

PCGG

YEAR-END REPORT 2022

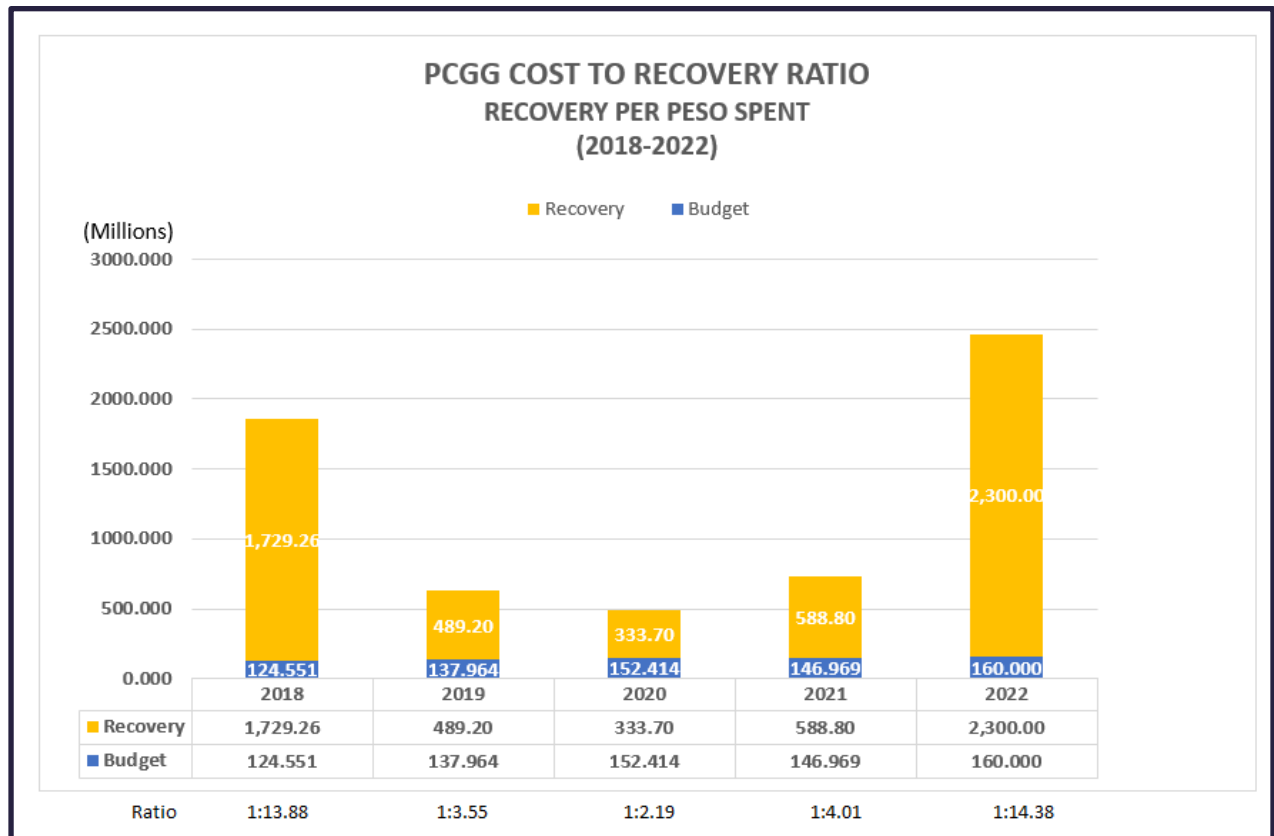


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I. PREFATORY STATEMENT

The FY 2022 remittance to the Bureau of the Treasury (BTR) amounting to Php 2.3 Billion is the highest in five (5) years, bringing the PCGG's total cash and non-cash recoveries to Php 275 Billion to date. The recoveries this year have a realization rate of 389% (Php2.3 Billion versus Php 602 Million target). The 5-year average cost to recovery ratio of 1:7.6, or a recovery of Php7.6 for every Php 1 spent.



The threats against the existence of PCGG have only inspired the Commission to perform more, especially, in view of the pronouncement of the President, Ferdinand R. Marcos, Jr., that he will not abolish the PCGG and instead, recreate it as a permanent central anti-corruption agency of the government to run after other public officials to recover corruption gains. The President's position was supported by Secretary of Justice Jesus Crispin C. Remulla who suggested to expand the powers of the PCGG by creating an Asset Forfeiture Office (AFO) under the PCGG with a mandate to recover and dispose all ill-gotten assets, including those forfeited by other government agencies.

With the renewed trust of the President, the PCGG is more determined to perform its mandate and carry-out new tasks that will be assigned to it.

