



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

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SENATE

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P. S. RES. NO. 359

Introduced by **SENATOR LEILA M. DE LIMA**

**RESOLUTION**

**DIRECTING THE SENATE COMMITTEE ON CIVIL SERVICE, GOVERNMENT REORGANIZATION AND PROFESSIONAL REGULATION, TO CONDUCT AN INVESTIGATION, IN AID OF LEGISLATION, ON THE ALLEGED INVOLVEMENT OF CERTAIN CABINET MEMBERS OF THE DUTERTE ADMINISTRATION AND HIGH-RANKING MILITARY OFFICIALS IN THE OPERATIONS OF SMALL TOWN LOTTERIES, WITH THE END VIEW OF REVIEWING AND STRENGTHENING RELEVANT LAWS ON THE REORGANIZATION OF THE PHILIPPINE CHARITY SWEEPSTAKES OFFICE (PCSO), AND THE DISCIPLINE OF CIVIL SERVICE EMPLOYEES, PARTICULARLY THOSE INVOLVED IN THE SUPPRESSION OF ILLEGAL GAMBLING, AND THE MANAGEMENT AND OPERATIONS OF SMALL TOWN LOTTERY UNDER THE PCSO**

*WHEREAS*, Article II, Section 27, of the 1987 Constitution provides that “[t]he State shall maintain honesty and integrity in the public service and take positive and effective measures against graft and corruption”;

*WHEREAS*, Article VII, Section 13, of the 1987 Constitution provides that “[t]he President, Vice-President, the Members of the Cabinet, and their deputies or assistants shall not, unless otherwise provided in this Constitution, hold any other office or employment during their tenure. They shall not, during said tenure, directly or indirectly, practice any other profession, participate in any business, or be financially interested in any contract with, or in any franchise, or special privilege granted by the Government or any subdivision, agency, or instrumentality thereof, including government-owned or controlled corporations or their subsidiaries. They shall strictly avoid conflict of interest in the conduct of their office”;

*WHEREAS*, Article XI, Section 1, of the 1987 Constitution provides that “[p]ublic office is a public trust. Public officers and employees must, at all times, be accountable to the people, serve them with utmost responsibility, integrity, loyalty, and efficiency; act with patriotism and justice, and lead modest lives”;

*WHEREAS*, Section 3(h) of Republic Act No. 3019, otherwise known as the “Anti-Graft and Corrupt Practices Act” provides that “[d]irectly or indirectly having financial or pecuniary interest in any business, contract or transaction in connection with which he intervenes or takes part in his official capacity, or in which he is prohibited by the Constitution or by any law from having any interest” is an act that falls under the corrupt practices of public officers;

*WHEREAS*, Small Town Lottery (STL) is a grassroots-based lottery and charity managed by the Philippine Charity Sweepstakes Office (PCSO) to help in the campaign to stamp out the illegal numbers game or *jueteng* at the national and local levels<sup>1</sup>;

*WHEREAS*, in January 2017, during the launch by the PCSO of its expanded STL program in Malacañang, PCSO General Manager Alexander Balutan stated boldly that “we finally draw the line and declare that it is time to put a stop to illegal gambling. It is no secret to everyone that illegal gambling has been the scourge of this country for the longest time, spawning corruption in different agencies and levels of government”<sup>2</sup>;

*WHEREAS*, in a CNN Philippines article released last 28 April 2017, gaming tycoon Charlie “Atong” Ang claimed that “two Cabinet officials want him killed so they can control small-town lottery operations in several provinces in the country”<sup>3</sup>;

*WHEREAS*, in the same article, Ang told reporters that Justice Secretary Vitaliano Aguirre and National Security Adviser Hermogenes Esperon want to eliminate him from the gaming scene so that they can take over the STL operations in certain provinces<sup>4</sup>;

*WHEREAS*, Ang alleges that Secretary Aguirre is working with his brother, a certain Engineer Ogie Aguirre, in taking over STL operations in Southern Luzon provinces, including Laguna, Batangas, and certain Bicol provinces<sup>5</sup>, while at the same time, he is serving as the head of the government’s Task Force on Illegal Gambling;

*WHEREAS*, Ang further stated that General Esperon, on the other hand, is working with other high military officials in controlling STL operations in the northern part of Luzon, including Pangasinan<sup>6</sup>;

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<sup>1</sup> PCSO website. (2015). <http://www.pcsso.gov.ph>. Retrieved from the PCSO website:

<http://www.pcsso.gov.ph/games/small-town-lottery/>. Accessed: 2017, May 02

<sup>2</sup> ABS-CBN News. (2017, January 24). <http://news.abs-cbn.com>. Retrieved from ABS-CBN News:

<http://news.abs-cbn.com/news/01/24/17/war-on-gambling-pcsso-gets-more-small-town-lottery-operators>.

Accessed: 2017, May 02

<sup>3</sup> CNN Philippines. (2017, April 28). <http://cnnphilippines.com>. Retrieved from CNN Philippines:

<http://cnnphilippines.com/news/2017/04/28/ang-aguirre-esperon-threat-gambling.html>. Accessed: 2017,

May 02

<sup>4</sup> *Ibid.*

<sup>5</sup> *Ibid.*

<sup>6</sup> *Ibid.*

*WHEREAS*, with this Honorable body's reputation of conducting unbiased inquiries as precedent, allegations of corruption involving Cabinet and other high-ranking government officials should be investigated with utmost urgency and scrutiny, in order to protect the integrity of public office and ensure public trust in government;

*WHEREAS*, existing laws, particularly Republic Act No. 1169, or the "PCSO Charter", and Republic Act No. 6713 otherwise known as the "Code of Conduct and Ethical Standards for Public Officials and Employees", need to be amended in order to incorporate a wider and more inclusive scope of jurisdiction as a response to the ever-changing political landscape in government service, particularly as regards the drive of the government to stamp out illegal gambling all over the country;

*WHEREAS*, with the culture of patronage continually evolving— sometimes extending across the Departments of the Executive Branch as well as all throughout the three (3) co-equal branches of the government – Section 7 (a) of Republic Act No. 6713, which only states that "[p]ublic officials and employees shall not, directly or indirectly, have any financial or material interest in any transaction requiring the approval of their office" no longer suffices in admonishing public officials against committing certain irregularities whether penalized by law or not;

***NOW THEREFORE, BE IT RESOLVED***, as it is hereby resolved, to direct the Senate Committee on Civil Service, Government Reorganization and Professional Regulation, to conduct an investigation, in aid of legislation, on the alleged involvement of certain Cabinet Members of the Duterte Administration and high-ranking military officials in the operations of Small Town Lotteries, with the end view of reviewing and strengthening relevant laws on the reorganization of the Philippine Charity Sweepstakes Office (PCSO), and the discipline of civil service employees, particularly those involved in the suppression of illegal gambling, and the management and operations of Small Town Lottery under the PCSO.

*Adopted,*

  
LEILA M. DE LIMA