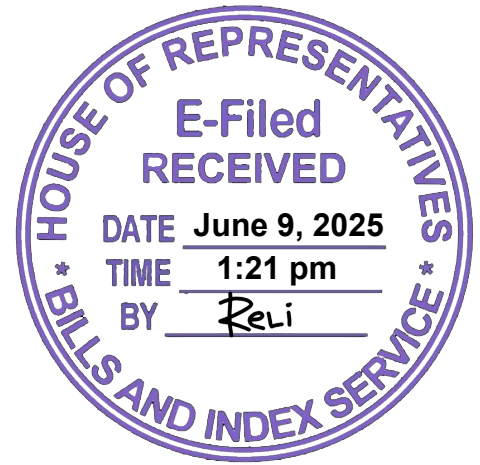


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

NINETEENTH CONGRESS
Third Regular Session



COMMITTEE REPORT NO. 1494

Submitted by the Committees on Public Accounts and Suffrage and Electoral Reforms on **June 9, 2025**.

RE: House Resolutions Numbered 145 and 146 calling for an inquiry in aid of legislation on the reported illegal disbursement of public funds in the Province of Cagayan during the prohibited period of 2022 national and local elections from March 25 to May 8, 2022

Informing the House of its findings and recommendations.

Sponsors: Representatives Joseph Stephen “Caraps” S. Paduano, Maximo Y. Dalog, Jr., and Joseph “Jojo” L. Lara.


Mr. Speaker:

The Committees on Public Accounts and Suffrage and Electoral Reforms, to which were referred the following measures:

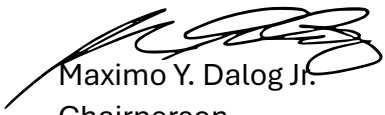
1. House Resolution No. 145, introduced by Rep. Joseph “Jojo” L. Lara, entitled: “Resolution Urging the Commission on Audit (COA) to Conduct a Special Audit and/or Fraud Audit Investigation on the Illegal Expenditures of the Provincial Government of Cagayan During the Campaign Period From March 25, 2022 to May 8, 2022”
2. House Resolution No. 146, introduced by Rep. Joseph “Jojo” L. Lara, entitled: “Resolution Urging the Appropriate Committee of the House of Representatives to Conduct an Inquiry, in Aid of Legislation, on the Inaction of the Commission on Elections (COMELEC) Into the Open and Massive Distribution of Cash and Other Forms of Assistance to Registered Voters ang Barangays in the Province of Cagayan During the Prohibited Period From March 25, 2022 to May 9, 2022”

have considered the same and have the honor to submit to the House the attached report on its findings and recommendations.

Respectfully submitted,



Joseph Stephen "Caraps" S. Paduano
Chairperson
Committee on Public Accounts



Maximo Y. Dalog Jr.
Chairperson
Committee on Suffrage and Electoral
Reforms

**THE HONORABLE SPEAKER
HOUSE OF REPRESENTATIVES
QUEZON CITY**

A. PREFATORY STATEMENT

House Resolution No. 145 entitled “Resolution Urging the Commission on Audit (COA) to Conduct a Special Audit and/or Fraud Audit Investigation on the Illegal Expenditures of the Provincial Government of Cagayan During the Campaign Period From March 25, 2022 to May 8, 2022” and House Resolution No. 146 entitled “Resolution Urging the Appropriate Committee of the House of Representatives to Conduct an Inquiry, in Aid of Legislation, on the Inaction of the Commission on Elections (COMELEC) Into the Open and Massive Distribution of Cash and Other Forms of Assistance to Registered Voters and Barangays in the Province of Cagayan During the Prohibited Period From March 25, 2022 to May 9, 2022” were referred jointly to the Committee on Public Accounts and the Committee on Suffrage and Electoral Reforms on February 7, 2023. The initial joint hearing was held on May 23, 2023 on which the Committees, upon a duly seconded motion, approved to extend the period of inquiry, pursuant to Section 15 of the Rules of Procedure Governing Inquiries in Aid of Legislation of the House of Representatives. The resolutions were also consolidated to avoid repetitive and redundant debates and votes on similar matters.

After 12 meetings, the Committees terminated its deliberation on the measures on December 18, 2024.

B. STATEMENT OF FACTS

During the course of the joint hearings, the following facts were established:

- The Provincial Government of Cagayan (PGC) conducted open and extensive distribution of cash and other forms of assistance to registered voters during the campaign period from March 25, 2022, to May 8, 2022 for the 2022 national and local elections. It also implemented various programs and projects, including "Oplan Tulong Barangay," "No Barangay Left Behind (NBLB)," and "No Town Left Behind (NTLB)," which involved the disbursement, expenditure, and release of public funds.
- Article XXII, Section 261 – Prohibited Acts of the Omnibus Election Code explicitly prohibits the release, disbursement, or expenditure of public funds during the 45-day campaign period.
- Section 2 of COMELEC Resolution No. 10747 states that “Effective March 25, 2022, until May 8, 2022, no public official or employee, including barangay officials, and those of government-owned or controlled corporations and their subsidiaries, shall release, disburse, or expend any public funds for both infrastructure and non-infrastructure projects.”

- The Regional Trial Court – Branch 03 (Tuguegarao City) issued a Temporary Restraining Order (TRO) dated May 2, 2022 against Governor Mamba and other employees of the Provincial Government of Cagayan enjoining the disbursement of public funds. Despite the TRO, the PGC and its agents continued to disburse funds, openly disregarding the court's order.
- On May 8 2023, the Committee on Public Accounts sent a letter to Gov. Mamba inviting him to attend the initial hearing on HRs 145 and 146. The hearing was scheduled for May 23, 2023.
- On May 15, 2023, Governor Mamba wrote to the Committee on his decision not to attend the hearing, primarily citing the application of the sub judice rule as the basis for his non-participation. On May 16, 2023, the Committee responded, explaining its jurisdiction over the subject matter and reiterated the invitation. On May 19, 2023, Gov. Mamba reiterated his position not to attend the said initial hearing.
- On May 23, 2023, the initial hearing pushed through, and the Committees issued a subpoena ad testificandum with show cause order against Gov. Mamba directing him to appear on May 31, 2023. Six other employees were subpoenaed:
 - Atty. Maria Rosario M. Villaflor, Provincial Administrator
 - Ms. Mila Q. Mallonga, Provincial Treasurer
 - Mr. Reynald R. Ramirez, Provincial Budget Officer
 - Ms. Jeanna C. Garma, Provincial Accountant
 - Dr. Perlita P. Mabasa, Provincial Agriculturist
 - Ms. Helen M. Donato, Provincial Social and Development Officer

The following were invited to appear:

- Mr. Rogelio Sending, OIC Provincial Information Office
- Vita Vergara, Local Treasury Operations Officer IV
- Ma. Anita Obispo, Local Revenue Collection Officer III
- Rosario Mandac, Treasurer's Office employee
- Patria Guirren, former Accountant IV
- Carlos Cortina III, former Provincial Health Officer
- Maritel Bautista, Treasurer's Office employee
- Daisy Baguisi, Treasurer's Office employee
- Catalino Arugay, Provincial Warden
- Kristine Reyes, Cashier II
- Amelia Manalo, Cashier II
- Heracleo Dumapal, Cashier IV
- Roselle Buncad, Cashier II
- Atty. Rogelio Taliping, Provincial Legal Officer

