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# **GRAFT & CORRUPTION IN THE GOVERNMENT**

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# GRAFT AND CORRUPTION IN THE GOVERNMENT

- In 1988, graft and corruption in the Philippines was considered as the “**biggest problem of all**” by Jaime Cardinal Sin, the Archbishop of Manila.
- In 1989, public perception was that “**corrupt government officials are greater threat to the country**” than the communist guerrillas.
- In 1992, President V. Ramos considered graft and corruption as the **third major hindrance towards attaining his development strategy for the country.**
- In 1998, the country got good marks from Transparency International and the Political and Economic Risk Consultancy (PERC), LTD.

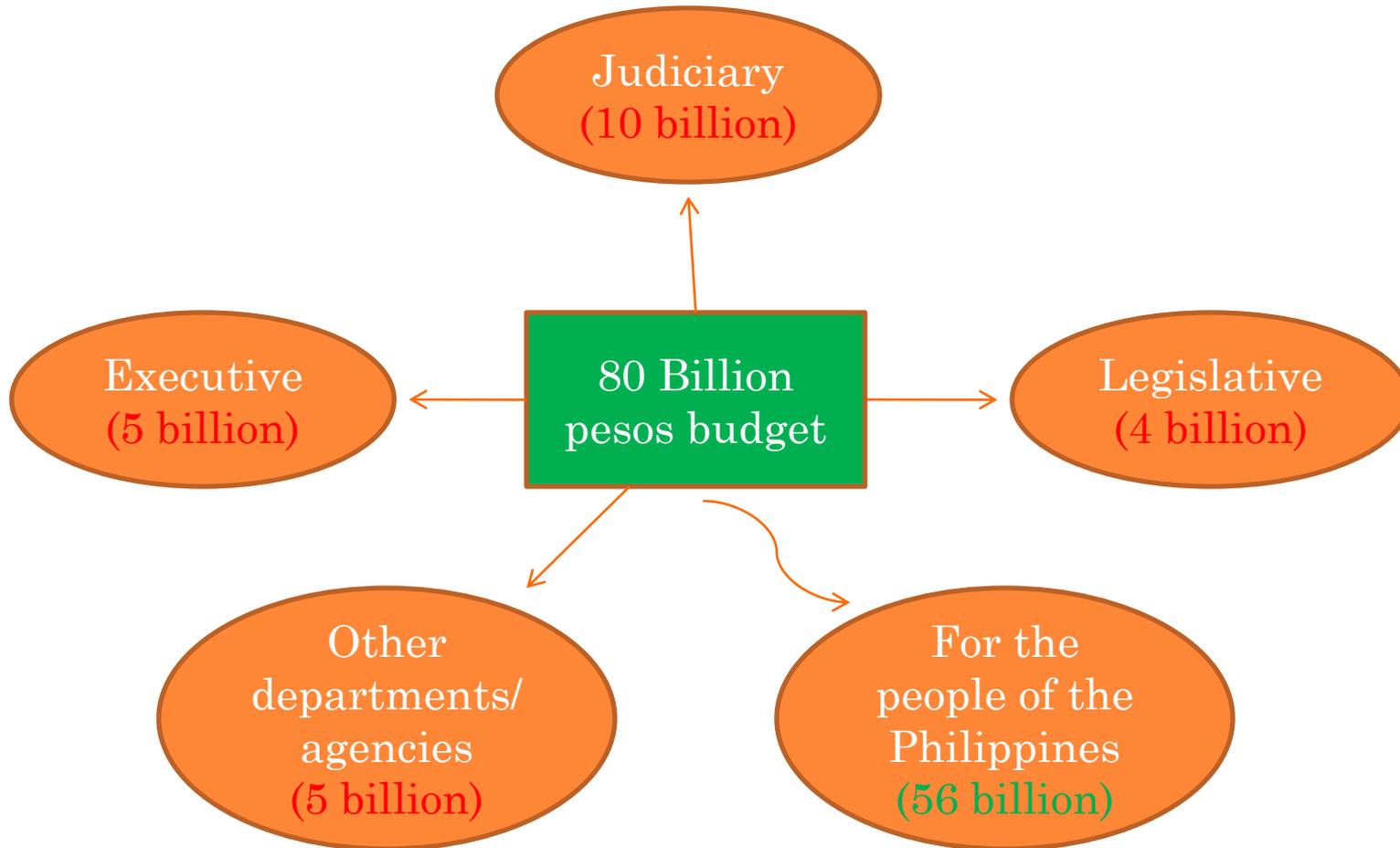


- The Philippines then placed 6<sup>th</sup> out of the 11 Asian countries under the PERC corruption perception index (CPI), a measure of lost development opportunities in terms of investment.
- However, while the anti-corruption landscape in the Philippines has improved, its low score of 6.5 still placed the Philippines as highly prone to corruption.
- In general, national and international opinion depict the Philippines as still corrupt and being unable to effectively fight this problem.
- About 30 % of the national budget is reportedly lost to graft & corruption every year.



Thus;

a budget of 80 billion pesos will stand to lose about 24 billion pesos....



Indeed, today, graft  
& corruption in the  
Philippines.....

**REMAINS...!**



# SPECIFIC TYPES OF CORRUPTION IN THE PHILIPPINES

There are 8 types of corruption frequently practiced in the Philippines, namely:

1. Tax evasion
2. Ghost projects & payrolls
3. Evasion of public bidding in awarding of contracts
4. Passing of contracts
5. Nepotism & favouritism
6. Extortion
7. Protection Money
8. Bribery



# TAX EVASION

This is very rampant, particularly in the private sector due to the refusal of those engaged in private businesses to honestly declare their annual income and to pay the corresponding taxes to the government.



# GHOST PROJECTS & PAYROLLS

This is done by high officials of the government whereby non-existing projects are financed by the government while non-existing personnel or pensioners are being paid salaries & allowances. This practice is rampant in government agencies involved in formulation and implementation of programs & projects particularly in infrastructure and in the granting of salaries, allowances and pension benefits.



# EVASION OF PUBLIC BIDDING IN THE AWARDING OF CONTRACTS

Government offices, particularly Bids & Awards Committees ( BAC) forego the awarding of contracts through public bidding or award these contracts to favored business enterprises or contractors. Sometimes, members of bids and awards committees are very subjective of awarding the contract to those who can provide them with personal benefits.



