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Prosecution of PCGG men in Philcomsat board sought

By Gil C. Cabacungan Jr.

A SENATE COMMITTEE HAS RECOMMENDED to President Macapagal-Arroyo that the Philippine Communications Satellite Corp. (Philcomsat) group of companies be taken out of the hands of the Presidential Commission on Good Government (PCGG), the agency tasked with the recovery of ill-gotten assets of the late dictator Ferdinand Marcos and his associates.

It also recommended that the PCGG's nominees—Enrique Loacsin, Manuel Andal, Julio Jalandoni and Guy de Leon—be prosecuted for allegedly turning the country's pioneering satellite company into their "personal cash cows."

Sen. Richard Gordon, chair of the Senate committee on government corporations and public enterprises, said the committee has also recommended that the PCGG be put to task not only for its "gross mismanagement and lack of accountability" for Philcomsat, the Philippine Overseas Telecommunications Corp. (POTC), and Philcomsat Holdings Corp. (PHC) but for all the other sequestered companies that it has allegedly managed without transparency and accountability.

"As the PCGG has been in existence for over 20 years, the committee takes the position that it is time for the PCGG to be put to task and to be required to render a detailed accounting to the people concerning its accomplishments. How many illegal and anomalous transactions had the PCGG or its nominees done hidden under the protection of unconstitutional mantle of immunity? It is clear that there is an urgent need to revisit the PCGG and put an end to all such fraud, abuse and wastage," said Gordon.

Mismanagement

In a 20-page report covering the 11 public hearings that it conducted over the past 13 months, the committee said "it found overwhelming mismanagement by the PCGG and its nominees at the POTC, Philcomsat and PHC resulting in the deterioration of the financial condition of these corporations."

It cited the "soaring operating expenses of PHC, generous compensation packages for government nominees, the PHC advances to its affiliates beyond the reach of PCGG comptrollers, and the existence of suspicious bank accounts."

The committee cited the sharp rise in PHC expenses from P36.913 million in 2003 to P133.679 million in 2005 that were bloated by excessive representation expenses, professional fees, utility bills, and advances to affiliates.

In its recommendation, the committee said the government should take direct control of the Philcomsat shares from PCGG since these shares have already been deemed as belonging to the government and not under sequestration.

The committee also recommended the prosecution of the PCGG nominees and officials by the Office of the Ombudsman, Anti-Money Laundering Council and the Bureau of Internal Revenue.