

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

SEVENTEENTH CONGRESS
FIRST REGULAR SESSION

HOUSE BILL NO. 5129



Introduced by CIBAC Party-List Representative
Sherwin Tugna

**AN ACT STRENGTHENING THE OFFICE OF THE OMBUDSMAN AND
INCREASING AND BROADENING THE SCOPE OF ITS POWERS, AND FOR
OTHER PURPOSES**

EXPLANATORY NOTE

The report made by the Development Academy of the Philippines (DAP) mentioned the WorldBank's 9-point approach proposal to fight corruption which includes:

1. Reducing opportunities for corruption by policy reforms and deregulation;
2. Reforming campaign finance;
3. Increasing public oversight;
4. Reforming budget processes;
5. Improving meritocracy in the civil service;
6. Targeting selected departments and agencies;
7. Enhancing sanctions against corruption;
8. Developing partnerships with the private sector; and
9. Supporting judicial reform.

Pursuant to WorldBank's approach, DAP formulated an anti-corruption framework and program strategy. The key components mentioned by DAP to jumpstart the Anti-Corruption Program include: a) civil society watchdogs; b) report card survey; c) open public documents; d) transactions reengineering; e) corruption vulnerability assessment; f) fast tracking of high profile cases; g) lifestyle checks; h) anti-corruption vanguards; i) whistle blowers' incentive and protection scheme; and j) public ethics.

Some of the above-mentioned components have been addressed by laws previously passed. The components that have not yet been included form part of the provisions of this Act.

On July 18, 2000, an anti-corruption agency was created through Executive Order No. 268. The National Anti-Corruption Commission (NACC) was patterned after Hong Kong's Independent Commission Against Corruption (ICAC). Even if the rationale behind the creation of NACC was wise, NACC faced controversies because there were claims that its functions overlapped with those of the other anti-graft bodies. Thus, NACC was never activated. Pursuant to Executive Order No. 12, the functions of NACC were then transferred to Presidential Anti-Graft Commission (PAGC) under the Office of the President. On

November 15, 2010, Executive Order No. 13 abolished PAGC and transferred the latter's functions to the Office of the Deputy Executive Secretary for Legal Affairs (ODESLA), Office of the President.

The failure of the previous anti-graft and corrupt bodies to fully perform their functions lies on the fact that the functions overlap with the functions of other anti-graft bodies, including the Office of Ombudsman which is an independent body created under the 1987 Constitution to fight the evils of graft and corruption.

One of the most important strategies DAP mentioned is the creation of an anti-corruption agency. In as much as the Constitution provided for the Office of Ombudsman which is tasked to investigate cases relating to the violation of laws enacted to curb corruption, it is about time that the Office of Ombudsman be strengthened and its powers increased and broadened. The increase in the powers of the Office of Ombudsman can be patterned after those of the Hong Kong's Independent Commission Against Corruption (ICAC), the most successful anti-corruption body in the world. Aside from investigation of corruption cases, the Office of Ombudsman shall also focus on corruption prevention strategies and community relations to ensure that people participate in the fight against graft and corruption. Also, the Office of Ombudsman shall be given the power to freeze accounts of people whom it believes a probable cause exists that such people commit violation of laws relating to graft and corruption. Another mechanism to ensure that people who violated laws relating to graft and corruption is the application for a Search Information Order which allows for procurement of information from individuals or corporations in possession of relevant information provided that the safeguards enshrined in the 1987 Philippine Constitution are followed and complied with.

Also, this act incorporates the various strategies proposed by DAP which include but not limited to the following: coordination with and participation of civil society organizations, conduct of report card surveys, corruption vulnerability assessment, and fast-tracking of high profile cases.

In view of the foregoing, immediate passage of the bill is earnestly sought.



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

SECTION 1. *Title.* – This Act shall be known as "*The Office of the Ombudsman Act of
2017*".

SECTION 2. *Declaration of Policy.* – The State shall maintain honesty, efficiency and
integrity in the public service and take positive, attainable and effective measures against
graft and corruption existing either in government or private sectors of the society.

Public office is a public trust. Public officers and employees must at all times be accountable
to the people, serve them with utmost responsibility, integrity, loyalty, efficiency, act with
patriotism and justice and lead modest lives.

Persons in private sectors must also exhibit principles of honesty, integrity, and loyalty. They
must learn the value of fairness, truthfulness and equality in dealing with others, performing
their responsibilities, and entering into transactions and agreements.

SECTION 3. *Definition of Terms.* – In this law, unless the context otherwise requires-

"Constitution" means the prevailing fundamental law of the Philippines;

"CSC" means the Civil Service Commission;

"CSOs" means civil society organizations;

"Office" means the Office of the Ombudsman established under Article XI, Section 5 of the
Constitution and under Section 4 hereof;

"Ombudsman" means the head of the Office of the Ombudsman appointed by the President of
the Philippines in accordance with the Constitution and Section 5 hereof.

SECTION 4. *Office.* — The Office shall include the Office of the Overall Deputy, the Office
of the Deputy for National Capital Region (NCR), the Office of the Deputy for Luzon, the

Office of the Deputy for Visayas, the Office of the Deputy for Mindanao, the Office of the Deputy for Corruption Prevention, the Office of the Deputy for Community Relations, the Office of the Deputy for the Military and Other Law Enforcement Offices, and the Office of the Special Prosecutor. The President may appoint other Deputies as the necessity for it may arise, as recommended by the Ombudsman.

SECTION 5. *Appointment.* — The Ombudsman and the Deputies, including the Special Prosecutor, shall be appointed by the President from a list of three (3) nominees for each vacancy prepared by the Judicial and Bar Council, which shall be filled within three (3) months after the vacancy occurs, each of which list shall be published in a newspaper of general circulation.

Before the appointment of the Ombudsman and the Deputies, including the Special Prosecutor, the Judicial and Bar Council shall hold a panel interview of all the nominees for the position of Ombudsman and the Deputies which shall be made available to the public.

The officials and employees of the Office, other than the deputies, shall be appointed by the Ombudsman according to Civil Service Law.

In the organization of the Office for filling up of positions therein, regional, cultural or ethnic considerations shall be taken into account to the end that the Office shall be as much as possible representative of the regional, ethnic and cultural make-up of the Filipino nation.

SECTION 6. *Qualifications.* — The Ombudsman and his Deputies, including the Special Prosecutor, shall be natural-born citizens of the Philippines, at least forty (40) years old at the time of their appointment, of recognized probity, competence, integrity and independence, members of the Philippine Bar, and must not have been candidates for any elective national or local office in the immediately preceding election whether regular or special. The Ombudsman must have, for ten (10) years or more, been a judge or engaged in the practice of law in the Philippines.

