



Republic of the Philippines  
**PRESIDENTIAL COMMISSION ON GOOD GOVERNMENT**



18 April 2024

**HON. MELCHOR QUIRINO C. SADANG**

Chairman

Presidential Commission on Good Government (PCGG)

22nd Floor, JMT Condominium Corporation

ADB Avenue, Ortigas Center, Pasig City

**OUTGOING CHAIRMAN'S REPORT**

Dear Chairman:

It has been an honor and privilege to serve as Chairman of PCGG. I thank the President (OP), the Secretary of Justice (SOJ) and the Solicitor General (SG) for their trust and support to me as head of this historic agency. Amidst an unfavorable landscape and moves to abolish PCGG, they wanted it strengthened to become a permanent anti-corruption agency of the government specializing in the recovery of ill-gotten wealth of all public officials (Mandates 2&3 of E.O. No. 1, series of 1986), as PCGG winds down its 38-year old recovery activities in Mandate No. 1.

The 1986 laws creating the PCGG placed the PCGG under the control of the President. The same law states that the PCGG shall be assisted by the SG in performing its tasks. In 2007, E.O. 643, placed the PCGG under the administrative supervision of the SOJ.

This report will cover the 3 mandates to help chart PCGG's future.

**A. MANDATE No. 1- Recover Marcos ill-gotten wealth.**

**A.1. P280 BILLION TOTAL RECOVERIES FROM 1986-2023** - As of yearend 2023, PCGG has an estimated recovery of P280 Billion.

CASH-	P180 BILLION
ASSET-	P100 BILLION
TOTAL-	P280 BILLION

**A.2. FUNDED LANDMARK LEGISLATIONS-** Our cash recoveries that were remitted to the national treasury funded landmark legislations:

1. CARP Law-	P79B
2. HRV Law-	P11B
3. Cocolevy Law-	P77B
4. Escrows-	P13B

**A.3. IN 2023 P2.6 BILLION CASH RECOVERY IS HIGHEST IN 5 YEARS WITH MAJOR FINAL OUTPUT (MFO) REALIZATION RATE OF 638%** - PCGG is a regular non-tax revenue contributor to the national treasury. Our collective, conscious and deliberate efforts to achieve our annual targets made all this possible. Thus:

	2019	2020	2021	2022	2023
<b>BUDGET</b>	<b>137.96</b>	<b>152.41</b>	<b>146.97</b>	<b>160.01</b>	<b>188.71</b>
<b>TARGET</b>	<b>539.52</b>	<b>526.79</b>	<b>584.43</b>	<b>601.62</b>	<b>410.10</b>
<b>RECOVERY</b>	<b>491.70</b>	<b>333.71</b>	<b>588.78</b>	<b>2,340.68</b>	<b>2,615.78</b>
<b>RECOVERY RATIO</b>	<b>01:03.6</b>	<b>1:2.19</b>	<b>1:4.01</b>	<b>1:14.83</b>	<b>1:13.86</b>
<b>REALIZATION RATE</b>	<b>91%</b>	<b>63.34%</b>	<b>100.7%</b>	<b>389%</b>	<b>637.84%</b>

*PCGG's 5 Year Period of Performance Report*

**A.4. 1<sup>ST</sup> QUARTER 2024 RECOVERY OF 921M HAS BREACHED YEAREND TARGET OF P840M-** As of 31 March 2024, PCGG has recovered and remitted to the Bureau of Treasury (BTR) the amount of P921 Million. At this early, the yearend target of P840 Million has been achieved.

**A.5. GOOD GOVERNANCE EFFORTS SINCE 2017-** These milestones are also attributed to PCGG's good governance efforts:

- A. ISO CERTIFIED 2018-2024;
- B. COA EXCELLENT RATING IN FINANCIAL MANAGEMENT;
- C. DBM CITATION FOR ACHIEVING ITS MFO;
- D. FOI BEST 3 GOVERNMENT AGENCY;
- E. MANUALIZED POLICIES AND PROCEDURES.

