

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

NINETEENTH CONGRESS
Third Regular Session



COMMITTEE REPORT NO. 1505

Submitted by the Committee on Overseas Workers Affairs on June 10, 2025
Re : House Resolution No. 499
Informing the House of its findings and recommendations
Sponsors: Representatives Jude A. Acidre and Marissa “Del Mar” P. Magsino

Mr. Speaker:

The Committee on Overseas Workers Affairs to which was referred House Resolution No. 499, introduced by Representative Marissa “Del Mar” P. Magsino, entitled:

“A RESOLUTION URGING THE APPROPRIATE COMMITTEES OF THE HOUSE OF REPRESENTATIVES TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, INTO THE REPORTED FRAUDULENT ACTIVITIES AND SCAMS OF FAKE OR UNSCRUPULOUS INTERNATIONAL FREIGHT FORWARDERS AND THEIR LOCAL COUNTERPARTS VICTIMIZING OVERSEAS FILIPINO WORKERS AND OVERSEAS FILIPINOS IN THE SHIPMENT AND DELIVERY OF BALIKBAYAN BOXES WITH THE AIM OF CURBING AND PREVENTING SUCH UNLAWFUL ACTIVITIES”

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

Respectfully submitted,

REP. JUDE A. ACIDRE
Chairperson

Committee on Overseas Workers Affairs

THE HONORABLE SPEAKER
HOUSE OF REPRESENTATIVES
QUEZON CITY

COMMITTEE ON OVERSEAS WORKERS AFFAIRS

COMMITTEE REPORT

ON

HOUSE RESOLUTION NO. 499 – A RESOLUTION URGING THE APPROPRIATE COMMITTEES OF THE HOUSE OF REPRESENTATIVES TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, INTO THE REPORTED FRAUDULENT ACTIVITIES AND SCAMS OF FAKE OR UNSCRUPULOUS INTERNATIONAL FREIGHT FORWARDERS AND THEIR LOCAL COUNTERPARTS VICTIMIZING OVERSEAS FILIPINO WORKERS AND OVERSEAS FILIPINOS IN THE SHIPMENT AND DELIVERY OF BALIKBAYAN BOXES WITH THE AIM OF CURBING AND PREVENTING SUCH UNLAWFUL ACTIVITIES

I. PREFATORY

This Committee Report addresses the inquiry conducted by the Committee on Overseas Workers Affairs into House Resolution (HR) No. 499, filed by Rep. Marissa “Del Mar” P. Magsino on October 26, 2022. The resolution seeks to investigate the pervasive issue of fraudulent activities and scams perpetrated by fake or unscrupulous international freight forwarders and their local counterparts, which have victimized countless overseas Filipino workers (OFWs) and Overseas Filipinos through the non-delivery or mishandling of balikbayan boxes. The ultimate aim of the inquiry is to propose legislative and administrative measures to curb and prevent such unlawful activities, ensuring the protection of OFWs' hard-earned remittances and their families' well-being.

The balikbayan box holds significant cultural and economic importance for OFWs and their families. It represents not only material goods but also love, sacrifice, and connection to home. The reported proliferation of scams involving these shipments underscores a critical vulnerability for a sector of our population that contributes immensely to the national economy through their remittances.

This Committee recognizes the urgency of addressing this issue comprehensively to safeguard the interests of our modern-day heroes.

II. ISSUES

The inquiry into HR No. 499 has brought to light several critical issues concerning the fraudulent activities of freight forwarders and their impact on OFWs. These issues primarily revolve around:

1. Non-delivery and Loss of Balikbayan Boxes

Numerous OFWs have reported cases where their balikbayan boxes, containing valuable personal items, food, medicines, and appliances, never reached their intended recipients in the Philippines. This is often due to the abandonment of shipments by de-consolidators or local forwarders, leading to the forfeiture and auction of these boxes by the Bureau of Customs (BOC).

2. Exorbitant Fees and Charges

Victims have recounted instances where they were compelled to pay excessive and unexpected fees to claim their balikbayan boxes, despite having already paid for shipping services. This places an undue financial burden on OFWs and their families.