2018-2022 MAJOR FINAL OUTPUT (MFO)

Performance Indicator (in millions)	2018		2019		2020		2021		2022	
	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
Amount Recovered	367	1.729	540	492	527	334	584	589	602	2.340
Realization Rate	100%	370.62%	100%	91%	100%	63.34	100%	100.7%	100%	389%

II. PHP 2.3 BILLION CASH RECOVERIES FOR 2022

The PCGG has recorded a total of PHP 2,340,682,204.66 cash recoveries and other income from January 1 to December 31, 2022, as follows:

- PHP 800,000,000.00 - Proceeds from sale of EDSA property
- PHP 3,162,745.17 - IRC / Mid-Pasig Land Development Corporation
- PHP 38,690,874.60 - SMC Cash Dividends
- PHP 76,446,826.45 - ETPI Cash Dividends
- PHP 1,386,104,674.08 - Coco Levy Fund (pursuant to RA # 11524)
- PHP 26,954,585.98 - Interest earned from escrow deposits with the Bureau of the Treasury (BTr) net of forex loss
- PHP 4,754,181.62 - Interest income from escrow deposits from ETPI, Kalawakan, MIPTI, etc. with Sandiganbayan; and
- PHP 4,568,316.76 - Rental income collected from fully administered and controlled sequestered properties, e.g., the Galeria de Magallanes Condominium and Tacloban properties in escrow with the Land Bank of the Philippines.

With the 2022 Major Final Output (MFO) Target of PHP 601,626,000.00, PCGG attained a Realization Rate of 389.06% for 2022.

III. BUDGET UTILIZATION RATE (BUR)

The PCGG's BUR for 2022 stands at 93% notwithstanding the limitations of the health emergency or the Pandemic. The average utilization rate for the last 5 years is 91%.

ALLOTMENT	2018	2019	2019	2021	2022
Fund 101 (General Fund)	132,710,376	146,835,242	147,150,973	171,389,431	180,073,482
Fund 151 (Special Provision Fund)	20,000,000	20,000,000	23,000,000	23,000,000	23,000,000
Total	152,710,376	166,835,242	170,150,973	194,389,431	203,073,482
OBLIGATION INCURRED					
Fund 101	125,889,977	139,525,819	120,291,207	163,791,677	172,848,026
Fund 151	19,770,328	15,228,291	19,159,874	22,995,997	15,562,937
Total	145,660,305	154,754,110	139,451,081	186,787,674	188,410,963
Overall, BUR	95.24%	91%	82%	96%	93%

IV. MANAGEMENT OF SURRENDERED ASSETS GROUP (SURREAG)

The PCGG Chairman sits as a regular member of the Privatization Council headed by the Secretary of Finance. The SURREAG is mandated to dispose Php51 Billion worth of recovered and surrendered assets as of December 31, 2022 pursuant to PCGG's authority as a disposition entity.

Summary of PCGG Disposable Assets as of December 31, 2022

PARTICULARS	NO. OF ITEMS	ESTIMATED VALUE (Ave of AVs in Php)
A. Real Properties		
A.1 Big Ticket Assets (>100M)		
Awaiting Legal Resolution	8	48,491,627,900.00
For Titling	2	280,945,000.00
Available for sale	2	542,643,950.00
A.2 Small to Medium Assets (<100M)		
For titling	2	1,350,000.00
Available for Sale	14	81,196,500.00
Sub Total (Real Estate)	28	49,397,763,350.00
B. Personal Properties		
B.1 Jewelry Collections (Malacañan and Hawaii Collections)	920	1,075,863,643.36
B.2 Artworks	122	28,382,500.00
B.3 Shares of Stocks	43	571,618,517.26
Subtotal – Jewelry and Artworks and Corporations/Shares of Stocks	1085	1,675,864,660.62
GRAND TOTAL	1,113	51,073,628,010.62

1. Privatization

As the designated disposition entity by the Privatization Council (PrC) for PCGG-recovered assets, PCGG recommended the disposition of the following assets for FY 2022:

Real Properties:

Property Location	Area and TCT No.	Recommended Floor Price (Php)
1. EDSA Property 82 EDSA, IRC Bldg, Mandaluyong City	2,886 sq.m (18086)	789,245,000
2. Tagaytay Property Evergreen Subd., Brgy. Francisco, Tagaytay City	240 sq.m. 1. (076-2013001871) 2. (076-2013001873) 3. (076-2013001874) 4. (076-2013001875) 5. (076-2013001876) 6. (076-2013001877) 7. (076-2013001879)	1,368,000 1,368,000 1,368,000 1,368,000 1,368,000 1,368,000 1,368,000
	330 sq.m. (076-2013001872)	1,881,000
	325sq.m (076-2013001878)	1,852,500
3. BBC-Naga Property Brgy. Mabulo, Naga City,	5,952 sq.m (086-2018000544)	57,139,000
4. BREDCO Property Brgy. 35 Purok Malipayon Reclamation Area, Bacolod	46,688 sq.m (T-219335)	324,585,200
5. Puerto Galera Property Brgy. Sto. Nino Puerto Galera, Oriental Mindoro	1,000 sq.m (064-2013003111)	6,050,000
6. Kingswood Property Kingswood St., Brixtonville Subd., Camarin, Caloocan	240 sq.m (T-103234)	1,884,000
	240 sq.m (T-103235)	1,884,000
7. Calapan Property Brgy. Balite, Calapan, Oriental Mindoro	300 sq.m. (064-201300110)	930,000

Personal Properties:

No. of Shares	Issuing Corporation and Location	Recommended Floor Price (Php)
One (1) Class “A” Share Cert. No. A-3077*	Makati (Sports) Club, Inc. located at L.P. Leviste cor. Gallardo St., Salcedo Village, Makati City)	800,000.00

Acting on the above recommendation, PrC approved on March 24, 2022 the disposition of the abovementioned assets and their recommended floor prices. Public biddings were held on May 26-27, 2022 resulting to the **successful sale of the EDSA property for a bid price of PHP 800 Million**. The said property was awarded to the winning bidder on November 16, 2022, and the proceeds thereof were remitted to the Bureau of the Treasury (BTr) on November 23, 2022.