# PASSING OF CONTRACTS

In the construction of infrastructure projects, contractors have the practice of passing the work from one contractor to another and in the process certain percentage of the project value is retained by each contractor and sub-contractors resulting to the use of substandard materials or even unfinished projects.



# NEPOTISM AND FAVORITISM

Government officials particularly those occupying high positions tend to cause the appointment or employment of relatives and close friends to government positions even if they are not qualified or eligible to discharge the functions of that office. This is one of the root causes of inefficiency and the overflowing of government employees in the bureaucracy.



# EXTORTION

This is done by government officials against their clients by demanding money, valuable items, or services from ordinary citizens who transact business with them or their office. This is rampant in agencies issuing clearances, and other documents, those involved in the recruitment of personnel, or those performing services that directly favor ordinary citizens.



# “TONG” OR PROTECTION MONEY

This is form of bribery which is done by citizens performing illegal activities and operations. They deliver huge amount of money to government officials particularly those in-charge of enforcing the law in exchange for unhampered illegal operation. The law enforcement officer who receives the money will be duty – bound to protect the citizen concerned together with his illegal activities from other law enforcement authorities. This is practiced mostly by gambling lords and those engaged in business without the necessary permits.



# “LAGAY” SYSTEM OR BRIBERY

The “lagay” system or the act of citizens to bribe government officials occupying sensitive positions in government is perpetuated due to bureaucratic red tape.

The most frequently employed method is offering a considerable amount of money to a government official who can facilitate the issuance of the desired documents in agencies issuing licenses, permits, clearances, and those agencies deputized to make decisions on particular issues.



# COSTS OF CORRUPTION

- On politics, administration, & institutions
- Economic effects
- Environmental & Social effects
- Effects on Humanitarian Aid
- Other areas, health, public safety, education, trade



# MEASURES EMPLOYED TO CONTROL GRAFT & CORRUPTION

The government employs legal measures and anti-corruption bodies to combat the problem of graft & corruption.

## 1. LEGAL MEASURES

### ✓ **The 1987 Philippine Constitution**

Article XI of the 1987 Philippine constitution, titled “Accountability of Public Officers”, states in Section 1 that “public office is a public trust.” Public Officers and employees must at all times be accountable to the people, serve them with utmost responsibility, integrity, loyalty, and efficiency, act with patriotism and justice, and lead modest lives.



