



# Committee Daily Bulletin

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## COMMITTEE MEETING ON HOUSE MEASURES

COMMITTEE	MEASURES		SUBJECT MATTER	ACTION TAKEN/ DISCUSSION
	NO.	PRINCIPAL AUTHOR		
Good Government and Public Accountability	<i>Motu proprio</i> Inquiry		Inquiry into the 2020 Annual Audit Report of the Commission on Audit (COA) on the Department of Health (DOH) regarding the funds transferred to the Procurement Service of the Department of Budget and Management (PS-DBM) for the procurement of medical supplies and equipment for COVID-19 response and the alleged overpricing of the supplies	<p>The Committee, chaired by Rep. Michael Edgar Aglipay (Party-List, DIWA), after due deliberations, terminated its <i>motu proprio</i> inquiry into the issues pertaining to the procurement by PS-DBM of COVID-19 medical supplies and equipment for the DOH. The Secretariat was directed to prepare the Committee Report.</p> <p>Prior to the termination of the hearing, the Committee heard the testimonies of Pharmally Pharmaceutical Corporation's Regulatory Affairs head Krizle Grace Mago and Pharmally Director Lincoln Ong, who is currently in the custody of the Senate, as well as other parties involved.</p> <p>Rep. Aglipay informed the body that on September 30, House Speaker Lord Allan Jay Velasco (Marinduque) received a letter from Mago seeking protective custody from the House of Representatives. After the Speaker approved the request of Mago, the latter came to the House of Representatives at 6:30 pm on October 1.</p> <p>Reading her statement, Mago related that her experience in attending the virtual hearing of the Senate Blue Ribbon Committee last September 24 was traumatizing as she was not only made to respond to questions under pressure but was also repeatedly accused of lying and threatened with contempt. She said her personal details were also revealed to the public. In addition, she said she also tested positive of COVID-19 at that time which further increased her anxiety and later affected her mental health.</p> <p>According to Mago, she believes the House of Representatives will be able to provide an environment where she can speak the truth freely without undue influence and pressure from varying sources. She admitted that she made inaccurate or unclear statements in the September 24 hearing at the Senate out of confusion and so as not to be perceived as evading the questions. She shared that during the hearing, she was not given enough time to respond and was being interrogated by numerous interpellators at the same time. She said she intends to clarify in today's hearing that Pharmally did not tamper with the product certificates of face shields which indicate the manufacturing date.</p> <p>Asked by Deputy Speaker Rodante Marcoleta (Party-List, SAGIP) to elaborate on her role in</p>

