

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

15th Congress
First Regular Session

House Bill No. 4049

Introduced by Honorable Sergio A. F. Apostol and
Honorable Pedro P. Romualdo

EXPLANATORY NOTE

After the People Power Revolution, the Presidential Commission on Good Government (PCGG) was created by Executive Order No. 1 issued by then President Corazon Aquino on February 28, 1986 to recover vast resources of the government allegedly amassed by former President Ferdinand Marcos, his immediate family, relatives, close associates, both here and abroad.

Thereafter, President Aquino issued Proclamation No. 3 dated March 25 1986, establishing a revolutionary government, under which, authority to issue sequestration and freeze orders were vested upon PCGG. However, Section 26, Article 18 of the 1987 Constitution provides that the authority to issue such sequestration or freeze orders under Proclamation No. 3 shall remain operative *only for not more than eighteen (18) months* after the ratification of the Constitution. This authority has lapsed without having been extended by the Congress which the latter could have done under the same Section 26, in case of national interest.

More so, more than twenty years and four administrations have passed, PCGG has not produced significant accomplishments that would justify its continued existence. Through these years, the work performed by the Commission is not commensurate to the annual expenses needed to maintain the office. The time is ripe to abolish PCGG in line with the cost-saving efforts of the government.

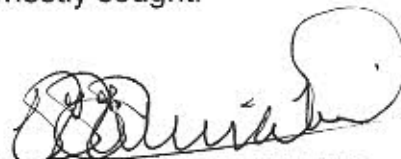
Under this bill, the powers and functions of investigations and prosecution of criminal cases exercised by the PCGG shall be transferred to the Department of Justice; Civil cases involving the management, administration and the disposition of the assets, as well as the sequestration of the properties considered to be ill-gotten vested in the PCGG shall be transferred to, and shall be exercised by the Department's Office of the Government Corporate Counsel.

Furthermore, all sequestered real and personal assets and properties previously under the control and management of the PCGG, as well as all contracts, records and documents relating to the operation of the PCGG are transferred to the Privatization Office of the Department of Finance.

In view of the foregoing, approval of this bill is earnestly sought.



HON. SERGIO A.F. APOSTOL
Representative
Second District, Leyte



HON. PEDRO P. ROMUALDO
Representative
Lone District, Camiguin

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AN ACT
ABOLISHING THE PRESIDENTIAL COMMISSION ON GOOD GOVERNMENT
(PCGG)

**Be it enacted by the Senate and House of Representatives of the Philippines
in Congress assembled:**

SECTION 1. The Presidential Commission on Good Government (PCGG) created under Executive Order No. 1, shall be abolished within six (6) months after the approval of this Act.

SECTION 2. The powers and functions of investigations and prosecution of criminal exercised by the PCGG shall be transferred to the Department of Justice; Civil cases involving the management, administration and the disposition of the assets, as well as the sequestration of the properties considered to be ill-gotten vested in the PCGG shall be transferred to, and shall be exercised by the Department's Office of the Government Corporate Counsel. For this purpose, all records and documents relating to the investigation and prosecution of cases under the jurisdiction of the PCGG shall be transferred to the said offices.

SECTION 3. The management and the disposition of the assets and properties vested in the PCGG shall be transferred to, and shall be exercised by the Department of Finance through its Privatization Office which shall be headed by and Assistant Secretary designated by the Secretary of Finance. For this purpose, all sequestered real and personal assets and properties previously under the control and management of the PCGG, as well as all contracts, records and documents relating to the operation of the PCGG are transferred to the Privatization Office.

In coordination with the Commission on Audit, a physical inventory and complete accounting of the sequestered properties and assets shall be jointly

made by the Department of Justice and the Privatization Office within sixty (60) days after the effectivity of this Act.

SECTION 4. Officials and employees of the PCGG may be absorbed by Privatization Office or the Department of Justice on the basis of merit and fitness; Provided, that officers and employees who shall be separated from the service as a result of the abolition of the PCGG shall receive separation or retirement and other benefits to which they are entitled under existing laws.

Any PCGG officer and employee who is re-employed in the government service for which he/she has been paid gratuity, shall refund the unearned portion of such gratuity before his or her reemployment.

SECTION 5. All contracts and agreements entered into by the PCGG prior to the effectivity of this Act shall remain in full force and effect unless otherwise terminated, modified or amended for lawful cause.

SECTION 6. Every director/nominee, asset monitor or representative assigned by the PCGG in any sequestered company/corporation, prior to the effectivity of this Act, shall submit to the Justice Secretary and the Secretary of the Department of Finance, a written and verified statement of his/her net worth, assets and liabilities before his/her appointment / designation as such as well as of his/her current net worth, assets and liabilities within thirty (30) days from the effectivity of this Act.

SECTION 7. The unexpended appropriations of the PCGG under the current General Appropriations Act shall be transferred to the Department of Justice and the Privatization Office. Thereafter, such amount as may be necessary for the continued operation of the Department of Justice, Office of the Government Corporate Counsel and the Privatization Office pursuant to this Act shall be included in the annual appropriation of the said offices.

SECTION 8. Executive Order No. 1 and all other laws, executive orders, rules and regulations or any part thereof inconsistent herewith are deemed repealed, modified or amended accordingly.

SECTION 9. Separability Clause. In case any provision of this Act is declared unconstitutional or invalid, the other provisions hereof which are not affected thereby shall continue in full force and effect.

SECTION 10. Effectivity. — This Act shall take effect fifteen (15) days after its publication in two (2) national newspapers of general circulation.

Approved,