- In the May 31, 2023, Gov. Mamba, together with the above-named employees, attended; however, he refused to answer the queries despite the explanation of members that the sub judice rule does not apply in congressional hearings. Because he was uncooperative, his presence was dispensed with by the Committees, and he was escorted out of the meeting room.
- The Committees scheduled hearings on August 7 and 9, 2023. Notably, all witnesses from the PGC were invited to attend these hearings, with the exception of Provincial Administrator Villaflor since it had been established that she wasn't the incumbent administrator when the illegal use of public funds occurred, as well as Gov. Mamba, whose presence had been excused in the previous hearing.
- During the hearing held on August 7, 2023, none of the aforementioned witnesses from PGC attended. Instead, an excuse letter bearing the signature of Provincial Administrator Villaflor, was submitted. It justified the absence of the employees by highlighting their critical involvement in relief operations necessitated by the typhoon that struck Cagayan on July 26. However, the justification stated in the excuse letter was not accepted by the members. Consequently, contempt orders were issued against the five employees who had been previously subpoenaed to appear as witnesses. The Office of the Sergeant-at-Arms was instructed to coordinate with the Philippine National Police (PNP) to bring the 5 employees before the Committees to testify. Additionally, the Committees took the step of issuing show cause orders to the remaining employees, compelling them to explain their absence and to appear before the Committees on August 9, 2023.
- In connection with this, the Committees issued show cause orders to Gov. Mamba and Provincial Administrator Villaflor requiring them to explain in writing why they should not be cited in contempt for not allowing the employees to attend the August 7, 2023 hearing. Provincial Administrator Villaflor was also issued a show cause order requiring her to explain why she should not be cited in contempt for her role in preventing the employees from attending the said hearing. Another show cause was issued against Gov. Mamba and Mr. Sending, separately, for spreading false information against the ongoing proceedings in the PGC-funded radio program titled Caygandang Cagayan. Since the next hearing was set on August 9, 2023, the Committees gave them until August 8, 2023 to answer the said show cause orders.
- On August 8, 2023, Provincial Administrator Villaflor wrote to the Committees acknowledging receipt of said show cause orders and requesting to extend the deadline for their reply to August 10, 2023.
- During the hearing held on August 9, 2023, all concerned employees were present, with the exception of Mr. Sending and two others (Cortina and Guirren) who have recently retired from service. The attendees were accompanied by Provincial

Administrator Villaflor. The Committees granted an extension for Gov. Mamba to provide his written explanation, setting the new deadline for submission on August 10, 2023.

- The Committees required Provincial Administrator Villaflor to explain verbally why she should not be cited in contempt for undue interference in the conduct of proceedings as it was established that she played a role in influencing the absence of the witnesses. Atty. Villaflor explained that the provincial government was engaged in the distribution of relief and the finalization of its post-disaster management initiatives. These activities had been given precedence in accordance with the directives of the governor and the priorities set forth by the President of the Philippines when he visited Cagayan on July 29, 2023.
- Upon thorough examination by members, the employees disclosed that less than a week prior to the Aug. 7 and 9, 2023 hearings, they conferred on their attendance to the said hearings. During this alleged meeting, the provincial administrator advised against their attendance. Additionally, the employees revealed that their travel orders had not been signed though they admitted to the members their willingness to participate in the hearing had the travel orders been issued. Moreover, it was revealed that many of the invited employees were not really directly engaged in the relief efforts and their absence in said relief efforts would not have restricted its implementation. This compelled the Committees to cite Atty. Villaflor in contempt for undue interference in the conduct of the proceedings and ordered detained for a period not exceeding 10 days pursuant to Section 12 of the Rules of Procedure Governing Inquiries in Aid of Legislation. Mr. Rogelio Sending, was also cited in contempt for refusal without legal excuse to obey summons. A duly seconded motion was approved to take him into custody and detain him within the House premises until he complies with the order of the Committees.
- On August 13, 2023, Mr. Sending was accosted by the PNP Cagayan and brought to the House of Representatives premises on August 14, 2023.
- During the August 17, 2023 hearing, the Committees were informed by the Committee Secretary that Gov. Mamba did not respond to the two (2) show cause orders issued against him on August 7, 2023 despite the extension given.
- An audio recording of Governor Mamba was played, which was gleaned from a radio program broadcast in the PGC, wherein he asserted that he holds the authority to approve travel orders for PGC employees and challenged the House of Representatives to apprehend him instead of the non-attending PGC employees.
- Consequently, the Committees, by 2/3 vote of the members present, there being a quorum, cited Gov. Mamba in contempt for undue interference in the conduct of

proceedings in relation to his involvement in the absence of key witnesses last August 7, 2023. He was ordered to be detained in the House of Representatives for a period not exceeding ten days.

- Pursuant to the order of the Committee, the Sergeant-at-Arms escorted Governor Mamba to the House of Representatives and brought before the Committees during the hearing on August 24, 2023. Gov. Mambas was subsequently released on the same day under the condition that he will cooperate with the Committees and to refrain from making derogatory statements about the House of Representatives and its members.

C. ISSUE

Whether the Provincial Government of Cagayan illegally disbursed funds during the prohibited period of the May 2022 elections.

D. DISCUSSION ON FINDINGS

The Provincial Government of Cagayan Illegally Disbursed Funds During the Prohibited Period of the May 2022 Elections

COMELEC's Resolution No. 10747, issued on December 16, 2021, prohibits government officials or employees from releasing, disbursing, or expending public funds from March 25 to May 8, 2022, except for specific projects or programs exempted by the commission.

Atty. Rafael Olano from COMELEC stated that the utilization of public funds during the COMELEC's 45-day prohibition prior to the election violated Section 13 of the said resolution. He also stated that although the PGC had filed a petition for a Certificate of Exception on March 22, 2022, the Certificate of Exception only received partial approval on April 13, 2022, and this was only promulgated on May 25, 2022, after the elections had taken place. Thus, any distribution of public funds during the prohibited period was without legal basis and deemed outright illegal.

Mr. Karl Reyes, former COA Audit Team Leader for Cagayan Province, confirmed that numerous cash advances were granted to 14 employees of the PGC, amounting to Php320,806,000.00, which were allegedly used for vote buying activities in the guise of pandemic assistance funds. PGC personnel distributed Php1,000.00 to each registered voter who queued to receive it. The distribution was publicly announced by Governor Mamba over Bombo Radyo Cagayan, during which he ironically urged his constituents not to engage in vote-selling.

The PGC claimed the funds distributed were the COVID-19 pandemic relief assistance for the PGC, with each recipient receiving Php1,000.00. Checks were issued for the cash advances from April 28 to May 6, 2022 and were encashed by the disbursing officers for distribution to the intended recipients.

The COA reported that of the total amount of Php320,806,000.00, a sum of Php167,261,000.00 had been liquidated, and the amount of Php153,545,000.00 was refunded. The liquidation was made on various dates, with the earliest occurring on May 6, 2022, and the latest on July 22, 2022. The COA furnished the Committees with the record of the checks that were encashed, along with the disbursement vouchers, obligation requests, and the names and addresses of individuals who were recipients of the illegally distributed stimulus funds.

The Committees also pointed out that, when provincial governments provide financial assistance to municipalities, they typically transfer the funds directly to the municipal treasurer. However, Mr. Reyes was unable to confirm this practice definitively and stated that he was unaware of any involvement or participation by the municipal governments of Cagayan regarding the funds in question. He also admitted that he had no records to demonstrate that this process was followed.

a. Absence of Appropriate Ordinance for the Distribution of Php 320 Million to Voters

The PGC officials could not specifically identify the sources of the funds distributed to the voters but claimed they were included in the 2022 budget. When questioned about the existence of an appropriation ordinance authorizing these disbursements, Vice Governor Melvin Vargas Jr. testified that no specific appropriation ordinance was passed for this fund distribution. He explained that while ordinances were passed in 2022 for initiatives such as NTLB and NBLB, the Php1,000 pandemic assistance funds were not approved by the Sangguniang Panlalawigan. However, the Governor insisted on releasing the funds.

Upon further questioning, the budget officer confirmed that the distributed funds were charged to various programs, including social welfare and calamity funds, effectively amounting to fund realignment.

Mr. Karl Reyes and Atty. Frederick Barillo, Legal Division Chief of COA Regional Office 2, confirmed that no specific allocation for pandemic relief assistance was identified in the 2022 itemized budget; rather, the funds were sourced from various other accounts. COA further clarified that all funds were released by the PGC solely, with no involvement from the Department of Social Welfare and Development (DSWD), as would typically be required for lawful pandemic response funds. This absence of DSWD participation raised further doubts regarding the legitimacy of these funds as pandemic relief assistance.

b. The PGC Governor had direct knowledge of the disbursement of public funds during the prohibited period

The COA affirmed that, as the head of the agency for the Province of Cagayan, the Governor possesses the authority to appoint special disbursing officers in accordance with existing COA circulars. COA representatives further clarified that the Governor has broad discretion to assign any employee as a special disbursing officer. This designation is permissible provided that the employee in question has posted a bond, as required by law, to secure the cash advance. These officers designated by the Governor are considered accountable officers due to their specific responsibility for the custody, disbursement, and management of government funds and property. Their designation is formalized through the Governor's authority as the head of agency, allowing these officers to be entrusted with such financial responsibilities.