<p>Continuation... Good Government and Public Accountability</p>				<p>the packaging of face shields that were delivered to the DOH, Mago explained that the face shields that Pharmally got from its suppliers did not come in a uniform set of ten face shields per package. Thus, upon the directive of her superiors, she instructed the workers to repack the face shields into 10 per package, for purposes of standardization, which involved putting together face shields from different packages. Because each package delivered by suppliers to Pharmally has a product certificate attached to it, Mago said this resulted in having multiple product certificates in each repacked package of 10 face shields. She said she then instructed the workers to retain only one product certificate per package and to ensure that the face shields in the packages to be delivered to the DOH were not expired or near expiring.</p> <p>On the query of Rep. Aglipay regarding the alleged damaged face shields and expired COVID-19 test kits that were delivered to the DOH, Mago denied the allegation and attested that all damaged face shields were segregated and not included in the packages that were delivered to the DOH. She also claimed that the DOH was aware that the COVID-19 test kits that were delivered to them by Pharmally had a six-month shelf life. Further, she refuted the statements made by an anonymous witness, who was introduced by Senator Risa Hontiveros in the September 24 Senate Blue Ribbon Committee hearing, alleging that Pharmally delivered subpar, expired, and damaged medical supplies and equipment to the DOH.</p> <p>Deputy Speaker Marcoleta noted that the presentation of an anonymous witness was improper as this individual could not be sworn under oath to tell the truth as his/her name and face were concealed during the virtual hearing. Thus, he said this individual's statements cannot be accepted or considered credible during the hearing. He also emphasized that witnesses should not be subjected to interrogation like the ones employed by the military and other law enforcement agencies in order to extract information. He added that witnesses must be allowed to invoke their right against self-incrimination during the questioning or interrogation.</p> <p>Further, Deputy Speaker Marcoleta underscored that the investigation being done by the Senate on the issue is no longer in aid of legislation and that the Senate is already performing prosecution functions which are beyond its jurisdiction.</p> <p>Deputy Speaker Marcoleta also asked if other officials of the PS-DBM have been identified by the Senate Blue Ribbon Committee as conspiring with Pharmally regarding the procurement of medical supplies and equipment for COVID-19 response.</p>
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<p>Continuation... Good Government and Public Accountability</p>				<p>Lloyd Christopher Lao, the then OIC-Executive Director of PS-DBM when the fund transfer was made, answered in the negative. He added that there is no evidence to prove that the PS-DBM and its officials colluded with Pharmally in any way.</p> <p>In reply to another query of Deputy Speaker Marcoleta, Lao confirmed that he had the same experience as Mago when he attended the hearings of the Senate Blue Ribbon Committee. Lao added that the environment at the Senate hearings was indeed very hostile, during which he was subjected to verbal attacks or derogatory remarks on his profession, education, and character.</p> <p>Rep. Cesar “Jawo” Jimenez Jr. (1<sup>st</sup> District, Zamboanga City) opined that if there is already enough evidence to build a case, the Senate Blue Ribbon Committee should no longer prolong its inquiry and should instead take steps toward the filing of a case with the proper courts or the Ombudsman against the parties involved.</p> <p>Rep. Johnny Ty Pimentel (2<sup>nd</sup> District, Surigao del Sur) reiterated that it was already established in the previous hearings of the Committee that the transfer of the subject COVID-19 funds to the PS-DBM was not flagged by the COA due to corruption, overpricing, and ghost deliveries. He said it was also established that the procurement of medical supplies and equipment for COVID-19 response was in accordance with Republic Act 11469 or the Bayanihan to Heal as One Act (Bayanihan 1) which provides exemption from the provisions of RA 9184 or the Government Procurement Reform Act and other relevant laws. Further, he said the statement by some Senators that the government was “swindled” by Pharmally is inaccurate especially since the subject medical supplies and equipment have already been delivered and used by the DOH.</p> <p>Rep. Aglipay asked Ong about the role of Michael Yang, the President’s former economic adviser, in the operations of Pharmally. Ong replied that Pharmally sought the help of Yang to come up with the needed volume of medical supplies and equipment that it committed to deliver to the DOH. Ong further explained that Yang tapped manufacturers and businessmen in China to become suppliers of Pharmally. Rep. Aglipay earlier mentioned that the Committee asked permission from the Senate Blue Ribbon Committee to allow Ong to appear in today’s hearing through videoconferencing in order to respond to the queries of the House Members.</p> <p>Pharmally President Huang Tzu Yen concurred with the statement of Ong, adding that Yang’s participation in Pharmally was on the financing and supply side of the business.</p> <p>Replying to the query of Rep. Alfredo Garbin Jr. (Party-List, AKO BICOL) on why the PS-DBM</p>
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Continuation... Good Government and Public Accountability				<p>made advance payments to Pharmally, Lao explained that the suppliers in China demanded to be paid first before releasing the medical supplies and equipment to Pharmally.</p> <p>The Committee requested Yang, who also attended the meeting via the Zoom platform, to submit the names of the manufacturers or businessmen that he tapped to provide the medical supplies and equipment to Pharmally.</p> <p>Yang, speaking through an interpreter, said he will directly communicate with the Chair on the matter.</p>
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<b>TECHNICAL WORKING GROUP MEETING ON HOUSE MEASURES</b>				
<b>COMMITTEE</b>	<b>MEASURES</b>		<b>SUBJECT MATTER</b>	<b>ACTION TAKEN/ DISCUSSION</b>
	<b>NO.</b>	<b>PRINCIPAL AUTHOR</b>		
<b>Government Reorganization jt. w/ Games and Amusements</b> (Technical Working Group)	HBs 1224, 6236, 8984, 9443 & 10240	Reps. Pineda, Olivarez, Deputy Speaker Pacquiao, Reps. Villafuerte, and Tambunting	Creating the Philippine Boxing and Combat Sports Commission and providing funds therefor	<p>The joint technical working group (TWG), co-chaired by Rep. Ron Salo (Party-List, KABAYAN), for the Committee on Government Reorganization, and Rep. Ronnie Ong (Party-List, ANG PROBINSYANO), for the Committee on Games and Amusements, will deliberate further on the five bills in its next meeting.</p> <p>The Secretariat was directed to come up with a substitute bill incorporating in it the pertinent comments and recommendations of the resource persons.</p> <p>Rep. Salo said that the five bills all aim to promote the development and protect the welfare of professional boxers and combatants. In line with this objective, the bills seek to provide the professional boxers and combatants with social security and health benefits placing them under the coverage of the Social Security System (SSS), Philippine Health Insurance Corporation (PhilHealth), and Home Development Mutual Fund (HDMF).</p> <p>The bills also seek to set up an independent trust fund to be administered by the proposed Philippine Boxing and Sports Commission to be utilized for activities that will advance the welfare of professional boxers and combatants. Likewise, the bills intend to establish alternative livelihood programs for retired and injured professional boxers and combatants, Rep. Salo further said.</p> <p>Rep. Ong stated that the TWG needs to determine whether or not there is a need to create a commission separate from the Games and Amusements Board (GAB), which is the government agency tasked to regulate boxing and combat sports in the country at present. Nevertheless, he said that the bills are laudable as he cited the welfare benefits that are proposed to be provided to the boxers and ring combatants under the bills which are far better</p>

