

**MINUTES OF THE 96<sup>TH</sup> LEDAC MEETING  
HELD ON AUGUST 3, 2004 AT 10:00 A. M.,  
STATE DINING ROOM, MALACAÑAN PALACE**

**SUMMARY OF DISCUSSIONS AND AGREEMENTS**

**Presiding Officer**

With Her Excellency, President Gloria Macapagal-Arroyo presiding, the LEDAC meeting was called to order at 10:00 a.m.

**Attendance**

The following government officials attended the meeting:

**A. Executive**

- |     |   |      |
|-----|---|------|
| 1.  | Her Excellency, President GLORIA MACAPAGAL ARROYO |      |
| 2.  | Vice President NOLI L. DE CASTRO                  |      |
| 3.  | Executive Secretary ALBERTO G. ROMULO             | OES  |
| 4.  | Secretary EMILIA T. BONCODIN                      | DBM  |
| 5.  | Secretary ELISEA G. GOZUN                         | DENR |
| 6.  | Secretary ROMULO L. NERI                          | NEDA |
| 7.  | Secretary JUANITA D. AMATONG                      | DOF  |
| 8.  | Secretary EDUARDO R. ERMITA                       | DND  |
| 9.  | Secretary CESAR V. PURISIMA                       | DTI  |
| 10. | Secretary GABRIEL S. CLAUDIO                      | PLLO |
| 11. | Undersecretary AGNES VST. DEVANADERA              | DILG |

**B. Senate**

12. Senate President FRANKLIN M. DRILON
13. Senate President Pro-Tempore JUAN M. FLAVIER
14. Senate Minority Floor Leader AQUILINO Q. PIMENTEL JR.
15. Senator RICHARD J. GORDON
16. Senator MIRIAM D. SANTIAGO
17. Senator MANUEL B. VILLAR

**C. House of Representatives**

18. House Speaker JOSE C. DE VENECIA JR.
19. Deputy Speaker EMILIO R. ESPINOSA JR.
20. Deputy Speaker RAUL DEL MAR
21. Majority Floor Leader PROSPERO C. NOGRALES
22. Rep. BENIGNO C. AQUINO, JR.
23. Rep. ROLANDO G. ANDAYA JR.

- 24. Rep. TEODORO L. LOCSIN, JR.
- 25. Rep. ALAN PETER S. CAYETANO

**D. Private Sector Representative**

- 26. Mr. GUILLERMO M. LUZ Makati Business Club

**E. LGU Representative**

- 27. Gov. ERICO B. AUMENTADO League of Provinces

**F. Other Executive Officials**

- 28. Secretary RIGOBERTO D. TIGLAO Chief-of-Staff
- 29. Secretary IGNACIO R. BUNYE Pres. Spokesman
- 30. Secretary MILTON A. ALINGOD OPS
- 31. Secretary RICARDO L. SALUDO PMS
- 32. Usec CATHERINE H. BELLO PLLO
- 33. Chairman KARINA C. DAVID CSC
- 34. Chairman DARIO RAMA PAGC
- 35. Ombudsman SIMEON V. MARCELO OMB
- 36. Commissioner EMMANUEL M. DALMAN COA
- 37. Commissioner TERESITA D. BALTAZAR PAGC
- 38. Asst. Ombudsman MELCHOR H. CARANDANG OMB
- 39. Asec BERNARDINO E. SAYO PLLO
- 40. Asec. NICASIO A. CONTI OP
- 41. ADG MARGARITA R. SONGCO NEDA
- 42. Director ADOR G. PAULINO OMB
- 43. Ms. MARIANNE P. MANANZAN NYC
- 44. Atty. JESSE H.T. ANDRES OVP
- 45. Ms. JANE DEVANADERA DILG

**G. Invited Legislative Officials**

- 46. Director-General SUSAN T. BULAN SEPO
- 47. Director-General RODOLFO V. VICERRA CPBD
- 48. Director RONALD R. GOLDING SEPO
- 49. Atty. REGINA EVANGELISTA OSP
- 50. Atty. OLIVER SAN ANTONIO Office of Sen. Pangilinan
- 51. Ms. PILAR DULAY Office of Sen. Pangilinan
- 52. Ms. JEAN ENCINAS-FRANCO SEPO-Senate
- 53. Dr. ROMULO EM. MIRAL, JR. CPBD
- 54. Ms. DINA DJ. PASAGUI CPBD

