

Postscript

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PCGG eyeing return to looted companies

PCGG RETURN: Having been banished from a company that was plundered, whose assets were dissipated and its business destroyed by its nominees, the Presidential Commission on Good Government reportedly now wants back in.

Case in point is Philippine Communications Satellite Corp. (Philcomsat), which is not sequestered, and its mother company Philippine Overseas Telecommunications Corp. (POTC), which is also not sequestered and where the government is but a minority owner.

Years after the government was deemed the owner of 35 percent of POTC shares, PCGG still clung onto Philcomsat and its once cash-rich subsidiary, the PSE-listed Philcomsat Holdings Corp. (PHC) which is also not sequestered.

Records show that PCGG officials and nominees in the previous administration raided PHC's coffers to the tune of P600 million, an amount certified as losses and write-offs by its external auditors.

Then President Gloria Arroyo stepped in to transfer PCGG from Malacañang to the Department of Justice. Right after, PCGG turned over the government's 35-percent block of shares to the Department of Finance and recalled its controllers from POTC and Philcomsat.

TURNAROUND: In the three years that the Philcomsat companies have been out of the clutches of the PCGG, a unified board of directors has worked diligently to revive moribund, decimated pieces of the companies.

The new Philcomsat team has taken control of and turned around its unprofitable subsidiaries Philcomsat Holdings Corp. and Montemar Beach Club. It recovered a substantial amount of lost, stolen or trashed assets. Toxic assets were converted to cash.

Total take so far are assets worth over P2 billion, of which P700 million is in cash, intact. Is this why PCGG wants back in?

VIA EO-42: The rehabilitated and now profitable Philcomsat must be too tempting to ignore. There is a move in Malacañang to take back from Justice Secretary Leila de Lima the cash-rich company and place it directly under Executive Secretary Jojo Ochoa through PCGG.

To lay the basis, Ochoa issued Executive Order No. 42 last May giving PCGG the power to appoint all government directors in 50 "surrendered and sequestered" corporations to the extent of the government's interest.

Among the targets are San Miguel, United Coconut Planters Bank, Radio Philippines Network, Philcomsat and POTC. EO-42 also gives the PCGG chair the power to include two commissioners as directors in said companies.



REBUFF AT UCPB: The "New PCGG" states intentions of "winding down" within two years.

But with the PCGG's declared plan to appoint themselves back into the Philcomsat companies where the government has only a 35-percent interest and when the shares were already turned over to the DoF, this "wind-down" plan becomes somewhat suspect.

Interestingly, PCGG had attempted to fill board seats at UCPB including the chairmanship — just as Camilo Sabio did.

But UCPB was already under DoF. Naturally, the encroachment was rebuffed and PCGG was forced to withdraw the nominations of Bautista, Commissioner Richard Amurao and a third person.

GEARING UP?: If PCGG is truly "winding-down," why do its commissioners still insist on forcing their way back into corporations that had already been removed from its jurisdiction?

All the more so if PCGG's removal is attributed to the agency's dereliction of duty and sins of commission. This sounds more like a "gearing-up," not "winding down."

After a Senate investigation committee blamed it for fraud, abuse and wastage, plus "lack of accountability and transparency," PCGG was made to relinquish its stranglehold on Philcomsat, including its 81-percent-owned subsidiary, which was never sequestered in the first place.

Why not leave Philcomsat in the capable hands of DoF's Privatization Management Office?