

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
First Regular Session

HOUSE RESOLUTION No. 153



Introduced by
BAYAN MUNA Party-List Representatives CARLOS ISAGANI T. ZARATE,
FERDINAND R. GAITE and EUFEMIA C. CULLAMAT

RESOLUTION
DIRECTING THE COMMITTEE ON GOOD GOVERNANCE AND PUBLIC
ACCOUNTABILITY TO CONDUCT AN INVESTIGATION, IN AID OF
LEGISLATION, ON THE ALLEGED MASSIVE CORRUPTION IN THE
PHILIPPINE CHARITY SWEEPSTAKES OFFICE

WHEREAS, Section 1, Article XI of the constitution states that “public officers and employees must at all times be accountable to the people, serve them with utmost responsibility, integrity, loyalty, and efficiency, act with patriotism and justice and lead with modest lives;”

WHEREAS, last January 17, 2018, Bayan Muna filed a resolution to investigate the following alleged misuse of funds, corruption and anomalies in the PCSO:

1. Spending of P9.8 million of the agency’s funds for PCSO Christmas party at the EDSA Shangri-La Hotel on December 19, 2017
2. The agency’s low allotment for charity fund amounting to P2 billion out of the P18 billion revenue from Small Town Lottery (STL)
3. Declaration of just 15-20% of actual revenues and using 80% of the revenues to pay high-ranking PCSO officials
4. Hiring of the children of the Chairman and General Manager, and dubious characters, as accused to PCSO Board Member Sandra Cam, as staff and consultants
5. As accused, the lobbying of Sandra Cam and alleged gambling operator Charlie “Atong” Ang to the agency to allow Ang to operate STL nationwide. Furthermore, it was claimed that Ang offered a guaranteed P200 million a month in exchange for allowing him to operate STL nationwide

WHEREAS, according to the audit report of the Commission on Audit (COA), the following irregularities involved billions of pesos:¹

1. Failure to remit P8.426 billion worth of dividends to the national government from 1994 to 2016
2. Posting of P4.6 billion Presumptive Monthly Retail Receipts (PMRR) or STL proceeds shortfall as of December 2018
3. Failure to settle P1.036 billion worth of transactions already disallowed by COA from 2016 to 2018
4. Accumulating P1.031 billion of unsettled amounts disallowed by COA from 2013 to 2015;
5. Failure to transfer P684 million to charity fund;
6. The amount of unclaimed Keno prizes increasing over the last three years, reaching P45.3 million in 2016, P57.4 million in 2017, and as high as P81.5 million in 2018 for a total of P184 million; and
7. PCSO-sanctioned Keno Game incurring a total deficit of P2.719 billion under its prize fund.

WHEREAS, last July 26, 2019, the Presidential Communications Operation Office (PCOO) uploaded the special message of President Rodrigo Roa Duterte declaring the gaming activities operated, licensed and franchised by the Philippine Charity and Sweepstakes Office (PCSO) illegal and immediate closure of all its activities;

WHEREAS, the president verbally ordered the Philippine National Police (PNP) and the Armed Forces of the Philippines (AFP) to shutdown gaming outlets within 24 hours and to arrest people engaged to gambling activities in connection with the franchises, licenses, concessions granted by PCSO;

WHEREAS, as of July 29, 2019, the police reported that it has closed a total of 30,284 lotto stores and gaming outlets nationwide;²

WHEREAS, Presidential Spokesperson Salvador Panelo said that there is a supposed thorough investigation on the issue and the names of the people involved will be revealed to the public, a claim that makes disclosure of those involved imperative as most, if not all, of the officials now running PCSO were all appointed allies by President Duterte;

WHEREAS, the Supreme Court has given all trial courts until August 5, 2019 to report whether they had issued temporary restraining orders and writs of preliminary injunction regarding the case;

WHEREAS, the presidential verbal order of wholesale stoppage has raised grave concerns on its legality, as even the police can only show a recorded video of the presidential directive during their closure operations;

¹ <https://www.gmanetwork.com/news/news/nation/702792/before-lotto-suspension-coa-flagged-pcso-for-irregularities-involving-billions/story/>


² <https://newsinfo.inquirer.net/1147819/duterte-probe-of-corruption-in-pcso-to-be-swift-palace>

WHEREAS, the involvement of the PCSO officials to alleged massive corruption that lead to the closure of all gaming outlets directly affects not only its operators, but more importantly the employees and the poor who relied for medical and other assistance from PCSO;

NOW, THEREFORE BE IT RESOLVED, that the House of Representatives, through the Committee on Good Governance and Public Accountability, to conduct an investigation, in aid of legislation, on the alleged massive corruption in the Philippine Charity and Sweepstakes Office.

Adopted,


Rep. CARLOS ISAGANIT. ZARATE
BAYAN MUNA Party-list


Rep. FERDINAND R. GAITE
BAYAN MUNA Party-list


Rep. EUFEMIA C. CULLAMAT
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