The other properties, except BREDCO and BBC-Naga properties which are for re-appraisal due to expired valuations and changes in the zonal valuations, are pending rebidding after their public bidding failed.



(Opening of bids of the EDSA property [above], and signing of the Deed of Sale [right])

2. Monitoring of Surrendered Corporations

The PCGG supervises the IRC Group of Companies, a group of corporations surrendered by Jose Y. Campos to PCGG in 1986. **As of December 30, 2022, it has remitted to PCGG a total amount of Php 1.4 Billion.**

In September 2022, Mid-Pasig Land Development Corporation or MPLDC (an IRC company) and the Department of Transportation (DoTR) entered into a Right of Way Usage Agreement (ROWUA) for the construction of the Ortigas-Shaw Boulevard Station of the Metro Manila Subway Project over portions of a real property owned by MPLDC in Pasig City.

In October 2022, President Ferdinand R. Marcos, Jr., graced the groundbreaking ceremony for this stage of the subway project in MPLDC property.



Groundbreaking ceremony of the Ortigas-Shaw Boulevard Station of the Metro Manila Subway Project on October 3, 2022, where Pres. Ferdinand R. Marcos, Jr. was the guest of honor. The area where a large portion of the station will be constructed is owned by MPLDC.

3. Preservation of Surrendered/Recovered Assets Pending Their Disposition

Monitoring of surrendered assets and updating of their technical documents, including appraisal reports were also conducted, as follows:

Inspected the following properties:

- BBC-Naga Property in Naga City
- BREDCO Property in Bacolod City
- Calapan Property in Calapan, Oriental Mindoro
- Puerto Galera Property in Puerto Galera, Oriental Mindoro
- Kingswood Property in Caloocan City
- Tagaytay Property in Tagaytay City

To prevent informal settlers, perimeter fences were installed in the Calapan, Puerto Galera and Kingswood properties.

On the other hand, the Philippine National Railways Corporation (PNR) was asked to explain the existence of PNR markers in the BBC-Naga property which, according to local residents, are for future PNR project.



Inspection of the BBC-Naga property



PNR marker



Perimeter fencing of the Calapan and Puerto Galera properties



Posting of Notice of Sale and perimeter fencing of the Kingswood property

Latest technical documents of the abovementioned properties were likewise gathered for updated information.



Gathering of latest technical documents of the BBC-Naga property at the City Assessor's Office, Naga City

Gathering of latest technical documents of the Calapan property at the Register of Deeds, Calapan, Or. Mindoro





Gathering of latest technical documents of the Puerto Galera property at the Municipal Planning Office, Puerto Galera, Or. Mindoro

Other modes of disposition of the BREDCO property such as the outright purchase by the Local Government Unit (LGU) or through the Community Mortgage Program (CMP) by the existing informal settlers were explored. Consultative meetings with Mayor Alfredo Abelardo Benitez of Bacolod City and officers of the different Homeowner's Association of informal settlers were held. In October 2022, PCGG received a proposal from Mayor Benitez to enter into a usufruct agreement over the property. The PCGG is studying the said proposal.



Meeting with Mayor Benitez of Bacolod City



Meeting with Barangay officials and officers of different Homeowner's Associations in BREDCO property

4. Physical Inventory of Artworks and Stock Certificates

In June 2022, a physical inventory was conducted for the One Hundred Twenty-Two (122) various artworks consisting of paintings, statues, jars, framed wood carvings, wood carvings, tapestries, lithographs, etc. in the name of IRC Group with valuation of Php28.3 Million as of March 2020. In October 2022, these artworks were transferred and recorded in PCGG books. They are now undergoing re-appraisal for their updated value.



Some of the artworks now recorded in PCGG books.

5. Other Accomplishments

In close coordination with the PCGG Legal Department, successfully transferred in the name of the Republic of the Philippines the 27,636,339 shares of stock of San Miguel Corporation (SMC) that were part of the recovered coco-levy assets. The Stock Certificate of these shares was delivered to the Bureau of Treasury (BTr) as Secretariat of the Trust Fund Management Committee (TFMC).



Copy of SMC Certificate No. 23329 for 27,636,339 common shares in the name of the Republic of the Philippines

Assisted the Office of the President in the physical inventory of its items stored at the vault shared with PCGG and Bureau and Customs (BOC) at the Bangko Sentral ng Pilipinas (BSP).