3. Lack of Effective Recourse for Victims

OFWs who have fallen victim to these scams often face significant challenges in seeking redress. Despite approaching government agencies such as the BOC, the Department of Trade and Industry (DTI), and the Department of Migrant Workers (DMW), many have found their efforts to be in vain, highlighting a gap in accessible and efficient complaint resolution mechanisms.

4. Inadequate Regulatory Framework and Enforcement

The prevalence of these scams suggests potential weaknesses or gaps in the existing regulatory framework governing international freight forwarding and local de-consolidation services for balikbayan boxes. There appears to be a need for stronger enforcement and clearer guidelines to hold unscrupulous entities accountable.

5. Information Asymmetry and Lack of Awareness

Many OFWs, especially those new to sending balikbayan boxes, may lack sufficient information about accredited and reputable forwarders, making them susceptible to fraudulent schemes. There is a clear need for a more robust information dissemination campaign.

6. Inter-Agency Coordination Challenges

While various government agencies have mandates related to OFWs and trade, there have been observed challenges in seamless inter-agency coordination to provide a unified and effective response to the balikbayan box issue, particularly in the timely formulation and implementation of joint administrative orders.

III. DISCUSSION

The Committee's inquiry into HR No. 499 has revealed serious problems and unfair practices in the balikbayan box shipping industry. The OFWs and their families are often victims of scams, which breaks their trust and harms their financial security and emotional well-being.

One major issue is that many balikbayan boxes never reach their destinations. Even worse, some are seized and auctioned off by the BOC because the local shipping companies (de-consolidators) abandoned them. While the BOC follows the law, the real problem is these dishonest shippers. Stopping the auctions and giving abandoned boxes to the DMW are good temporary fixes, but we urgently need long-term solutions to prevent these issues from happening again.

Victims are also being forced to pay unexpected and very high fees even after paying for shipping. This unfair practice puts extra financial strain on OFW families, showing a clear lack of honesty and an exploitative business approach by some forwarders. We need stricter rules on pricing and clearer information for customers.

It's also disheartening that victims have very few ways to get help. OFWs often face a confusing maze of government agencies like the BOC, DTI, and DMW when trying to complain. This lack of a single, easy way to report issues allows dishonest operators to get away with their actions, eroding trust in our government's ability to protect its citizens. While the DTI has helped some through mediation, many cases remain unresolved, showing a clear need for a stronger, more efficient system for helping victims and holding culprits accountable.

The prevalence of these scams points to fundamental weaknesses in the existing regulatory framework. The absence of a clear and consistently enforced set of guidelines for international freight forwarders and their local counterparts creates fertile ground for fraudulent activities. The agreement within the Technical Working Group (TWG) to formulate a Joint Administrative Order (JAO) is a crucial step towards addressing these regulatory gaps. Key provisions, such as solidary obligation for de-consolidators and escrow deposits, are promising developments that could significantly enhance accountability and provide a financial safety net for victims. However, the successful implementation and rigorous enforcement of this JAO will be paramount.

Many OFWs also lack enough information to spot a fake forwarder. They often don't know which companies are trustworthy, making them easy targets. We need to continuously provide clear information to OFWs, including updated lists of accredited and reliable forwarders. This information should also be part of pre-departure and post-arrival orientation seminars to help OFWs make smart choices.

Finally, the observed challenges in inter-agency coordination highlight a systemic issue that transcends the balikbayan box problem. While various agencies have overlapping mandates concerning OFWs and trade, the lack of seamless collaboration impedes a unified and effective response. The formation of the TWG and the agreement on a JAO are positive indicators of improving coordination, but a more formalized and sustained mechanism for inter-agency collaboration and data sharing is essential for long-term solutions and for addressing other complex issues affecting OFWs. The DMW's initiative to provide immediate financial assistance, while a stop-gap measure, also reflects the urgent need for more comprehensive financial protection and compensation mechanisms for victims.