## **SECRETARIAT**

### **H. NEDA/LEDAC Secretariat**

- 55. Director VICTORIA V. QUIMBO
- 56. Director VIRGILIO V. SALENTES
- 57. Ms. ROSEMARIE O. AGUILAR
- 58. Mr. OSCAR I. MIA
- 59. Mr. AUREO P. CASTRO
- 60. Mr. RICARDO R. SUNICO
- 61. Ms. MARIROSE J. GINEZ
- 62. Ms. TARA MIA A. MEHRETAB
- 63. Ms. MYRNA N. CACPAL
- 64. Ms. ELVIRA L. CUSTODIO
- 65. Mr. BYRON BICENIO

### **I. Presidential Legislative Liaison Office (PLLO)**

- 66. Ms. IRENE AFORTUNADO
- 67. Mr. REY B. ZARATE

### **J. Presidential Management Staff (PMS)**

- 68. Mr. ANTONIO AVENDAÑO
- 69. Mr. ARNEL R. REOLA
- 70. Mr. REY MIRA
- 71. Mr. JAIME BONDAL

## **AGENDA**

The meeting had the following agenda:

<u>Agenda Item</u>	<u>Presented By</u>
I. FOR APPROVAL/ADOPTION	
The Minutes of the 27 July 2004 LEDAC Meeting	
II. FOR DISCUSSION	
The Government's Anti-Corruption Program	Secretary Rigoberto D. Tiglao Presidential Chief of Staff

### III. OTHER MATTERS

#### 1.0 **CALL TO ORDER**

- 1.1 The President called the 96<sup>th</sup> LEDAC meeting to order at 10:00 a.m. Senate President Pro-Tempore Juan M. Flavier led the opening prayer.

#### 2.0 **APPROVAL/ADOPTION OF THE MINUTES OF THE 95<sup>TH</sup> LEDAC MEETING**

- 2.1 The President invited the members of the Council to review and approve Adoption the minutes of the 95<sup>th</sup> LEDAC Meeting.
- 2.2 Governor Aumentado moved for the approval and adoption of the minutes of the 95<sup>th</sup> LEDAC meeting. There being no objections, the minutes were approved.

#### 3.0 **ANTI-CORRUPTION THROUGH GOOD GOVERNANCE**

- 3.1 The President presented the three components of her anti-corruption campaign, as follows:

##### I. ENFORCEMENT

1. Customs and BIR as showcases
2. Lifestyle checks
3. Law needed: Ombudsman like Independent Commission Against Corruption

The President emphasized that the whole government pay special attention to Bureau of Customs (BOC) and the Bureau of Internal Revenue (BIR) as showcases in the fight against corruption. She noted that the World Bank (WB) praised the country's efforts on lifestyle checks and assistance has been extended by the founders of Hong Kong's Independent Commission Against Corruption (ICAC). Her Excellency also stated that in order for the reforms to have an impact, some legislations are needed basically to make the Office of the Ombudsman stronger. If the Office of the Ombudsman operates like ICAC, there would be no need for a Presidential Anti Graft Commission (PAGC) which serves the President rather than act as an independent commission against corruption

##### II. SYSTEMS

1. Frontline services
2. Automation of elections
3. Implementation of procurement law

On systems, the President stressed the need to improve frontline services aside from BOC and BIR as they are not really frontline services but the ones that serve the general public like Land Transportation Office (LTO), National Statistics Office (NSO), National Bureau of Investigation (NBI), and Passport Services.

She seeks to revive the study done in the previous administration on what does an ordinary Filipino go through in his typical six (6) months such as what agencies does he go to and therefore what services does he expect to have improvement on. As surfaced in the consultations done with the people in early 2003, LTO has made significant improvements in its services but the President would like to continue the improvements there.

On the automation of elections, the President said that it is more of a question of budget to implement it.

The implementation of the Procurement Law in the national government has been praised by World Bank as one of the things the administration has been able to do to improve transparency and is expected to be implemented next in local government units.

#### BISHOP-BUSINESSMEN'S RECOMMENDATIONS

The President emphasized that she expects the Cabinet to work closely with the Bishop-Businessmen's Conference to craft enforceable anti-corruption programs along:

First, the need for specially trained prosecutors and investigators to act on all cases of graft and corruption.

The President stated that there is a need to increase the number of prosecutors not only in the judiciary but also in the Office of the Ombudsman.