Under Section 102 of Presidential Decree 1445, also known as the Government Auditing Code, the head of any agency of the government is immediately and primarily responsible for all government funds and property pertaining to his agency. Furthermore, based on existing COA guidelines and manuals, the head of an agency is required to ensure and secure management of these assets and is directly liable for any loss or damage resulting from mismanagement or failure to comply with established protocols.¹

Thus, Governor Mamba, as the head of the PGC, is primarily accountable for the management and safeguarding of all provincial government funds and property. He is obliged to oversee the lawful designation of accountable officers and ensure compliance with all bond requirements and related notifications to the Treasury. Failure to perform these responsibilities promptly would render Governor Mamba primarily liable for any resulting financial loss or damage to public funds and property.

Furthermore, the admission by the Provincial Treasurer, Ms. Mila Q. Mallonga, that the authorization for the disbursement originated directly from the Provincial Governor, is indicative of the direct participation of the Gov. Mamba. The Committees believe that the PGC's financial team would not have proceeded without a directive from the Governor.

c. Accountabilities of the PGC Officials and Employees

The PGC financial team, consisting of officials and employees from the accounting, treasury, and budget offices, is equally liable unless they can demonstrate that they acted under pressure and influence by the order of Gov. Mamba. As the Committees received no documentation indicating that the team objected to the distribution, and instead defended their actions as proper during the proceedings, the Committees believe they were fully aware of the impropriety of their actions and should therefore be held accountable.

¹ COA - M2013-004 Revised Cash Examination Manual

The employees who received cash advances are also liable, as they are considered accountable officers. An accountable officer is any officer of a government agency who, by virtue of their duties, responsibilities, or involvement in the collection, receipt, expenditure, or use of government funds, is required by law or regulation to render accounts to the Commission on Audit (COA)². Under the law, they are required to post a bond and may only receive a cash advance commensurate with the amount of their bond, as specified by a list issued by the Bureau of the Treasury (BTr).

The Committees questioned the following officials and employees who received cash advances from the PGC during the prohibited period:

- Ms. Pearlita Mabasa, the Provincial Agriculturist of Cagayan, holding a salary grade of 26, stated that she could not recall the exact amount of the bond she had posted. Referring to documents from COA, Rep. Barzaga revealed that Ms. Mabasa had obtained a cash advance totaling Php76,046,000.00, from May 4 to May 6, 2022, which Ms. Mabasa admitted. She also admitted that she encashed the checks at Landbank and distributed the money outright to the barangays. She distributed the money to 76,000 recipients of P1,000 each, and admitted that a task force was created by the PGC to aid in the distribution. She also said that she had liquidated the said amount.
- Ms. Rosario Mandac from the Provincial Treasurer's Office, holding a salary grade of 22, admitted that she had a bond worth Php22,000.00. She could not respond whether she was aware about the maximum cash advance allowed on her bond and admitted receiving a cash advance amounting to Php 11,459,000.00 on April 29, 2022. She said that she encashed the check for the cash advance and distributed the amount with the assistance of others.
- Ms. Anita Obispo, Local Revenue Collection Officer, salary grade 18, claimed that she was bonded for Php5M and admitted of having received a cash advance of Php 3,410,000.00 in checks on May 5, 2022. She encashed the checks and distributed the same to recipients.
- Ms. Vita Vergara from the Treasurer's Office, holding a salary grade of 22, admitted that she was bonded for Php 5 million. She received cash advance in the amount of Php15,263,000.00 and P11,684,000.00 on May 2, 2022 and May 5, 2022, respectively, despite the maximum allowable amount of her bond. She acknowledged that this is a violation of pertinent COA rules, and has received an AOM from COA on this issue. Ms. Vergara admitted that it was Ms. Mallonga, the Provincial Treasurer, who authorized the cash advance which was later on confirmed by Ms. Mallonga.

² <https://www.coa.gov.ph/FAQS/what-is-an-accountable-officer/>

- Ms. Roselle Buncad, a cashier at the Treasurer's Office and holding a salary grade of 14, acknowledged that she was bonded up to Php5 million. However, when confronted with the information that her total cash advance on May 5, 2022, amounted to Php24,530,000.00, she stated that she only recollected obtaining a cash advance of Php5 million on May 6, 2022.
- Amelia Manalo, employed as a Cashier II at the Treasurer's Office and holding a salary grade of 14, said that she was bonded for up to Php5 million. She obtained a cash advance totaling Php18,100,000.00 on May 2, 2022. She also acknowledged she made another cash advance of Php2,330,000.00 on May 6, 2022 and subsequently distributed Php1,000 to each recipient.
- Kristine Reyes, working as a Cashier at the Treasurer's Office and holding a salary grade of 14, was bonded for up to Php5 million. She obtained cash advance of Php 5,617,000.00 and Php 3,082,000.00 on May 4, 2022 and May 6, 2022, respectively. She was instructed by the Provincial Treasurer to obtain these cash advances.
- Catalino Arugay, the Provincial Warden with a salary grade of 22, acknowledged that he was bonded. However, he claimed to have no knowledge and could not recall receiving cash advances in the amount of Php 10,440,000.00 and Php 4,187,000.00 on May 2, 2022 and May 5, 2022, respectively. He also denied encashing any checks on these cash advances despite showing to him photocopies of the checks with his name as payee. He denied that the signature appearing on the checks was his and that he did not distribute Php1,000 to qualified recipients.
- Daisy Baguisi, a Local Risk Reduction Management Officer II, with a salary grade of 15, was bonded for one (1) year. She received cash advances in the total amount of Php 41,542,000.00 from April 29 to May 6, 2022. She said that she received a memorandum designating her as a special disbursement officer for the former Provincial Administrator, Mr. Darwin Sacramed. She submitted the said memorandum to COA. She also revealed that she had been provided transportation assistance by the Office of the Provincial Administrator. Subsequently, she proceeded to distribute the money along with the task force, as she had been assigned to distribute cash in the Municipalities of Rizal, Enrile, and Sto. Nino.
- Maritel Bautista, an Administrative Aide IV, with a salary grade of 4 and a monthly salary of less than Php16,000.00, was bonded and that her former boss, Provincial Administrator Sacramed, issued a memorandum designating her as a disbursing officer and instructed her to obtain a cash advance. She admitted receiving a cash advance of P14,583,000.00 on May 5, 2022, and confirmed that she encashed the check. Subsequently, she delivered the funds to the Provincial Treasurer.

- Dr. Carlos Cortina III, a Provincial Health Officer of Cagayan, admitted he was bonded but could not recall his limit. He made a cash advance amounting to Php9,930,000.00 and Php5,847,000.00 on May 2, 2022 and May 5, 2022, respectively. Dr. Cortina claimed it was part of his regular function.
- Helen Donato, a Provincial Social Welfare Development Officer, initially asserted that her bond allowed her unlimited cash advances. However, she later admitted that her limit was only Php5 million. She admitted to obtaining cash advances in the amount of Php26,996,000.00 and Php9,313,000.00 on April 28, 2022. She obtained another cash advance of Php31,000 on May 1, 2022 which fell on a Sunday.

d. No coordination with the Department of Social Welfare and Development

The PGC did not adhere to DSWD guidelines on the distribution of the Social Amelioration Program, which entitled qualified beneficiaries to a higher subsidy than the Php1,000 distributed by the provincial government. The DSWD guidelines did not provide that only registered voters are qualified to receive pandemic relief assistance. Furthermore, the aid did not come from the national government but was instead sourced from realigned funds originally allocated by PGC to other programs that were not implemented due to this anomalous initiative. This indicates that the distribution was not legitimately a COVID-19 assistance program but rather a vote-buying scheme, as it was only given to registered voters.

e. Governor Mamba did not intend to voluntarily cooperate with the Committees

Governor Mamba indicated in his letter dated May 12, 2023, and received by the Committees on May 15, 2023, that he had no intention of attending the hearings. The Governor cited several reasons, including the application of the sub judice rule³, the House Rules on the termination of the inquiry within 60 days from its commencement, and respect for COMELEC and the judicial system. On May 19, 2023, Gov. Mamba sent a second letter, restating his position not to attend the said initial hearing.