V. MANAGEMENT OF SEQUESTERED ASSETS GROUP (SEQAG)

The SEQAG is tasked to preserve sequestered assets and those under items-in-litigation estimated at PHP 126 Billion.

PARTICULARS	NO. OF ITEMS	ESTIMATED VALUE	REMARKS
A. SEQUESTERED			
REAL PROPERTIES			
1. PARCELS OF LAND	444	9,270,898,039.40	
2. CONDOMINIUM UNITS	23	323,783,940.00	
3. RESTHOUSES/ BEACH HOUSES	5	168,805,641.00	
4. FISHPONDS	4	-	Appraised value included in valuation of parcels of land
5. APARTMENTS	73	-	Appraised value included in valuation of parcels of land
REAL PROPERTIES SUB-TOTAL	549	9,763,487,620.40	
PERSONAL PROPERTIES			
1. CORPORATIONS/ SHARES OF STOCK	148	92,659,217,432.24	
2. RADIO/TV STATIONS	17	85,228,497.00	Based on the 2021 network
3. AIRCRAFTS	9	14,047,000.00	
4. PAINTINGS/ARTWORKS AND OTHER ASSETS			
4.1 STO. NINO SHRINE, TACLOBAN LEYTE	30,861	42,255,000.00	Latest appraised value of the 152 artworks collections only
4.2 TOURIST DUTY FREE SHOPS (TDFS)	9	316,000.00	
4.3 METROPOLITAN MUSEUM OF MANILA	526	14,179,000.00	
PERSONAL PROPERTIES SUB-TOTAL	31,570	92,815,242,929.24	
B. NOT SEQUESTERED (UNDER LITIGATION)			
REAL PROPERTIES			
1. PARCELS OF LAND	370	19,315,531,500.75	
2. RESTHOUSES/BEACH HOUSES	3	31,135,530.00	
REAL PROPERTIES SUB-TOTAL	373	19,346,667,030.75	
PERSONAL PROPERTIES			
1. CORPORATIONS/ SHARES OF STOCK	13	4,257,834,087.00	
2. PAINTINGS/ARTWORKS AND OTHER ASSETS			
2.1 NATIONAL MUSEUM OF THE PHILS. (NMP)	15	-	Under the custody of the NMP
2.2 TEUS AND GOLDENBERG MANSION	24	-	Under the custody of
PERSONAL PROPERTIES SUB-TOTAL	52	4,257,834,087.00	
GRAND TOTAL	32,544	126,183,231,667.39	

1. Administration and Management

- Relocation of the 526 artworks collections to UP Vargas Museum (UPVM) for care, management and preservation.
- Signing of the Memorandum of Agreement between the PCGG and UPVM officials and opening of exhibits for public viewing.
- Insurance policy coverage by the GSIS of the 678 artworks collections located at UP Vargas Museum and Sto. Nino Shrine, Tacloban City, Leyte.
- Conducted a physical inventory of the Sto. Nino Shrine and People's Center and Library located in Tacloban City.
- Conducted table appraisals of the current market value of the following properties:
 - Under litigation - 82 properties
 - Surrendered Properties - 10 Real Properties, 9 Firearms
 - Recovered - 5 real properties, 1 Club share
 - ASD Unserviceable properties- 7 vehicles, 390 waste IIRUP properties

Region VIII Operations:

- Generated a gross income of P3,824,301.36 from entrance fees and rentals from the *Sto. Nino Shrine* and *People's Center & Library*.
- As of 31 December 2022, a total of 33,453 books and 825 vinyl recordings were catalogued encoded in Excel.
- Continuing implementation of Online Public Access Catalog provided by the National Library of the Philippines - Information Technology.



MOA Signing with UP Vargas Museum



With the UP-Chancellor Fidel R. Nemenzo and Dr. Patrick Flores

2. Coco Levy Corporations

- Assisted in the preparation of a report on the ownership structure and inventory of assets of the 69 coco levy corporations.
- Personal delivery of letters to coco levy corporations requesting for copies of the latest General Information Sheets (GIS), Audited Financial Statements (AFS), Physical Inventory of Assets, etc.
- Provided the members of the task force with copies of the latest GIS, AFS and other corporate records of the coco levy corporations.

3. Monitoring/Updating of Records

- Obtained the traceback titles and other relevant records of the Marcos properties located in Pandacan, Manila, Cabuyao, Laguna, and Sarrat, Ilocos Norte.
- Obtained the latest certified true copies of the certificates of titles of the 76 NCR properties under sequestration and litigation.

