

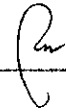
FIFTEENTH CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES)
First Regular Session)



Senate
Office of the Secretary

'11 MAR -3 P2:49

SENATE
P. S. R. No. 410

RECEIVED BY: 

Introduced by Senator Miriam Defensor Santiago

RESOLUTION

DIRECTING THE PROPER SENATE COMMITTEE TO CONDUCT AN INQUIRY,
IN AID OF LEGISLATION, ON THE NON-RECORDED WITHDRAWALS BY THE CIVIL
AVIATION AUTHORITY OF THE PHILIPPINES (CAAP) AMOUNTING TO P508
MILLION THAT IS ALLEGEDLY CONNECTED TO THE DEPLORABLE SENDOFF
MONEY PRACTICE

WHEREAS, the Constitution, Article 2, Section 27 mandates: "The State shall maintain honesty and integrity in the public service and take positive and effective measures against graft and corruption";

WHEREAS, Presidential Decree No. 1445 on the Government Auditing Code of the Philippines, Section 2 provides: "All resources of the government shall be managed, expended or utilized in accordance with law and regulations, and safeguarded against loss or wastage through illegal or improper disposition, with a view of ensuring efficiency, economy and effectiveness in the operations of the government";

WHEREAS, the Civil Aviation Authority of the Philippines (CAAP) generates revenue from exercising its regulatory and licensing functions; major sources of revenues are from domestic and foreign airline companies for the use of airports, air space and air navigational facilities of CAAP;

WHEREAS, according to a 2009 report by the Commission on Audit on the funds of CAAP, credits/withdrawals amounting to \$5.127 million or P237.69 million and debits/remittances amounting to \$5.689 million or P263.70 million were not taken up in the books due to the absence of documents to support the transactions;

WHEREAS, a review of the bank reconciliation statement for Land Bank of the Philippines (LBP) and United Coconut Planters Bank (UCPB) Savings Accounts also disclosed that withdrawals/debits amounting to P6.918 million and P102,764, respectively, were not taken up in the books of accounts;

WHEREAS, verification also disclosed that most of these withdrawals were done thru the issuance of an Authority to Debit the Account (ADA); however, the ADA and other documents supporting the withdrawals were not submitted to the Accounting Division;

WHEREAS, the legality of these transactions and the completeness of documents could not be determined;

WHEREAS, based on the 3 March 2011 article of the *Philippine Star*, these unrecorded withdrawals cast doubt on the balance of the CAAP savings account which stood at P3.666 billion;

WHEREAS, according to the CAAP Employees Union (CAAP-EU), the so-called *pabaon* or sendoff money practice could be the cause of the almost P400-million worth of withdrawals made by the CAAP in February and March 2010;

WHEREAS, the union earlier exposed the withdrawal of almost P400 million from the UCPB and Landbank accounts of the aviation body by former CAAP director general Ruben Ciron before he was replaced by Alfonso Cusi;

WHEREAS, these withdrawals are highly questionable since it was made when Ciron was known to be on the way out due to the CAAP's failures;

WHEREFORE, be it hereby resolved by the Philippine Senate, to direct the proper Senate Committee to conduct an inquiry, in aid of legislation, on the non-recorded withdrawals by the Civil Aviation Authority of the Philippines (CAAP) amounting to P508 million that is allegedly connected to the deplorable sendoff money practice.

Adopted,

aw 
MIRIAM DEFENSOR SANTIAGO

/dpm