IV. FINDINGS

Based on the hearings conducted on December 4, 2024, and February 4, 2025, and the subsequent TWG meeting on March 3, 2025, the Committee has made the following significant findings:

1. Widespread Victimization of OFWs

Testimonies from long-time OFWs unequivocally demonstrate a pattern of victimization by unscrupulous forwarders, including Rensworld Freight Logistics Corp., Goldmines Transport Corp., and JL Gracias. Numerous families never received

the balikbayan boxes sent through these forwarders. The contents of these boxes often represent a significant portion of the OFWs' hard-earned income and personal belongings.

2. Significant Number of Pending Cases.

The BOC reported 11 pending cases involving four (4) local forwarders or de-consolidators: FBV Forwarder and Logistics, Inc. (2 cases), CMG International Moving & Cargo Services (5 cases), Cargoflex Haulers (3 cases), and Etmar International Logistics Corp. (1 case).

The DTI confirmed receiving 189 complaints against forwarders, with 104 resolved through mediation as of the initial hearing. This indicates a high volume of complaints and a partial success rate in mediation.

3. Abandonment and Auction of Balikbayan Boxes

A recurring issue highlighted by affected OFWs is the abandonment of their balikbayan boxes by de-consolidators or local forwarders, leading to their forfeiture and subsequent auction by the BOC. This process, while seemingly legal, has resulted in the loss of valuable personal effects for OFWs. The BOC, recognizing ongoing controversies, has temporarily halted the auction process and initiated an internal investigation.

4. Proposed Donation of Abandoned Boxes to DMW

A positive development is the BOC's ongoing process of forging an agreement with the DMW to donate over 5,000 abandoned balikbayan boxes to the latter. This initiative, if successfully implemented, could provide a tangible remedy for some affected OFWs by allowing the DMW to facilitate the retrieval of their boxes.

5. Formation of a TWG

To address the complex issues, a TWG was formed, comprised of representatives from the three (3) key government agencies DMW, DTI and BOC, in consultation with the Overseas Workers Welfare Administration (OWWA), Department of Transportation (DOTr), and the Bureau of Immigration (BI). The TWG was tasked with devising short- and long-term solutions, including plugging regulatory gaps, finding immediate remedies for the abandoned boxes, and building cases against responsible parties.

6. Agreement on a JAO

The TWG meeting on March 3, 2025 resulted in a crucial agreement for the DMW, DTI, and BOC to formulate a JAO. This JAO is intended to address persistent problems in the shipment and distribution of balikbayan boxes and is expected to include salient provisions such as:

- Simplified tax exemption processes for OFWs.
- Solidary (joint and several) obligation of local de-consolidators with foreign consolidators.
- Requirement for escrow deposits to be maintained by local de-consolidators.

- Massive information campaigns on accredited forwarders.
- Inclusion of information on accredited forwarders in Pre-Departure and Post-Arrival Orientation Seminars.

7. Limited Immediate Financial Assistance

While the DMW has transmitted "Guidelines for the Provision of Immediate Financial Assistance to Victims of Balikbayan Box Scam Through the AKSYON Fund," this appears to be an interim measure and does not fully address the systemic issues requiring a comprehensive regulatory framework.

V. RECOMMENDATIONS

In light of the findings and the continued plight of OFWs, the Committee on Overseas Workers Affairs strongly recommends the following courses of action:

1. Immediate Issuance of the JAO

The DMW, as the lead agency, in coordination with the DTI and BOC, must immediately promulgate the JAO, as what was agreed upon by the TWG. This JAO is crucial for establishing a clearer, more robust regulatory framework, simplifying processes for OFWs, and defining accountability for both foreign and local forwarders. The Committee will continue to exert pressure and monitor the progress of this vital administrative issuance.

2. Expedited Implementation of Balikbayan Box Donation to DMW

The BOC and the DMW are urged to fast-track the execution of the Deed of Donation for the more than 5,000 abandoned balikbayan boxes. Once transferred, the DMW must immediately devise and implement a systematic plan to contact affected OFWs or their families and facilitate the retrieval of their respective boxes.