The Deputy for Corruption Prevention, aside from the requirements mentioned above, must have previously worked in the prosecutorial or law enforcement agencies of the government for at least three (3) years. The Deputy for Community Relations, aside from the requirements mentioned above, shall have a degree relating to any of the following courses such as education, psychology, mass communications, broadcasting, or any other courses related to dealing with different people and teaching them and shall have previously worked with an office that relates to either education or people relations.

SECTION 7. *Rank and Salary.* — The Ombudsman and his Deputies shall have the same ranks, salaries and privileges as the Chairman and members, respectively, of a Constitutional Commission. Their salaries shall not be decreased during their term of office.

The members of the prosecution, investigation, legal staff and other employees and officials of the Office shall receive salaries which shall not be less than those given to comparable positions in any office in the Government.

Section 8. *Term of Office.* — The Ombudsman and his Deputies, including the Special Prosecutor, shall serve for a term of seven (7) years without reappointment.

Section 9. Removal; Filling of Vacancy. —

(1) In accordance with the provisions of Article XI of the Constitution, the Ombudsman may be removed from office on impeachment for, and conviction of, culpable violation of the Constitution, treason, bribery, graft and corruption, other high crimes, or betrayal of public trust.

(2) A Deputy or the Special Prosecutor, may be removed from office by the President for any of the grounds provided for the removal of the Ombudsman, and after due process.

(3) In case of vacancy in the Office, due to death, resignation, removal or permanent disability of the incumbent Ombudsman, the Overall Deputy shall serve as Acting Ombudsman in a concurrent capacity until a new Ombudsman shall have been appointed for a full term. In case the Overall Deputy cannot assume the role of Acting Ombudsman, the President may designate any of the Deputies, or the Special Prosecutor, as Acting Ombudsman, taking into consideration the quantifiable criteria such as but not limited to seniority, competence, integrity, administration capability, and independence.

(4) In case of temporary absence or disability of the Ombudsman, the Overall Deputy shall perform the duties of the Ombudsman until the Ombudsman returns or is able to perform his duties.

Section 9. Prohibitions and Disqualifications. — The Ombudsman, his Deputies and the Special Prosecutor shall not, during their tenure, hold any other office or employment. They shall not, during said tenure, directly or indirectly practice any other profession, participate in any business, or be financially interested in any contract with, or in any franchise, or special privilege granted by the Government or any subdivision, agency or instrumentality thereof, including government-owned or controlled corporations or their subsidiaries. They shall strictly avoid conflict of interest in the conduct of their office. They shall not be qualified to run for any office in the election immediately following their cessation from office. They shall not be allowed to appear or practice before the Ombudsman for two (2) years following their cessation from office.

No spouse or relative by consanguinity or affinity within the fourth civil degree and no law, business or professional partner or associate of the Ombudsman, his Deputies or Special Prosecutor within one (1) year preceding the appointment, during the tenure of the official concerned, and within one (1) year from cessation from office, may appear as counsel or agent on any matter pending before the Office or transact business directly or indirectly therewith. This disqualification likewise extends to the law, business or professional firm for the same period.

Section 10. Disclosure of Relationship. — It shall be the duty of the Ombudsman, his Deputies, including the Special Prosecutor, to make under oath, to the best of their knowledge and/or information, a public disclosure of the identities of, and their relationship with the persons referred to in the preceding section.

1 The disclosure shall be filed with the Office of the President and the Office before the
2 appointee assumes office and every year thereafter. The disclosures made pursuant to this
3 section shall form part of the public records and shall be available to any person or entity
4 upon request.

5 **Section 11. *Structural Organization.*** — The authority and responsibility for the exercise of
6 the mandate of the Office and for the discharge of its powers and functions shall be vested in
7 the Ombudsman, who shall have supervision and control of the said office.

8 (1) The Office may organize such directorates for administration and allied services as
9 may be necessary for the effective discharge of its functions. Those appointed as
10 directors or heads shall have the rank and salary of line bureau directors.

11 (2) The Office shall organize the composition, determine the positions that must be
12 filled up, and recommend the additional budget allocations.

13 (3) The Office of the Overall Deputy shall oversee and administer the operations of
14 the different offices it is assigned to under the Office. It shall likewise perform such
15 other functions and duties assigned to it by the Ombudsman.

16 (4) The Office of the Special Prosecutor shall be composed of the Special Prosecutor
17 and his prosecution staff. The Office of the Special Prosecutor shall be an organic
18 component of the Office and shall be under the supervision and control of the
19 Ombudsman.

20 (4) The Office of the Special Prosecutor shall, under the supervision and control and
21 upon the authority of the Ombudsman, have the following powers:

22 (a) To conduct preliminary investigation and prosecute criminal cases within
23 the jurisdiction of the Sandiganbayan;

24 (b) To enter into plea bargaining agreements; and

25 (c) To perform such other duties assigned to it by the Ombudsman.

26 The Special Prosecutor shall have the rank and salary of a Deputy
27 Ombudsman.

28 (5) The position structure and staffing pattern of the Office, including the Office of
29 the Special Prosecutor, shall be approved and prescribed by the Ombudsman. The
30 Ombudsman shall appoint all officers and employees of the Office, including those of
31 the Office of the Special Prosecutor, in accordance with the Civil Service Law, rules
32 and regulations.

33 **Section 12. *Official Stations.*** — The Ombudsman, the Overall Deputy, the Deputies for
34 NCR, and Luzon, the Deputy for Corruption Prevention, the Deputy for Community
35 Relations and the Deputy for the Armed Forces and Other Law Enforcement Offices shall
36 hold office in Metropolitan Manila; the Deputy for Visayas, in Cebu City; and the Deputy for

Mindanao, in Davao City. The Ombudsman may transfer their stations within their respective geographical regions, as public interest may require.

The Ombudsman, on his/her own initiatives based on the recommendation of the Deputies, shall institute regional offices for better execution of the powers and duties provided in this Act.

Section 13. *Investigations, Hearings and Adjudication of Cases.* — The Ombudsman and his Deputies, as protectors of the people, shall act promptly on complaints filed in any form or manner against officers or employees of the Government, or of any subdivision, agency or instrumentality thereof, including government-owned or controlled corporations, and enforce their administrative, civil and criminal liability in every case where the evidence warrants in order to promote efficient service by the Government to the people.

The investigation of criminal and administrative complaints falling under the jurisdiction of the Office shall be dealt with speed but with consideration to principles of equality, fairness, truth and competence.

(a) Criminal Cases

The fact-finding investigation of the Office with respect to criminal complaints shall be finished not more than three (3) months from the time of the filing of the complaint, which can be extended to another one (1) month upon showing of reasonable cause for extension.