Two, involving all sectors at all levels to scrutinize projects that are willfully made transparent, so that the people, especially the poor, can actually see the benefits accruing to them from governance.

On an operational level, this means having representatives of the BBC sit as members or observers in the bidding committees. The President cited her DSWD experience where she had representatives from NGOs sit in bidding committees and the resulting procurement process was adjudged as very transparent by the WB when they were doing our social expenditures management loan program.

Three, the terms of bidding of government-funded projects, and all other contracts or agreements of government with the private sector, should be made clear and available for public scrutiny, without exception unless national security is involved.

Fourth, in general, ensuring transparency, accountability, participation and communication as a vehicle for good governance.

#### 4. Judicial reforms

The President thanked Congress for passing three very important judicial reforms like judges pay, prosecutors pay and mediators pay and stated her support for judicial reforms based on what the Supreme Court feels need to be done.

#### 5. Administrative re-engineering

On administrative re-engineering, Her Excellency stated that the legal basis for administrative re-engineering would be stronger if we have re-engineering with a silver parachute similar to what NAPOCOR was able to give when it laid off its employees when the EPIRA Law was implemented.

6. Law needed: government re-engineering with silver parachute

7. Next year: start discussions on Charter change resolutions

The President reiterated that the Executive Branch supports the agreement made by both Houses of Congress to put off discussions on Charter Change until next year.

### III. VALUES

1. Values education in schools
2. Values seminars in institutions
3. Commission on Values

The President instructed the Department of Education (DepED) to allow Values Education in schools and on a voluntary basis, to expose children to various NGOs that are willing to conduct values education seminars not only schools but also in government institutions like BIR, Customs, and Bureau of Prisons.

She also cited that Christian churches have been strongly recommending the creation of a Commission on Values. This will be an ad hoc body composed of the President as chairperson, Bishop Rosales, Bishop Tendero of the Protestant Church, Bro. Eddie, Bro. Mike, Ka Eduardo and, Pastor Quiboloy. These church leaders will be invited to sit weekly to work on what long term reforms need to be done to improve values in government.

## **4.0 A ROADMAP FOR THE CAMPAIGN AGAINST CORRUPTION**

- 4.1 Sec. Rigoberto D. Tiglao's presentation on the government's anti-corruption program emphasized the fact that corruption is one of the biggest obstacles to economic development and poverty reduction (strong correlation between high economic level and low corruption). It is an oft-repeated argument against new tax measures as shown in the survey done by Pulse Asia that 77% believe new taxes are not necessary if inefficiency and corruption are addressed. The public perceives corruption as a major concern as evident in the poll done by Pulse Asia that 89% believe removing or prosecuting corrupt officials should be a priority in the President's first 100 days.

However, Sec. Tiglao maintains that the government does not need to reinvent the wheel in its fight against corruption but only has to learn from the Hong Kong experience.

### **HONG KONG EXPERIENCE:**

Thirty years ago, Hong Kong was considered one of the most corrupt countries in Asia. In fact the word "tong" has been derived from the HK Tong Gangs imported here by the Chinese immigrants. It is now perceived as the Second (2<sup>nd</sup>) LEAST corrupt country in Asia according to Transparency International. In contrast, the Philippines is perceived to be the fourth (4<sup>th</sup>) MOST corrupt country in Asia.

In comparison, the Philippine has the most comprehensive and oldest anti-graft laws in Asia. RA 1379, the legal basis for lifestyle checks, was enacted in 1955. RA 3019, the anti-graft and corrupt practices act, was enacted in 1960.

Legal luminaries say that the Philippines has one of the strictest anti-graft laws in Asia citing the existence of a Presidential Decree penalizing the receipt of any kind of gift by any official.

World Bank studies conclude that the most important factor in the Hong Kong experience was the establishment of the ICAC in 1974.

Sec. Tiglao also cited the case of Australia and Korea. Although not as widely known as one of the most corrupt countries in the 80s, Australia established its own ICAC in 1998 entirely patterned after Hong Kong's ICAC. In 2001, Korea set up its own ICAC and began its operations in 2002.