3. Vigorous Prosecution of Unscrupulous Forwarders

The National Bureau of Investigation (NBI), in conjunction with the DMW, DTI, BOC, and other concerned government agencies, must prioritize and expedite the investigation and buildup of cases against freight forwarders and de-consolidators responsible for the abandonment and non-delivery of balikbayan boxes. These cases should be pursued vigorously to ensure administrative, civil, and criminal accountability, sending a strong deterrent message to other potential perpetrators.

4. Strengthening Information Dissemination and Awareness Campaigns

The DMW, OWWA, DTI, and other relevant agencies should launch and sustain a massive and continuous information campaign, both onsite for OFWs and for their families in the Philippines. This campaign should provide regularly updated lists of accredited and reputable foreign consolidators and local de-consolidators who are in good standing. This information should be readily accessible through various platforms, including online portals, social media, and traditional media.

5. Mandatory Inclusion of Balikbayan Box Information in Orientation Seminars

The Pre-Departure Orientation Seminar and Post-Arrival Orientation Seminar for OFWs should be updated to include comprehensive information and stern warnings about fraudulent balikbayan box scams. Emphasis should be placed on the importance of patronizing only accredited and reputable forwarders.

6. Legislative Review and Amendments

While the JAO provides an immediate administrative solution, the Committee will undertake a comprehensive review of existing laws related to international freight forwarding, consumer protection, and OFW welfare to identify any legislative gaps. This may include proposing amendments to Republic Act No. 8042, otherwise known as the “Migrant Workers and Overseas Filipinos Act of 1995”, Republic Act No. 10863, otherwise known as the “Customs Modernization and Tariff Act”, or other relevant laws, to institutionalize stronger protections, enhance penalties for fraudulent activities, and streamline complaint resolution mechanisms.

7. Enhance Inter-Agency Coordination and Data Sharing

A more formalized and regular mechanism for inter-agency coordination among DMW, DTI, BOC, OWWA, DOTr, BI, NBI, and other relevant bodies (e.g., Commission on Filipinos Overseas, Insurance Commission) should be established to ensure a unified approach to addressing balikbayan box concerns. This includes regular data sharing on complaints, investigations, and blacklisted entities to provide a more holistic response to the problem.

8. Exploring Insurance Mechanisms

The DMW, in consultation with the Insurance Commission, should explore the feasibility of developing or promoting accessible and affordable insurance mechanisms for balikbayan box shipments to provide an additional layer of protection for OFWs against loss or damage.

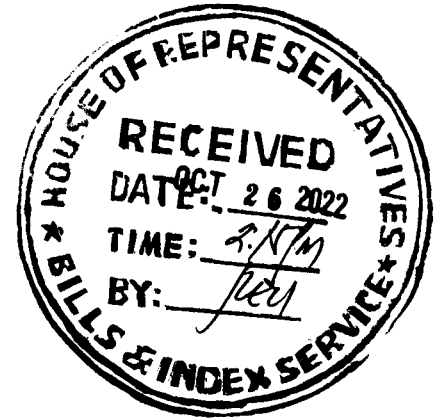
The Committee emphasizes that the welfare and protection of our OFWs are paramount. The persistent issue of balikbayan box scams undermines their trust and financial security. Through the timely implementation of these recommendations, this Committee aims to ensure that OFWs can continue to send their care packages home with confidence and peace of mind.



Republic of the Philippines
House of Representatives
Quezon City, Metro Manila

Nineteenth Congress

First Regular Session



House Resolution No. 299

Introduced by:

HON. MARISSA "DEL MAR" P. MAGSINO
OFW PARTYLIST

A RESOLUTION

URGING THE APPROPRIATE COMMITTEES OF THE HOUSE OF REPRESENTATIVES TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, INTO THE REPORTED FRAUDULENT ACTIVITIES AND SCAMS OF FAKE OR UNSCRUPULOUS INTERNATIONAL FREIGHT FORWARDERS AND THEIR LOCAL COUNTERPARTS VICTIMIZING OVERSEAS FILIPINO WORKERS AND OVERSEAS FILIPINOS IN THE SHIPMENT AND DELIVERY OF BALIKBAYAN BOXES WITH THE AIM OF CURBING AND PREVENTING SUCH UNLAWFUL ACTIVITIES

