

SENATE
P.S. Res. No. 229

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Introduced by Senator Grace Poe

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RESOLUTION
EXPRESSING THE SENSE OF THE SENATE OF THE NEED TO EVALUATE THE EXISTENCE OF PHILIPPINE OFFSHORE GAMING OPERATORS (POGOS) IN THE COUNTRY IN LIGHT OF THE SOCIAL COSTS THAT OUTWEIGH THE REPORTED ECONOMIC GAINS FROM ITS OPERATIONS

1 WHEREAS, Article II, Section 5 of the 1987 Philippine Constitution puts
2 emphasis on the maintenance of peace and order, the protection of life, liberty, and
3 property, and the promotion of the general welfare as essential to the enjoyment by
4 all the people of the blessings of democracy;

5 WHEREAS, according to the Philippine Amusement and Gaming Corporation
6 (PAGCOR)'s offshore gaming primer, POGOs form part of a multi-billion gambling
7 industry contributing revenues to the country but has also been allegedly used for
8 illegal activities such as money laundering, illegal immigration and employment, and
9 more recently, kidnapping and violent criminal activities;

10 WHEREAS, gambling is illegal in China. None other than the Chinese
11 government has signaled the crackdown of cross-border gambling and money
12 laundering as the Chinese nationals working in POGO were recruited illegally;

13 WHEREAS, 17 out of the 31 reported kidnapping incidents from January to
14 September 2022 by the Philippine National Police (PNP) Anti-Kidnapping Group were
15 POGO related;

16 WHEREAS, the PNP cited that the increase in kidnapping incidents in 2022
17 particularly those POGO-related is due to the high demand of companies for
18 Mandarin speaking workers, high referral fees and vulnerability of victims;

1 WHEREAS, on 15 September 2022, PNP's Criminal Investigation and Detection
2 Group (CIDG) arrested five (5) POGO workers, four of them Chinese, identified to be
3 members of the Zi Criminal Group, a syndicate linked to kidnappings and illegal
4 detention of POGO employees in the southern part of Metro Manila;

5 WHEREAS, the aforementioned syndicate is one of more than five groups
6 involved in POGO kidnappings, based on police intelligence, according to Col. Hansel
7 Marantan, Chief of the CIDG-National Capital Region;

8 WHEREAS, according to the PNP's CIDG, the Philippines became a cradle for
9 Chinese gangsters after Vietnam and Cambodia banned Chinese-backed online
10 gambling and overseas casinos;

11 WHEREAS, on 16 September 2022, operatives of the PNP, National Bureau of
12 Investigation (NBI), Bureau of Immigration (BI), and Chinese Embassy rescued 70
13 foreigners who were allegedly detained and forced to work at a POGO site in Cainta,
14 Rizal;

15 WHEREAS, only a day after, on 17 September 2022, the Department of
16 Interior and Local Government (DILG) shut down a POGO establishment in
17 Pampanga allegedly involved in human trafficking. About 43 Chinese nationals who
18 claimed to be abducted were rescued;

19 WHEREAS, with the spate of kidnapping incidents and other violent activities,
20 the continued presence of POGOs in the country has become a threat to peace and
21 order;

22 WHEREAS, the social risks of POGO's operations outweigh its reported
23 financial benefits with recent data showing decline in revenue contribution of POGO's
24 to the government. According to Department of Finance Secretary Benjamin Diokno,
25 there is a 46% drop in revenue collection at P3.9 billion in 2021 compared to P7.18
26 billion in 2020;

27 WHEREAS, moreover, the PAGCOR reports that income generated from
28 POGOs has decreased steadily due to the pandemic from P6 billion in 2018, P5
29 billion in 2019, P2 billion in 2021 and P1 billion in the 1st half of 2022;

30 WHEREAS, POGOs also provide very little employment to Filipinos. In 2020,
31 out of 120,976 workers, only 30,521 are Filipinos or only 1 out 4 licensed POGO
32 employees are Filipinos;

1 WHEREAS, there is an urgent need to evaluate the continued existence of
2 POGOs in the country considering the deleterious effects to public safety and order
3 in contrast with the supposed economic gains from their operations in the country;

4 WHEREAS, there is also a need to strengthen the current legal regime on
5 gambling activities in line with the government's pursuit of the common good and
6 national development;

7 NOW THEREFORE BE IT RESOLVED, as it is hereby resolved by the Senate of
8 the Philippines, to express the sense of the Senate of the need to evaluate the
9 existence of Philippine Offshore Gaming Operators (POGOs) in the country in light of
10 the social costs that outweigh the reported economic gains from its operations

Adopted,



GRACE POE