

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Batasan Hills, Quezon City

NINETEENTH CONGRESS
First Regular Session

HOUSE BILL No. 7158



Introduced by
ACT Teachers Party-List Rep. FRANCE L. CASTRO,
GABRIELA Women's Party Rep. ARLENE D. BROSAS,
and **KABATAAN Party-List Rep. RAOUL DANNIEL A. MANUEL**

AN ACT
MANDATING THE OVERSIGHT AND AUDIT OF GOVERNMENT
INTELLIGENCE AND CONFIDENTIAL FUNDS
AND FOR OTHER PURPOSES

EXPLANATORY NOTE

Billions of pesos in taxpayers' money have been allotted to intelligence and confidential funds, programs and activities of the government. According to the General Appropriations Act FY 2023, intelligence expenses and confidential expenses were allocated a budget of ₱5.22 billion and ₱4.85 billion, respectively.

From 2020 to 2022, ₱2.25 million is allocated on both intelligence and confidential expenses of the Office of the President (OP). This is an unprecedented increase of 400% from the request during the last year of the Benigno Aquino III administration. According to the Department of Budget and Management (DBM), the intelligence and confidential funds will be used "mainly for President Rodrigo R. Duterte's war against drugs, criminality and corruption." The OP holds more than half of the entire intelligence and confidential fund despite the fact that it is not a unit primarily responsible for surveillance and intelligence outcomes.

Worse, under the Marcos Jr. administration, the intelligence fund of the OP in 2023 was further increased to ₱2.31 billion or around ₱6.33 million budget per day. Furthermore, there are unprecedented increases in the confidential fund of the following government agencies under GAA 2023:

	2022	2023
Office of the Vice President	0	500.000
Department of Education - Office of the Secretary	0	150.000
Department of Interior and Local Government - Office of the Secretary	80.600	100.600
Department of Justice - Office of the Secretary	176.071	526.480
Department of Defense - Office of the Secretary	37.000	87.000
National Intelligence Coordinating Agency	1.000	127.413

In million pesos

The Commission on Audit (COA) has repeatedly noted the main issue in confidential and intelligence funds—they escape genuine audit and public scrutiny, while the ones handling them escape accountability to the taxpayers. In 2015, state auditors found that the Department of National Defense failed to liquidate a total of ₱82.5 million in confidential and intelligence funds in 2011, 2012, and 2013. Almost the entire amount disbursed were only identified as “advances to officers and employees.” Indeed, black budgets—practically bottomless funds with near-nil oversight—make for dubious policies, questionable effectiveness, and wasted money.

Looking at the figures makes one regret about lost lives, benefits, and opportunities: ₱4.56 billion could have somewhat eased some of the shortages in public education, public health and other social services.

As these funds are prone to misuse, the COA, together with the DBM, Department of the Interior and Local Government (DILG), Department of National Defense (DND) and the Governance Commission for GOCCs (GCG), signed the *Joint Circular on Guidelines on the Entitlement, Release, Use, Reporting and Audit of the Confidential and/or Intelligence Fund* on January 8, 2015. However, the safeguards in this Circular leave much to be desired from the point of view of the people trying to peek into the darkness of black budgets. For one, the select few who have powers over the disbursement of intelligence and confidential funds are only required to submit affidavits and like documents, usually self-serving and sketchy, which documents are subjected only to the most perfunctory of audits.

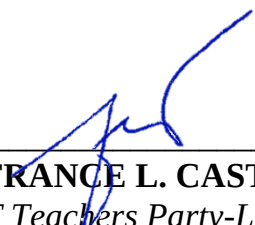
Congressional oversight on intelligence and confidential funds from the 10th up to the 16th Congresses were done through a Senate Select Oversight Committee on Intelligence and Confidential Funds, Programs and Activities that was created via plenary actions during said terms. The Committee was not reinstated from the 17th Congress nor does it have a counterpart in the House of Representatives.

However, the Select Oversight Committee initiative, though a laudable effort, does not fully address the problems concerning transparency, accountability, and other malevolent issues surrounding the use of intelligence and confidential funds. Notably, the Committee overlooked the fact that black budgets are most often used to target Filipino citizens who are private individuals, critics of the government, the opposition, political activists, and members of cause-oriented groups.

It is high time for the government to rectify this unconstitutional mode of allocating intelligence and confidential funds that are free from audit, public scrutiny and official accountability.

This Bill was first filed by Bayan Muna Representative Teddy Casiño during the 15th Congress as House Bill No. 4127. It was refiled by Bayan Muna Party-List during the 16th, 17th and 18th Congresses.

Immediate approval of this measure is earnestly sought.