WHEREAS, a freight forwarder or forwarding agent, is an entity that organizes shipments for individuals or corporations, sometimes referred to as consignors, to get goods delivered to a receiver or consignee, or to a final point of distribution. International freight forwarders typically handle international shipments and have additional expertise in preparing and processing customs documentation and performing activities pertaining to international shipments;

WHEREAS, it is part of the Filipino culture for Overseas Filipino Workers (OFWs) and Filipinos residing abroad to send goods to their relatives and loved ones in the Philippines, particularly during Christmas and other special occasions, through what is known as 'balikbayan boxes', usually containing personal and household effects such as apparels, personal adornments, electronic gadgets, toiletries, and other souvenir items;

WHEREAS, under Republic Act No. 10863, or the 'Customs Modernization and Tariff Act', returning residents, OFWs, and other Filipinos residing

abroad, or upon their return to the Philippines, will be allowed to bring in or send 'balikbayan boxes' without tax, three times, a year with the total amount of goods (only personal and household effects) not exceeding P 150,000.00;

WHEREAS, Filipinos residing abroad and OFWs rely on international freight forwarders in sending, and in the processing and delivery of the 'balikbayan boxes' to their loved ones and relatives in the country;

WHEREAS, recently, a surge in international shipping scams by fraudulent individuals or companies impersonating as freight forwarders have been observed, prompting the Bureau of Customs (BOC) to warn the public, particularly OFWs, against a modus operandi in the sending and processing of 'balikbayan boxes' where an international freight forwarder abroad charges processing fees at a low rate and promising to deliver the balikbayan boxes in ultimate consignees in the Philippines, when in fact, their partner de-consolidators or local freight forwarders here in the Philippines received no funds to process and release from the BOC the said 'balikbayan boxes', thus, the non-delivery of the boxes;

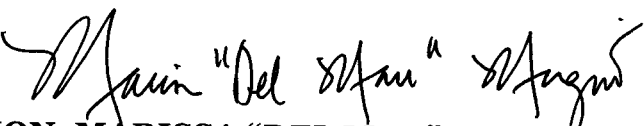
WHEREAS, there also have been numerous complaints about late delivery of the 'balikbayan boxes', or if when delivered, many items are missing or appear to have been stolen as indicated by tampering in the packaging of the boxes;

WHEREAS, these pernicious practices literally rob our OFWs and overseas Filipinos of their hard-earned money; deprive their loved ones and relatives, who are the intended recipients, of the benefit of enjoying the use and consumption of the goods sent to them; undermine the stability of the freight forwarding industry and the public's trust in the system;

WHEREAS, there is a need to conduct an investigation into these fraudulent practices and scams by fake and unscrupulous freight forwarders, international and local, in the (1) shipment and delivery of 'balikbayan boxes' sent by OFWs and overseas Filipinos to their families in the country, which were unreasonably delayed, lost or stolen, (2) as well as in the importation of other goods and merchandise by manufacturers with the end goals of identifying the erring individuals and/or corporations allegedly involved, including the possible collusion with government personnel; outlining how they are perpetrated; and ascertaining if remedial legislation is necessary to prevent and deter such illegal activities.

NOW THEREFORE, BE IT RESOLVED, to urge the appropriate committees of the House of Representatives to conduct an inquiry, in aid of legislation, into the reported fraudulent activities and scams of fake or unscrupulous international freight forwarders and their local counterparts victimizing Overseas Filipino Workers and Overseas Filipinos, resulting in lost or stolen shipment and/or unreasonably delayed delivery of balikbayan boxes, with the aim of curbing and preventing such unlawful activities, and protecting the welfare and interest of the public.

Adopted.


HON. MARISSA "DEL MAR" P. MAGSINO
OFW PARTYLIST