The preliminary investigation shall be concluded within twenty-one (21) days from the time the case is deemed submitted for resolution. The Office shall promulgate rules and regulations to ensure that the filing of affidavit, counter-affidavit, and other related documents will not delay the determination of the existence of probable cause. It shall not allow extension of time to file pleadings or other documents, or resetting of hearing more than twice by one party to the case.

(b) Administrative Cases

The fact-finding investigation of the Office with respect to administrative complaints shall be finished not more than three (3) months from the time of the filing of the complaint, which can be extended to another one (1) month upon showing of reasonable cause for extension, unless the administrative complaint is related to a criminal complaint which the period for the fact finding investigation in paragraph (a) above shall apply.

The administrative complaints shall be decided upon within fourteen (14) days from the time of termination of the fact-finding investigation, which can be extended to another fourteen (14) days upon showing of reasonable cause for extension. The Office shall promulgate rules and regulations to ensure that there will be no delay in deciding the administrative case.

Section 14. *Restrictions.* — No writ of injunction shall be issued by any court to delay an investigation being conducted by the Office under this Act, unless there is a prima facie evidence that the subject matter of the investigation is outside the jurisdiction of the Office.

1 No court shall hear any appeal or application for remedy against the decision or findings of
2 the Ombudsman, except the Supreme Court, on pure questions of law.

3 **Section 15. Powers, Functions and Duties.** — The Office shall have the following powers,
4 functions and duties:

5 (a) Investigate and prosecute on its own or on complaint by any person, any act or omission
6 of any public officer or employee, office or agency, when such act or omission appears to be
7 illegal, unjust, improper or inefficient. It has primary jurisdiction to investigate criminal
8 complaints or complaints involving public officers, and private persons acting in consonance
9 with the public officer, committing possible violation of any of the following:

10 (1) Republic Act No. 3019 as amended, otherwise known as the "Anti-Graft and
11 Corrupt Practices Act;"

12 (2) Republic Act No. 1379 on the unlawful acquisition of property by a public officer
13 or employee;

14 (3) Republic Act No. 6713, otherwise known as the "Code of Conduct and Ethical
15 Standards for Public Officials and Employees;"

16 (4) Presidential Decree No. 46, making it punishable for public officials and
17 employees to receive gifts on any occasion, including Christmas;

18 (5) Any provision under Title Seven, Book Two of the Revised Penal Code; and

19 (6) Rules and regulations duly promulgated by competent authority to implement any
20 of the foregoing laws or issuances.

21 In the exercise of this primary jurisdiction, the Office may take over, at any stage,
22 from any investigatory agency of Government, the investigation of such cases;

23 (b) Investigate and prosecute on its own or on complaint by any person, any act or omission
24 of any private person, which constitutes a violation of the "Anti-Graft and Corrupt Practices
25 Act" as amended.

26 (c) Investigate or hear administrative cases or complaints against all of the following:

27 (1) Officials of the executive branch occupying the positions of regional director and
28 higher, otherwise classified as Grade '27' and higher, of the Compensation and
29 Position Classification Act of 1989 (Republic Act No. 6758), specifically including:

30 (i) Provincial governors, vice-governors, members of the sangguniang
31 panlalawigan and provincial treasurers, assessors, engineers and other
32 provincial department heads;

33 (ii) City mayors, vice-mayors, members of the sangguniang panlungsod, city
34 treasurers, assessors engineers and other city department heads;

- 1 (iii) Officials of the diplomatic service occupying the position of consul and
2 higher;
- 3 (iv) Philippine army and air force colonels, naval captains, and all officers of
4 higher rank;
- 5 (v) Officers of the Philippine National Police while occupying the position of
6 provincial director and those holding the rank of senior superintendent or
7 higher;
- 8 (vi) City and provincial prosecutors and their assistants, and officials and
9 prosecutors in the Office of the Ombudsman and special prosecutor;
- 10 (vii) Presidents, directors or trustees, or managers of government-owned or -
11 controlled corporations, state universities or educational institutions or
12 foundations;
- 13 (2) Members of Congress and officials thereof classified as Grade'27'and up under the
14 Compensation and Position Classification Act of 1989;
- 15 (3) Members of the judiciary without prejudice to the provisions of the Constitution;
- 16 (4) Chairmen and members of Constitutional Commissions, without prejudice to the
17 provisions of the Constitution; and
- 18 (5) All other national and local officials classified as Grade'27'and higher under the
19 Compensation and Position Classification Act of 1989.
- 20 Administrative cases or complaints involving officials of the executive, legislative,
21 judicial branches of the government occupying positions lower than the Grade '27'
22 classification of the Compensation and Position Classification Act of 1989 (Republic
23 Act No. 6758) shall be received by the Office and referred to CSC, with notice to
24 parties.
- 25 (d) Freeze any monetary instrument or property alleged to be proceeds of any violation of
26 laws mentioned in Section 15(a) or (b) or (c), upon determination of the existence of probable
27 cause.
- 28 (e) File ex parte applications with the court having jurisdiction of the public officer (applies
29 also if private persons are charged in the complaint together with public officers) or with the
30 court having jurisdiction of the private persons if they are charged for violation of the Anti
31 Graft and Corrupt Practices Act committed by private persons for the issuance of Search of
32 Information Orders (SIOs) granting authority to elicit information, documents and other
33 evidences from government agencies, individuals, corporations, banks, or any other
34 organizations having in possession information relating to violations mentioned in Section
35 15(a), (b), or (c) provided that such orders will only issue upon compliance with the
36 safeguards enshrined in the Constitution.

1 The Office must file simultaneously with the Freeze Order its ex parte applications for SIOs
2 with the proper court having jurisdiction of the person involved in order to ensure that efforts
3 to trace the proceeds of the crime or complaint are supported.