This refusal to attend the hearings prompted the committees to issue subpoena ad testificandum on May 23, 2023 to Gov. Mamba and several employees of the provincial government.

Gov. Mamba complied with the subpoena ad testificandum and appeared before the hearing on May 31, 2023; however, he still did not cooperate by invoking the sub judice rule since the issues under investigation are the subject of criminal and administrative cases filed against him.

³ Sub Judice is a Latin term which refers to matters under or before a judge or court; or matters under judicial consideration. In essence, the sub judice rule restricts comments and disclosures pertaining to pending judicial proceedings. The restriction applies to litigants and witnesses, the public in general, and most especially to members of the Bar and the Bench. (Re: Show Cause Order in the Decision dated May 11, 2019 in G.R. No. 237428 [Republic v. Sereno], A.M. No. 18-06-01-SC, 17 July 2018)

The Committees stressed that the rule of sub judice does not extend to legislative investigations, pursuant to Section 21, Article VI of the Constitution, which provides that the House of Representatives or any of its committees may conduct inquiries in aid of legislation in accordance with its duly-published procedures. The Rules of Procedure Governing Inquiries in Aid of Legislation also provided that the filing or pendency of a case before any court, tribunal or quasi-judicial or administrative body shall not stop or abate any inquiry conducted to carry out a legislative purpose.

Accordingly, in the hearing held on May 31, 2023, the Committees voted to dispense with the presence of Gov. Mamba as he refused to participate in the proceedings.

Governor Mamba continued to cite the sub judice rule as his argument for not cooperating with the Committees. He also disparaged the members, asserting that they lack authority over the issues as cases against him have been filed and pending before the courts.

Representative Acop raised this matter during the August 24, 2023 hearing when he reprimanded the legal counsels of Governor Mamba for sticking to this argument. He cited *Romero II v. Estrada* (GR No. 174105, 2009-04-02), which is one of the latest Supreme Court decisions that ruled that the filing or pendency of any prosecution or administrative action should not stop or abate any inquiry to carry out a legislative purpose. It provides:

“A legislative investigation in aid of legislation and court proceedings has different purposes. On one hand, courts conduct hearings or like adjudicative procedures to settle, through the application of a law, actual controversies arising between adverse litigants and involving demandable rights. On the other hand, inquiries in aid of legislation are, inter alia, undertaken as tools to enable the legislative body to gather information and, thus, legislate wisely and effectively; and to determine whether there is a need to improve existing laws or enact new or remedial legislation, albeit the inquiry need not result in any potential legislation. On-going judicial proceedings do not preclude congressional hearings in aid of legislation.”⁴

Despite jurisprudence being replete with consistent decisions on this matter, Governor Mamba continues to insist on invoking the sub judice rule. It is particularly disappointing, as he is a former member of the House of Representatives and is well aware of the correct interpretation. Nevertheless, he chose to persist with this erroneous argument, likely because he has no substantive answers to provide the Committees regarding his misuse of public funds.

Gov. Mamba also withheld crucial documents, thereby obstructing the timely completion of the investigation. Due to his lack of cooperation, it became increasingly difficult to ascertain the total amount of illegal disbursements, as the necessary documentation was not provided. Moreover, due to the slow action of the provincial government, the special audits conducted by the COA were likewise delayed. These actions and inactions have caused

⁴ *Romero II v. Estrada* (GR No. 174105, 2009-04-02)

significant disruption, preventing the public from determining the actual amount of public funds misappropriated in violation of the law.

f. Other illegal disbursements

In addition to the more than PHP 320 million in pandemic relief assistance, Representative Joseph L. Lara raised concerns regarding Governor Mamba's distribution of additional public funds without securing the requisite exemption from COMELEC. He asserted that Governor Mamba orchestrated the disbursement of resources through various programs, including NBLB, NTLB, and "Oplan Tulong sa Barangay," all during the campaign period. Examples of distributions included Philippine National Police (PNP) patrol cars, Rural Health Unit (RHU) transport vehicles, ultra-low freezers, scholarships, honoraria, and financial assistance in several municipalities of Cagayan.

These distributions included Php 125 million allocated to initiatives such as the NTLB Program and PHP 556 million provided as assistance to various barangays. Rep. Lara noted that these funds, along with Php 410 million earmarked for 82 barangays under the Office of the Governor, were initially intended for release during the 2020 and 2021 fiscal years but were postponed due to the COVID-19 pandemic. Instead of releasing the funds as originally scheduled, Governor Mamba proceeded to disburse them during the election campaign period, all without obtaining the necessary COMELEC exemption.

Rep. Lara presented photos from the Cagayan Provincial Information Office showing money distribution to residents, as well as patrol cars and other utilities provided to some municipalities during the campaign period.

In view of these disclosures, the Committees questioned Mr. Reyes, the COA resident auditor, regarding any additional cash advances made beyond those reported in the COA Audit Team's report. They further inquired as to who authorized these cash advances and why they were not included in the annual audit. After reviewing their records, Mr. Reyes confirmed the existence of cash advances made from March 25 to April 26, 2022 which weren't included in the report. However, these additional data still did not account for disbursements related to the above-mentioned programs allegedly conducted during the prohibited period, indicating that COA's actions were insufficient to ensure compliance with the COMELEC ban.

The Committees also questioned the COA regarding the Php 27,984,000 allocation for the Peace and Order program, which, according to the COA audit report, lacked the supporting Peace and Order and Public Safety Plan. Mr. Reyes confirmed this but stated that the provincial government subsequently submitted the required plan. The Committees further noted the absence of a resolution from the Peace and Order Council (POC) realigning the amount charged from the POC fund for this purpose. Mr. Reyes clarified that the provincial government had since provided this document; however, the Committees stressed that these documents should have been presented before any cash advances were authorized.

This practice of allowing retroactive submission of documents is problematic, as it gives opportunities for potential fraud.

g. Conduct of a separate fraud audit

The Committees inquired into the COA's apparent inaction regarding Rep. Lara's previous request for a fraud audit on the provincial government of Cagayan on the subject inquiry. The COA Division Chief of the Fraud Audit Office, Atty. Patrick Ryan Teves, disclosed that the COA had determined a fraud audit to be unnecessary, stating that the alleged fraudulent transactions were already covered by the regular audit, as evidenced by the notices of disallowance issued to the provincial government, making a separate fraud audit redundant.

The COA issued 38 notices of disallowance against several individuals in the Provincial Government of Cagayan, totaling PHP 169,688,000. These disallowances are based on the following findings:

- Cash advances were drawn from a lump-sum appropriation for Development Assistance to LGUs without itemized project details or specific locations.
- Cash advances were granted to officers who had not settled previous advances, and the amounts exceeded maximum accountability limits as per approved fidelity bonds.
- Quick Response Funds were used for COVID-19 relief assistance without inclusion in the 2022 Local Disaster Risk Reduction Management Investment Plan.

However, based on the Committees' findings during the hearings and in light of the testimonies and evidence gathered, the Committees determined that the annual audit was insufficient. Consequently, they directed the COA to conduct a targeted fraud audit investigation specifically focused on the illegal expenditures of the PGC during the prohibited period leading up to the May 2022 elections. Furthermore, the Committees recommended the removal of Mr. Reyes as the COA Audit Team Leader for Cagayan.

