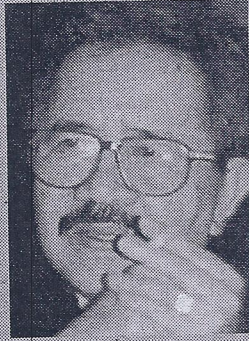


# PCGG defies all including SC

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*'It is clearly out of hunger for power and greed ... the PCGG chose to honor the letter of the secretary of finance saying the state has all of the 40 percent surrendered by Jose Y. Campos.'*



**U**NKNOWN to many but clear to the minds of state officials is how the Presidential Commission on Good Government violates a final ruling of the Supreme Court.

The PCGG chose to take to heart the misinformed letter of the secretary of finance saying the state owns 40 percent of the Philippine Overseas Telecommunications Commission although the records show that it has only 35 percent.

The PCGG had the gall to file a petition for a temporary restraining order asking for the suspension of the implementation of a compromise agreement it entered into with Potenciano Ilusorio. It was that compromise that led to the confiscation of the 40 percent of POTC shares held by two companies which Jose Y. Campos surrendered to the PCGG claiming he was holding them for Marcos and his family. Five percent of the 40 percent was lopped off and awarded to Potenciano Ilusorio.

In other words, the PCGG lied to the Supreme Court. The TRO was granted. But the Court later said it was misled by the PCGG by not saying a stock certificate for 35 percent has been issued in the name of the Republic of the Philippines.

No one files a petition for a temporary restraining order on a case that has been resolved with finality. The PCGG mindlessly did.

The document is available to anybody who cares to see and examine it. I saw it myself. Yet the PCGG maintains the state has 40 percent it is duty-bound to protect and exercise the voting rights inherent in those shares.

The PCGG claim is solely based on a letter of the secretary of finance to whom the shares were surrendered after the PCGG was persistently prodded to do so.

The secretary of finance was similarly led to believe the state has 40 percent. He said so. The PCGG committed a deceitful act. The letter was written after the Supreme Court approved the compromise settlement that awarded Ilusorio 5 percent of the 40 percent surrendered by Campos.

The PCGG claims POTC is under sequestration. The truth is the sequestration act was invalid. The law says a sequestration order requires the concurrence and signature of two of three PCGG commissioners. The order had only one signature. PCGG continues to uphold the "validity" of an invalid order.

As significant a proof that the company is not sequestered is the compliance by POTC of two orders issued by then PCGG chairman Mary Concepcion Bautista asking for the "cancellation of the shares in the names of Independent Realty and Mid-Pasig as well as those in the names of Ferdinand Marcos Jr., Roberto Benedicto, Jose L. Africa and Manuel H. Nieto Jr." Ms. Bautista made compliance as a condition for the lifting of the sequestration which actually did not legally exist.

As a result of the compliance by POTC with the PCGG order, the questionable shares subject to questionable ownership are the 107 shares in the name of Manuel Nieto and one share in the name of Jose L. Africa. Together they represent 0.8 percent of the outstanding shares of POTC. Thus, the state has 35 percent surrendered by Jose Y. Campos and less than 1 percent open to sequestration.

Since the owners of less than 1 percent of any company - private or public - can never sway decisions of the firm in their way, for good or evil, POTC and its wholly-owned operating arm Philippine Communications Satellite Corp. filed a petition with the Sandiganbayan to lift the sequestration.

The motion was denied almost solely on the verification report of two people who later benefited immensely from what appears to be savage looting of the funds of PHC, 81 percent controlled by Philcomsat.

These two obviously did not look at the facts. The question of ownership of 40 percent of the shares of POTC was resolved when the Supreme Court confirmed the compromise agreement by ordering the transfer to the state of 35 percent and by awarding 5 percent to Ilusorio.

The dominance of PCGG over POTC and Philcomsat was exercised through a phony control using 40 percent of the company's shares surrendered by Jose Y. Campos. The voting rights on the 35 percent can be exercised only by the state, the beneficial owners of the shares.

The PCGG refuses to recognize the validity of the award of 5 percent to Ilusorio to justify its control which it claims is as much as 53 percent. If the sequestration body has the respect for law and the ruling of the Supreme Court it would not exercise any kind of corporate power over the 5 percent awarded to Ilusorio.

If it does even if there has never been any question about the award of the 5 percent to Ilusorio the PCGG's illegal claim of having rights over 53 percent would be cut down to 48 percent. It will lose voting control over POTC and Philcomsat.

Neither does the PCGG find any value in the fact that the P55,000 investment of the National Development Company in POTC produced a profit of around P130 million. How does it happen that the government through the NDC realized immense profits but its partners are suspected to have bought their holdings with ill-gotten money but cannot produce evidence to prove their claim?

It is clearly out of hunger for power and greed for undeserved benefits that the PCGG chose to honor the letter of the secretary of finance saying the state has all of the 40 percent surrendered by Jose Y. Campos.

The private stockholders would have had 65 percent control if the court-approved settlement is recognized and respected as it should by the PCGG.

Another stinking part of this shameful mess is the statement of the PCGG made on Sept. 4, 2007 that it shall be consulted on matters of management and representation pending final disposition of the shares..."

What disposition is the PCGG talking about? The Supreme Court has ruled on it with finality. The family of President Marcos never objected to the transfer of the shares to the state. This is the final disposition that the PCGG for its own reason says is not.

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