**A.6. P125 BILLION SEQUESTERED ASSETS AND ITEMS-IN-LITIGATION****1.ITEMS-IN-LITIGATION-** There are 85 pending cases with assets estimated value of P125Billion. 36 are pending with the Sandiganbayan, 47 are pending appeal with the Supreme Court, and 2 are in foreign court (New York, USA). 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 Agreement.

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



**2.100 BILLION ASSETS FOR SALE-** Privatize P100 Billion Surrendered Assets in 5 years, P40 Billion of which are coco levy assets which were turned over to the Cocolevy Trust Fund Committee for disposal under R.A. 11524. The P60 Billion recovered assets will be privatized under Executive Order No. 323 thru public Auction Sale, Community Mortgage Program thru LGU and Negotiated Sale.

**PCGG OTHER MANDATES** - The PCGG, has 2 other mandates:

1. The investigation of such cases of graft and corruption as the President may assign to the Commission from time to time; and-

2. The adoption of safeguards to ensure that the above practices shall not be repeated in any manner under the new government, and the institution of adequate measures to prevent the occurrence of corruption.

**B. MANDATE NO. 2-** The authority of the PCGG to investigate graft and corruption cases of other public officials stems from Section 2(b) of Executive Order No. 1. Thus:

“Section. 2. The Commission shall be charged with the task of assisting the President in regard to the following matters:

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(b) The investigation of such cases of graft and corruption as the President may assign to the Commission from time to time.”

**B.1. DELEGATED AUTHORITY OF SOJ TO ASSIGN NON-MARCOS CORRUPTION CASES FOR INVESTIGATION BY THE PCGG IS VALID-** On 27 July 2007, the foregoing function was delegated by the President to the Department of Justice in Executive Order No. 643<sup>1</sup> pursuant to the authority of the President under the Administrative Code<sup>2</sup>, the salient portion of which states:

“**WHEREAS**, Executive Order (EO) No. 1 s. 1986 created the Presidential Commission on Good Government (PCGG) as a body vested with authority to file recovery cases involving ill-gotten wealth, to undertake sequestration and preservation of ill-gotten wealth or properties, and to investigate and file, through the Office of the Ombudsman, cases for graft and corruption as may be assigned to it from time to time;

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**SECTION 1. Transfer of Functions.** - The Presidential Commission on Good Government (PCGG) shall hereby be placed under the administrative supervision of the Department of Justice. **Unless otherwise provided, the Secretary of Justice or his duly authorized representative shall exercise the foregoing functions for and in behalf of the President.**”

<sup>1</sup> EXECUTIVE ORDER NO. 643-PLACING THE PRESIDENTIAL COMMISSION ON GOOD GOVERNMENT (PCGG) UNDER THE SUPERVISION OF THE DEPARTMENT OF JUSTICE

<sup>2</sup> Section 31 (3), Chapter 10, Title III, Book III, of the Administrative Code of 1987, authorizes the President to transfer any agency under the Office of the President to any other department or agency.

The assignment issued by the SOJ as alter ego of the President as head of the department that was granted the delegated authority under E.O. No. 643 vested upon the PCGG jurisdiction to exercise its Mandate No. 2 in E.O. No. 1.

Under this mandate, PCGG investigated and filed cases (10) against other public officials, the latest of which is against the President/CEO of CocoFinance Corporation and his team (Mr. Rehan Balt Lao, et. al), a surrendered COCOLEVY CORPORATION for misuse of funds.

**MANDATE NO. 3-** Corruption in the country persisted in the administrations after 1986. In the 2023 Corruption Perception Index (CPI) by the Transparency International, the Philippines ranks 115<sup>th</sup> out of 180 countries scoring only 34 out of 100. Singapore is No. 5 least Corrupt Country scoring 82.

Therefore, the Philippines is ranked 65<sup>th</sup> (among 180 countries) most corrupt country in the world. Based on Pulse Asia Survey, 47% of Filipinos believe that corruption is a way of life. Even our Ombudsman stated that corruption in our country cannot be solved in our lifetime because it is endemic.