Accordingly, a fraud audit team to investigate the illegal expenditures by the Provincial Government of Cagayan during the 2022 campaign period was created under Office Order No. 2023-887.

h. Disclosure of PGC transactions with the Landbank of the Philippines

The Sangguniang Panlalawigan of the PGC passed Resolution No. 2023-11-535 during the 3rd Special Session on August 3, 2023, authorizing the Landbank of the Philippines (LBP) to disclose to the Committees the financial transactions of the PGC. Accordingly, the Committees directed the LBP to submit all records of transactions involving the PGC from January 1, 2022, onwards due to allegations of illegal disbursement of public funds. However, Gov. Mamba submitted a letter to the LBP opposing the resolution. Consequently, anticipating that the LBP was not fully authorized to disclose the transactions on account of Gov. Mamba's opposition, the bank sought advice from the Office of the Government Corporate Counsel (OGCC). The OGCC advised that authority within a local government unit must be exercised jointly by the local chief executive and the sanggunian. Therefore, the resolution passed by the Sangguniang Panlalawigan was insufficient, as it lacked concurrence from the local chief executive.

Committee members expressed concerns about the validity of this interpretation. Atty. Jan-Michael Bueser from the OGCC testified that the OGCC rendered their opinion on January 15, 2024, addressing several questions from the said bank, viz:

- Whether the withdrawals, encashment, or deposit transactions are covered by the Bank Secrecy Law (RA 1405)
- Whether the law covers the circumstances surrounding deposit-related transactions such as the manner of cash delivery and the signatories, and
- What information the bank may disclose to the Committees when asked to confirm who received the cash.

Atty. Bueser stated that the withdrawal, encashment, or deposit transactions are covered by the Bank Secrecy Law (RA 1405), prohibiting the disclosure of any information pertinent to the subject bank accounts of the PGC unless authorized by exceptions specified in the law, and further stated that such disclosure requires joint approval of both the local chief executive and the Sangguniang Panlalawigan. This opinion was reiterated by DILG.

The Committees noted the pressing need to amend the Bank Secrecy Law, in light of recent challenges faced during efforts to obtain critical financial information from the LBP concerning the transactions of the PGC. The Bank Secrecy Law, enacted in 1955, was originally intended to foster public trust in banking institutions by ensuring the confidentiality of bank accounts. However, the current legislative environment has changed, and the law now poses significant obstacles to transparency and accountability, especially in cases involving public funds.

i. Liability of LBP Officials and Employees

While the Committees adhere to the Bank Secrecy Law, it must be emphasized that the law's prohibition pertains solely to specific transaction details and related inquiries. The law does not grant blanket authority for bank employees to withhold information or provide misleading statements, particularly in cases involving fraud or corruption. This is especially pertinent when such instances also constitute violations of banking regulations and established guidelines.

During the investigation, the Committees observed the following:

- 44 Checks were issued in the names of 14 employees; however, some of them testified that they never received the encashed funds as they did not present the checks for encashment or visit the bank. This discrepancy raises serious questions about the authenticity and integrity of the transactions.
- Dr. Carlos Cortina, the former Provincial Health Officer implicated in the distribution of the Php320 million, confirmed that he received the cash personally at the Office of the Provincial Treasurer, where they counted the money. He stated that the cash was handed to him by officers from the Treasurer's Office, not from the LBP or by officers of the LBP. This deviation could imply potential mismanagement or procedural irregularities.
- The testimony of Mr. Victor T. Villaluz, a teller from the LBP Tuguegarao Capitol Branch, revealed that funds were sometimes delivered directly to clients, including the PGC, although he claimed that the named payee always received the delivery. However, this assertion was contradicted by the testimonies of PGC employees who stated that they did not receive the encashed funds.
- Funds were sometimes delivered beyond official banking hours. This irregularity suggests potential violations of standard banking procedures and raises further questions about compliance and oversight.

LBP employees, as government employees, are bound by the provisions of Republic Act No. 6713, also known as the Code of Conduct and Ethical Standards for Public Officials and Employees. This law mandates that all public officials and employees, including those in government financial institutions, must uphold the highest standards of integrity, responsibility, and accountability in the performance of their duties. This means that providing false information or engaging in deceitful practices is a violation of this code.

Additionally, Republic Act No. 3019, or the Anti-Graft and Corrupt Practices Act, prohibits public officials from directly or indirectly participating in corrupt practices or actions that could lead to the misuse of public funds. Section 3 of RA 3019 enumerates various prohibited acts, including the act of knowingly approving or allowing the disbursement of public funds for an unlawful purpose.

LBP employees found to be complicit in actions such as misrepresenting facts, falsifying records, or facilitating unauthorized disbursements of public funds can be subject of severe legal consequences such as administrative sanctions under RA 6713, including suspension or dismissal from service, and disqualification from holding any public office. Under RA 3019, individuals found guilty may face criminal charges, including imprisonment and perpetual disqualification from public office.

j. Criminal and administrative liabilities of Governor Mamba and other PGC Officials

The crime of plunder, as defined under Republic Act No. 7080, as amended by R.A. No. 7659, involves any public officer who, by himself or in connivance with members of his family, relatives by affinity or consanguinity, business associates, subordinates or other persons, amassing, accumulating, or acquiring ill-gotten wealth in the amount of at least Fifty million pesos (Php 50,000,000) through a series or combination of overt or criminal acts. The findings indicate that substantial sums of public money were disbursed during a critical election period, suggesting an orchestrated scheme for personal or political advantage. If proven, such conduct would satisfy the threshold of plunder, reflecting a significant betrayal of public trust.

Under RA 3019, or the Anti-Graft and Corrupt Practices Act, public officials are prohibited from performing acts that cause undue injury to any party, including the government, or give any unwarranted benefit, advantage, or preference to any private party in the discharge of official duties through manifest partiality, evident bad faith, or gross inexcusable negligence. The findings demonstrate that significant public funds were released in violation of these provisions, suggesting that Governor Mamba and other officials may have facilitated the improper disbursement of public funds for electoral gain, which constitutes graft and corruption.

Additionally, technical malversation under Article 220 of the Revised Penal Code is committed when a public officer applies public funds or property under their administration to a public use other than that for which such funds or property were appropriated by law or ordinance. The evidence points to substantial funds being used in a manner inconsistent with their legally designated purposes, reinforcing the basis for this charge.

The facts established suggest that Governor Mamba did not act alone. The distribution of substantial sums of public money during a critical election period points to a coordinated scheme involving other officials who facilitated these disbursements. Such a pattern aligns with the definition of conspiracy under our criminal laws. Accordingly, the officials and employees who assisted or enabled these illegal acts during the 2022 election period are considered to have abetted these offenses. Thus, they too should face charges for their roles in furthering and facilitating the commission of these unlawful disbursements, which constituted a serious breach of public trust and election law.

k. The Provincial Government of Cagayan violated procurement laws in airing radio show in Bombo Radyo

During the hearings, a related matter was investigated concerning the unlawful disbursement of public funds. The Committees learned, through the testimony of the Vice Governor of the PGC, that the agreement between the PGC and Bombo Radyo Cagayan was irregular and resulted in the misuse of public funds.

In response to the Committees' recommendation, a second COA special audit team was deployed to the PGC. The second audit, under Office Order No. 2023-887B, examined potentially unlawful contracts between Bombo Radyo Cagayan and the provincial government for the radio program *Caygandang Cagayan*.

The necessity for a second audit arose due to the following findings uncovered during the investigation, to wit:

1. Use of Radio Program for Political Campaigning

The PGC funded a daily 30-minute radio program titled "*Caygandang Cagayan*," which has been broadcasting on Bombo Radyo since 2016. The program continued to air during the campaign period, with broadcasts featuring the incumbent governor.

The committee reviewed audio and video clips aired between March 25 and May 9, 2022, confirming the presence of the incumbent governor on the radio program during the prohibited campaign period.

The radio show was used for political campaigning and to disparage Governor Mamba's political opponents. Governor Mamba also employed abusive and sexually explicit language to insult his critics. Moreover, the program featured announcements regarding the distribution of Php 1,000 to registered voters in Cagayan.

The findings indicate that the PGC funded and broadcasted a daily radio program featuring campaign-related content during the election period, which constitutes a violation of the RA 9006 or the Fair Elections Act. The inquiry also confirmed that the anchor of the program, Mr. Rogelio Sending, is an employee of the PGC, substantiating the concern that government resources were being used to fund the program.

The Committees find these actions by the PGC unacceptable. The Fair Elections Act limits candidates for local elective office to a maximum of 90 minutes of radio advertising during the campaign period, whether obtained through purchase or donation. Evidence indicated that the program was used as a campaign platform during the prohibited period from March 25 to May 8, 2022, thereby potentially exceeding the allowable airtime and violating election laws.

