

Gaining Momentum in Combating Corruption: The Philippine Experience

Presented by

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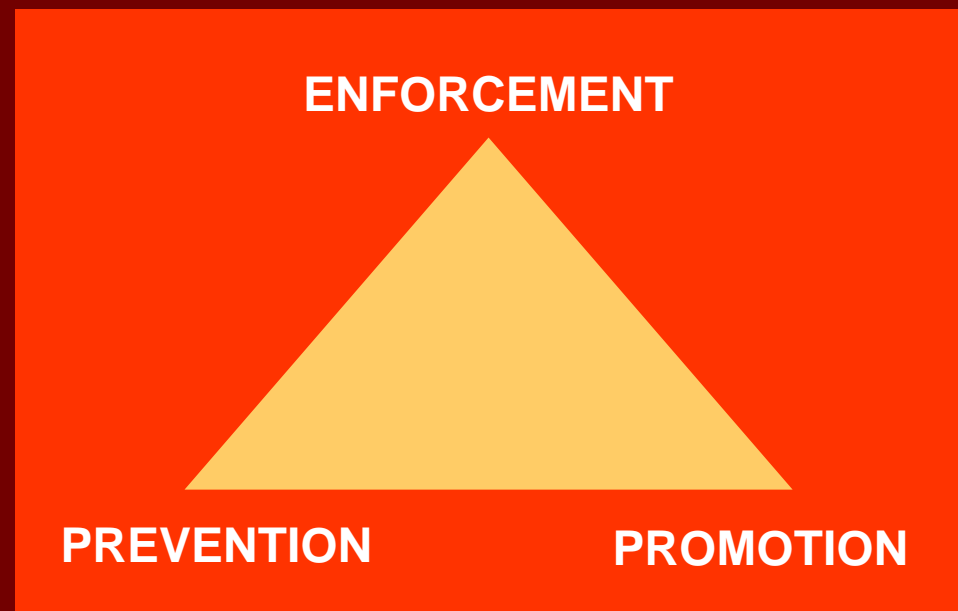
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Policy context in anti-corruption

- Ombudsman leads anti-corruption movement in the public sector (co-exists with other anti-corruption agencies)
- Independent accountability institution, created by the Constitution
- Anti-corruption is the platform for development
 - Well-performing agencies
 - More revenues
 - Better public services
- Ombudsman strategically focused on curbing corruption in revenue generating agencies
 - ⇒ RIPS, RATE, RATS



Enforcement

Prevention

Promotion

Increasing punitive risks of corruption

- **Ombudsman** focuses on cases against high-ranking public officials before the Sandiganbayan
 - Conviction rate rose from 19% in 2006 to 56% in 2007
 - Former President Estrada convicted of plunder
 - Highest volume of plea bargains in 2007, including Estrada's co-accused Atong Ang
- Quick punitive action on administrative aspect of corruption
 - **Ombudsman**: almost 1,200 public officials penalized for administrative & disciplinary offenses, 2004 to 2006
 - **Civil Service Commission**: Penalized officials who are administratively charged in 264 cases, 2004-2007



Focus on revenue-generating agencies

- 47 cases charged by RIPS under review by Ombudsman Task Force Green Lane
- Ombudsman dismissed from public service finance department officials including 2 assistant revenue officers, customs collector & regional district officers
- Ombudsman suspended officials including executive director of anti-smuggling task force, BIR senior officials

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Estrada listens to the verdict in his plunder case before the Sandiganbayan.

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Dismissed from public office (& criminally charged)

- BIR assistant commissioner
- BIR revenue & collection officers
- BOC deputy commissioner
- BOC division head
- BOC operations officer
- BOC senior officials
- Ports district manager
- Public works undersecretary
- Public works conspiracy on transport resources
- Provincial governors

Suspended while under investigation

- BOC deputy commissioners
- BOC deputy collector
- BOC division heads
- BOC head cashier & finance officer
- BOC Admin. Officer
- BIR chief revenue officer
- Armed forces chief accountant
- Mayor & local government officials of Pasay City

Military officials under prosecution

- Chief of staff
- Comptroller
- Air Force brigadier general
- Air Force colonel & major
- Army colonel
- 50 Navy officers

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Reducing rewards of corruption