4 (f) Direct, upon complaint or at its own instance, any officer or employee of the Government,
5 or of any subdivision, agency or instrumentality thereof, as well as any government-owned or
6 controlled corporations with original charter, to perform and expedite any act or duty required
7 by law, or to stop, prevent, and correct any abuse or impropriety in the performance of duties;

8 (g) Direct the officer concerned to take appropriate action against a public officer or
9 employee at fault or who neglect to perform an act or discharge a duty required by law, and
10 recommend his removal, suspension, demotion, fine, censure, or prosecution, and ensure
11 compliance therewith; or enforce its disciplinary authority as provided in Section 21 of this
12 Act: provided, that the refusal by any officer without just cause to comply with an order of
13 the Office to remove, suspend, demote, fine, censure, or prosecute an officer or employee
14 who is at fault or who neglects to perform an act or discharge a duty required by law shall be
15 a ground for disciplinary action against said officer;

16 (h) Direct the officer concerned, in any appropriate case, and subject to such limitations as it
17 may provide in its rules of procedure, to furnish it with copies of documents relating to
18 contracts or transactions entered into by his office involving the disbursement or use of public
19 funds or properties, and report any irregularity to the Commission on Audit for appropriate
20 action;

21 (i) Request any government agency for assistance and information necessary in the discharge
22 of its responsibilities, and to examine, if necessary, pertinent records and documents pursuant
23 to SIOs as mentioned in Section 15(e) hereof;

24 (j) Publicize matters covered by its investigation of the matters mentioned in paragraphs (a),
25 (b), and (c) hereof, when circumstances so warrant and with due prudence: provided, that the
26 Ombudsman under its rules and regulations may determine what cases may not be made
27 public: provided, further, that any publicity issued by the Ombudsman shall be balanced, fair
28 and true; Provided finally that copies of freeze orders issued by the Anti-Money Laundering
29 Council furnished to the Office in relation to accounts related to any activity covered under
30 Section 15(a) or (b) of this Act shall be considered confidential until the Office has decided to
31 file cases before the proper courts after investigation;

32 (k) Determine the causes of inefficiency, red tape, mismanagement, fraud, and corruption in
33 the Government and in private sector, and make recommendations for their elimination and
34 the observance of high standards of ethics and efficiency;

35 (l) Deputize CSOs to check possible irregularities in various agencies of the government.
36 The Office shall promulgate rules and regulations for deputization of various civil
37 organizations. The rules and regulations shall ensure that the civil organizations to be
38 deputized are valid and existing organizations, proven to be of good reputation and known for
39 competence, honesty, and integrity, knowledgeable and has a good track record in performing
40 their advocacies;

1 (m) Rank agencies, government-owned and government-controlled corporations, other
2 instrumentalities of the government, including local government units, with respect to their
3 efficiency on provision of services and governance as well as the vulnerability to corruption
4 pursuant to a quantitative tool the Office deems best to adopt for assessment;

5 (n) Certify agencies, government-owned and government-controlled corporations, other
6 instrumentalities of the government, including local government units, that they have
7 complied with the integrity standards to be adopted by the Office;

8 (o) Publish ranking and certifications issued pursuant to paragraphs m and n respectively of
9 this Section on the Office's website and in newspapers of general circulation for number of
10 times and for specific period as the Office deems necessary;

11 (p) Formulate schemes, plans, procedures to prevent corruption in government and private
12 sectors of the society including but not limited to conduct of surveys of different public
13 services and of seminars, talks, dialogue with different sectors of the society;

14 (q) Strengthen the Office relations with the community and various sectors of the society in
15 order to educate the citizenry about anti graft and corruption policies of the Office and
16 formulate plans, programs that will help in the fight against graft and corruption;

17 (r) Determine who will be qualified as state witnesses for the cases filed before the Office and
18 provide the witnesses protection and benefits under Republic Act No. 6981;

19 (s) Specify which agencies, branches or instrumentalities of the government, and local
20 government units, where specific policies relating to corruption prevention would be
21 implemented in a given year;

22 (t) Administer oaths, issue subpoena and subpoena *duces tecum*, and take testimony in any
23 investigation or inquiry, including the power to examine and have access to bank accounts
24 and records upon order from court having jurisdiction over public officer concerned;

25 (u) Punish for contempt in accordance with the Rules of Court and under the same procedure
26 and with the same penalties provided therein;

27 (v) Delegate to the Deputies, or its investigators or representatives such authority or duty as
28 shall ensure the effective exercise or performance of the powers, functions, and duties herein
29 or hereinafter provided;

30 (w) Investigate and initiate the proper action for the recovery of ill-gotten and/or unexplained
31 wealth amassed after February 25, 1986 and the prosecution of the parties involved therein.

32 The Office shall give priority to complaints filed against high ranking government officials
33 and/or those occupying supervisory positions, complaints involving grave offenses as well as
34 complaints involving large sums of money and/or properties.

35 Section 16. Authority to Freeze. – Upon determination that probable cause exists that any
36 deposit or similar account is in any way related to any violation of laws mentioned in Section
37 15(a) or (b) of this law, the Office shall issue a freeze order to the bank or non-bank financial

1 institution, which shall be effective immediately, for a period not exceeding twenty (20) days.
2 Notice to the depositor that his account has been frozen shall be sent to him the next day after
3 the issuance of the freeze order. The Office shall, however, ensure that the freeze order shall
4 be received by the depositor concerned on the day it was sent. The depositor concerned shall
5 have seventy-two (72) hours upon receipt of the notice to explain why the freeze order should
6 be lifted. The Office shall ensure that the depositor concerned will receive the notice to
7 explain and will be given seventy-two hours to explain after receipt of notice before the
8 expiration of the twenty (20)-day freeze order. The Office shall dispose of the concerned
9 depositor's explanation within seventy-two (72) hours from receipt thereof. The twenty (20)-
10 day freeze order of the Office may be extended upon order of the Court of Appeals, provided
11 that the twenty (20)-day period shall be tolled pending the Court of Appeals' decision to
12 extend the period.

13 No court shall issue a temporary restraining order or writ of injunction against any freeze
14 order issued by the Office of the Ombudsman except the Supreme Court.

15 The Office shall ensure that if it has issued an order to freeze upon determination of probable
16 cause, and that upon consideration of the explanation of concerned depositor whose account/s
17 is/are frozen that the issuance of the freeze order is proper or that the concerned individual
18 fails to explain the need for the lifting of the freeze order, it shall apply with the Court of
19 Appeals a verified petition for the extension of the freeze order before the expiration of the
20 twenty (20)-day period. The Court of Appeals shall act on the petition to extend the freeze
21 order within twenty-four (24) hours from filing of the petition. If the application is filed a day
22 before a nonworking day, the computation of the twenty-four (24)-hour period shall exclude
23 the nonworking days. The Court of Appeals shall ensure that it will decide on the extension
24 before the expiration of the twenty (20)-day period. The Court of Appeals may extend the
25 freeze order only once if it deems necessary and not exceeding thirty (30) days.

26 A person whose account has been frozen may participate in the proceedings before the Court
27 of Appeals if he was able to explain before the Office. However, a person who fails to
28 explain before the Office upon receipt of the notice to explain forfeits his/her right to
29 participate in the proceedings before the Court of Appeals.

30 Simultaneously with the filing of the verified petition before the Court of Appeals for the
31 extension of the freeze order, the Office shall file a verified petition before the court having
32 jurisdiction of the concerned individual for the issuance of the SIOs.

