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SENATE

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P. S. RES. NO. 726

Introduced by Senator Antonio "Sonny" F. Trillanes IV

RESOLUTION

URGING THE SENATE COMMITTEE ON TOURISM TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE ANOMALOUS ₱60-MILLION ADVERTISEMENT PLACEMENT MADE BY THE DEPARTMENT OF TOURISM (DOT) WITH BITAG MEDIA UNLIMITED, INC., FOR AIRTIME IN KILOS PRONTO, A PTV-4 PROGRAM PRODUCED AND CO-HOSTED BY THE BROTHERS OF DOT SECRETARY WANDA TEO, WITH THE END IN VIEW OF ENSURING THAT THE BUDGET ALLOCATED TO DOT, PARTICULARLY FOR ITS EXPENDITURES IN ADVERTISING AND MARKETING, ARE LEGALLY AND PROPERLY DISBURSED AND SPENT

WHEREAS, under Republic Act No. 9593 or the "*Tourism Act of 2009*," the Department of Tourism shall be responsible in the marketing and promotion of Philippines as a major global tourism destination through the Tourism Promotions Board.¹

WHEREAS, on 27 April 2018, the Commission on Audit (COA) released its 2017 audit report on People's Television Network Incorporated (PTNI), a state-run television broadcasting network.²

WHEREAS, in Section E (7) on Significant Audit Observations and Recommendations of said report, COA noted a payment of Php 60,009,560 by the Department of Tourism (DOT) to the producer/blocktimer, Bitag Media Unlimited, Inc. (BMUI), for advertisement placements aired in PTV-4.³

¹ Lawphil. (n.d.). *The Tourism Act of 2009*. Retrieved from https://www.lawphil.net/statutes/repacts/ra2009/ra_9593_2009.html

² Rappler. (28 April 2018). *COA questions P60-M DOT ads payment to Ben Tulfo's media outfit*. Retrieved from <https://www.rappler.com/nation/201291-ben-tulfo-bitag-media-cornered-millions-advertisements-dot-2017-coa>

³ Commission on Audit. (2017). *People's Television Network, Inc.* Retrieved from <https://www.coa.gov.ph/index.php/gov-t-owned-and-or-controlled-corp-goccs/2017/category/6825-people-s-television-network-inc>

WHEREAS, COA further noted that the Memorandum between PNTI and DOT specifically required PTV-4 to air a 6-minute segment buy in Kilos Pronto, a news type magazine program, and an additional 3-minute DOT spot within said program.⁴

WHEREAS, according to a Rappler report, the station, in this case PTV-4, has no obligation to sell ads for a blocktimer. A blocktimer may sell as many ads as he could to earn what it paid the station for the airing of the program.⁵

WHEREAS, in light of this controversy, it can be surmised that the PNTI brokered ads for its own blocktimer, which is BMUI.⁶

WHEREAS, the chief executive officer of PTV-4 blocktimer BMUI, Ben Tulfo, is the brother of DOT Secretary Wanda Teo. The former, together with his brother Erwin Tulfo, co-hosts Kilos Pronto.⁷ Despite of this apparent conflict of interest, Secretary Teo approved the contract.⁸

WHEREAS, the COA also found anomalous the PNTI's 2017 disbursement records account for three (3) checks issued to BMUI totaling Php 60,009,560. The first check amounting to P22,089,560 was released on May 11, 2017, the second amounting to P18.96 million was released on November 8, 2017, and the third amounting to P18.96 million was released on December 15, 2017.⁹

WHEREAS, no proper documentation was made for the aforementioned payments. PNTI failed to present any Memorandum of Agreement (MOA) between them and the BMUI. Without the MOA, there is no basis for the computations of the three (3) payments.¹⁰

WHEREAS, PNTI also failed to provide a Certificate of Performance (COP) which determines the actual airing time and frequency of the actual segments.¹¹

WHEREAS, the only existing contract is between PNTI and DOT, but the same makes no mention of airtime rates, and the terms and conditions with regards to the manner of payment. It also does not show any provision requiring PNTI to act as collection agency for Kilos Pronto.¹²

⁴ Buan, L. (1 May 2018). *FACT CHECK: Wanda Teo claims no hand in P60M ads, but DOT contract specified Bitag*. Retrieved from <https://www.rappler.com/newsbreak/fact-check/201553-fact-check-wanda-teo-dot-contract-specified-bitag>

⁵ Rappler. (7 May 2018). *[EDITORIAL] #AnimatED: The wonders of Wanda Teo*. Retrieved from https://www.rappler.com/views/animated/201864-wonders-wanda-teo-tourism-contract?utm_source=facebook&utm_medium=social&utm_campaign=views

⁶ Ibid.

⁷ Rappler. (28 April 2018). *COA questions P60-M DOT ads payment to Ben Tulfo's media outfit*. Retrieved from <https://www.rappler.com/nation/201291-ben-tulfo-bitag-media-cornered-millions-advertisements-dot-2017-coa>

⁸ Rappler. (7 May 2018). *[EDITORIAL] #AnimatED: The wonders of Wanda Teo*. Retrieved from https://www.rappler.com/views/animated/201864-wonders-wanda-teo-tourism-contract?utm_source=facebook&utm_medium=social&utm_campaign=views

⁹ Ibid.

¹⁰ Ibid.

¹¹ Ibid.

¹² Ibid.

WHEREAS, moreover, the Budget Utilization Request which should be attached to the disbursement voucher as proof of fund availability, bears no signature but only a note saying, "subject to attachment of the revised contract."¹³

WHEREAS, the absence of such vital documents and other deficiencies thereof casts doubt on the legality and validity of the payments made by DOT and/or PNTI.¹⁴

WHEREAS, furthermore, said act are in clear violation of Presidential Decree No. 1455, series of 1978 or the Government Auditing Code, and COA Circular No. 2012-001, which provide a comprehensive list of required documents for government transactions.¹⁵

WHEREAS, there is an immediate need to look into the irregularities in the disposition of DOT's budget and its expenditures in advertising and marketing in order to ensure that government funds are legally and properly allocated, directed and spent towards the sole purpose for which the funds were allocated.

NOW THEREFORE, BE IT HEREBY RESOLVED, as it is hereby resolved by the Philippines Senate, to direct the Senate Committee on Tourism to conduct an inquiry, in aid of legislation, on the anomalous ₱60-million advertisement placement made by the Department of Tourism (DOT) with Bitag Media Unlimited, Inc., for airtime in Kilos Pronto, a PTV-4 program produced and co-hosted by the brothers of DOT Secretary Wanda Teo, with the end in view of ensuring that the budget allocated to DOT, particularly for its expenditures in advertising and marketing, are legally and properly disbursed and spent.

Adopted,


ANTONIO "SONNY" F. TRILLANES IV
Senator

¹³ Rappler. (28 April 2018). *COA questions P60-M DOT ads payment to Ben Tulfo's media outfit*. Retrieved from <https://www.rappler.com/nation/201291-ben-tulfo-bitag-media-cornered-millions-advertisements-dot-2017-coa>

¹⁴ Ibid.

¹⁵ Ibid.