He compared the experience of Hong Kong and the Philippines with respect to the problem of execution of anti-corruption campaigns and resources allocated thereto:

<p><b>Hong Kong (ICAC):</b></p> <ul style="list-style-type: none"> <li>•ICAC Budget:</li> <li>•US\$10 to \$90 million annually starting in 1974 (when HK GDP was \$16.9 billion while RP's was \$23.2 billion)</li> <li>•\$90 million (<b>P5 billion</b>) in 2003 or \$15 (P825) per capita</li> <li>•Size of bureaucracy: 150,000</li> <li>•ICAC staff: 500 in 1974; now 1,060</li> <li>•Ratio: 1: 142 civil servants</li> </ul>	<p><b>Philippines:</b></p> <ul style="list-style-type: none"> <li>•Anti-graft Budget in 2003:</li> <li>•Ombudsman:P481.4M</li> <li>•PAGC:P18.6M</li> <li>•Others:P15M</li> <li>•Total: <b>P515 million</b> or P6 per capita</li> <li>•Size of bureaucracy: 1.4 million</li> <li>•Staff: approx. 1,000</li> <li>•Ratio: 1: 1,400 civil servants</li> </ul>
<ul style="list-style-type: none"> <li>•Graft Investigators: 800 or <b>1:2,000 civil servants</b></li> <li>•NOTE: Other ICAC divisions - community relations (200); corruption prevention (60)</li> </ul>	<ul style="list-style-type: none"> <li>•Graft Investigators :145 or <b>1:10,000 civil servants</b></li> <li>•Ombudsman: 37 prior to 2003; now 96 thru additional funding by PGMA</li> <li>•PAGC: 11; TG: 8; Others: 30</li> </ul>
<ul style="list-style-type: none"> <li>•All prosecution done by Department of Justice (budget: HK\$379 million (P2.7 billion)</li> <li>•Conviction Rate: <b>79%</b> (330 convicted out of 416 in 2003)</li> <li>•About 3,000 cases handled annually</li> <li>NOTE: Initially focused on lifestyle checks of police and government officials (1974-1985): lifestyle checks easiest way to pin down the corrupt. ICAC now covers private sector, corporate fraud (1985-1991).</li> </ul>	<ul style="list-style-type: none"> <li>•Prosecutors (OMB): 52 prior to 2003; now 104 through additional funding by PGMA</li> <li>•Conviction Rate:</li> <li>•OMB - <b>6%</b> prior to 2003; 10% after additional funding (workload as of 2003: 7,695 cases)</li> <li>•PAGC – 54 out of 1,075 (or <b>5%</b>) with punitive findings</li> <li>•TG and DOF – 20 cases filed; 10 upheld by Ombudsman, others under preliminary investigation</li> </ul>

Sec. Tiglao stressed that it is important to note the experience of the ICAC in 1974 when it precisely focused on lifestyle checks of the police and government officials. Intensive lifestyle checks led to a sit down strike in 1975 by Hong Kong police. The reason why lifestyle check was picked by the ICAC was because it was the easiest way to prosecute the corrupt. Prosecuting an instance of actual corruption is difficult because of the need to get the briber and build up a case of a single incident. In contrast, the lifestyle check approach simply involves proving that the wealth of a particular official does not correspond to his Statement of Assets and Liabilities (SAL).

He also cited the main weakness in the fight against corruption such as high incidence of dismissal of anti-graft cases due to **insufficiency of evidence**; the reason being there are only very few investigators for case build-up (ICAC: 800 investigators; RP: 145). Therefore, anti-graft laws are a very weak deterrent. Corruption is a low-risk, high-reward crime in the Philippines.

## **REPLICATING ICAC EXPERIENCE: TRANSPARENCY GROUP AND PAGC**

The idea of an ICAC is not out of the blue, the President in 2002 ordered an exercise to test if the ICAC experience can work in the Philippines. This involved: (a) collating the Statement of Assets and Liabilities (SALs) of all line agencies staff as database for conducting lifestyle checks; (b) Transparency Group of the Department of Finance (TG-DOF) identified specific targets based on consultations with department and agency heads; (c) PAGC and OMB undertook investigation with participation of COA, PNP and ISAFP; (d) PAGC, on the other hand, conducted investigations based on complaints (anonymous or identified); and intense case build-up through documentation provided by various agencies and (e) field investigators (Provincial/ City/Municipal Assessor's Office, Register of Deeds, LTO, BID, PNP-FED, OMB/NBI/Police, Courts/ Prosecutor's Office, ISAFP, SEC, DepEd, BIR, PCIJ and other media groups).