4. Special Project and Investigation Division

- Undertake repair and refurbishing of 3 units in Galeria de Magallanes Condominiums Complex.
- Collected rentals from Galerea de Magallanes Condominium units amounting to Php749,015.40.
- Collected Php1.58M proceeds from CARP coverage compensation of Investment Unlimited, Inc. (IUI) landholdings in Biliran Province.
- Submitted documentary requirements for the collection of Php19.5M CARP coverage compensation on IRC landholdings in Laguna and Cavite Provinces.
- Requested Certificate of Conveyance from Provincial Agrarian Reform Offices of Provinces of Laguna and Cavite on IRC Properties exempted from CARP Coverage for registration thereof in the name of the Republic of the Philippines.
- Registered 3 recovered landholdings in the name of the Republic of the Philippines located in Laurel, Batangas; Angono, Rizal.
- Conducted ocular inspection and documents verification on sequestered mansions, guesthouses, resorts, condominium units located in Mabalacat City, Pampanga and Malolos City, Bulacan, Ilocos Sur, Ilocos Norte, Pangasinan, La Union and Baguio City.
- Conducted ocular inspections, location plotting, appraisal and records verification on sequestered, surrendered and recovered properties located in Ilocos Regions, Central Luzon Region, CALABARZON, Eastern Visayas Region, Western Visayas Region and CARAGA Region.
- Conducted ocular inspection on the location of 6 sequestered aircrafts.
- *Research, Records Management, and Investigation*
- Conducted research and data gathering on recovered Alfonso Lim's Properties in the Province of Cagayan Valley.
- Conducted an investigation on Fuga Island relative to Alfonso Lim decided case.

- Coordinated with the Provinces of Cavite, Laguna, and Rizal for the procurement of TCTs, TDs, TAX Maps, and Cadastral Survey Maps for the properties of IRC, Alfonso Lim, and Jolly Bugarin.

VI. PCGG TOUR AGAINST CORRUPTION

As one of its projects under Mandate No. 3 which is to institute measures to prevent graft and corruption, PCGG invited Top Management and Officers of the Commission and Directors of its supervised corporations to a seminar on “Promoting Good Governance in Sequestered and Surrendered Corporations” on December 5, 2022. The seminar highlighted the role of good governance in the efficient and effective discharge of performance to produce results that meet the needs of society while making best use of available resources.

The tour further showcased talking engagements by Atty. Reynold S. Munsayac (Spokesperson, Office of the Vice President) on RA No. 3019 and RA No. 6713 and by Assistant Prosecutor Jedrek C. Ng (Former Director of the Anti-Red Tape Authority) on Efficient Public Services. Also, the participants were provided insights on the roadmap of the PCGG’s mandates, functions, history, and legacy.





Former PCGG Commissioner and Acting Chairperson and now VP Spokesperson, Atty. Reynold S. Munsayac, as Resource Speaker, on Republic Act No. 3019





Former Prosecutor, Atty. Jedrek C. Ng, as Resource Speaker , on Republic Act No. 1103 or the Anti-Red Tape Act -ARTA

VII. ITEMS-IN-LITIGATION

There are 85 pending cases with assets estimated value of Php 125 Billion. Thirty-six (36) are pending with the Sandiganbayan while forty-seven (47) are pending appeal with the Supreme Court. The Legal Department has a 5-year plan to resolve these cases thru a Continuous trial in coordination with the office of the Solicitor General, Special motions for Early Resolutions and Settlement/Compromise Agreements.

PENDING CASES	TOTAL	Sandiganbayan	On Appeal with Supreme Court	Foreign Courts
Banner or Mandate cases	26	8	18	
Special Mandate cases	10	7	3	
Behest Loan Cases	21	10	11	
Cases filed against the PCGG	26	11	15	
Cases pending in Foreign Jurisdiction	2			2
Total	85	36	47	2

1. Report on the 2022 Major Cases Handled in Terms of Case Build-up, Prosecution and Convictions

Case No. Civil Case No. 0030

Title: Republic of the Philippines vs. Alfonso Lim, et al.

Nature of the Case: Reconveyance, Reversion, Accounting and Damages

Date Filed: Original Complaint filed on July 30, 1987; Amended Complaint filed on October 2, 1991

Case Status/Latest Court Incidents:

In a Resolution dated November 26, 2021, the Motion for Execution was granted by the Sandiganbayan and directed the Registers of Deeds to cancel the titles registered in the names of Alfonso Lim and Taggat Industries, Inc. and to issue new ones in the Republic's name over the following properties:

Register of Deeds	Title No.	Location	Registered Owner
1. Register of Deeds for the Province of Rizal	Transfer Certificate of Title No. 11732	Angono, Rizal	Alfonso Lim
2. Register of Deeds for the Province of Rizal	Transfer Certificate of Title No. 11727	Angono, Rizal	Alfonso Lim
3. Register of Deeds for the City of Tagaytay	Transfer Certificate of Title No. 315	Laurel, Batangas	Alfonso Lim
4. Register of Deeds for the Province of Cagayan	Original Certificate of Title No. 1106(S)	Claveria, Cagayan	Taggat Industries, Inc.
5. Register of Deeds for the Province of Cagayan	Original Certificate of Title No. 1111(S)	Claveria, Cagayan	Taggat Industries, Inc.
6. Register of Deeds for the Province of Cagayan	Original Certificate of Title No. 0-1112(S)	Claveria, Cagayan	Taggat Industries, Inc.
7. Register of Deeds for the Province of Cagayan	Original Certificate of Title No. 0-1107-(S)	Claveria, Cagayan	Taggat Industries, Inc.