Furthermore, under RA No. 7477, as amended by RA 9213, of the People's Broadcasting Service, Inc., the parent company of Bombo Radyo, broadcasting content that may incite treason, rebellion, or sedition, or that contains indecent language or themes, shall be cut off the air. Failure to comply with this provision is a violation of such subject and can be ground for its cancellation.

2. Using Government Resources for Politically Charged Broadcasts

The Committees established that the program's anchor, Mr. Rogelio Sending, is the OIC Public Information Officer of the PGC. Governor Mamba frequently appeared on the show as a guest, though in reality, he served as a co-anchor, using the program to promote himself and disparage his political opponents.

Such actions may constitute violations of the law, viz:

Republic Act No. 3019 (Anti-Graft and Corrupt Practices Act) provides:

Section 3(e): Causing any undue injury to any party, including the Government, or giving any private party any unwarranted benefits, advantage or preference in the discharge of his official administrative or judicial functions through manifest partiality, evident bad faith or gross inexcusable negligence. This provision shall apply to officers and employees of offices or government corporations charged with the grant of licenses or permits or other concessions.

The use of public funds and government resources to fund a politically charged radio program could be considered an act of providing an unwarranted advantage and causing undue injury to the government.

Vice Governor Melvin Vargas testified that the radio program did not have a specific allotted budget. Instead, the funding was drawn from the designated budget for provincial advertisements. This budget was part of the annual allocation for the Office of the Governor and the Cagayan Provincial Information Office, amounting to approximately P7 million. The PGC exclusively used these funds to pay for the contract between Bombo Radyo and the PGC for airing the program "Caygandang Cagayan."

These findings raised significant questions about how the contract was fully funded annually. The Committees discovered that the contract averaged around PhP 1 million per month, or approximately PhP 12 million annually, while only PhP 7 million was earmarked for advertisements. PGC representatives could not provide an explanation as to where the PGC sourced the additional PhP 5 million.

3. Violation of Procurement Laws

The Committees learned that Bombo Radyo's contract to air "Caygandang Cagayan" did not go through a competitive bidding process as required by procurement laws, rules, and

regulations. The Committees expressed disappointment that this issue was not flagged by the COA and was never included in the annual audit.

The COA Audit Team Leader, Mr. Karl Eric Reyes, confirmed that the agreement between Bombo Radyo Cagayan and the PGC for the radio program was made through negotiated procurement rather than competitive bidding. He defended the validity of this procurement by referencing Section 53.6 of the Implementing Rules and Regulations of Republic Act No. 9184⁵, also known as the Government Procurement Reform Act. However, members of the Committees argued that for this provision to apply, the radio station must have exclusivity within the relevant area. This was not the case in Cagayan, as Bombo Radyo was not the only radio station in the region.

Furthermore, Bombo Radyo acknowledged that the program was a block-timer and not an advertisement for the province, indicating significant irregularities since the budget used for payment was earmarked for advertisements. Due to these findings, the Committees directed the COA to conduct a fraud audit on the matter.

CONCLUSION

The misuse of public funds gravely undermines public trust and erodes the foundation of government institutions. When public officials entrusted with managing resources divert public funds for unauthorized or personal purposes, it diminishes the public's faith in their leaders and weakens the democratic process.

In the province of Cagayan, questionable reallocations of funds have placed a severe strain on the province's financial capacity, diverting critical resources from essential services, infrastructure, and local development initiatives that directly benefit communities. When funds intended for public welfare, infrastructure improvements, or emergency relief are misappropriated, the province is left vulnerable and unable to fully meet the needs of its citizens. Cagayan, in particular, is highly prone to the effects of climate change and is frequently struck by typhoons. In the past two years alone, numerous typhoons have devastated the area. Public funds should have been directed toward meaningful projects, such as disaster resilience, infrastructure repair, and support programs to help communities recover and prepare for future climate challenges. Instead, these public resources were blatantly used to influence elections and maintain political power, depriving the people of essential services and the assistance they urgently need.

⁵ 53.6- Scientific, Scholarly or Artistic Work, Exclusive Technology and Media Services. Where Goods, Infrastructure Projects and Consulting Services can be contracted to a particular supplier, contractor or consultant and as determined by the HoPE, for any of the following: 1. The requirement is for: a. Work of art; commissioned work or services of an artist for a specific artist skill (e.g., Singer, poet, writer, painter, sculptor, etc.); b. Scientific, academic, scholarly work or research, or legal services; c. Highly-specialized life-saving medical equipment, as certified by the Department of Health (DOH); d. Scientific, technical, economic, business, trade or legal journal, magazine, paper, subscription, or other exclusive statistical publications and references; or e. Media documentation, advertisement, or announcement through television, radio, newspaper, internet, and other communication media.

If these practices are allowed to persist without intervention, they set a dangerous precedent, signaling to future administrations that similar practices may go unchecked. The absence of accountability for such actions invites a culture of corruption and mismanagement, where public officials feel emboldened to misuse funds without fear of consequence. This cycle perpetuates corruption, damages institutional integrity, and ultimately weakens the principles of good governance.

For these reasons, it is the firm position of both Committees that the officials and employees of the Province of Cagayan found liable for these acts must be held accountable. Accountability is essential not only to serve justice but also to reestablish trust in local governance. Punishing those responsible serves as a deterrent, ensuring that such breaches of trust are not repeated in the future. It also reaffirms the commitment of the present administration to uphold transparency and integrity in public office, sending a clear message that the misuse of public resources, especially for political gain, is unacceptable and will be met with appropriate consequences.

RECOMMENDATIONS

For the House of Representatives

The investigation revealed that the strict confidentiality imposed by RA 1405 has created substantial barriers to the oversight powers of Congress. Evidence of excessive and unauthorized expenditures by the PGC could not be fully examined due to the limitations set by the law. While there are existing exceptions, they do not provide adequate scope for comprehensive oversight of public fund management.

In view of these findings, the Committees emphasized the necessity of legislative amendments to RA 1405 to include inquiries in aid of legislation as an exception, particularly for cases involving public funds. Such amendments would enhance transparency, accountability, and public trust in institutions.

There should also be legislation compelling all banks to require a COMELEC certificate of exemption whenever government agencies and local government units (LGUs) withdraw public funds during the election period. The Committees' findings revealed significant losses to public resources due to the absence of adequate laws regulating and preventing rampant violations in the use of public funds. Such a law would strengthen oversight mechanisms, ensure compliance with election-related regulations, and safeguard public money from unauthorized or improper use. Implementing stricter regulations is essential to uphold transparency, prevent abuse, and maintain public trust in government financial practices.

The Committees likewise highlighted the President's call for amendments to Presidential Decree No. 1445, or the Government Auditing Code of the Philippines, recognizing that the law has become inadequate in ensuring transparency, accountability, and the prudent management of public funds. The House must at least consider the feasibility and potential advantages of returning to a pre-audit system. While the current system ensures that fiscal accountability lies with the management, it reduces the effectiveness of early detection and prevention of misuse or mismanagement of public funds. Thus, exploring legislative amendments to create a more balanced system with proactive oversight was seen as essential.

With regard to issues regarding election laws, the Committees recognized that remedial legislation could prevent the recurrence of similar issues.

COMELEC representatives had acknowledged that the Omnibus Election Code currently does not grant COMELEC the express authority to prevent unlawful fund disbursement during the prohibited period.

Thus, the Committees proposed the amendment of the Omnibus Election Code that will empower COMELEC to immediately prevent such illegal activities, in coordination with local enforcement authorities. COMELEC representatives agreed that, if granted such authority, COMELEC would be able to intervene swiftly in instances of unlawful activity in flagrante delicto.

The Committees also recommend an amendment to the law to include automatic suspension for officials who violate the election spending prohibition, subject to their right to file for reconsideration. COMELEC representatives confirmed that, if enacted, such a law would be binding on the agency and would gladly enforce it.