## **RESULTS**

Sec. Tiglao stated that the deployment of enough number of investigators could yield quick results as evident in the following:

### **Out of 20 lifestyle check cases investigated:**

- 5 cases investigated by TG; filed at and pursued by Ombudsman (ranks: Undersecretary, Deputy Commissioner, Regional Director, Division Chiefs)
- 5 cases jointly investigated by TG and DOF (e.g. birthday scam at BIR and Customs)
- 5 cases filed by DOF and pursued by Ombudsman
- 5 cases referred to Ombudsman
- **Estimated cost of investigation:** P100,000/ case
- **Time-frame:** 3 months of investigation, 10 months of OMB proceedings, shortened from average of two years
- **PAGC:** 175 lifestyle checks: 3 officials failed, 46 cases ongoing, the rest forwarded to OMB and other agencies for lack of jurisdiction.

The results are not as significant but they produced an effect. These efforts are recognized by the WB and they called it as asset consistency checks that when

carefully researched and well documented, such independent asset checks can help enhance the integrity of government. (WB 2003 report).

With TG experience and guidance, lifestyle checks and anti-graft units were formed in the following departments:

- E.O. 259: DOF Revenue Integrity Protection Service (Usec. Noel Bonoan)
- DAR Committee on Transparency (Usec. Elson Rivera)
- DOH Lifestyle Check Group (Usec. Alex Padilla)
- DPWH Asset Consistency Check Team (Asec. Rafael Yabut)
- DENR Lifestyle Investigation Group (Asec. Raymond DC Mendoza)
- DepEd under Usec. Chito Gascon
- OMB now conducting lifestyle checks

Sec. Tiglao also cited that essential in the anti-corruption campaign is a sufficient number of well-trained investigators, (the Hong Kong ICAC has 800 for a ratio of 1:2,000 civil servants while the Philippines has 145, or 1:10,000 civil servants) and prosecutors (the Hong Kong Department of Justice has a prosecution service with a P2.7B budget compared to the entire Ombudsman’s budget of P481M, with only 50 prosecutors in 2003 – to be increased to 100 starting this year); and a centralized organization (ICAC is the sole agency investigating graft; accelerated lifestyle checks led by OP – TG and PAGC).

Lastly, Sec. Tiglao presented some proposals for parallel and converging efforts to be done by both the Legislative and Executive Branches of government:

<b><u>Legislative Branch</u></b>	<b><u>Executive Branch</u></b>
<p><i>“I ask Congress for a law making the Ombudsman’s function as effective as HK’s ICAC.”</i> -PGMA, 2004 SONA</p> <p><b>Model 1: Amend RA 6770 (Ombudsman Law)</b> requiring the creation of an investigation (case build-up) unit that would include not only graft cases but also lifestyle checks</p> <p>Distinguish between case build up which is the actual groundwork investigation and preliminary investigation which is more of a legal process</p> <p>-May require a specific number of investigators (e.g. additional 100 each year until a sufficient ratio is reached for the anti-graft campaign);</p>	<p>-Centralize investigative units for intensified lifestyle checks and anti-graft investigations (include anti-graft units of PNP and NBI).</p> <p>These may later form the core group of the OMB’s investigation unit or the RP-style ICAC when enacted into law.</p> <p>-Action required: Convert PAGC thru EO to undertake this centralization. PAGC to conduct more focused probes using the TG template.</p> <p>-Under RA 6770 (Sec 3), the President may appoint a Deputy Ombudsman for investigations.</p> <p>- Develop a program with the private sector to second private lawyers to assist OMB and other units in lifestyle</p>

<p>-Allow OMB to hire private prosecutors to litigate before the Sandiganbayan          -Strengthen prosecuting arm of OMB          -Support Executive Branch's increased budget allocation for OMB</p>	<p>checks and anti-graft investigations          - Private sector funding for anti-graft campaigns (SWS says most companies willing to donate 3% of their net income to anti-corruption campaigns: prosecution, lifestyle checks, whistleblowing)</p>
<p><b>Amend other anti-graft laws:</b>          -RA 1379 to be patterned after US RICO Law by integrating attachment proceedings with the filing of lifestyle check cases          --Increase penalties under RA 3019 (currently P100 to P1,000 and one-year maximum imprisonment) and RA 6713 (P1,000 to P5,000 and maximum 5 years imprisonment).          -Require attachment of Individual Tax Returns (ITRs) in SALs for all public official and employees</p>	<p>With the private sector:          -Organize a national pool of BAC observers pursuant to e-procurement law; fast-track public website for e-procurement to develop a web-based system and call center to receive corruption complaints and provide sufficient feedback          --Create a web-based system where all government contracts will be available for public scrutiny; DPWH already has a intranet prototype (Customs import entries and valuation?)</p>
<p><b>-Enactment of "Whistleblower's" Protection Act</b>          --Require waiver of secrecy of bank deposits of officials charged with corruption (after finding of probable cause by OMB)</p>	<p>-Create more agency-based anti-corruption units from the present six to encompass all departments and major GOCCs, to be headed only by Usecs or Asecs. Units to develop Integrity Dev't Reviews.          --Require thru EO all Executive Branch officials and employees to attach ITRs in SALs          --EO to make OP anti-graft decisions immediately executory even pending appeal or motion for reconsideration</p>