33 The freeze order shall state specific account/s in the possession of a bank or non-bank
34 financial institution and the reason why accounts are being frozen.

35 If the Office is found to have issued the freeze order whimsically and for the purpose of
36 harassment or any other unlawful act against the depositor concerned, the penalty of
37 imprisonment from six months and one day to six years and a fine of not less than one
38 hundred thousand pesos nor more than three hundred thousand pesos shall be imposed upon
39 persons involved in the issuance of the freeze order and the determination of the existence of
40 probable cause who are found to have whimsically and for the purpose of harassment or any
41 other unlawful act against the depositor concerned whose account/s is/are frozen.

Section 17. Authority to Apply for Search of Information Order (SIOs) – If the Office finds probable cause to believe-

(a) that the public officer has committed the violations mentioned in Section 15(a) or is liable for an administrative case under Section 15(c) or that the private person has committed the violations mentioned in Section 15(b); and

(b) that any share account, purchase account, club account, subscription account, investment account, trust account, mutual or trust fund account, expense account, bank account or other account of whatsoever kind or description, and any banker's books, company books, documents or other article of or relating to any person named or otherwise identified in writing by the Office are likely to be relevant for the purposes of an investigation of an offense or violation, the Office shall file *ex parte* application for issuance of Search of Information Orders (SIOs) with the court having jurisdiction of the person being complained of.

The SIOs shall only be issued by the courts after compliance with the requisites for issuance of search warrants or warrants of arrest as provided in the Constitution.

Upon receipt of the *ex parte* application for the SIOs, the person named from whom the information shall be obtained and the person to whom the account belongs will be notified by the proper court of at least three (3) days before the date set for hearing, which shall not be later than seven (7) days from the receipt of the verified petition, during which the persons may contest the issuance of the SIOs. The determination of the issuance of the SIOs shall be scheduled for two (2) hearings only after which the proper court shall determine if an SIO can be issued. Only one postponement of the hearing is allowed based on the absence of one party or his or her counsel upon proof of notice otherwise the proper court shall decide whether to issue the SIO or not based on the petition and the documents attached thereon and the reasons given by the person from whom the information is being obtained or by the person to whom the account belongs upon appearance during the hearing.

Upon issuance of the SIOs, the Office shall be authorized to do the following:

(i) to investigate and inspect such accounts, books or documents or other article of or relating to the person named or otherwise identified in the work place of the person from whom the information is being obtained by the Office within seven (7) working days but not more than fourteen (14) working days from receipt of the order granting issuance of SIOs unless it appears to the proper court that a shorter or longer period would be appropriate in the particular circumstances of the application which shall not be less than five (5) working days nor more than thirty (30) days.

(ii) to require from any person the production of such accounts, books, documents, or other article of or relating to the person named or otherwise identified by the Office which may be required for the purposes of such investigation and the disclosure of all or any information relating thereto, and to take copies of such accounts, books or documents or of any relevant entry therein and photographs of any other article; Provided that the production shall be made at the expense of the Office and shall be reimbursed based on the receipts given to the Office for the expenses incurred for the production of such accounts, books, documents, or other article; Provided Further that such accounts, books, documents, or other article shall be

reproduced within seven (7) working days but not more than fourteen (14) working days from receipt of the SIOs issued by the proper court unless it appears to the proper court that a shorter or longer period would be appropriate in the particular circumstances of the application which shall not be less than five (5) working days nor more than thirty (30) days.

(iii) to require from any person information as to whether or not at any bank, company or other place there is any account, book, document or other article liable to investigation, inspection or production under such authorization; Provided that the person from whom the information is being obtained must provide such information within seven (7) working days but not more than fourteen (14) working days from receipt of the SIOs issued by the proper court unless it appears to the proper court that a shorter or longer period would be appropriate in the particular circumstances of the application which shall not be less than five (5) working days nor more than thirty (30) days.

Any person who, having been lawfully required under this section to disclose any information or to produce any accounts, books, documents or other article shall comply with such requirement, and any such person who fails or neglects, without reasonable excuse, so to do, and any person who obstructs any officer in the execution of SIOs, shall be guilty of an offense and shall be liable on conviction to a fine of not less than One Hundred Thousand Pesos (P100,000) but not more than Three Hundred Thousand Pesos (P300,000) and to imprisonment for one (1) year.

Any person who falsely represents that SIOs have been issued shall be guilty of an offense and shall be liable on conviction to a fine of Two Hundred Thousand Pesos (P200,000) and to imprisonment for one (1) year.

Any person who wilfully delay the conduct of the hearing shall be guilty of an offense and shall be liable on conviction to a fine of not less than Fifty Thousand Pesos (P50,000) but not more than One Hundred Thousand Pesos (P100,000).

Information obtained through the SIOs shall only be used for the purpose of the Office as mentioned in its ex parte application. The Office shall not make public the information obtained through the SIOs except when such information is known to the public during the hearings which are available to the public.

The Office and its concerned official who wilfully publish the information obtained through the SIOs not through the hearings conducted for the issuance of the SIOs shall be guilty of an offense and shall be liable on conviction to a fine of not less than Fifty Thousand Pesos (P50,000) but not more than One Hundred Thousand Pesos (P100,000).

Section 18. Authority to Apply for Assistance - Any investigating officer conducting an investigation into an offense alleged or suspected to have been committed under Section 15 (a), (b) or (c) of this Act may apply to any public servant for assistance in the exercise of his powers or the discharge of his duties under this Act.

Any public servant who when requested under this section to render assistance, without reasonable excuse neglects or fails to render such assistance within a reasonable period of time shall be guilty of an offence and shall be liable on conviction to a fine of not less than

One Hundred Thousand Pesos (P100,000) but not more than Three Hundred Thousand Pesos (P300,000) and to imprisonment for one (1) year.

Section 19. Deputization of Civil Society Organizations (CSOs) – The Office of Corruption Prevention shall target during the first (1st) quarter of every year at least three (3) instrumentalities, branches or agencies of the Republic of the Philippines, including local government units, to which deputized CSOs shall be assigned to, unless it deems best that for the said year, a lesser number of CSOs or none at all be deputized. The Office of Corruption Prevention shall ensure that the target instrumentalities, branches or agencies of the Republic of the Philippines, including local government units, must conform with its over-all plan to prevent corruption. The over-all plan to prevent corruption must be achievable, will produce quantifiable results, and drawn up every first (1) quarter of the year, upon consultation with reputable CSOs, NGOs, and other private entities and government offices which particularly have programs to prevent corruption. The over-all plan of the Office of Corruption Prevention, which includes the deputization of CSOs, must be acted upon by the Ombudsman within thirty (30) days from submission.