Rep. FRANCE L. CASTRO
ACT Teachers Party-List



Rep. ARLENE D. BROSAS
GABRIELA Women's Party



Rep. RAOUL DANNIEL A. MANUEL
KABATAAN Party-List

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AN ACT
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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 ***“Intelligence and Confidential Funds Transparency Act of 2023.”***

SEC. 2. Declaration of Policy. – The principle and practice of transparency in governance covers all branches, appendages, agencies, programs, policies and initiatives of the State.

The 1987 Constitution emphatically states that the State shall maintain honesty and integrity in the public service and take positive and effective measures against graft and corruption (Article II Section 27) and that no law shall be passed exempting any entity of the Government or its subsidiaries in any guise whatever, or any investment of public funds, from the jurisdiction of the Commission on Audit. (Article IX Section 3).

Article III Section 7 stated that the right of the people to information on matters of public concern shall be recognized.

This Act shall widen the parameters of our country's democracy by once and for all clearly defining that all State funds are indeed subject to audit, public scrutiny and official accountability.

SEC. 3. *Definition of Terms.* – For purposes of this Act,

- a. **Intelligence funds** are funds provided for those related to intelligence information gathering activities of uniformed and military personnel, and intelligence practitioners that have direct impact on national security.
- b. **Confidential funds** are funds provided for those related to surveillance activities in civilian government agencies that are intended to support the mandate or operations of the agency.

Intelligence funds shall only be released upon approval of the President, while confidential funds shall only be released or disbursed upon the approval of the Department Secretary concerned.

SEC. 4. *Submission of Accomplishment Reports.* – All departments, bureaus, offices or agencies, shall submit to the President of the Philippines, both Houses of Congress, and Chairperson of the Commission on Audit, a detailed quarterly report on the disbursement of and use of intelligence and confidential funds.

SEC. 5. *Joint Congressional Oversight Committee on Intelligence and Confidential Funds.* – Pursuant to its constitutional duties, Congress and the Commission on Audit shall discharge Oversight functions to wit:

- (a) There shall be a Joint Congressional Oversight Committee on Intelligence and Confidential Funds (JCOCIF) composed of five (5) members each from the Senate and the House of Representatives. The JCOCIF shall be co-chaired by the chairpersons of the Senate Committee on Accountability of Public Officers and Investigation, and the House Committee on Good Government and Public Accountability. It shall include the chairpersons of the Senate Committee on Finance and the House Committee on Appropriations as well as two members from the Senate and House minorities. The Joint Congressional Oversight Committee shall have its own independent counsel;
- (b) The Oversight Committee shall conduct a semi-annual review of the status and implementation of all programs and activities financed by intelligence and confidential funds, its compliance with this Act and existing laws of the Republic and report to Congress not later than June 30 of each year;
- (c) The Commission on Audit shall conduct a yearly special audit on all intelligence and confidential funds and report to Congress not later than June 30 of each year.

SEC. 6. *Non-Interference in Oversight and Audit Functions.* – In no way shall any government agency, appendage, and its subsidiaries in any guise; or any private

entity, interfere with the oversight functions of Congress and the constitutional mandate of the Commission on Audit.

SEC 7. *Use of Intelligence and Confidential Funds.* – Confidential and intelligence funds provided for in the budgets of departments, bureaus, offices or agencies of the National Government, to be used for intelligence, counter-intelligence and confidential activities, shall be released only upon the expressed recommendation of Congress via Joint Resolution, and the approval of the President of the Philippines.

SEC. 8. *Declassification of Intelligence and Confidential Funds Documents.* – Documents related to the use of confidential and intelligence funds shall be automatically declassified by the Joint Congressional Oversight Committee on Intelligence and Confidential Fund ten (10) years after the annual audit of such documents. *Provided that*, no information related to the use of intelligence and confidential funds may remain classified indefinitely.

SEC. 9. *Penalties.* – The non-submission of accomplishment reports as defined in this Act shall bar the release of any and all allocations for intelligence and confidential funds until said agency complies with Section 4.

Any person who violates Section 4 of this Act shall result in the absolute perpetual disqualification from holding any public office, notwithstanding applicable administrative and criminal penalties.

SEC. 10. *Separability Clause.* – Should any provision of this Act be declared unconstitutional, the validity or constitutionality of the other provisions shall not be affected thereby.

SEC. 11. *Repealing Clause.* – All laws, decrees, letters of instruction, resolutions, orders, ordinances, issuances or parts thereof which are inconsistent with the provisions of this Act are hereby repealed, amended, or modified accordingly.

SEC. 12. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in a newspaper of general circulation.

Approved,