

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
First Regular Session

HOUSE RESOLUTION NO. 135



Introduced by **HON. LUIS RAYMUND "LRAY" F. VILLAFUERTE, JR.**

A RESOLUTION URGING THE HOUSE COMMITTEE ON GAMES AND AMUSEMENTS TO CONDUCT, IN AID OF LEGISLATION, AN INQUIRY REGARDING THE ALLEGED MASSIVE CORRUPTION THE PHILIPPINE CHARITABLE SWEEPSTAKES OFFICE (PCSO) THAT LEAD TO THE CLOSURE OF ITS OPERATIONS

WHEREAS, it is the policy of the State to condemn illegal gambling due to its adverse effects to the values of the Filipino people;

WHEREAS, the the Philippine Charitable Sweepstakes Office (PCSO) is mandated by law to conduct charity sweepstakes races, lotteries, and other similar activities in order to fund health and welfare-related investments, programs, projects and activities;

WHEREAS, President Rodrigo Duterte's most recently ordered to suspend operations of all PCSO gaming outlets across the country over alleged "massive corruption";

WHEREAS, the Commission on Audit (COA) urged the Philippine Charity Sweepstakes Office (PCSO) to remit to government P8.426 billion in profits, a figure representing half of its P16.852 billion net earnings from 1994 to 2016;

WHEREAS, PCSO failed to remit dividends due the national government in compliance with Republic Act No. 7656 or "An Act Requiring Government-Owned or Controlled Corporations to Declare Dividends Under Certain Conditions to the National Government;

WHEREAS, the COA further mentioned in the 2018 report that "Had the PMRR shortfalls due of P4.607 billion been promptly remitted to the PCSO, it could have been utilized to finance its various charity programs, particularly the Individual Medical Assistance Program, where many less fortunate individuals depend for their medical needs";

WHEREAS, PCSO is further being called out for waiving P1.43 billion in total unremitted obligations from small town lottery (STL) operations in 2018;

WHEREAS, PCSO gave 43 delinquent Authorized Agent Corporations (AACs) for STL several considerations, among them, waiving unremitted obligations of for the first 3 months of operations;

WHEREAS, our state auditors previously found in 2017 that our government suffered a loss amounting to PhP 10 Billion Pesos due to the failure of the PCSO to collect remittances from the operators of the STL;

WHEREAS, COA observed that the sales collections report by 71 AACs for CY 2017 were lower than their corresponding Presumptive Monthly Retail Receipts (PMRR) by PhP 10.012 Billion;

WHEREAS, the shortfall in the PMRR is a direct violation of Section 18(e) of the STL IRR, which states as follows: "Remit to PCSO the total sales collection less Agency Commission from the Prize Fund and Sales Supervisors/Representatives shares from the Operating Fund, every Tuesday of the following week (Weekly Remittance). In no case shall the total monthly sales collection be lower than the approved PMRR in the area.";

WHEREAS, no sanctions were imposed by the PCSO Board on the said 71 AACs despite their repeated violations, incurring shortfalls for several months;

WHEREAS, the PCSO also previously topped the list of agencies unauthorized bonuses and allowances in 2016, releasing P518 million without legal basis, according to COA's 2016 Annual Financial Report;

NOW, THEREFORE, BE IT RESOLVED, as it is hereby resolved that the appropriate Committee of the House of Representatives conduct an inquiry in aid of legislation regarding the alleged massive corruption the Philippine Charitable Sweepstakes Office (PCSO) that lead to the closure of its operations.

Adopted,



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