He also enumerated the issues that may arise from this endeavor:

- Following the pattern of the ICAC, shouldn't Ombudsman focus on prosecution while a Philippine style of ICAC solely involved in case build-up be created?
- Case build-up should be separate from preliminary investigation (legal proceeding to determine probable cause). This is practiced in Hong Kong, Singapore and the United States..

- This RP version could, like ICAC, also have its education and corruption prevention components.

## **GOVERNMENT REENGINEERING**

- 4.2 The President asked Sec. Boncodin to recap the government re-engineering legislative proposal.
- 4.3 Sec. Boncodin presented the government's streamlining program as essentially having three (3) main objectives:
1. To abolish function and agencies whose activities are no longer relevant and unnecessary in this modern age.
  2. To consolidate various functions that are duplicated.
  3. To strengthen agencies that need additional resources e.g. DepED.
- 4.4 It is a voluntary separation program wherein employees are given the option to retire or to remain in the service. If they retire, they will be given the silver parachute (they will get their GSIS retirement benefits and additional incentives depending on their positions and length of service in government).
- 4.5 For those that will opt to be redeployed, the CSC will implement the redeployment system. For those that opt to be retired, they will be given training on livelihood by identified government agencies. Congress has generously appropriated in the GAA Php15 million for the incentive package for employees who may want to retire. The World Bank (WB), United Nations Development Programme (UNDP), and the European Union (EU) have also given assistance in order to implement the program. Some of the assistance will be in the form of a grant and the WB in the form of program loan.
- 4.6 Any savings generated from the program will be partly saved and/or returned to the government agencies to help them improve their facilities. Over the long run, this will be one source for the increase in the compensation in the government bureaucracy.
- 4.7 There are two (2) tracks in the re-engineering program: one (1) track is via Executive Order and the other one via legislation because it involves agencies created by law.

## **5.0 DISCUSSIONS**

- 5.1 Sen. Santiago explained that the original concept of Ombudsman was frequently a retired Justice of the Supreme Court who was an informal unpaid public watchdog. The Ombudsman's power was limited to fact-finding and problem-solving and not criminal prosecution. She opined the Ombudsman under the Constitution is a high level prosecutor.

- 5.2 Sen. Santiago noted that the term Independent in the Hong Kong ICAC Law meant that the ICAC was independent from the Executive in order to avoid the use of the ICAC against political enemies. Senator Santiago also suggested that this anti-corruption program must be broad enough not to allow fruits of corruption to be concentrated in a few.
- 5.3 Sen. Santiago suggested that a campaign should have two (2) thrusts: prevention and punitive action. Likewise, she suggested that a good campaign should focus on small increments rather dramatic large strides. Sen. Santiago also warned against making the ICAC too powerful.
- 5.4 Sen. Santiago suggested the printing of manuals to define the workflow of paper processing in agencies. She also suggested that express lanes be formed for offices with frontline services. Clients could be charged for fees for expediting for the processing of their papers. Proceeds from the express lane could be used to defray the overtime pay of the employees. Finally, Sen. Santiago suggested that low-level employees be commended for their acts of honesty. The President took note of Senator Santiago's suggestions specially the express lane concept.
- 5.5 On a query from Rep. Locsin, Sec. Boncodin. informed the Council that the retention of obsolete positions is still a problem in the local government level and needs to be addressed .
- 5.6 Sen. Gordon noted that the local governments in other countries allow people to submit the document/application for services required and this will be processed without the citizen being present. While the papers are being processed. Public officials used the delay in processing papers to engage in graft.
- 5.7 Based on his experiences at the Subic Bay Metropolitan Authority, Sen. Gordon's approach was to instill a spirit of efficiency in his agency. He rewarded employees who worked with dispatch. Sen. Gordon also suggested the need for a strong policy on rewarding and protecting whistleblowers in public service. Rep. Benigno C. Aquino Jr. also supported the development of a program for the speedy payment of financial incentives for whistleblowers.
- 5.8 House Majority Floor Leader Nograles suggested that the government use retired investigators specially those who have received specialized foreign training in the conduct of investigations, as a short term measure to develop a pool of investigators. These investigators could be tapped for the case buildup campaign. Sen. Pimentel supported Rep. Nograles' suggestion.
- 5.9 Sen. Gordon also suggested that the government engage in a public relations (PR) program to show the seriousness of the government's anticorruption program. The President replied that the internal PR program was mentioned in

