



THE CORONA IMPEACHMENT

Day 12 - Monday, 06 February 2012

On the Second Article of Impeachment, *continued*

<i>Event / Witness</i>	<i>Highlights / Remarks</i>
<p><i>Continuation of direct examination of Henares</i></p> <p>Kim Jacinto Henares <i>Commissioner, Bureau of Internal Revenue</i></p> <p>Senator-Judge Juan Ponce Enrile <i>Presiding Officer</i></p> <p>Arthur Lim <i>Private Prosecutor</i></p> <p>Serafin Cuevas <i>Lead Defense Counsel</i></p>	<p>Cuevas objected to Lim’s request to continue with the direct examination of Henares. He argued that the business for the day was the continuation of their cross examination of the BIR Commissioner. Enrile also noted that the direct examination was already terminated since the cross-examination had already commenced. Cuevas further pointed out that they were almost done with the cross examination.</p> <p>Lim, however referred to the records of the previous hearing which he said showed that the direct examination of Henares was not yet terminated as he only yielded the floor to the Presiding Officer. Enrile finally allowed the prosecutor to finish his direct examination.</p> <p>Lim asked Henares if she reviewed the ITRs of spouses Carla Corona Castillo and husband Constatino when they issued the certificate authorizing registration (CAR) regarding the La Vista property, which was sold by Chief Justice Corona and his wife, Cristina.</p> <p>Enrile asked Lim what was the relevance of the ITR with respect to non-inclusion of certain properties in the SALN. Lim said that it would show that Carla was not capable of buying the property from her parents at P18 million, and as such, it belonged to the Chief Justice, which should have then been included under his declared assets. Despite objection from Cuevas, who pointed that the question would tend to probe the issue of ill-gotten wealth, the witness was allowed to answer. Henares said that part of their duty in issuing CAR was to review of the ITRs.</p> <p>Henares also presented CAR of Palms Country Club shares which was sold by Filinvest Alabang Inc. to Corona and his wife. The said assets were likewise not listed in the SALN. Cuevas objected saying that Henares was not party to the transaction.</p>

<p><i>Cross-examination of Henares</i> Kim Jacinto Henares <i>Commissioner, Bureau of Internal Revenue</i></p> <p>Serafin Cuevas <i>Lead Defense Counsel</i></p>	<p>Cuevas inquired on the subpoena issued to Henares and the purpose stated therein. He also asked whether Henares was under legal obligation to examine the documents. Henares replied in the negative and likewise denied making a conclusion that the “buyer” had no capacity to buy the property.</p> <p>On the question whether the witness would be willing to hand in her SALN and ITR, Henares replied in the affirmative.</p> <p>Cuevas asked if the SALN process allows for corrections. Henares said that such would render the exercise useless. She opined that the document is sworn to under oath, and that it would defeat the purpose of the SALN if it could be corrected at any given time. Cuevas asked that this answer of Henares be stricken out but Enrile pointed out that he was cross examining the witness yet was asking that the response be stricken out.</p> <p>Henares also disclosed that the agency was conducting an investigation on the Chief Justice. Enrile asked whether Corona was informed that he was being investigated. Henares said Corona was notified through the letter of authority probing his income tax.</p> <p>Cuevas inquired into the propriety of conducting the investigation when there was an undergoing impeachment trial on a related issue. Henares said that they would be accused of sitting on the case if they did not investigate so they just did what the public expected them to do.</p>
<p><i>Redirect-examination of Henares</i> Kim Jacinto Henares <i>Commissioner, Bureau of Internal Revenue</i></p> <p>Arthur Lim <i>Private Prosecutor</i></p>	<p>Henares was asked to confirm if the marked SALNs of the Chief Justice were the same as what were handed to her by a member of the media when she was interviewed during her first appearance before the Court.</p> <p>Lim asked the witness regarding her views on the said SALNs. Enrile directed the private prosecutor to qualify Henares as an expert witness. Cuevas also argued that redirect examination would be admitted only on those covered by the cross-examination. Lim, however, pointed out that the lead defense counsel himself admitted Henares as an expert witness when Cuevas earlier asked what her thoughts were of Corona’s SALNs.</p> <p>Henares claimed of the following discrepancies in Corona’s SALNs:</p> <ul style="list-style-type: none"> a) In 2002, the nine properties in Marikina were not declared. b) In 2003, aside from the nine properties in Marikina,