The Office of Corruption Prevention may either contact CSOs which are qualified to be deputized based on the following criteria: 1) validity of its existence; 2) proven to be of good reputation; 3) known for competence, honesty, and integrity; 4) knowledgeable and has a good track record in performing its advocacy, or publish on its website and/or in newspapers of general circulation applications for CSOs to be deputized to a particular instrumentality, branch or agency of the Republic of the Philippines, including a local government unit.

The CSOs to be deputized must be chosen by the Deputy for Corruption Prevention at least two (2) months before the start of the preparation of the budget of the Office. The applicants-CSOs must provide information and proof of their existence, competence, knowledge, expertise, projects and efforts to curtail graft and corruption in the society. Together with the information, the CSOs must also provide an estimated budget for its activities drawn up to perform the following tasks:

- a) Monitor critical and substantially-funded government projects and/or agencies, instrumentalities, branches of government, including local government units;
- b) Conduct its own report card survey of the agency to which they are deputized by adopting effective but cost efficient techniques to assess the specific agency;
- c) Adopt a mechanism to designate its people to act as agents to specifically entrap erring civil servants and or testify against civil servants on cases that the Office of Corruption Prevention will file pursuant to the reports of the CSOs;
- d) Provide researches and studies to the Office in order to assist the Office in its fight against graft and corruption in the society.

The Office of Corruption Prevention for the first year of implementation of this Act shall deputize the CSOs pursuant to the approved over-all plan to prevent corruption. The deputization shall be valid for the period designated by the Office of Corruption Prevention in the Certificate of Designation issued which must be in accordance with the approved over-all plan to prevent corruption.

The deputized CSOs must submit periodic reports to the Office of Corruption Prevention and recommend policies that can help in the fight against graft and corruption.

1 Within three (3) months after the termination of the deputization, the Office of Corruption
2 Prevention must have an evaluation report of the deputization which includes the findings,
3 results and other information obtained by the CSOs.

4 The evaluation report shall be communicated by the Ombudsman to the head of the agency,
5 instrumentality, branch of government, including the local government unit evaluated and
6 monitored by the CSOs. The Ombudsman will collate the response of the head of the agency,
7 instrumentality, branch of government, including the local government unit evaluated and
8 monitored by the CSOs, and publish it on the website of the Office. The Office of Corruption
9 Prevention shall make periodic consultations with the head of the agency, instrumentality,
10 branch of government, including the local government unit, to assess whether actions were
11 done to address the evaluation report of the CSOs, if necessary. Updates on the actions done
12 shall be published on the Office's website and in newspapers of general circulation for
13 number of times and for specific period as the Office deems necessary.

14 **Section 20. *Corruption Vulnerability Assessment and Certifications.*** — The Office of
15 Corruption Prevention shall adopt a corruption vulnerability assessment program which will
16 identify specific aspects of governance and administration of government agencies to
17 determine which of these agencies are efficient and more prone to corruption. These aspects
18 will include but not limited to the following: broad discretion, weak sanctions for corrupt
19 behaviour, cumbersome procedures, lack of service standards, poorly disseminated rules,
20 weak checks and balances. Based on this assessment, the Office for Corruption Prevention
21 shall rank the government agencies in relation to the latter's vulnerability to corruption and
22 efficiency in performing its duties and responsibilities.

23 The Office of Corruption Prevention shall also certify agencies national government, the
24 local governments, the government-owned and government-controlled corporations, and all
25 other instrumentalities or agencies of the Republic of the Philippines that they have complied
26 with the integrity standards to be adopted by the Office.

27 The Office for Corruption Prevention shall publish the ranking and certifications above-
28 mentioned on the Office's website and in newspapers of general circulation for number of
29 times and for specific period as the Office deems necessary.

30 **Section 21. *Corruption Prevention Fund.*** — The Office shall transmit to the Department of
31 Budget and Management atleast two (2) months before the start of the budget season in a
32 given year its approved over-all plan for corruption prevention, the specified agencies,
33 branches, instrumentalities of the government, and the local government units, where its
34 policies for anti-corruption shall be implemented, and the target budget itemized for specified
35 expenses for the implementation of the policies. The Office shall see to it that the target
36 number of specified agencies, branches, instrumentalities of the government, and the local
37 government units is reasonable and effective in achieving goals of the Office and that the
38 recommended budget for the implementation of policies shall not exceed five percent (5%) of
39 the total budget appropriations for the preceding year of the specified agencies, branches,
40 instrumentalities of the government, and the local government units.

41 The Department of Budget and Management shall evaluate the recommendation of the
42 Office. Upon determination that the recommendation is in consonance with the approved
43 over-all plan to prevent corruption of the Office for the succeeding year, the Department of

Budget and Management may include the additional budgets for specified agencies, branches, instrumentalities of the government, and the local government units, in its total recommended budget for the government for the succeeding year.

Upon the effectivity of this Act, the Office shall formulate an assessment tool which could quantify the results of the over-all plan to prevent corruption. This assessment tool will then be transmitted to the Department of Budget and Management, and serves as the basis of the Department of Budget and Management whether or not to approve the recommendations of the Office for additional budget allocations for specified agencies, branches, instrumentalities of the government, and the local government units to prevent corruption for the next year.

Section 22. Immunities. — In all hearings, inquiries, and proceedings of the Office, including preliminary investigations of offenses, no person subpoenaed to testify as a witness shall be excused from attending and testifying or from producing books, papers, correspondence, memoranda and/or other records on the ground that the testimony or evidence, documentary or otherwise, required of him, may tend to incriminate him or subject him to prosecution: provided, that no person shall be prosecuted criminally for or on account of any matter concerning which he is compelled, after having claimed the privilege against self-incrimination, to testify and produce evidence, documentary or otherwise.

Under such terms and conditions as it may determine, taking into account the pertinent provisions of the Rules of Court, the Ombudsman may grant immunity from criminal prosecution to any person whose testimony or whose possession and production of documents or other evidence may be necessary to determine the truth in any hearing, inquiry or proceeding being conducted by the Ombudsman or under its authority, in the performance or in the furtherance of its constitutional functions and statutory objectives. The immunity granted under this and the immediately preceding paragraph shall not exempt the witness from criminal prosecution for perjury or false testimony nor shall he be exempt from demotion or removal from office.

The Office shall be given the same authority as the Department of Justice under Republic Act No. 6981 in relation to protection, security and benefits of witnesses the Office has for the prosecution of the criminal cases it handles.

Any refusal to appear or testify pursuant to the foregoing provisions shall be subject to punishment for contempt and removal of the immunity from criminal prosecution.

