

Why ex-PCGG chief Bautista should not be Comelec chair

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A FEW decades ago, the Presidential Commission on Good Government

(PCGG) placed a company under sequestration on mere suspicion that its owners were cronies of the late President Ferdinand E. Marcos.

(When the sequestration era began in

1986, the first Aquino administration gave 'crony' a bad connotation by associating it with illegally acquired wealth when the word simply means 'friend'.)

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The chairman of the group of companies that his family owned then - and still owns today - claimed that the PCGG's meddling made it difficult for them to continue running the business that was being ruined by government men. PCGG, according to him, was an entity that posed risk to profitability.

No longer able to withstand the PCGG's presence, the family decided to close shop to avoid going bankrupt.

From law dean to PCGG head



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The story is retold here because another company has had a similar experience with PCGG, particularly "PCGG chair Bautista's vindictive behavior toward POTC/Philcomsat. Apparently to get even, Philcomsat owners have

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Why ex-PCGG

filed their opposition with the Commission on Appointments against the appointment of Juan Andres Bautista as Comelec chairman.

Bautista is former dean of the College of Law of the Far Eastern University, who was tapped by Malacanang's temporary chief occupant to head PCGG. On the other hand, the acronym POTC stands for Philippine Overseas Telecommunications Corp.

The letter to the CA had two signatories. Lin I. Bildner is POTC vice chairman, president and chief executive officer of Philcomsat and director/chief finance officer of Philcomsat Holdings Corp. (PHC), while Jose Ma. Ozamiz is a former PHC director and chairman of its audit committee.

(Note: I am using Philcomsat group because it is more known to the public than POTC.)

One of the justifications Bildner and Ozamiz cited in their opposition is contained in a letter dated Feb. 18, 2011 sent to Finance Secretary Cesar V. Purisima by PCGG Commissioner Richard D. Amurao. Said letter dwelt on the turnover of 4,727 POTC shares to the Department of Finance but with PCGG still exercising powers over them.

"Pending final disposition of said POTC shares, however," Amurao wrote in his self-serving letter, "the PCGG, in order to perform its mandate, will continue to be involved on matters of management and representation with respect to government's interest in POTC and its

subsidiary corporations."

Was this not conflict of interest?

PCGG vs DOJ

Really? In effect, the PCGG under Bautista wanted the DOJ to act only as depository of sequestered shares. As the issuer of writs of sequestration, PCGG has become more powerful than a government department like the Department of Justice, which exercises administrative supervision over it.

The legal opinion issued on Feb. 25, 2015 by Justice Secretary Leila M. de Lima rebuffed Amurao on PCGG's control over POTC management despite losing jurisdiction over the government's POTC shares. She summed up her department's stand in her response to a query posed by Karina C. Ponce-Enrile, who is head of Philcomsat group: "We are of the view that PCGG has lost the authority to be involved in matters of management and representation with respect to POTC and its wholly-owned subsidiary, Philcomsat, following the transfer of POTC Stock Certificate No. 131 for 4,727 shares in the name of the Republic of the Philippines to the Department of Finance."

The DOJ got into its possession the POTC sequestered shares only in February 2011 when PCGG issued its own resolutions approving the transfer of said shares to DOJ as early as 2007. The Philcomsat group which, in turn, is indirectly controlled by POTC, said Bautista defied PCGG's own resolutions on the government ownership of 4,727 POTC shares.

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