Section II of the same article states that the President, Vice President, members of the constitutional commissions and the ombudsman may be removed from office from impeachment for bribery and graft and corruption.

✓ **Republic Act No.. 3019 also known as the Anti-Graft and Corrupt Practices Act of 1960**

This law enumerates all corrupt practice of any public officer, declares them unlawful and provides the corresponding penalties of imprisonment (between 6-15 years) perpetual disqualification from public office, and confiscation of forfeiture of unexplained wealth in favor of the government



## ✓ **Executive Order No. 292 of the Administrative Code of 1987**

This order reiterates the provisions embodied in Section 1, Article XI of the 1987 Constitution. It also gives the President the power to institute proceedings to recover properties unlawfully acquired by public officials and employees.

## ✓ **Republic Act No. 6713 also known as the Code of Conduct and Ethical Standards for Public Officials and Employees of 1989**

- ✓ This act promotes a high standard of ethics and requires all government personnel to make an accurate statement of assets and liabilities, disclosure of net worth and financial connections. It also requires new public officials to divest ownership in any private enterprise within 30 days from assumptions of office to avoid conflict of interest.



- ✓ **Republic Act No. 6770 also known as the Ombudsman Act of 1989**

This provides the functional and structural organization of the Office of the Ombudsman.

- ✓ **Republic Act No. 7055 also known as An Act Strengthening Civilian Supremacy over the Military**

This law creates two avenues for trying erring members of the Armed Forces of the Philippines & other members subject to military laws. Crimes penalized by the Revised Penal Code and other special penal laws and local government ordinances shall be tried in civil courts. Military courts shall take cognizance of service-oriented crimes only.



- ✓ **Republic Act No. 7080 also known as the Act Defining and Penalizing the Crime of Plunder**

This act penalizes any public officer who by himself or in connivance with members of his family, relatives, by affinity or consanguinity, business associates, accumulates or acquires ill-gotten wealth, through a combination of series of event criminal acts, an aggregate amount to total value of at least fifty million pesos (P50,000,000.00)

- ✓ **Republic Act No. 8249 also known as the Act Further Defining the Jurisdiction of the Sandiganbayan**

This classifies the Sandiganbayan as a special court and places it at par with the Court of Appeals.



- ✓ **Presidential Decree No. 46** declares it unlawful for government officials to receive gifts and for private persons to give gifts on any occasion including Christmas, regardless of whether the gift is for past or future favors. It also prohibits entertaining public officials and their relatives. (*Enrile distributed saved budget of last year to the senator and was objected by Santiago*)
- ✓ **Presidential Decree No. 677** requires the Statement of Assets and Liabilities to be submitted every year.
- ✓ **Presidential Decree No. 749** grants immunity from prosecution to givers of bribes and other gifts and to their accomplices in bribery charges if they testify against the public officials or private persons guilty of those offences.



## CONSTITUTIONAL ANTI-CORRUPTION BODIES

The 1987 Constitution has created constitutional bodies to deal on graft & corruption and to effectively implement provisions of public accountability. These bodies are granted fiscal authority to ensure their independence and their actions are appealable only to the Supreme Court. These constitutional bodies are:

**a. The office of the Ombudsman (OMB)**

The Office of the Ombudsman investigates and act on complaints filed against public officials and employees, and serve as the “people’s watchdog” of the government.



The Ombudsman and his deputies (Overall Deputy Ombudsman, Deputy Ombudsman for Military, One Deputy Ombudsman each for Luzon, Visayas, and Minadao) are the “protectors of the people.” This Office:

- i. Oversees the general and specific performance of official functions so that laws are properly administered;
- ii. Ensures the steady and efficient delivery of public services;
- iii. Initiates the refinement of public procedures and practices; and
- iv. Imposes administrative sanctions on erring government officials and employees, and prosecute them for penal violations.



**b. The Civil Service Commission (CSC)**

The CSC is the central personnel agency of the government which is mandated to establish a career service and promote moral, efficiency, integrity, responsiveness, progressiveness, and courtesy in the civil service. It shall also strengthen the merit and rewards systems, human resource development, and public accountability. It has jurisdiction over administrative cases including graft & corruption brought before it on appeal.



