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The state as looters of private funds

AMADO P. MACASAET

The alleged plunder as compiled by the legal board shows "unreported, excessive, compensation to PCGG nominees amounting to P279 million."



THE Presidential Commission on Good Government clearly holds the unenviable record of being the agency that darkens the memory of President Corazon Aquino, mother of President PNoy.

Sadly, the son does not seem to care about the desecration of the memory of his mother. If he does, he would have immediately done two things. First, he would have ordered the abolition of the PCGG seeing frustrated the dream of his mother to bring to justice those she thought plundered the country's coffers with the active participation of Ferdinand Marcos and his alleged cronies.

He would have ordered the filing of charges against PCGG commissioners and nominees who now clearly appear to be responsible for dissipating the assets of corporations it forced itself into without valid sequestration orders.

Strangely, the President and his men do not take notice of how the assets of these companies were mercilessly looted, stolen and plundered instead of having them preserved - if not make grow - as is the primary purpose of creating the good government body. President Cory Aquino had hoped her PCGG would be able to help raise enough funds - meaning recover ill-gotten wealth from what she suspected were plunderers in the Marcos regime - to help defray the gargantuan costs of implementing her comprehensive agrarian reform program (CARP).

The PCGG occasionally mentions a few hundred million dollars recovered from the Marcoses and proclaims to the world it has accomplished its mission. Unknown to the President or he simply does not mind is the looting by PCGG nominees of assets of some companies whose sequestration was legally assailable.

As we have been so saying for years, the sequestration of Philippine Overseas Telecommunications Satellite Corp. is illegal because the order blatantly disregarded the basic requirement of having the consent and signature of two of three commissioners before the order can be served on any company suspected to have benefited immensely but illegally from the influence of its principal stockholders or owners with Ferdinand Marcos.

Only one commissioner signed the sequestration order. The PCGG cannot produce the minutes of investigation it was required to conduct on all companies subject of sequestration. This is due process that Cory Aquino restored in the EDSA revolution.

It is important to hammer on the case of POTC, not because I am a stockholder of its subsidiary - Philcomsat Holdings Corp. - but because the P50,000 invested in POTC by the National Development Company at the behest of Juan Ponce Enrile, then undersecretary of finance - produced more than P300 million in profits remitted to the government agency.

The legal board of PHC as so declared by the Supreme Court has records showing the illegal nominees of the PCGG looted the company such that the P800 million Philcomsat used to capitalize the holding company is practically gone.

There is evidence to prove the looting as shown by records on file with the company. Before the Court determined which between the two "warring" groups was legal the "illegal" Locsin/Nieto-PCGG faction "raided, looted plundered P700 million from PHC," a corporation that is not even sequestered.

The details of the alleged plunder as compiled by the legal board show "unreported, excessive, compensation to PCGG nominees (B. Araneta, E. Locsin, M. Andal, J. Jalandoni, Guy de Leon" et al. amounted to P279 million.

I thought the Executive Order creating the PCGG limits compensation to not more than P30,000 a month. But there are many ways of skinning a cat. The records of PHC show "accounting fraud: booking operating expenses as advances to affiliates" amounted to P122 million from 2003 to 2007.

Who in this case are the affiliates? It cannot be any other than POTC, the mother company and its wholly-owned operating arm, Philippine Communications Satellite Corp. or the failed call center that lost about P100 million before it could even take off the ground.

The first anomaly here is why the names of the companies to which advances were made were not identified. Now we know why. There are no records the "affiliates" received the advances.

Summed up, a member of the legitimate board claims "PHC management gross negligence and lapses" by the Locsin/Nieto PCGG group is claimed to have embezzled or at least misspent a total of P717 million during that period.

In other words, the P800 million Philcomsat used to capitalize PHC vanished into thin air in just four years.

Based on the checkbooks of the company, disbursement vouchers, cash disbursement books and phony advances to affiliates totaled another P279,233 million.

The biggest beneficiary of the largesse appears to be Benito Araneta, chairman who was removed by President Estrada. He is recorded as having taken P108,330 million from 2003 to 2007.

Luis K. Lokin Jr. director and head of the legal committee appears in the records to have received P30,92 million, probably including about P2 million entered in the books in his name for "Sandiganbayan TRO."

There are allegations the illegal board was involved in bank fraud. One case cited by the legal group of Bildner/Ponce Enrile was "spurious bank accounts, co-mingling of PHC corporate checks with (Brodett/Nieto) personal account and manipulation of PHC deposits.

In the same period from 2003 to 2007, PHC had 14 supposed legal counsels. As head counsel and director of PHC, Luis Lokin Jr. was paid P22 million. Total payments to the 14 lawyers plus six "others" amounted to P91,604 million.

The "looting" was so brazen there is an entry described as "legal fees", representations and payments to the judiciary (Supreme Court, Sandiganbayan fiscals, etc.)

Lokin was suspended for making it appear the courts can be bribed. I remember the suspension was stayed.

email:amadomacasaet@yahoo.com



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