not sporadic instances of extortion. They are made possible by a hierarchical Mafia-like structure with foot soldiers (immigration officers), coordinators (viber chat group administrators), connectors to the money source (Chinese passenger suppliers), enforcers (TCEU and terminal heads, Fidel Mendoza) and Mafia boss (Marc Red Marinas and Maynardo Mariñas).

In relation to this, the Committee recommends the filing of criminal charges for violation of Republic Act No. 3019, or the Anti Graft and Corrupt Practices Act and Republic Act No. 6713 or the Code of Conduct and Ethical Standards for Public Officials and Employees against the following individuals, without prejudice to other charges that may be levied against them including but not limited to violations of Republic Act No. 9208 or the Anti-Trafficking in Persons Act, Republic Act No. 7080 or an Act Defining and Penalizing the Crime of Plunder, and other special laws, and without prejudice to the finding of criminal liability on other individuals and personalities in the course of investigation of law enforcement agencies.

ROLE	NAME
Viber administrator	Gabriel Estacio
	Ralph Ryan Garcia
	Phol Villanueva
	Abdul Fahad Calaca
	Daniilo Deudor
	Marc Macababad
	Cherie Pie Ricolcol
	Abdulhafez Hadjibasher

	Amboy Lucero
	George Bituin
	Salahudin Pacalda Hadjinoor
Chinese "supplier"	Glenn Ford Comia
	Deon Carlo Albao
	Rodolfo Magbuhos
	Anthony Lopez
	Danieve Binsol
	Dennis Robles
	Bradford Allen So
	German Robin
Enforcers and "Boss"	Marc Red Mariñas
	Erwin Ortañez
	Bienlado Guevera
	Arlan Mendoza
	Fidel Mendoza
	Jonathan Orozco
	Grifton Medina

The Committee likewise recommends the filing of criminal charges for failure to file their respective SALNs in violation of Section 8 of R.A. No. 6713 against the following individuals: (1) Danieve Binsol, (2) Dimple Mahyumi Mallari, (3) Marc Red Mariñas, (4) Maynardo Mariñas, (5) Grifton Medina, and (6) Arlan Mendoza.

The Committee also notes that violations of the offenses mentioned carry the penalty of permanent disqualification, and likewise recommends that all individuals so named be permanently disqualified from holding appointive or elective office.

Further, the Committee recommends that further investigation be conducted on the potential criminal liability of former Secretary Vitaliano

Aguirre for issuing Executive Order No. 041 and his appointment of Marc Red Marinas, as he may reasonably be assumed to have known that the consequence of both actions would be to grant the father and son Mariñas near unfettered discretion over the entry of hundreds of thousands of Chinese individuals – not only a potential corruption and conflict of interest issue, but also a national security issue. The former Secretary is hereby reminded that the Supreme Court has held many times that “a public official or employee should avoid any appearance of impropriety affecting the integrity of government services.”<sup>29</sup>

Finally, as previously stated, the evidence generated by the Committee indicates that a handful of travel agencies have managed to corner a sizeable chunk of the Chinese expatriate market, collecting a fee of at least a PHP1,000.00 per applicant at the very minimum, or even more. Considering that there were 112,053 VUAs approved between May 2019 to January 2020, then this means these travel agencies earned at least PHP 112 million (and perhaps as high as PHP 840 million) in gross revenues during this period. Thus, it is recommended that the Bureau of Internal Revenue, with immigration data supplies by the BI, conduct a tax audit of these travel agencies.

### **3. On reforms in the Bureau of Immigration**

The “pastillas” scam and the VUA controversy laid bare the need for long-overdue reforms in the Bureau of Immigration, most notably the limited powers of the Commissioner of the same. These limited powers allowed for the broad authority given to the POD and the SOCU over the visa upon arrival scheme, and also prevented the Commissioner from acting with dispatch against errant BI employees.

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<sup>29</sup> Samson v. Restriera, G.R. No. 178454, March 28, 2011

The Committee recommends that an amendatory law be issued that allows greater checks and balance mechanisms within the bureaucracy to prevent the anomalous situation of a father and son being put at the helm of a scheme with massive implications on border control and national security, and also allows the Commissioner to review actions undertaken by the Ports Operation Division chief where airport operations are concerned. We have seen how the "*barkadahar*" system within the Bureau of Immigration – where the TCEU heads and airport heads are friends with and appointees of Marc Red Mariñas as the POD chief – has led to the pastillas scheme being an "open secret" festering for years.

#### **IV. CONCLUSION**

The initial objective of this Committee was simple: to examine the costs on women and children of POGO operations in the country. The hearings, however, have evolved and have taken a life of its own, exposing dimensions of the issue far beyond the original aim and purpose of the Committee. And if this Committee has managed to expose the corruption and rottenness that have compromised our borders and render Filipino women and children vulnerable to harm, it has also provided a platform for the good and the just in our citizens.

The Committee takes this opportunity to thank Allison Chiong for his invaluable service not only to the Committee and to the Philippine Senate, but also to the Filipino people. As of this writing, Allison, as well as his fellow witness Dale Ignacio, is still in the Witness Protection Program, sacrificing the creature comforts of urban life to make contributions towards better government. The Committee also notes the efforts and cooperation of law enforcement agents such as the Special Action Unit of the National Bureau of Immigration led by Atty. Emeterio Dongallo, who also shared their insights on areas for legislative reform.



While the Committee has enumerated many recommendations and areas for future legislative interventions, one thing is clear: the social costs of POGO far outweigh the vaunted benefits of these gambling operations. From the trafficking of our women and children to the corruption of our immigration officers and then compromise of our national borders, the problems are myriad, complex and can potentially lead to deeper issues. It is this Committee's fervent hope that POGO as a national policy be revisited.

Respectfully submitted:

CHAIRPERSON

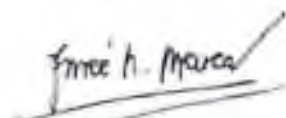
  
**SEN. RISA HONTIVEROS**


Committee on Women, Children, Family Relations and Gender Equality

MEMBERS

  
**SEN. PIA S. CAYETANO**

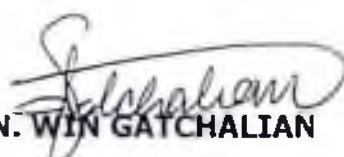
 "may interp/amend"  
**SEN. MARIA LOURDES NANCY S. BINAY**

  
**SEN. IMEE R. MARCOS**

 "may interp/amend"  
**SEN. GRACE POE**

**SEN. CYNTHIA A. VILLAR**

 with reservations, may amend  
**SEN. RONALD "BATO" M. DELA ROSA**

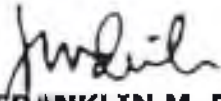
  
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