**c. The Commission on Audit (COA)**

The COA is the watchdog of the financial operations of the government. It is empowered to examine, audit, and settle all accounts pertaining to the revenue and receipts of, and expenditures or uses of funds and property under the custody of the government agencies and instrumentalities. It shall promulgate accounting and auditing rules and regulations for the prevention and disallowance of irregular, unnecessary, excessive, extravagant, or unconscionable expenditures, or use of government funds and properties.



#### **d. The Sandiganbayan**

The Sandiganbayan is the Anti-graft court of the Philippines. It has jurisdiction over civil and criminal cases involving graft & corruption and such other offenses committed by public officers and employees. It is in charge of maintaining morality, integrity, and efficiency in the public service.



# OTHER GOVERNMENT ANTI-CORRUPTION BODIES

## ❑ **The Department of Justice (DOJ)**

The DOJ conducts preliminary investigations on complaints of a criminal nature against public officials that are filed with the Department, subject to the approval of the OMB if the offense investigated was committed by the public official in relation to his office. The DOJ also prosecutes in these cases if the public officials involved belong the ranks lower than salary grade 27.



## ❑ **The National Bureau of Investigation (NBI) and the Philippine National Police (PNP)**

These law enforcement agencies conduct fact-finding investigations on graft cases. They conduct entrapment operations which, if successful, result in the arrest and filing of criminal complaint against the perpetrators in the courts. It may issue subpoena and serve warrants of arrest issued by the courts. The NBI agents or policeman who conducted the investigation also acts as witness for the prosecution during journal preliminary investigation and the prosecution of the case by the ombudsman.



- ❑ **The Presidential Commission on Good Government (PCGG)**

This was created primarily to go after ill-gotten wealth. It is also tasked to adopt safeguards to ensure that corruption shall not be repeated and institute measures to prevent the occurrence of corruption.

- ❑ **The Presidential Commission against Graft & Corruption**

This was created under Executive Order No. 151 by then President Ramos to investigate graft and corruption cases in the executive department. It has jurisdiction over corruption cases if the crime involves:



1. Appointees with rank of or higher than Assistant Regional Director,
2. At least one million pesos;
3. An Offense that may threaten grievous harm to national interest; and
4. Cases specifically assigned by the president.
5. The Inter-Agency Anti-Graft Coordinating Council

The council coordinates the government anti-corruption efforts. It is composed of the COA, CSC, the Ombudsman, DOJ, NBI, and the Presidential Commission against Graft & Corruption.



# IMPEDIMENTS TO THE ANTI-CORRUPTION EFFORTS

- ❖ Specific culture of Filipinos is enhancing the proliferation of graft and corruption. The strong family ties justify giving benefits to unqualified recipients which are very evident in employment and awarding of contracts. This societal phenomenon is adversely affecting professionalism, efficiency, and effectiveness in the government service as well as in the construction of public infrastructure and procurement of government supplies and materials that are sometimes substandard & overpriced.



- ❖ The Filipino culture of gift giving justifies bribery and extortion thereby making it hard for law enforcement and anti-corruption agencies to arrest the problem. This social practice renders inutile the law prohibiting gift giving thereby further enhancing this corrupt practice.
- ❖ Agencies deputized to fight graft & corruption are not well funded by the government. There is also lack of recognition, merits, awards, and rewards given by the government for the efforts of anti-corruption bodies. Personnel of these agencies mandated to go against corrupt public officials are vulnerable to bribery because of lack of financial support, integrity, and professionalism.



- ❖ Transparency is not religiously observed particularly in government transactions. The public is denied access to activities of government officials. The people are not informed, in detail, of the share of each executive department, the legislature and the judiciary, in the national budget and how these departments spend their financial requirements.
- ❖ Effective monitoring of government programs and projects as well as expenditures are not being seriously undertaken by those tasked to monitor them. They are also vulnerable to bribery and do not actually conduct thorough inspection but merely rely on information gathered.



- ❖ The statement of assets and liabilities, which is an effective mechanism to curb graft and corruption is religiously submitted yearly by all public officials. However, no agency of government is deputized to examine the veracity of the data entered in those statements. Most public officials with unexplained wealth can successfully hide the same by paying accountants to make accurate and official statements for them.
- ❖ Other anti-corruption provisions may work against getting good people in the government.



Thank You!!!!



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