For the COA:

In the course of the investigations, the Committee identified the following issues, to wit:

a. Lapses and Loopholes in the Rules and Guidelines Set by the COA in Relation to Disbursement of Public Funds:

- The COA allowed the disbursement of public funds during the prohibited period without a certificate of exception from COMELEC, despite rules requiring approval even for regular programs.
- Cash advances made by 14 employees did not fit any of the specified categories under COA Circular 97-002, raising questions about the legal basis for approving these advances.

- Several employees who received cash advances did not comply with the bond requirements stipulated by the Bureau of the Treasury (BTr), as they did not post bonds commensurate with the cash advance amounts.
- The COA permitted cash advances to employees with salary grades between 15 to 26, who would be unable to repay 75% of the advances in the event of a default, contrary to COA guidelines.
- The COA did not verify the Statement of Assets, Liabilities, and Net Worth (SALNs) of employees who received cash advances, which could have assessed their financial capacity to handle such funds.
- Delay in fraud audit processing.

b. Fidelity bonds

The bonding requirements for accountable officers are governed by the provisions of COA Memorandum Circular (MC) 97-002 specifically Sections 7.1 to 7.5. The amount of bond shall depend on the total accountability of the officer as fixed by the Head of the Agency. It provides that an official or employee who has both money and property accountability, shall be bonded only once to cover both accountabilities, but the amount of the bond shall be in accordance with the Schedule provided by the BTr. The bonding requirements include, among other things, a statement of assets and liabilities of the accountable officer as of the end of the preceding year to be submitted, together with the application for bond, to the Fidelity Bond Division of the BTr.

The BTr has not adhered to the documentary requirements mandated by MC 97-002, which applicants must supposedly complete prior to approval as accountable officers.

There have been instances where accountable officers were able to obtain cash advances exceeding the amounts permitted under the bonds they provided. The current system also allows low-ranking employees, who lack the financial capacity to provide restitution to the government in case of default, to secure cash advances when directed by the head of the agency.

In response to the inconsistency between COA MC 97-002 and the BTr Circulars concerning the approval of fidelity bonds and the required documentation for applicants, the Committees urged both agencies to collaborate on drafting a joint circular. This would establish a cohesive and unified approach to address these procedural gaps and streamline the application process for accountable officers. Furthermore, the Committees recommended that the SALN of applicants be included as a requirement to assess their financial capacity to reimburse the government if necessary.

In view of these findings, the Committees proposed the following:

- Update COA MC 97-002 to define cash advance categories more explicitly, ensuring that only eligible and relevant expenditures fall under these categories, and reduce ambiguity.
- Introduce mandatory verification processes to ensure that all cash advance recipients post bonds that match the amount advanced and establish a stricter bond enforcement mechanism to uphold this requirement.
- Set salary grade limits for cash advance eligibility ensuring that only those with the financial capacity to repay advances can access them.
- Include the SALN as a mandatory requirement for cash advance applications to assess the financial stability of accountable officers and prevent potential misuse of funds.
- Expand coverage of fidelity bonds to include lack of liquidation by accountable officers for greater protection of government funds.
- Impose direct liability on auditors who fail to conduct adequate reviews or enforce liquidation demands.

The COA is also enjoined to require the return or proper accounting of misused funds in cases of technical malversation, impose fines, and refer cases to the DOJ or Ombudsman for potential criminal prosecution.

For the COMELEC:

In the course of the investigation, the Committees established the following:

- This large-scale illegal disbursement of public funds were perpetrated during the campaign period, aimed at influencing election outcomes in favor of the incumbent governor running for a third term, his wife Mabel Mamba running for Representative of the 3rd Legislative District, and his nephew Franco Mamba running for Vice Governor, thereby influencing the election outcomes.
- Numerous individuals were observed lining up to receive cash from employees of the PGC, as documented through photographic evidence. Despite the apparent irregularities, no arrests were effected by the COMELEC, as the agency lacks direct arrest and enforcement authority under existing laws.
- COMELEC lacked the authority to automatically halt alleged violations such as vote-buying. The COMELEC Regional Office documented these incidents with assistance from former PNP Cagayan officer Ret. Gen. Ludan who submitted them to COMELEC's Law Department for further action.

- Despite evident illegalities, law enforcers and regulatory agencies have not acted decisively, citing ambiguities in the law.
- COMELEC Deputy Executive Director Atty. Olano clarified that although disqualification cases should be decided within five days, this timeframe is directory rather than mandatory, often resulting in extended case resolution periods due to logistical constraints.
- COMELEC revealed it is managing a significant caseload from recent elections, with 9,124 cases filed and 732 cases pending resolution.
- COMELEC commissioners do not delegate quasi-judicial powers, as these powers are constitutionally assigned solely to the COMELEC *en banc*. City and provincial election officers conduct preliminary investigations but lack quasi-judicial authority.
- Some high-profile cases, including one against Gov. Manuel Mamba, have experienced delays, with similar cases under the same set of facts resulting in inconsistent timelines for resolution, leading to public concern.
- COMELEC does not have a requirement for commissioners to submit periodic updates on case statuses, limiting transparency regarding case progress.
- Concerns were raised about potential “parking fees,” where cases might be delayed for a fee. Allegations made by Gov. Mamba regarding bribery in the COMELEC and Supreme Court have prompted indirect contempt charges by the Supreme Court.

In view of these findings, the Committees proposed the following:

- Amend existing procedures to expedite the resolution of election offenses, particularly cases of vote-buying and unauthorized public fund disbursement, to ensure timely case resolution and the prompt disqualification of erring candidates, preventing them from assuming office.
- Introduce swift enforcement protocols for in-flagrante violations, in cooperation with relevant law enforcement agencies, to facilitate the prompt apprehension of election violators, including vote-buyers and voters who sell their votes.
- Mandate periodic status updates on case proceedings on pending cases from departments to improve transparency and accountability, especially for high-profile cases.

- Enable preliminary investigative powers for Regional Offices to deputize them to conduct preliminary investigations with limited powers, allowing quicker responses to local election violations before referral to the central COMELEC office.
- Institute internal controls to prevent intentional case delays and investigate potential “parking fee” practices, ensuring that cases progress without undue influence.
- Incorporate the “second placer rule” into the rules of the COMELEC. This rule states that in the event of disqualification, the runner-up should succeed the position. Thus, the COMELEC must annul the election victory of any candidate who has been disqualified and subsequently proclaim the runner-up as the duly elected official.
- Strengthen election laws to explicitly classify the unauthorized disbursement of public funds, whether distributed to individuals or offices, as acts of vote-buying.
- Introduce more severe penalties and civil liability for misuse of government funds, especially during election periods.
- Enforce penalties for election offenses, including vote-buying and unauthorized disbursement of public funds during the election period, with potential disqualification from office, imprisonment, fines, and removal from office if convicted post-election.

Other recommendations:

- The Ombudsman shall initiate administrative and criminal proceedings for offenses, including grave misconduct, dishonesty, abuse of authority, technical malversation, graft, and plunder, with penalties that may include suspension, dismissal, disqualification from public office, imprisonment, and restitution of public funds.
- The Civil Service Commission shall impose administrative sanctions for violations of the Code of Conduct and Ethical Standards for Public Officials and Employees (RA 6713), including suspension, dismissal, disqualification from holding public office, and forfeiture of retirement benefits.
- The Department of Justice (DOJ) shall pursue criminal prosecution for violations such as plunder, graft, technical malversation, and other relevant offenses, with penalties including imprisonment, restitution of ill-gotten wealth, disqualification from public office, and fines.

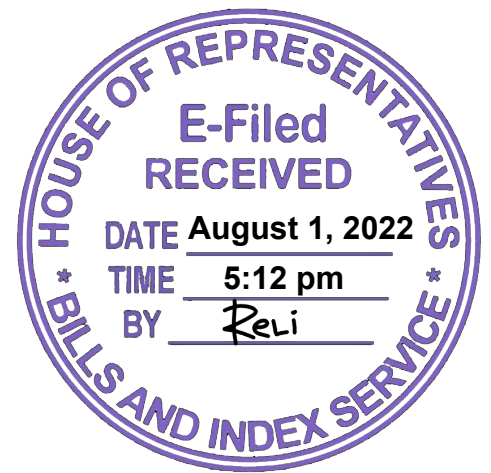
- The Sandiganbayan shall conduct trials for criminal cases of plunder, graft, and corruption, with potential penalties of imprisonment, fines, permanent disqualification from public office, forfeiture of assets, and restitution of public funds.
- The Anti-Money Laundering Council (AMLC) shall investigate suspicious transactions linked to plunder and graft, impose asset freezes and forfeitures as warranted, and refer cases to the DOJ or Sandiganbayan for further prosecution, with the imposition of fines.
- The PNP and National Bureau of Investigation (NBI) shall support enforcement and investigation of election and corruption offenses, with authority to arrest and detain individuals involved in vote-buying, electoral fraud, and corruption, and refer cases for criminal prosecution as needed.