Pursuant to the Writ of Execution issued in the case, the following actions were undertaken by the PCGG:

1. On separate dates, the sheriff together with PCGG personnel served a copy of the Writ of Execution upon the Registers of Deeds of Cagayan, Rizal and Batangas.
2. TCT No. T-315 in the name of Alfonso Lim located in Laurel, Batangas was cancelled on 29 March 2022 and TCT No. 076-2022001437 was issued in the name of the Republic of the Philippines.
3. On 28 November 2022, the PCGG received a letter from the Register of Deeds of Rizal Province stating that he will comply with the Writ of Execution as to TCT No. No. 11732 and TCT No. 11727. The fees for the processing of the transfer of the titles to the Republic of the Philippines has already been paid.

Case No. Civil Case No. 0002

Title: Republic of the Philippines vs. Ferdinand E. Marcos, et al.

Nature Case: Reconveyance, Reversion, Accounting and Damages

Date Filed: Original Complaint filed on July 16, 1987; Amended Complaint filed on October 11, 1987

Case Status/Latest Court Incidents:

The Sandiganbayan, in its Decision dated 16 December 2019, dismissed the Complaint filed against the defendants for the failure of the Republic to prove its allegations by preponderance of evidence.

The Republic filed its Motion for Reconsideration on 26 December 2019 arguing that a sweeping dismissal is not warranted considering that the records in cases where other assets such as Swiss accounts, jewelries, paintings and other valuable artworks have been forfeited and admissions in previous agreements entered into by the Marcoses with PCGG incontrovertibly establish by more than preponderant proof that the defendants acquired and amassed ill-gotten wealth and the evidence presented constituted prima facie case against defendants.

The Sandiganbayan 4th Division **PARTIALLY GRANTED** the Motion for Reconsideration filed by the Republic ruling that a partial dismissal should be ordered insofar as the recovered properties are concerned in view of the principle of conclusiveness of judgment. Further, the Court said that the remaining properties listed in the Addendum to the Complaint cannot be adjudged yet and ordered the submission of a Status Report of all the properties listed in the Addendum to the Complaint, including the amendments thereto, within thirty (30) days from receipt of the Resolution.

Thus, on 10 August 2021, the Republic filed a Manifestation and Motion submitting the status report of all the properties listed in the Addendum to the Complaint.

In a Resolution dated 22 July 2022, the Sandiganbayan denied the Motion for Reconsideration dated 29 December 2019 filed by the Republic insofar as the properties that have not yet been recovered are concerned which are still within the control of the Marcoses considering that evidence already offered during trial do not sufficiently

establish its claims as to those properties. The Court said that many of the properties subject of the Complaint have already been recovered by the government or transferred to third persons not involved in the case, and it appears on the list (except for the properties which dispositions are yet to be verified) that only four properties remain to be under the control of the Marcoses as follows:

1. The Currimao Beach House under TCT No. T12494
2. The house in Pandacan, Manila
3. The Batac Museum; and
4. The Batac Guest House

An Omnibus Motion was filed by defendants Imelda R. Marcos and Irene Marcos-Araneta on 11 August 2022 praying for issuance of a writ of execution particularly on the a) Frozen PNB account; b) Surrendered by virtue of compromise agreements; c) Sequestered (but) not in PCGG's custody; d) Sequestered under PCGG's control and supervision; e) Assets not sequestered; f) Released from sequestration by virtue of Compromise Agreements; and g) Dismissed/Final Judgment.

On 10 August 2022, a Petition for Review was filed by the PCGG with the Supreme Court.

Case No. SCA No. 3866

Title: *Republic of the Philippines and MPLDC vs. T3J Multi-Resources, Inc.*

Nature of the Case: *Unlawful Detainer and Damages*

Date Filed: *March 20, 2012*

Case Status/Latest Court Incidents:

The complaint revolved around the property known as the “Payanig sa Pasig” which was registered under MPLDC. A portion of said property was leased to one Mr. Gene De La Cruz. The subject property was sub-leased to City Golf and, thereafter, a smaller portion thereof was sub-leased to defendant *T3J Multi-Resources, Inc.*

After the expiration of the original lease, Mr. De La Cruz and City Golf retained the possession despite demands to pay compensation and to vacate the premises. For failure to do such, the plaintiff filed the complaint for unlawful detainer, damages, and other reliefs before the Municipal Trial Court of Pasig Br 72.

The MTC rendered and issued its Decision on 15 March 2013 which dismissed the case against defendant and further ruling that Blemph has rightful possession over the said properties. Consequently, the Republic and MPLDC filed a Notice of Appeal dated 04 June 2013 and elevated the case to the RTC.

On 03 August 2022, the RTC issued a Decision which reversed and set-aside the 15 March 2013 MTC Decision and demanded the defendant to vacate and turn-over the subject properties, and to pay damages, expenses, and costs of suit.

On 03 October 2022, Plaintiff-Appellant filed a Motion for the Issuance of Writ of Execution. The said motion was granted on 14 October 2022 and a Writ of Execution has been issued by the RTC.

Case No. Civil Case Nos. 0033-B, C, D, E, G and H

Title: Republic of the Philippines and Eduardo M. Cojuangco, Jr., et al.

