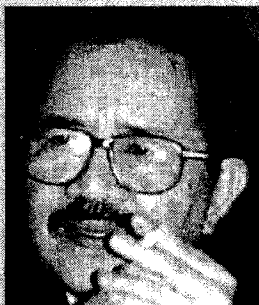


PCGG's mumbo jumbo ^{A4}

AMADO P. MACASAET



What a lie! What a misinformed commissioner! Ilusorio never surrendered any shares of either or both companies.'

WHEN one writes a letter asking the chairman of the Presidential Commission on Good Government to explain under what authority a firm and its subsidiaries continue to be sequestered, the reply should be made by the addressee.

Lorna P. Kapunan, chief legal counsel of Philippine Overseas Telecommunications Corp. and its two subsidiaries wrote the letter to PCGG Chairman Andres Bautista.

Kapunan waited for a reply for about one month. She was surprised when the reply she received was not from Bautista but from a PCGG Commissioner. He did not even sign the reply "for the chairman." He signed for the commission.

That is not as big an issue as the falsity of the reply. According to PCGG commissioner Richard R.T. Amurao, a 30-year lawyer from Ateneo, "In the case of POTC/Philcomsat, the government's interest stems not only from the late Potenciano Ilusorio's surrendered shares to the government through PCGG of which government is currently represented by holdover appointees, but also from the pending ill-gotten wealth cases relating to individuals and companies owning POTC Philcomsat shares."

What a lie! What a misinformed commissioner! Ilusorio never surrendered any shares of either or both companies. On the contrary, he was got 5 percent of the 40 percent held by Mid Pasig Land Development Corp. and Independent Realty Corp. which were surrendered by Jose Y. Campos who told the PCGG that he was holding the two companies for Marcos and his family.

The shares might have been taken from the holdings of Ilusorio. Otherwise why should he be entitled to 5 percent points of the 40 percent in a compromise settlement approved by then President Ramos and eventually with finality by the Supreme Court?

According to Amurao, the nominee directors in POTC/Philcomsat represent the shares surrendered to the government through PCGG. What does this mean in the face of the fact that the purpose of sequestration is to preserve the assets? As far as the 34.9 per cent recovered by the government is concerned said shares have been transferred to the Department of Finance presumably for privatization.

The PCGG has no authority over those shares because they were recovered from the two companies surrendered by Jose Y. Campos and are assets of the state as proven by the stock certificate corresponding to the shares.

Amurao sees it the wrong way. He told Kapunan "(Thus), the government through the PCGG as a shareholder with substantial interest of 34.9 per cent in POTC should be in a position to protect its interest."

Protect the shares from whom? The stock certificate is now with the Department of Finance. There is no way anybody can lay his hands on the certificate or shares except under a valid sale through privatization.

But Amurao insists "Only after the surrendered shares are priva-

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tized will the PCGG's responsibility also cease."

The duty of the PCGG to recover suspected ill-gotten wealth has been accomplished. What else is there to do now that the recovered assets are owned by the state?

The PCGG in the mind of Amurao has a duty to protect them?

Kapunan wrote Bautista on July 15, 2011 saying "the historical facts surrounding the Republic's present ownership of 34.9 per cent renders the 'surrendered' aspect of what was then 40 percent minority POTC shares a moot issue and does not qualify our two companies - POTC and Philcomsat as a 'surrendered corporation.'"

To sum it all up, the state represented by the PCGG has recovered the shares suspected to be ill-gotten.

The remaining shares are clean. What then is the purpose of having PCGG nominees in POTC Philcomsat?

None of the explanations of Amurao remotely explains the authority under which POTC and Philcomsat should remain sequestered.

Kapunan told Bautista in her letter that "the PCGG cannot claim sequestration of 7.9 per cent or 1,067 shares of POTC and Philcomsat. This is because the bulk of such shares, or 965 POTC shares, belong to Polygon Investors & Managers Corp. whose sequestration was nullified by the Supreme Court in at least two decisions."

Amurao did not even mention this fact in his reply, least of all refute it.

It appears that Kapunan is talking peaches but Amurao is discussing apples.

If only for this show of ignorance on the part of just one PCGG Commissioner, the agency should be abolished. It sows confusion and in not too few instances, the POTC companies included, the agency only succeeded in draining the assets of hundreds of millions of pesos. We have documents to prove our claim.