Section 23. Rules of Procedure. —

(1) The Office shall promulgate its rules of procedure for the effective exercise or performance of its powers, functions, and duties.

(2) The rules of procedure shall include a provision whereby the Rules of Court are made suppletory.

(3) The rules shall take effect after fifteen (15) days following the completion of their publication in the Official Gazette or in three (3) newspapers of general circulation in the Philippines, one of which is printed in the national language.

Section 24. Administrative Complaints. — The Office shall act on all complaints relating, but not limited to acts or omissions which:

- (1) Are contrary to law or regulation;
- (2) Are unreasonable, unfair, oppressive or discriminatory;
- (3) Are inconsistent with the general course of an agency's functions, though in accordance with law;
- (4) Proceed from a mistake of law or an arbitrary ascertainment of facts;
- (5) Are in the exercise of discretionary powers but for an improper purpose; or
- (6) Are otherwise irregular, immoral or devoid of justification.

Provided that the Office shall only act on administrative complaints involving administrative cases or complaints involving officials of the executive, legislative, occupying positions of Grade '27' classification of the Compensation and Position Classification Act of 1989 (Republic Act No. 6758) or higher; otherwise, the Office shall refer the administrative cases or complaints to the CSC.

Section 25. Exceptions. — The Office may not conduct the necessary investigation of any administrative act or omission complained of if it believes that:

- (1) The complainant has an adequate remedy in another judicial or quasi-judicial body;
- (2) The complaint pertains to a matter outside the jurisdiction of the Office;
- (3) The complaint is trivial, frivolous, vexatious or made in bad faith;
- (4) The complainant has no sufficient personal interest in the subject matter of the grievance; or
- (5) The complaint was filed after one (1) year from the occurrence of the act or omission complained of.

Section 26. Official Subject to Disciplinary Authority; Exceptions. — The Office shall have disciplinary authority over all elective and appointive officials of the Government and its subdivisions, instrumentalities and agencies, including Members of the Cabinet, local government, government-owned or controlled corporations and their subsidiaries, except over officials who may be removed only by impeachment or over Members of Congress, and the Judiciary.

The CSC shall recommend to the Office within thirty (30) days from receipt of the administrative complaint if the Office needs to exercise its disciplinary authority over officials whose administrative cases have been referred by the Office to CSC.

Section 27. Investigatory Power. — The Office shall have the power to investigate any serious misconduct in office allegedly committed by officials removable by impeachment, for the purpose of filing a verified complaint for impeachment, if warranted.

In all cases of conspiracy between an officer or employee of the government and a private person, the Ombudsman and his Deputies shall have jurisdiction to include such private person in the investigation and proceed against such private person as the evidence may warrant. The officer or employee and the private person shall be tried jointly and shall be subject to the same penalties and liabilities.

Section 28. Formal Investigation. —

(1) Administrative investigations conducted by the Office shall be in accordance with its rules of procedure and consistent with due process.

(2) At its option, the Office may refer certain complaints to the proper disciplinary authority for the institution of appropriate administrative proceedings against erring public officers or employees, which shall be determined within the period prescribed in the civil service law. Any delay without just cause in acting on any referral made by the Office shall be a ground for administrative action against the officers or employees to whom such referrals are addressed and shall constitute a graft offense punishable by a fine of not exceeding One Hundred Thousand pesos (P100,000.00).

(3) In any investigation under this Act, the Ombudsman may: (a) enter and inspect the premises of any office, agency, commission or tribunal; (b) examine and have access to any book, record, file, document or paper; and (c) hold private hearings with both the complaining individual and the official concerned.

Section 29. Preventive Suspension. — The Ombudsman or his Deputy may preventively suspend any officer or employee under his authority pending an investigation, if in his judgment the evidence of guilt is strong, and (a) the charge against such officer or employee involves dishonesty, oppression or grave misconduct or neglect in the performance of duty; (b) the charges would warrant removal from the service; or (c) the respondent's continued stay in office may prejudice the case filed against him.

The preventive suspension shall continue until the case is terminated by the Office or the CSC, if applicable, but not more than six (6) months, without pay, except when the delay in the disposition of the case by the Office or the CSC, if applicable, is due to the fault, negligence or petition of the respondent, in which case the period of such delay shall not be counted in computing the period of suspension herein provided.

Section 30. Penalties. —

(1) In administrative proceedings under Presidential Decree No. 807, the penalties and rules provided therein shall be applied.

(2) In other administrative proceedings, the penalty ranging from suspension without pay for one (1) year to dismissal with forfeiture of benefits or a fine ranging from Five thousand pesos (P5,000.00) to twice the amount malversed, illegally taken or lost, or

both at the discretion of the Ombudsman, taking into consideration circumstances that mitigate or aggravate the liability of the officer or employee found guilty of the complaint or charges.

Section 31. *Inquiries.* —

(1) The Office shall inquire into acts or omissions of a public officer, employee, office or agency which, from the reports or complaints it has received, the Ombudsman or his Deputies consider to be:

(a) contrary to law or regulation;

(b) unreasonable, unfair, oppressive, irregular or inconsistent with the general course of the operations and functions of a public officer, employee, office or agency;

(c) an error in the application or interpretation of law, rules or regulations, or a gross or palpable error in the appreciation of facts;

(d) based on improper motives or corrupt considerations;

(e) unclear or inadequately explained when reasons should have been revealed; or

(f) inefficient performed or otherwise objectionable.

(2) The Officer of the Ombudsman shall receive complaints from any source in whatever form concerning an official act or omission. It shall act on the complaint immediately and if it finds the same entirely baseless, it shall dismiss the same and inform the complainant of such dismissal citing the reasons therefore. If it finds a reasonable ground to investigate further, it shall first furnish the respondent public officer or employee with a summary of the complaint and require him to submit a written answer within seventy-two (72) hours from receipt thereof. If the answer is found satisfactory, it shall dismiss the case.

(3) When the complaint consists in delay or refusal to perform a duty required by law, or when urgent action is necessary to protect or preserve the rights of the complainant, the Office shall take steps or measures and issue such orders directing the officer, employee, office or agency concerned to:

(a) expedite the performance of duty;

(b) cease or desist from the performance of a prejudicial act;

(c) correct the omission;

(d) explain fully the administrative act in question; or

(e) take any other steps as may be necessary under the circumstances to protect and preserve the rights of the complainant.

(4) Any delay or refusal to comply with the referral or directive of the Ombudsman or any of his Deputies shall constitute a ground for administrative disciplinary action against the officer or employee to whom it was addressed.

Section 32. Effectivity and Finality of Decisions. — (1) All provisional orders of the Office are immediately effective and executory.