	<p>certain assets were underdeclared showing a net worth of P7 million when it should have been P14 million.</p> <ul style="list-style-type: none"> c) In 2004, the Marikina properties were still not included, plus the condo unit in Makati, pegging his net worth at P7 million instead of P25 million. d) In 2005, the Bonifacio property was not included. Corona declared a net worth of P8.3 million when it should have been P31.2 million. e) No mention of 2006 f) In 2007, Corona’s net worth should have been P24.5 million instead of P11 million. g) In 2008, the declared net worth was P12 million, when it should have been P25 million. h) In 2009, Corona should have had P52 million in net worth but he only declared P14.5 million. i) In 2010, it went down but the sale of the La Vista property was not listed. <p>Henares said that they use the net worth method in assessing tax deficiencies.</p> <p>Enrile clarified that the discrepancies referred only to non-inclusion and underdeclaration. Cuevas also asked the testimony to be stricken out. Enrile then asked which documents provided basis for the computation. Henares answered that initial findings based on the CARs and the SALNs warranted further investigation. The Presiding Officer allowed Henares testimony to stay but only tentatively since full investigation has yet to be completed.</p>
<p><i>Resolution of the Impeachment Court</i> Senator-Judge Vicente Sotto III <i>Majority Leader</i></p> <p>Senator-Judge Francis Escudero</p>	<p>Sotto read the full ruling of the Court which granted the prosecution’s request for the issuance of subpoena to Chief Justice Renato Corona’s bank account details at the Bank of the Philippine Islands and his alleged account at the Pilipinas Savings Bank.</p> <p>The resolution however, stressed that, guided by the sanctity of the Bank Secrecy and other pertinent laws and guarantees, the subpoena would be issued only for the production of specific proofs and that such proofs should be prima facie evidence.</p> <p>Cuevas asked for reconsideration of the ruling of the Court and stated that they were willing to submit a written motion for reconsideration. He said that the Estrada plunder case was about ill-gotten wealth which was excluded in the impeachment proceedings.</p> <p>Escudero made a point of order stating that appeals to the ruling of the Court should only be made by a member of the Court and it was improper for the parties to present a motion</p>

	<p>for reconsideration.</p> <p>He also cautioned on the tendency to indirectly violate the Bank Secrecy Law as it would appear that the Court issued the subpoena based on a mere “suspicion” of the existence of such bank accounts. He then inquired the circumstances as to how the prosecution got hold of the documents. House Prosecutor Reynaldo Umali claimed that the envelope was handed to him by an anonymous source.</p> <p>Enrile stated that the resolution was to authorize the issuance of subpoenas. The Court was not prejudging the admissibility or non-admissibility of the evidence. He also ruled that at the proper time, the issue of the source of the document would have to be revealed.</p> <p>Sotto then informed the Court that as per instruction to the witness, SEC Director Benito Cataran submitted his legal memorandum on the SEC power to revoke a corporation’s franchise. He said that the Court was also in receipt of additional request for appearances of private counsels for the prosecution.</p>
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- l) In 2004, the Marikina properties were still not included, plus the condo unit in Makati, pegging his net worth at P7 million instead of P25 million.
- m) In 2005, the Bonifacio property was not included. Corona declared a net worth of P8.3 million when it should have been P31.2 million.
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- o) In 2007, Corona's net worth should have been P24.5 million instead of P11 million.
- p) In 2008, the declared net worth was P12 million, when it should have been P25 million.
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