<p>Continuation... Government Reorganization jt. w/ Games and Amusements (Technical Working Group)</p>				<p>than the benefits they have been receiving for the past decades.</p> <p>Rep. Enrico Pineda (Party-List, 1-PACMAN), author of House Bill 1224, said that boxing is a popular game in the country and many of the professional boxers have brought pride and glory to the country by winning in international bouts. Combat sports, on the other hand, have been steadily producing Filipino champions as well. However, he lamented that boxers, unlike other athletes, risk getting mild to severe injuries every time they enter the ring.</p> <p>Despite the honor that these athletes bring to the country, Rep. Pineda said the government is yet to provide the necessary support for them. Hence, he pushed for the creation of a Commission that will primarily regulate the conduct of professional boxing and combat sports, formulate rules for the health and welfare of the boxers, and establish social security benefits tailored for them. To achieve these, he stressed the importance of carving out boxing and combat sports from the supervision of GAB, which presently handles 22 other sports.</p> <p>On the query of Rep. Salo, Rep. Pineda said that the proposed law's primary focus is on the regulation of the boxing and combat sports. This, he said, aims to ensure that the contracts signed by the athletes with promoters abroad are legal, ensuring that the money they should earn would be paid in full.</p> <p>Rep. Salo directed the Secretariat to take note of Rep. Pineda's manifestation that the substitute bill will focus on the regulation of the boxing and combat sports, ensuring the promotion and protection of the athletes' welfare.</p> <p>GAB Chairman Abraham Kahlil Mitra manifested that given enough funds, the GAB can very well undertake the functions that the proposed Commission will handle. He is of the opinion that instead of creating another agency, the bills strengthening GAB should be enacted to allow the GAB to effectively and efficiently undertake its mandate, including the promotion of the boxing and combat sports, as well as the protection of the athletes.</p> <p>Department of Budget and Management representative Precious Anna Marie Lazaro interposed no objection to the bills, but commented that the functions of the proposed Commission should not duplicate or overlap with those already being undertaken by the GAB and the Philippine Sports Commission. She also said that the proposal to attach the proposed Commission to the Office of the President (OP) is not in line with the existing policy which limits the number of agencies that are under the immediate supervision of the OP.</p> <p>Lazaro further said that the grant of per diem to members of the proposed Commission should</p>
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<p>Continuation... Government Reorganization jt. w/ Games and Amusements (Technical Working Group)</p>				<p>adhere to the guidelines of the DBM. Likewise, the basic salaries, allowances, benefits, and incentives of officials of the proposed Commission should be in accordance with the established Total Compensation Framework under House Joint Resolution (HJR) No. 4 passed in 2009.</p> <p>The HJR authorizes the President of the Philippines to modify the compensation and position classification system of civilian personnel and the base pay schedule of military and uniformed personnel in the government.</p> <p>On the provision for social pension and health care benefits, HDMF Deputy Legislative Liaison Officer Jose Roberto Po suggested that the language used in HB 8684 be adopted. He said that HB 8684 specifically provides that the enrolment of professional boxers and combatants in and the remittance of mandatory contributions to the HDMF, PhilHealth, and SSS shall be done by the manager of the professional boxer or combatant.</p> <p>SSS lawyer Maria Victoria Garong asked whether the managers of boxers and combatants will be considered as “employers” under the proposed law, in which case they shall be required to undertake the responsibilities of an employer pursuant to the SSS law. As such, they will be held liable for failing or refusing to remit the required contributions.</p> <p>Garong also objected to the proposal that the SSS shall develop and administer a separate social security program for professional boxers and combatants. She said that this should be subjected to actuarial studies to protect the funds of SSS.</p> <p>The association of athletes’ managers will be invited to attend the next TWG meeting to give their inputs and views on the bills.</p>
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