A motion for reconsideration of any order, directive or decision of the Office must be filed within five (5) days after receipt of written notice and shall be entertained only on any of the following grounds:

(1) New evidence has been discovered which materially affects the order, directive or decision;

(2) Errors of law or irregularities have been committed prejudicial to the interest of the movant. The motion for reconsideration shall be resolved within three (3) days from filing: provided, that only one motion for reconsideration shall be entertained.

Findings of fact by the Officer of the Ombudsman when supported by substantial evidence are conclusive. Any order, directive or decision imposing the penalty of public censure or reprimand, suspension of not more than one (1) month's salary shall be final and unappealable.

In all administrative disciplinary cases, orders, directives, or decisions of the Office may be appealed to the Supreme Court by filing a petition for certiorari within ten (10) days from receipt of the written notice of the order, directive or decision or denial of the motion for reconsideration in accordance with Rule 45 of the Rules of Court.

The above rules may be amended or modified by the Office as the interest of justice may require.

Section 33. Investigation in Municipalities, Cities and Provinces. — The Office may establish offices in municipalities, cities and provinces outside Metropolitan Manila, under the immediate supervision of the Deputies for Luzon, Visayas and Mindanao, where necessary as determined by the Ombudsman. The investigation of complaints may be assigned to the regional or sectoral deputy concerned or to a special investigator who shall proceed in accordance with the rules or special instructions or directives of the Office. Pending investigation the deputy or investigator may issue orders and provisional remedies which are immediately executory subject to review by the Ombudsman. Within three (3) days after concluding the investigation, the deputy or investigator shall transmit, together with the entire records of the case, his report and conclusions to the Office. Within five (5) days after receipt of said report, the Ombudsman shall render the appropriate order, directive or decision.

Section 34. *Change of Unjust Laws.* — If the Ombudsman believes that a law or regulation is unfair or unjust, he shall recommend to the President and to Congress the necessary changes therein or the repeal thereof.

Section 35. *Transmittal/Publication of Decision.* — In every case where the Ombudsman has reached a decision, conclusion or recommendation adverse to a public official or agency, he shall transmit his decision, conclusion, recommendation or suggestion to the head of the department, agency or instrumentality, or of the province, city or municipality concerned for such immediate action as may be necessary. When transmitting his adverse decision, conclusion or recommendation, he shall, unless excused by the agency or official affected, include the substance of any statement the public agency or official may have made to him by way of explaining past difficulties with or present rejection of the Ombudsman's proposals.

Section 36. *Designation of Investigators and Prosecutors.* — The Ombudsman may utilize the personnel of his office and/or designate or deputize any fiscal, state prosecutor or lawyer in the government service to act as special investigator or prosecutor to assist in the investigation and prosecution of certain cases. Those designated or deputized to assist him herein provided shall be under his supervision and control.

The Ombudsman and his investigators and prosecutors, whether regular members of his staff or designated by him as herein provided, shall have authority to administer oaths, to issue subpoena and subpoena *duces tecum*, to summon and compel witnesses to appear and testify under oath before them and/or bring books, documents and other things under their control, and to secure the attendance or presence of any absent or recalcitrant witness through application before the Sandiganbayan or before any inferior or superior court having jurisdiction of the place where the witness or evidence is found.

Section 37. *Rights and Duties of Witness.* —

(1) A person required by the Ombudsman to provide the information shall be paid the same fees and travel allowances as are extended to witnesses whose attendance has been required in the trial courts. Upon request of the witness, the Ombudsman shall also furnish him such security for his person and his family as may be warranted by the circumstances. For this purpose, the Ombudsman may, at its expense, call upon any police or constabulary unit to provide the said security.

(2) A person who, with or without service or compulsory process, provides oral or documentary information requested by the Ombudsman shall be accorded the same privileges and immunities as are extended to witnesses in the courts, and shall likewise be entitled to the assistance of counsel while being questioned.

(3) If a person refuses to respond to the Ombudsman's or his Deputy's subpoena, or refuses to be examined, or engages in obstructive conduct, the Ombudsman or his Deputy shall issue an order directing the person to appear before him to show cause why he should not be punished for contempt. The contempt proceedings shall be conducted pursuant to the provisions of the Rules of Court.

Section 38. *Duty to Render Assistance to the Office.* — Any officer or employee of any department, bureau or office, subdivision, agency or instrumentality of the Government,

including government-owned or controlled corporations and local governments, when required by the Ombudsman, his Deputy or the Special Prosecutor shall render assistance to the Office.

Section 39. Annual Report. — The Office shall render an annual report of its activities and performance to the President and to Congress to be submitted within thirty (30) days from the start of the regular session of Congress.

Section 40. Malicious Prosecution. — Any person who, actuated by malice or gross bad faith, files a completely unwarranted or false complaint against any government official or employee shall be subject to a penalty of one (1) month and one (1) day to six (6) months imprisonment and a fine not exceeding Five thousand pesos (P5,000.00).

Section 41. Penalties for Obstruction. — Any person who willfully obstructs or hinders the proper exercise of the functions of the Office or who willfully misleads or attempts to mislead the Ombudsman, his Deputies and the Special Prosecutor in replying to their inquiries shall be punished by a fine of not exceeding Five thousand pesos (P5,000.00).

Section 42. Franking Privilege. — All official mail matters and telegrams of the Ombudsman addressed for delivery within the Philippines shall be received, transmitted, and delivered free of charge: provided, that such mail matters when addressed to private persons or nongovernment offices shall not exceed one hundred and twenty (120) grams. All mail matters and telegrams sent through government telegraph facilities containing complaints to the Office shall be transmitted free of charge, provided that the telegram shall contain not more than one hundred fifty (150) words.

Section 43. Fiscal Autonomy. — The Office shall enjoy fiscal autonomy. Appropriations for the Office of the Ombudsman may not be reduced below the amount appropriated for the previous years and, after approval, shall be automatically and regularly released.

Section 44. Appropriations. — The appropriation for the Office of the Special Prosecutor in the current General Appropriations Act is hereby transferred to the Office of the Ombudsman. Thereafter, such sums as may be necessary shall be included in the annual General Appropriations Act.

Section 45. Separability Clause — If any provision of this Act is declared invalid, the other provisions not affected thereby shall remain valid.

Section 46. Repealing Clause. — All laws, proclamations, executive orders, rules and regulations or parts thereof inconsistent with this Act are hereby repealed, modified or amended accordingly: *Provided*, That no person shall be deemed to be vested with any property or other right by virtue of the enactment or operation of this Act.

Section 47. Effectivity Clause. — This Act shall take effect fifteen (15) days after its complete publication in the *Official Gazette* or in at least two (2) national newspapers of general circulation whichever comes earlier.

Approved,