Finally, the aforementioned government agencies shall be furnished with a copy of the Committee Report informing them of the findings and for them to take appropriate action on the respective recommendations.

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

NINETEENTH CONGRESS
First Regular Session

HOUSE RESOLUTION NO. 145



Introduced by **HON. JOSEPH "JOJO" L. LARA**

RESOLUTION

URGING THE COMMISSION ON AUDIT (COA) TO CONDUCT A SPECIAL AUDIT AND/OR FRAUD AUDIT INVESTIGATION ON THE ILLEGAL EXPENDITURES OF THE PROVINCIAL GOVERNMENT OF CAGAYAN DURING THE CAMPAIGN PERIOD FROM MARCH 25, 2022 TO MAY 8, 2022

Whereas, the Provincial Government of Cagayan conducted open and massive distribution of cash and other forms of assistance to registered voters ang barangays during the prohibited period from March 25, 2022 to May 08, 2022;

Whereas, *Section 261 of the Omnibus Election Code* specifically prohibits the release, disbursement, or expenditure of public funds during forty-five days campaign period;

Whereas, *Section 2 of COMELEC Resolution No. 10747* provides that "Effective March 25, 2022, until May 8, 2022, no public official or employee, including barangay officials, and those of government-owned or controlled corporations and their subsidiaries, shall release, disburse, or expend any public funds for both infrastructure and non-infrastructure projects";

Whereas, the Provincial Government of Cagayan, during the forty-five (45) day campaign period, initiated and implemented various programs and projects such as Oplan Tulong Barangay, No Barangay Left Behind, No Town Left Behind – the disbursement, expenditure and release, all of which involved the release of public funds, which are prohibited acts under the Omnibus Election Code, Comelec Resolution 10747 and other pertinent laws;

Whereas, several days before the May 09, 2022 election, Governor Manuel N. Mamba, using some employees and officials of the Provincial Government as accomplices and cohorts, reportedly made gargantuan Cash Advances with an aggregate amount of Five Hundred Fifty Million Pesos (Php 550,000,000.00) for the purported KKK program and utilized the same to buy votes of registered voters, with each receiving One Thousand Pesos (Php 1,000.00) upon showing proof that he or she is a registered voter in the province for the 2022 elections;

Whereas, this massive scale of illegal use and disbursement of public funds began at the onset of the campaign period, which were clearly orchestrated to undermine the results of the election and to solicit votes for the incumbent governor who ran for his third term as Governor, his wife Mabel Mamba who ran for Representative of the 3rd Legislative District and his nephew Franco Mamba who ran for Vice Governor, and thus, clearly constituted as massive vote buying using public funds of the Provincial Government of Cagayan;

Whereas, the Regional Trial Court of Tuguegarao City issued Temporary Restraining Order (TRO) against Governor Mamba and other employees of the Provincial Government of Cagayan on the said illegal disbursement of public funds;

Whereas, despite the TRO, the provincial government and its agents, continued to disburse funds and blatantly ignored the order of the court;

NOW THEREFORE, BE IT RESOLVED, AS IT IS HEREBY RESOLVED, by the House of Representatives of the Philippines to urge the Commission on Audit (COA) to conduct a special audit and/or fraud audit investigation on the illegal expenditures of the Provincial Government of Cagayan during the campaign period from March 25, 2022 to May 8, 2022.

Adopted,



JOSEPH "JOJO" L. LARA

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

NINETEENTH CONGRESS
First Regular Session

HOUSE RESOLUTION NO. 146



Introduced by **HON. JOSEPH "JOJO" L. LARA**

RESOLUTION

URGING THE APPROPRIATE COMMITTEE OF THE HOUSE OF REPRESENTATIVES TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE INACTION OF THE COMMISSION ON ELECTIONS (COMELEC) INTO THE OPEN AND MASSIVE DISTRIBUTION OF CASH AND OTHER FORMS OF ASSISTANCE TO REGISTERED VOTERS AND BARANGAYS IN THE PROVINCE OF CAGAYAN DURING THE PROHIBITED PERIOD FROM MARCH 25, 2022 TO May 09, 2022.

Whereas, *Section 261 of the Omnibus Election Code* specifically prohibits against the release, disbursement or expenditure of public funds during forty-five days before a regular election;

Whereas, *Section 2 of COMELEC Resolution No. 10747* provides that "Effective March 25, 2022, until May 8, 2022, no public official or employee, including barangay officials, and those of government-owned or controlled corporations and their subsidiaries, shall release, disburse, or expend any public funds for both infrastructure and non-infrastructure projects";

Whereas, *Section 14 (e) of COMELEC Resolution No. 10747* states that "candidates, party-list nominees, their spouses, and members of their family within the second civil degree of affinity or consanguinity are strictly prohibited from participating, directly or indirectly, in the distribution of cash, goods and merchandise for scholarships, assistance for burial, healthcare, calamity and other similar programs;

Whereas, *vote buying* is defined as the act of giving, offering or promising money or anything of value, giving or promising any office or employment, franchise or grant, public or private, or making or offering to make an expenditure, directly or indirectly, or cause an expenditure to be made to any person, association, corporation, entity, or community in order to induce anyone or the public in general to vote for or against any candidate or withhold his vote in the election;

Whereas, the provincial government of Cagayan, during the forty-five (45) day campaign period, initiated and implemented various programs and projects such as Oplan Tulong Barangay, No Barangay Left Behind, No Town Left Behind - all of which involved the release of public funds, which are prohibited acts under the Omnibus Election Code and Comelec Resolution 10747;

Whereas, several days before the May 09, 2022 election, Governor Manuel N. Mamba, using some employees and officials of the Provincial Government as accomplices and cohorts, made gargantuan Cash Advances with an aggregate amount of Five Hundred Fifty Million Pesos (Php 550,000,000.00) and utilized the same to buy votes of registered voters, with each receiving One Thousand Pesos (Php 1,000.00) upon showing proof that he or she is a registered voter in the province for the 2022 elections;

Whereas, this massive scale of illegal use and disbursement of public funds began at the onset of the campaign period, were orchestrated to undermine the results of the election and to solicit votes for the incumbent governor who is running for his third term as Governor and thus, clearly constituted as massive vote buying using public funds of the Provincial Government of Cagayan;

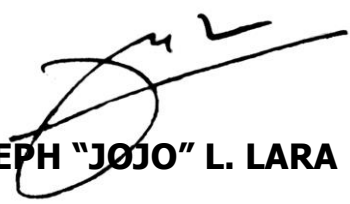
Whereas, the undersigned formally brought to the attention of the COMELEC and PNP Region 2 the said illegal activities, and was constantly following up with them, but no reply or action was ever done or received from COMELEC RO2, while the PNP RO2, on the other hand, was advised by COMELEC to only document said activities and was further advised by the former not to take further action;

Whereas, the Regional Trial Court of Tuguegarao City issued Temporary Restraining Order (TRO) against Governor Mamba and other employees of the Provincial Government of Cagayan on the said illegal disbursement of public funds;

Whereas, despite the TRO, the provincial government and its agents, continued to disburse funds and the COMELEC again refused to act on it despite all formal communications sent to them informing them of the matter;

NOW THEREFORE, BE IT RESOLVED, AS IT IS HEREBY RESOLVED, to direct the appropriate committee to conduct an inquiry, in aid of legislation, on the inaction of the Commission on Elections (COMELEC) into the reported massive distribution of cash and other forms of assistances to registered voters in the province of Cagayan during the campaign period of the last national and local elections.

Adopted,


JOSEPH "JOJO" L. LARA