Sec. Tiglao's presentation. Sen. Gordon replied that the PR campaign must also inform the public about their rights and responsibilities.

- 5.10 Mr. Guillermo Luz suggested that the campaign to improve frontline services should also include information on the documents needed in the processing. This kind of information can help in the speedy and efficient processing of papers.
- 5.11 Rep. Allan Cayetano suggested that the executive branch look at improving the benefits such as educational and medical benefits given to civil servants so as to reduce the temptation to commit graft. The President replied that cheaper medicine was taken up in the LEDAC meeting on Anti-Poverty while education will be taken up in a future meeting.
- 5.12 House Deputy Speaker Raul Del Mar suggested the conduct of pre-audit of selected government transactions be considered in the campaign to reduce graft and corruption. Commissioner Dalman of the Commission on Audit (COA) informed the body that the COA previously had the power to conduct pre-audits. But this was rescinded after the COA uncovered a series of ghost projects in Cebu that resulted in the arrest and conviction of officials from the offending agency and the COA.
- 5.13 Likewise Rep. Del Mar suggested that private contractors be also consulted in the preparation of government projects in order to determine the correctness of project cost estimates. Sec. Tiglao replied that this is being done in cooperation with the Bishop-Businessmen Conference (BBC).
- 5.14 On the issue of private sector funds for the anti-corruption program, Mr. Luz also informed the Council that the core group for this activity would be composed of the Bishops-Businessmen's Conference (BBC) and Catholic Bishops Conference of the Philippines (CBCP), the Makati Business Club (MBC), the National Movement for Free Elections (NAMFREL) and CODE-NGO. The group would be assisting in the lifestyle checks and the case buildup campaign as well as the random check of the delivery of key public goods like textbooks, medicines and medical supplies among others.
- 5.15 Vice President Noli D. De Castro suggested that the support of the mass media be solicited in the anti-corruption campaign. The Vice-President noted that the report did not cover the significant role that the private sector plays in anti-corruption.
- 5.16 Sen. Pimentel suggested that government consider promoting the use of leadership of example by heads of agencies and local governments to provide a strong moral deterrent against corruption. He opined that government employees would be inhibited from committing graft if the head of agency sets the example.

- 5.17 Senate President Franklin N. Drilon queried Secretary Tiglao and Ombudsman Simeon Marcelo on the need to amend the Charter of the Ombudsman. Senate President Drilon suggested that it may not be necessary to amend the charter of the Ombudsman. He suggested that the Executive branch consider increasing the budget of the Ombudsman.
- 5.18 On a query from House Speaker De Venecia, the President stated that she considers the Government Reengineering Bill with a silver parachute for government employees as her top legislative priority. Her Excellency explained that Mr. Tony Kwok formerly of the Hong Kong ICAC, will be coming over to the Philippines to review our anti-corruption laws and programs. She suggested waiting for these recommendations.
- 5.19 Chairperson Karina C. David of the Civil Service Commission (CSC) informed the Council that CSC is monitoring the compliance of government agencies and local government units (LGUs) in the posting of workflow charts. She stated that 60% of national government agencies while only a few LGUs have complied. Chairperson David also informed the Council about a public service delivery audit that the CSC will be implementing with the support of the United Nations Development Program (UNDP). This program will test the compliance of government agencies in providing transparent delivery of frontline services.
- 5.20 The President informed the Council that next week's agenda would be Economic Growth Program including revenue measures. Her Excellency requested that individual tax experts of both Houses namely Representatives Lapus, Teves,, Javier, Singson, Suarez and Senator Ponce-Enrile be invited

## **6.0 ADJOURNMENT**

There being no other matters to discuss, the President adjourned the meeting at 12:15 p.m.

Prepared by:  
The LEDAC Secretariat