Nature of the Case: Reconveyance, Reversion, Accounting and Damages

Date Filed: Original Complaint filed on July 31, 1987; Amended Complaint filed in 1995

Case Status/Latest Court Incidents:

While the Republic's Motion for Summary Judgment was pending with the Sandiganbayan and Eduardo M. Cojuangco Jr's (ECJ) Petition for Certiorari of the Sandiganbayan's Order denying his Motion to Dismiss was pending with the Supreme Court Second Division, ECJ filed a separate Petition for Prohibition with the Supreme Court Third Division to enjoin the Sandiganbayan to hear the cases arguing that his right to speedy disposition of cases and due process has been violated.

The Supreme Court Third Division granted ECJ's Petition for Prohibition and dismissed Civil Case Nos. 0033-B, C, D, E, G and H on the ground of violation of Eduardo Cojuangco, Jr.'s right to speedy disposition of cases and prohibited the Sandiganbayan to take further proceedings in said cases. The Republic of the Philippines filed a Motion for Reconsideration on 11 January 2022.

On 20 October 2022, the PCGG received a Resolution dated 13 July 2022 denying the Republic's Motion for Reconsideration with finality.

An Omnibus Motion which seeks for partial reconsideration of the dismissed civil cases, except 0033-G and 0033-H, with referral to the Supreme Court *En Banc*, was filed by the PCGG on 4 November 2022.

Case No.: Misc. No. 1:16-mc-01339-RJL

Nature: Application to Register and Enforce a Foreign Forfeiture Judgment Pursuant to 28 U.S.C. § 2467

Title: *In re: Enforcement of Philippine Forfeiture Judgment Against all Assets of Arelma, S.A., formerly held at Merrill Lynch, Pierce, Fenner & Smith, Incorporated, Including But Not Limited To, Account Number 165-07312, and All Interest, Income or Benefits Accruing or Traceable Thereto*

Applicant: US Government (represented by the US DOJ)

Respondent: Philippine National Bank (represented by Mayer Brown LLP)

Intervenors: Jose Duran for the HRVs (represented by Robert Swift)

Date filed: June 27, 2016

Case Status/Latest Court Incidents:

On 15 and 16 March 2022, a former official, Director Danilo Daniel, and Commissioner Raymond Anthony C. Dilag were deposed on PCGG's knowledge of the Hawaii judgment in favor of the human rights victims, with the counsel of the judgment in Civil Case No. 0141 was fraudulently obtained by the Republic.

On 15 June 2022, the rebuttal expert witnesses for the Republic of the Philippines were deposed on the absence of right of the Duran Class of Human Rights Victims to be

notified of the Forfeiture Case filed before the Sandiganbayan in Civil Case No. 0141) as they are neither an indispensable party nor a real party-in-interest in the said case.

On 16 June 2022, Atty. Herbert Francisco was deposed on his repost as expert witness for the Duran Class.

VIII. CHALLENGES

The PCGG has other significant challenges on the tasks ahead, namely:

1. Coco Levy Assets Estimated at Php 111 Billion
2. Bills Abolishing the PCGG
3. Asset Forfeiture Office (AFO)
4. Proposed Bill Strengthening the PCGG (PCGG Bill)

A. COCO LEVY ASSETS ESTIMATED AT Php 111 BILLION - PCGG actively participates in the implementation of Republic Act No. 11524 or the “Coconut Farmers and Industry Trust Fund Act”. It has submitted to the Trust Fund Committee a complete accounting and inventory of coco levy cash and non-cash assets estimated at Php 111 Billion and regular reports to the said Committee on developments on the disposition of non-cash assets. The amount of Php 79 Billion coco levy cash recovered by the PCGG has already been remitted by the Bureau of Treasury to the said committee.

1. RECONVEYANCE OF COCONUT LEVY ASSETS TO THE REPUBLIC OF THE PHILIPPINES - Republic Act No. 11524 or the “Coconut Farmers and Industry Trust Fund Act” requires the reconveyance of title to, delivery and transfer of all coconut levy assets and/or funds within one (1) year upon its effectivity to the Republic of the Philippines.

- **San Miguel Corporation (SMC)**

The PCGG facilitated the transfer of registration of the 27,636,339 common shares of stock of SMC worth Php 2.8 Billion in the name of the Republic of the Philippines.

A request for tax ruling was submitted by the PCGG arguing that the transfer of registration of the 27,636,339 SMC shares should be exempt from tax for having been awarded to the PCGG by virtue of a compromise agreement and that no monetary consideration is involved in said transfer. The request was granted by the Bureau of Internal Revenue (BIR) and ruled that the transfer of the SMC shares is exempt from capital gains tax and donor’s tax.

The stock certificate for these shares was delivered to the Bureau of the Treasury (BTr) on 25 July 2022 and is now in their custody for safekeeping pursuant to RA 11524.