- **Sandiganbayan** issued orders of forfeiture involving \$13.4M in 2007
- **Ombudsman** forfeiture petitions before the Sandiganbayan involve \$11.8M
- **Presidential Commission on Good Government** recovered \$854M Marcos Swiss deposits, remitted over \$1.46B in 2004-2007
- **Anti-Money Laundering Council/Office of Solicitor General** froze \$13.46M & forfeited \$439,024 from corruption related activities

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■ **Commission on Audit (COA)**

- Disallowed transactions amounting to \$91.27M
Suspended payments totaling \$539.02M
- Charged public officials for fraudulent transactions amounting to \$2.88M
- Philippines scored 93 (very strong) in the 2007 Global Corruption Barometer rating for supreme audit institutions

■ **Civil Service Commission (CSC)** - Tightened rules on asset disclosure for more effective asset investigation & forfeiture

- New form requires very specific information to avoid vagueness in defining assets, requires complete information on assets
- Must declare assets of public official, spouse & minor children

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Judicial reform for anti-corruption

- Stricter application of Rule 65 on interlocutory orders
 - Rule 65 is an avenue to correct errors in the exercise of jurisdiction, usually used by the defense counsels to question probable cause in filing a case in court
 - No temporary restraining order or injunction in 10 days, trial proceeds
 - Case records are retained in the trial court, easier to resume trial
 - If Rule 65 petition is dilatory & completely without basis, petitioner & counsel will be sanctioned

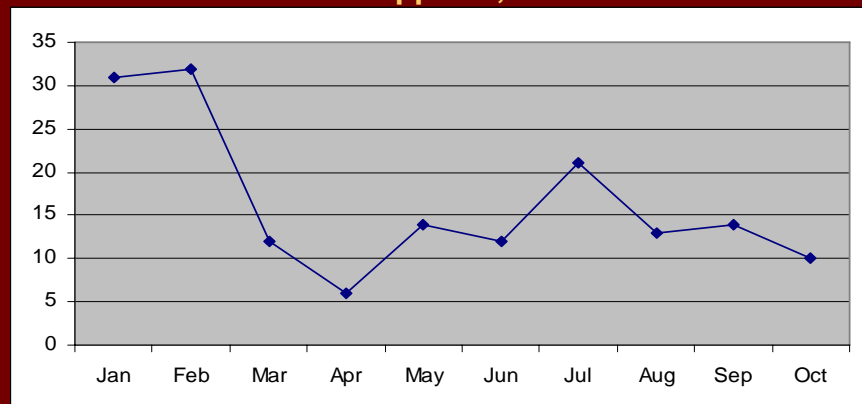
- Jurisprudence to strengthen administrative powers of Ombudsman

Buencamino vs. Court of Appeals

Ombudsman decision in administrative cases shall be executed as a matter of course & appeal shall not stop decision from being executory.

- Close monitoring of the Supreme Court of temporary restraining orders by appellate courts

TROs of Court Appeals, Jan to Oct 2007



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Special focus

As of Feb 2007

- Run after the smugglers (RATS)
 - Filed a total of 60 criminal cases involving 265 respondents with a total estimated value of \$25.71M
 - Suspended the accreditation of 28 brokers for submission of fraudulent documents & for involvement in smuggling
- Run after tax evaders (RATES)
 - As of February 2007, there were 87 cases filed under the RATE program
 - Won 2 tax credit scam cases involving \$28.78M

anticorruption



revenue generation



development

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Integrity Development Review (IDR)

- Corruption prevention diagnostic tool to assess corruption vulnerabilities & anti-corruption resistance of a public sector agency
- Focus on high-risk agencies: revenue-generating, high-volume procurement, implementation of infrastructure projects
- 18 IDR participating agencies

Integrity Development Committee

Ombudsman – Agency – Civil Society

Steers implementation & monitors
corruption prevention reforms

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Special focus

Ongoing IDR reforms



- Electronic payment system for customs duties
- X-ray machines for examining container vans
- On-line cargo release system

