

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

NINETEENTH CONGRESS
First Regular Session

HOUSE RESOLUTION NO. 319



Introduced by Rep. Rodante D. Marcoleta

A RESOLUTION

URGING THE HOUSE OF REPRESENTATIVES THROUGH ITS APPROPRIATE COMMITTEES TO CONDUCT AN INVESTIGATION, IN AID OF LEGISLATION, ON THE ALLEGED CORRUPTION IN BENGUET ELECTRIC COOPERATIVE

WHEREAS, the Benguet Electric Cooperative (BENECO) was subjected to a series of discussions in the House of Representatives through the initiative of the PHILRECA party list questioning the scope of the supervisory powers of the National Electrification Administration (NEA) and likewise alleged irregularities conducted by NEA in appointing the new General Manager for BENECO;

WHEREAS, the BENECO was subjected to a series of management audits by the NEA. The several adverse findings in the *2014-2017 and 2018-2020 BENECO Financial and Management Audit Reports* were then the basis of the filing of *moto proprio* cases against the involved Board of Directors and some managers of BENECO;

WHEREAS, the NEA subsequently imposed a penalty of suspension to those officers and directors responsible for the adverse findings in the *2014-2017 BENECO Financial and Management Audit Report* wherein except for the four directors, all the other respondents under the *NEA ADCOM Case No. 12-09-20* refused to serve their suspension penalty;

WHEREAS, the defiant suspended respondents are likewise the same respondents together with the Assistant General Manager Melchor Licoben who refused to obey the preventive suspension order issued under *NEA ADCOM Case No. 11-09-21* for grave misconduct and insubordination for refusing to recognize the NEA-BOA Resolution No. 2021-47 the National Electrification Administration-Board of Administrator (NEA-BOA) unanimously endorsing to the Board of Directors of BENECO the appointment of Atty. Ana Maria Rafael that took effect on August 28, 2021;

WHEREAS, to sustain their illegal claim of the BENECO South Drive HQ, PHILRECA conducted an intensive campaign soliciting the support of the electric cooperatives all over the country by launching the "*Black Friday Protest*" to remove GM Rafael and question the regulatory authority of NEA over BENECO;

WHEREAS, the suspended directors and officers are the parties involved and responsible for the adverse findings of NEA in the *2018-2020 BENECO Financial and Management Audit Report* of which NEA declared for the previous Management and the Board of Directors to be held accountable for the unauthorized investment of PhP160 Million with the REFC; amending the terms for the PhP87 million supply, and delivery materials and construction of 79 sitio electrification projects awarded to MN Electro Industrial Supply, the procurement of PhP7.6 Million worth steel poles from Galvanizers Corp. of the Phils., continues defiance by the Board of Directors of the NEA guidelines in the grant of benefits and allowances, continues defiance by the Board of Directors that disbursement of Corporate Social Responsibility funds should be coursed through the coop's Institutional Services Department, Board of Directors of availing signing privileges, approving board resolutions allowing the grant of cash advance;

WHEREAS, aside from the aforementioned NEA audit findings, there were claims from the Multi-Sectoral Electrification Advisory Council (MSEAC) of illegal participation of BENECA during the previous 2019 national election by using the leaders of the MSEAC to campaign for PHILRECA, disbursing BENECA funds to purchase election campaign materials of PHILRECA and giving a financial contribution to PHILRECA using BENECA funds;

WHEREAS, despite the issuance by the NEA for the Electric Cooperatives to strictly observe the prohibited acts under the Omnibus Election Code for the 2022 National Election, the suspended officers and Board of Directors of BENECA with the strong support of PHILRECA, KABATAAN Party List, Baguio City Mayor Benjamin Magalong, among others, flagrantly and openly campaigned for the favored local and national candidates using the BENECA facilities and vehicles, financial resources;

WHEREAS, the suspended officers and Board of Directors aside from illegally issuing threatening memorandums to the regular employees who did not support them, also subjected these helpless employees to public humiliation and ridicule by posting on social media unauthorized memorandums, announcing on radio stations, and conducting information dissemination to member-consumers defaming the reputation and status of employment of the said regular employees;

WHEREAS, the suspended officers and Board of Directors indiscriminately filed criminal, civil, and administrative cases against the legitimate General Management and Board of Directors causing adverse disruption in the management and operations of BENECA;

WHEREAS, the suspended officers and Board of Directors illegally disbursed and continue to disburse without authority the funds of BENECA;

WHEREAS, the suspended officers and Board of Directors are illegally forcing member-consumers to pay the unauthorized share capital or their electric service were threatened to be disconnected;

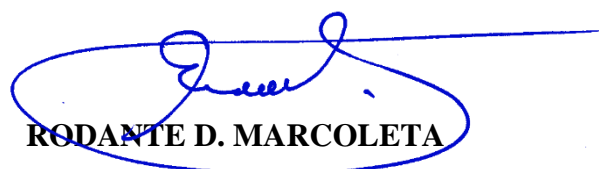
WHEREAS, Atty. Somngi insisted on misrepresenting himself as the "Chairman" of BENECA while Engr. Melchor Licoben as the "General Manager" despite the Joint Statement of the NEA and CDA on the duly recognized General Manager and Board of Directors of BENECA;

WHEREAS, the suspended officers and Board of Directors BENECA together with PHILRECA continue to encourage divisiveness, sow confusion and instigate the member-consumers of BENECA to defy the supervisory power of NEA;

WHEREAS, despite controlling the daily collection from all payment centers of BENECA, Team Energy—BENECA's supplier—is still collecting from the latter's power bills for the months of March, April, and May 2022;

NOW, THEREFORE, BE IT RESOLVED AS IT IS HEREBY RESOLVED, that the House of Representatives, through its appropriate committees, conduct an investigation, in aid of legislation, on the alleged corruption in Benguet Electric Cooperative.

ADOPTED.


RODANTE D. MARCOLETA