- **United Coconut Chemicals, Inc. (Cocochem)**

The 681,985,073 Cocochem shares of stock have been reconveyed by the Landbank of the Philippines (LBP), as the surviving entity of the

merger with UCPB to the Republic of the Philippines, through Bureau of the Treasury (BTr), as follows:

Cert. No.	Class /Type	No. of Shares
A-87	Class A	1
A-88	Class A	1
A-89	Class A	1
A-90	Class A	1
A-91	Class A	1
A-92	Class A	1
A-93	Class A	1
A-94	Class A	89,249,502
C-014	Class C	592,735,564
Total		681,985,073

On 02 November 2022, the stock certificates covering the 681,985,073 shares of stock were issued by Cocomchem in the name of the Republic of the Philippines and delivered to the BTr on 28 November 2022.

- B. BILLS ABOLISHING THE PCGG** - There are at least 2 bills filed in Congress abolishing the PCGG. The PCGG is preparing its position paper to address the same to be filed in the First Quarter of 2023.
- C. ASSET FORFEITURE OFFICE (AFO)** - In accordance with the instructions of the Secretary of Justice, Hon. Jesus Crispin C. Remulla, the PCGG submitted a draft Executive Order creating the AFO. The gist of the AFO is emphasized in its Explanatory Note. Thus:

“There are public officials charged with graft and corruption, including reports of their involvement in drug trafficking, smuggling, and other crimes, and therefore, illegally acquired assets are forfeited in favor of the State.

There are assets that the government can acquire through the enforcement of final money judgments of the Sandiganbayan, and forfeiture by the Bureau of Customs (BOC), Bureau of Internal Revenue (BIR), Anti-Money Laundering Council (AMLC), and other government agencies.

There are reports of corruption and collusion in the disposal of forfeited assets to the detriment of the Government; and the PCGG, under Executive Order No. 1, is mandated to institute adequate measures to prevent the occurrence of corruption.

The PCGG has the expertise to effect the said recovery through collection, seizure, sale, privatization, or otherwise.

There is an urgent need for an entity to oversee the disposition of assets and properties recovered by the Government, by virtue of a decision of the Sandiganbayan, or seized through forfeiture. In this manner, the National Government will have an additional source of funding aside from taxes, as a viable constant source of non-tax revenue.

The 1987 Constitution vests upon the President control of all the executive departments, bureaus, and offices. Under Section 31, Chapter 10 of Executive Order No. 292, the President has the continuing authority to reorganize the administrative structure of the Office of the President, including the transfer of any function from the Office of the President to any other Department or Agency as well as transfer functions to the Office of the President from other Departments or Agencies, in order to achieve simplicity, economy, and efficiency”.



Source: PhilStar Global

D. BILL STRENGTHENING THE PCGG (PCGG BILL) - To implement the pronouncement of the President and the Secretary of Justice to recreate the PCGG to become a permanent anti-corruption agency of the government to recover corruption gains against all public officials, the PCGG drafted a bill to be filed in Congress. The gist of the PCGG Bill is emphasized in its Explanatory Note. Thus:

“In the 2021 corruption perception index (CPI) by the Transparency International, the country ranks 117th out of 180 countries scoring 33 out of 100.

To address this issue, there is a need to create a permanent central anti-corruption agency of the government that is focused on the recovery of

corruption gains which is a deterrent to the commission of graft and corrupt practices.

This Bill aims to avail all modes and mechanisms necessary to preserve the value of the asset subject of freeze order, asset preservation order, and judgment of forfeiture. Furthermore, it seeks to strengthen the functions of the Presidential Commission on Good Government (PCGG), a government agency focused on the recovery or forfeiture of assets illegally acquired by the then President Ferdinand E. Marcos, Sr., his relatives and cronies, to include erring public officials and employees, including their nominees or transferees. (new feature of the PCGG-authority to seek asset preservation order)

The conversion of the PCGG into a central anti-corruption agency seeks not to supplant the Office of the Ombudsman's aim to curb the rising cases of corruption, rather, complement it by utilizing the Commission's expertise on recovery of corruption gains , management, and preservation of assets illegally acquired , facilitating a vital increase in turnover rate of such cases thereby lessening - if not eliminating - the impact of corruption in the government."



IX. CONCLUSION

The PCGG looks forward to resolving all its cases under Mandate No. 1 in 5 years and in 2023, PCGG is ready to continue functioning as a permanent anti-corruption agency of the government to effectively implement its mandates not only in Mandate No. 1 but also its mandates under Nos. 2 and 3 of the Executive Order No. 1, Series of 1986.

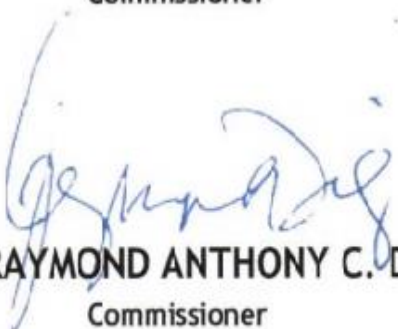
December 28, 2022



ATTY. JOHN A. AGBAYANI
Chairperson



MAJOR GEN. RHODERICK M. PARAYANO (Ret)
Commissioner



ATTY. RAYMOND ANTHONY C. DILAG
Commissioner