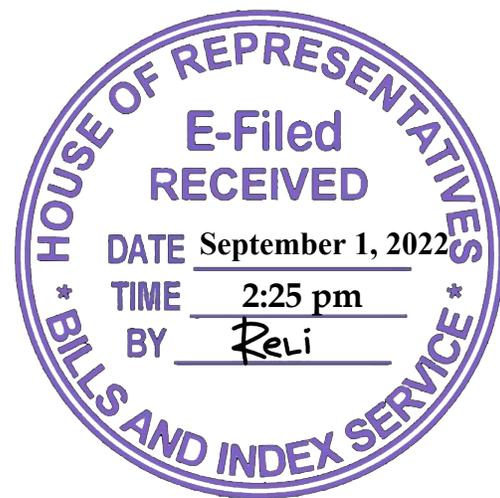


Republic of the Philippines  
HOUSE OF REPRESENTATIVES  
Quezon City

NINETEENTH CONGRESS  
First Regular Session

House Bill No. 4331



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Introduced by: Congressman **BIENVENIDO M. ABANTE, JR.**

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### EXPLANATORY NOTE

After the People Power Revolution, the Presidential Commission on Good Government (PCGG) was created by Executive Order No. 1 issued by then President Corazon Aquino on February 28, 1986, to recover vast resources of the government allegedly amassed by former President Ferdinand Marcos, his immediate family, relatives, close associates, both here and abroad.

Thereafter, President Aquino issued Proclamation No. 3 dated March 25, 1986, establishing a revolutionary government, under which, authority to issue sequestration and freeze orders was vested upon PGGG. However, Section 26, Article 18 of the 1967 Constitution provides that the authors to issue such sequestration or freeze orders under Proclamation No. 3 shall remain operative only for not more than eighteen (18) months after the ratification of the Constitution. This authority has lapsed without having been extended by Congress which the latter could have done under the same Section 26, in case of national interest.

More so, more than thirty-six (36) years have passed, and the PCGG has not produced significant accomplishments that would justify its continued existence. Through these years, the work performed by the Commission is not commensurate with the annual expenses needed to maintain the office. The time is ripe to abolish PCGG in line with the cost-saving and right-

sizing efforts of the government.

The PCGG has outlived its usefulness and has now become a big embarrassment to the government. The PCGG has been in existence for the last 36 years and it has been repeatedly reminded to do its job. Thirty-six (36) years are more than enough for any agency to perform its functions. If after that long period of time, they still failed to establish whether the sequestered assets are ill-gotten or not and who are the owners of these assets, they will not be able to do so even if we would give it another hundred years. It would be better to abolish the agency now.

The abolition of the PCGG does not mean that the recovery of plundered wealth and its proper disposition will no longer be pursued. These functions should be transferred to government agencies that under the law can assume responsibility and has the expertise to competently undertake and continue such functions.

Under this bill, the powers and functions of investigations and prosecution of criminal cases exercised by the PCGG shall be transferred to the Department of Justice; Civil cases involving the management, administration, and disposition of the assets, as well as the sequestration of the properties considered to be ill-gotten vested in the PCGG shall be transferred to and shall be exercised by the Department's Office of the Government Corporate Counsel.

Furthermore, all sequestered real and personal assets and properties previously under the control and management of the PCGG, as well as all contracts, records, and documents relating to the operation of the PCGG are transferred to the Privatization Office of the Department of Finance.

In view of the foregoing, approval of this bill is earnestly sought.



BIENVENIDO M. ABANTE, JR.

Republic of the Philippines  
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**AN ACT**  
**ABOLISHING THE PRESIDENTIAL COMMISSION ON GOOD**  
**GOVERNMENT (PCGG)**

*Be it enacted by the Senate and House of Representatives of the Philippines in session assembled:*

**SECTION 1.** The Presidential Commission on Good Government (PCGG) created under Executive Order No. 4, shall be abolished within six (6) months after the approval of this Act.

**SECTION 2.** The powers and functions of investigations and prosecution of criminals exercised by the PCGG shall be transferred to the Department of Justice: Civil cases involving the management, administration, and disposition of the assets, as well as the sequestration of the properties considered to be ill-gotten vested in the PCGG shall be transferred to and shall be exercised by the Department's Office of the Government Corporate Counsel. For this purpose, all records and documents relating to the investigation and prosecution of cases under the jurisdiction of the PCGG shall be transferred to the said offices.

**SECTION 3.** The management and the disposition of the assets and properties vested in the PCGG shall be transferred to, and shall be exercised by the Department of Finance through its Privatization Office which shall be headed by an Assistant Secretary designated by the

Secretary of Finance. For this purpose, all sequestered real and personal assets and properties previously under the control and management of the PCGG, as well as all contracts, records, and documents relating to the operation of the PCGG are transferred to the Privatization Office.

In coordination with the Commission on Audit, a physical inventory and complete accounting of the sequestered properties and assets shall be jointly made by the Department of Justice and Privatization Office within sixty (60) days after the effectivity of this act.

**SECTION 4.** Officials and employees of the PCGG may be absorbed by the Privatization Office or the Department of Justice on the basis of merit and fitness; Provided, that officers and employees who shall be separated from the service as a result of the abolition of the PCGG shall receive separation or retirement and other benefits to which they are entitled under existing laws.

Any PCGG officer and employee who is re-employed in the government service for which he/she has been paid gratuity shall refund the unearned portion of such gratuity before his or her reemployment.

**SECTION 5.** All contracts and agreements entered into by the PCGG prior to the effectivity of this Act shall remain in full force and effect unless otherwise terminated, modified, or amended for a lawful cause.

**SECTION 6.** Every director/nominee, asset monitor, or representative assigned by the PCGC in any sequestered company/corporation, prior to the effectivity of this Act, shall submit to the Justice Secretary and the Secretary of the Department of Finance, a written and verified statement of his/her net worth, assets and liabilities before his/her appointment / designation as such as well as of his/her current net worth, assets and liabilities within thirty (30) days from the effectivity of this Act.

**SECTION 7.** The unexpended appropriations of the PCGG under the current General Appropriations Act shall be transferred to the

Department of Justice and the Privatization Office. Thereafter, such amount as may be necessary for the continued operation of the Department of Justice, Office of the Government Corporate Counsel, and the Privatization Office pursuant to this Act shall be included in the annual appropriation of the said offices.

**SECTION 8.** Executive Order No. 1 and all other laws, executive orders, rules, and regulations or any part thereof inconsistent herewith are deemed repealed, modified, or amended accordingly.

**SECTION 9.** Separability Clause. In case any provision of this Act is declared unconstitutional or invalid, the other provisions hereof which are not affected thereby shall continue in full force and effect.

**SECTION 10.** Effectivity. — This Act shall take effect fifteen (15) *days* after its publication in two (2) national newspapers of general circulation.

Approved,