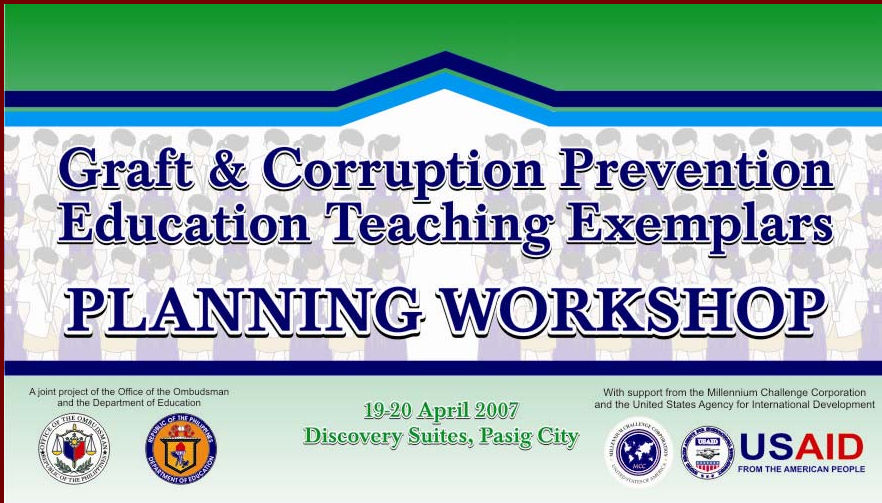


- Revalida of audit and collection cases
- Capacity-building of internal audit personnel for internal control

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Graft & Corruption Prevention Education Teaching Exemplars PLANNING WORKSHOP

A joint project of the Office of the Ombudsman
and the Department of Education

With support from the Millennium Challenge Corporation
and the United States Agency for International Development



19-20 April 2007
Discovery Suites, Pasig City



- Teaching guides instilling integrity, honesty & public service to the youth
- Delivered to more than 4,000 regional offices of the education department
- Distributed to more than 44,000 public schools nationwide

Issues / Challenges

- Inadequate resources for communicating anti-corruption initiatives to the public & perception survey organizations
- Delay in the trial of court cases, lengthy appellate process
- Need to continue the monitoring of temporary restraining orders
- Clogged Ombudsman dockets
- Ombudsman has limited enforcement powers
 - No direct access to bank accounts
 - Jurisdiction limited only to executive branch
 - Unable to file forfeiture proceedings during election season
 - Difficult to freeze assets for cases on ill-gotten wealth

Issues / Challenges:

- Expanding IDR exercise to local government units (LGUs), strategic government agencies (e.g. Department of Labor, DOTC) government financial institutions (e.g. GSIS, SSS) and government-owned and/or controlled corporations (GOCCs); attached agencies of PAs
- Agency ownership issues; uncooperative agencies
- Funding requirements for implementation of IDR recommendations
- Monitoring and Evaluation Tools
- Financial and technical assistance for capacity building of IDCs, especially in expanding the CVA exercise
- Establishment of independent internal audit units especially for revenue generating agencies

Plans to overcome challenges

Challenges	Action Plans
Social marketing of anti-corruption gains	<ul style="list-style-type: none">• Implement an Ombudsman strategic communications plan under the framework of National Anti-Corruption Program of Action (NACPA)• Mobilize resources
Delays in court trials & temporary restraining orders	<ul style="list-style-type: none">• Improve case management• Sandiganbayan Case Management Information System• Case Management System of OMB's Office of the Special Prosecutor• Court watch

Plans to overcome challenges

Challenges	Action Plans
Clogged OMB dockets	<ul style="list-style-type: none">• Continue hiring additional investigators and increase the investigative capacity of the OMB• Institutionalize mediation system for non-graft cases
Limited enforcement powers of the OMB	<ul style="list-style-type: none">• Advocate the amendment of Ombudsman Act and forfeiture law• Continue close coordination with other anti-corruption agencies
Expanding the IDR to LGUs and strategic government agencies	<ul style="list-style-type: none">• Request for funding and eventual incorporation to OMB budget• MOAs/partnership with LGUs and concerned government agencies

Plans to overcome challenges

Challenges	Action Plans
Funding requirements for implementation of IDR recommendations	<ul style="list-style-type: none">• Request for Development Partners' support• Incorporation in agency budget
Monitoring and Evaluation Tools	<ul style="list-style-type: none">• Technical assistance from Development Partners
Financial and technical assistance for capacity building of IDCs, especially in expanding the CVA exercise	<ul style="list-style-type: none">• Continuing IDR assessors' training• Interface with agency internal audit• Incorporation in agency budget
Functioning internal audit services especially for revenue generating agencies	<ul style="list-style-type: none">• Coordination with DBM, BIR, BOC, etc.

Thank you for your time
& attention.