**CORRUPTION TODAY- IT IS DIFFICULT BUT NOT IMPOSSIBLE TO CURB. WHAT WE NEED ARE POLITICAL WILL & MORAL COURAGE!**

How do we address the worsening corruption in the country today? We can as follows:

1. **Increase Public Awareness on the Evils of Corruption (FLASH)-** Reportedly, 25% of Budget wasted to corruption or 1 TRILLION of 5 TRILLION. PCGG has a continuing program (Mandate No. 2) called “Tour Against Corruption” in universities and LGUs. In 2023, the PCGG conducted 5 tours in different LGUs in the country. We are planning 12 tours this year.
2. **Stiffer Penalty on Graft and Corruption Laws like Singapore.**
3. **Strict Enforcement of Corruption Laws and Sandiganbayan/Court Judgments.**
4. **Digitization, Internal Audit, Personal Integrity.**
5. **Constitute PCGG as a Permanent Anti-Corruption Agency to Complement the Ombudsman Equipped with Asset Preservation Order (APO) or Freeze Order (FO).**

One of the pillars of the economic success of Singapore is a graft free environment which lured investors in. Let us have a President with the traits of a Lee Kwan Yew.

**OUR GOAL- BY 2028 PCGG AS A PERMANENT ANTI-CORRUPTION AGENCY OF THE GOVERNMENT FOCUSED ON THE RECOVERY OF CORRUPTION GAINS OF ALL PUBLIC OFFICIALS, UNDER THE OFFICE OF THE PRESIDENT, DIFFERENT FROM THE TEMPORARY AGENCIES LIKE THE PAGC, TRUTH COMMISSION OR THE PACC THAT GOES AFTER THE TENURE OF THE LEADERSHIP THAT CREATES THEM.**

**PCGG SPECIAL PROJECT UNDER MANDATE NO. 3: TOUR FOR GOOD GOVERNANCE**

In line with PCGG’s third mandate, the agency is authorized to institute measures to prevent the occurrence of corruption through the conduct of the Tour against Corruption. The tours against corruption consist of talking engagements, conferences, and exhibits aimed to showcase the PCGG’s achievements, mandates, history, and legacy. Initially conducted in various schools nationwide, the PCGG consequently

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reached out to Local Government Units, and their respective Local Chief Executives (LCEs), Barangay Captains, Sangguniang Kabataan (SK), and City/Municipal Department Heads as the primary audience.

This endeavor primarily focuses on empowering public servants to effectively uphold the principles of Good Governance in the fight against corruption and strive to create a more transparent and accountable public sector committed to public service.

For CY 2023, three (3) LGUs in Rizal and one (1) LGU in Laguna were the program's beneficiaries. In addition, 12 PCGG-supervised corporations also became beneficiaries of this undertaking, which focused on the preventive measures against corruption of Government-Owned and Controlled Corporations (GOCCs).

**CONCLUSION-** As we wind down our task in Mandate No.1 with significant recoveries, we need to pivot to implement our expanded mandates in Nos. 2 and 3 to pursue the PCGG's vision. A legacy that the PCGG can leave the next generations in 10 years is to rank the Philippines along with Singapore in the top 10 in the CPI as the Least Corrupt Countries in the World. An improving trend in the CPI will attract more investors in the country. A country with a better life of the generations to come to live in. This shall be a Key Area of Responsibility of PCGG.

In consonance with its Vision to become a permanent anti-corruption agency of the country, Mission to expand its reach against other public officials, and its Core Values in heart and in deed, PCGG can truly blend with BAGONG PILIPINAS, BAGONG PILIPINO slogan of the current administration. Fully equipped with the fundamentals of good governance and the initiatives to lay the groundwork of a corruption-free Philippines, in coordination with Our Ombudsman, the PCGG can transform into an effective anti-corruption body of the government specializing in the recovery of ill-gotten wealth of all public officials.

RESPECTFULLY SUBMITTED:

  
**ATTY. JOHN A. ASBAYANI**  
OUTGOING CHAIRPERSON

Copy Furnished:

President; Executive Secretary; Secretary of Justice; Solicitor General; Secretary of Finance/Chairman, Privatization Council; Chairman, Governance Commission; The Ombudsman; Chairman, Commission on Audit.

PCGG Commissioners: Hon. Angelito Vergel De Dios; Hon.Marco Bautista; Hon.Rogelio Quevedo; Hon.Elihu Ybanez.