

E.O. No. 1

EXECUTIVE ORDER NO. 1 February 28, 1986

CREATING THE PRESIDENTIAL COMMISSION ON GOOD GOVERNMENT

WHEREAS, vast resources of the government have been amassed by former President Ferdinand E. Marcos, his immediate family, relatives, and close associates both here and abroad;

WHEREAS, there is an urgent need to recover all ill-gotten wealth;

NOW, THEREFORE, I, CORAZON C. AQUINO, President of the Philippines, do hereby order;

Sec. 1. There is hereby created a Commission, to be known as the Presidential Commission on Good Government, composed of Minister Jovito R. Salonga, as Chairman, Mr. Ramon Diaz, Mr. Pedro L. Yap, Mr. Raul Daza and Ms. Mary Conception Bautista as Commissioners.

Sec. 2. The Commission shall be charged with the task of assisting the President in regard to the following matters:

(a) The recovery of all ill-gotten wealth accumulated by former President Ferdinand E. Marcos, his immediate family, relatives, subordinates and close associates, whether located in the Philippines or abroad, including the takeover or sequestration of all business enterprises and entities owned or controlled by them, during his administration, directly or through nominees, by taking undue advantage of their public office and/or using their powers, authority, influence, connections or relationship.

(b) The investigation of such cases of graft and corruption as the President may assign to the Commission from time to time.

(c) The adoption of safeguards to ensure that the above practices shall not be repeated in any manner under the new government, and the institution of adequate measures to prevent the occurrence of corruption.

Sec. 3. The Commission shall have the power and authority:

(a) To conduct investigation as may be necessary in order to accomplish and carry out the purposes of this order.

(b) To sequester or place or cause to be placed under its control or possession any building or office wherein any ill-gotten wealth or properties may be found, and any records pertaining thereto, in order to prevent their destruction, concealment or disappearance which would frustrate or hamper the investigation or otherwise prevent the Commission from accomplishing its task.

(c) To provisionally take over in the public interest or to prevent its disposal or dissipation, business enterprises and properties taken over by the government of the Marcos Administration or by entities or persons close to former President Marcos, until the transactions leading to such acquisition by the latter can be disposed of by the appropriate authorities.

(d) To enjoin or restrain any actual or threatened commission of facts by any person or entity that may render moot and academic, or frustrate, or otherwise make ineffectual the efforts of the Commission to carry out its tasks under this order.

(e) To administer oaths, and issue subpoena requiring the attendance and testimony of witnesses and/or the production of such books, papers, contracts, records, statement of accounts and other documents as may be material to the investigation conducted by the Commission.

(f) To hold any person in direct or indirect contempt and impose the appropriate penalties, following the same procedures and penalties provided in the Rules of Court.

(g) To seek and secure the assistance of any office, agency or instrumentality of the government.

(h) To promulgate such rules and regulations as may be necessary to carry out the purpose of this order.

Sec. 4. (a) No civil action shall lie against the commission or any member thereof for anything done or omitted in the discharge of the task contemplated by this order.

(b) No member or staff of the commission shall be required to testify or produce in any judicial, legislative or administrative proceeding concerning matters within its official cognizance.

Sec. 5. It is hereby directed that, subject to the availability of funds, the amount of Fifty Million Pesos, or so much thereof as may be needed to carry out the purposes of this order, be set aside out of the funds of the National Treasury and made available for expenditure by the Commission.

Sec. 6. This Executive Order shall take effect immediately.

Done in the City of Manila, this twenty-eight day of February, in the year of Our Lord, nineteen hundred and eighty-six.

PRESIDENTIAL COMMISSION ON GOOD GOVERNMENT

RULES AND REGULATIONS

Pursuant to the authority vested in the Commission under Executive Order No. 1, the following rules and regulations are hereby promulgated for the guidance of all concerned.

Sec. 1. Definition.

(A) "Ill-gotten wealth" is hereby defined as any asset, property, business enterprise or material possession of persons within the purview of Executive Orders Nos. 1 and 2, acquired by them directly, or indirectly through dummies, nominees, agents, subordinates and/or business associates by any of the following means or similar schemes:

(1) Through misappropriation, conversion, misuse or malversation of public funds or raids on the public treasury;

(2) Through the receipt, directly or indirectly, of any commission, gift, share, percentage, kickbacks or any other form of pecuniary benefit from any person and/or entity in connection with any government contract or project or by reason of the office or position of the official concerned.

(3) By the illegal or fraudulent conveyance or disposition of assets belonging to the government or any of its subdivisions, agencies or instrumentalities or government-owned or controlled corporations;

(4) By obtaining, receiving or accepting directly or indirectly any shares of stock, equity or any other form of interest or participation in any business enterprise or undertaking;

(5) Through the establishment of agricultural, industrial or commercial monopolies or other combination and/or by the issuance, promulgation and/or implementation of decrees and orders intended to benefit particular persons or special interests; and

(6) By taking undue advantage of official position, authority, relationship or influence for personal gain or benefit.

(B) "Sequestration" means taking into custody or placing under the Commission's control or possession any asset, fund or other property, as well as relevant records, papers and documents, in order to prevent their concealment, destruction, impairment or dissipation pending determination of the question whether the said

asset, fund or property is ill-gotten wealth under Executive Orders Nos. 1 and 2.

In the sequestration of an on-going enterprise, the Commission shall appoint a fiscal agent therein to prevent the transfer, syphoning or dissipation of funds and assets and to audit transactions. Sequestration shall not result in the take-over of the operations of the business, unless otherwise warranted by the exigencies of the situation or required in the national interest.

(C) "Freeze order" is an order intended to stop or prevent any act or transaction which may affect the title, possession, status, condition, integrity or value of the asset or property which is or might be the object of any action or proceeding under Executive Orders Nos. 1 and 2, with a view to preserving and conserving the same or to preventing its transfer, concealment, disposition, destruction or dissipation.

(D) "Hold order" means an order to temporarily prevent a person from leaving the country where his departure will prejudice, hamper or otherwise obstruct the task of the Commission in the enforcement of Executive Orders Nos. 1 and 2, because such person is known or suspected to be involved in the properties or transactions covered by said Executive Orders. A "hold order" shall be valid only for a maximum period of six months, unless for good reasons extended by the Commission en banc.

Sec. 2. Writ of sequestration, freeze, and hold orders. To enable the Commission to accomplish its task of recovering ill-gotten wealth, it may issue writs of sequestration and freeze and/or hold orders.

Sec. 3. Who may issue. A writ of sequestration or a freeze or hold order may be issued by the Commission upon the authority of at least two Commissioners, based on the affirmation or complaint of an interested party or *motu proprio* when the Commission has reasonable grounds to believe that the issuance thereof is warranted.

Sec. 4. How service made. Service of the writ of sequestration or freeze order shall be made in the same manner as service of summons under the Revised Rules of Court. Refusal of the party concerned to accept service shall not prevent the enforcement of the writ of order.

Whenever necessary in the public interest, the Commission may order or authorize the break-in or forcible entry into the premises to locate and secure the properties to be sequestered.

A hold order shall be communicated to the appropriate governmental authorities for implementation.

Sec. 5. Who may contest. The person against whom a writ of sequestration or freeze or hold order is directed may request the lifting thereof in writing, either personally or through counsel within five (5) days from receipt of the writ of order, or in case of a hold order, from date of knowledge thereof.

Sec. 6. Procedure for review of writ or order. After due hearing or motu proprio for good cause shown, the Commission may lift the writ of order unconditionally or subject to such conditions as it may deem necessary, taking into consideration the evidence and the circumstance of the case. The resolution of the Commission may be appealed by the party concerned to the Office of the President of the Philippines within fifteen (15) days from receipt thereof.

Sec. 7. Conduct of investigations. The Commission may conduct a hearing, after due notice to the party or parties concerned within the purview of Executive Orders Nos. 1 and 2, to ascertain whether any particular asset, property or enterprise constitutes ill-gotten wealth and to determine the appropriate action to be taken in order to carry out the purposes of said Executive Orders.

If the party concerned is in the Philippines, it will be sufficient to serve notice of the hearing on him personally or by registered mail.

In case the party concerned is abroad or his whereabouts are unknown, the notice shall be published in two newspapers of general circulation in the Philippines. The notice shall state the date, time and place of hearing, which shall not be earlier than ten (10) days from the date of publication. A copy of the notice shall also be sent by registered mail to the party concerned at his address abroad, if known.

Sec. 8. Hearing. The Commission, in the exercise of its

powers to investigate or hear cases within its jurisdiction shall act according to the requirements of due process and fairness, and shall not be strictly bound by the technical rules of evidence. The hearing shall be open to the public.

Sec. 9. Prima facie evidence. Any accumulation of assets, properties and other material possessions of these persons covered by Executive Orders Nos. 1 and 2, whose value is out of proportion to their known lawful income is prima facie deemed ill-gotten wealth.

Sec. 10. Findings of the Commission. Based on the evidence adduced, the Commission shall determine whether there is reasonable ground to believe that the asset, property or business enterprise in question constitute ill-gotten wealth as described in Executive Orders Nos. 1 and 2. In the event of an affirmative finding, the Commission shall certify the case to the Solicitor General for appropriate action in accordance with law. Businesses, properties, funds and other assets found to be lawfully acquired shall be immediately released and the writ of sequestration, hold/or freeze orders lifted accordingly. *lawphi1.net*

Sec. 11. Date of Effectivity. The provisions of these Rules and Regulations shall be effective immediately.
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DONE in Pasig, Metro Manila, this 11th day of April, 1986.

(SGD.) JOVITO R. SALONGA

Minister

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