

The Sandiganbayan found that neither the late Ferdinand Marcos nor petitioner Imelda Marcos filed any Statement of Assets and Liabilities, as required by law, from which their net worth could be determined. Coupled with the fact that the Answer consisted of general denials and a standard plea of “lack of knowledge or information sufficient to form a belief as to the truth of the allegations” – what the Court characterized as “foxy replies” and mere pretense – fairness dictates that what must be considered as lawful income should only be the accumulated salaries of the spouses and what are shown in the public documents they submitted, such as their Income Tax Return (ITR) and their Balance Sheets. The amounts representing the combined salaries of the spouses were admitted by petitioner Imelda Marcos in paragraph 10 of her Answer, and reflected in the Certification dated May 27, 1986 issued by then Minister of Budget and Management Alberto Romulo:

<u>Ferdinand E. Marcos, as President</u>		
1966-1976	at P60,000/year	P660,000
1977-1984	at	800,000
	P100,000/year	
1985	at	110,000
	P110,000/year	
		P1,570,00
<u>Imelda R.</u>		
<u>Marcos, as</u>		
<u>Minister</u>		
June 1976-1985	at P75,000/year	P718,000

In addition to their accumulated salaries from 1966 to 1985 are the Marcos couple's combined salaries from January to February 1986 in the amount of P30,833.33. Hence, their total accumulated salaries amounted to P2,319,583.33. Converted to U.S. dollars on the basis of the corresponding peso-dollar exchange rates prevailing

during the applicable period when said salaries were received, the total amount had an equivalent value of \$304,372.43.<sup>[39]</sup>

The date contained in the ITRs and Balance Sheets filed by the Marcoses are summarized in Schedules A to D submitted as evidence by the Republic. Schedule A showed that from 1965 to 1984, the Marcoses reported Php 16,408,442.00 or USD 2,414,484.91 in total income, comprised of:

Income Source		Amount		Percentage
Official Salaries	-	P2,627,581.00	-	16.01%
Legal Practice	-	11,109,836.00	-	67.71%
Farm Income	-	149,700.00	-	.91%
Others	-	2,521,325.00	-	15.37%
Total		P16,408,442.00	-	100.00%

The amount reported by the Marcos couple as their combined salaries more or less coincided with the Official Report submitted by the Minister of Budget. Yet what appeared anomalous was the Php 11,109,836 representing “Legal Practice,” which accounted for 67% or more than three-fourths of their *reported* income. Out of this anomalous amount, Php 10,649,836, or **96% thereof**, represented “receivables from prior years” during the period 1967 to 1984. The Court cited the Solicitor General’s findings:

In the guise of reporting income using the cash method under Section 38 of the National Internal Revenue Code,

FM made it appear that he had an extremely profitable legal practice before he became a President (FM being barred by law from practicing his law profession during his entire presidency) and that, incredibly, he was still receiving payments almost 20 years after. **The only problem is that in his Balance Sheet attached to his 1965 ITR immediately preceding his ascendancy to the presidency he did not show any Receivables from client at all, much less the P10.65-M that he decided to later recognize as income. There are no documents showing any withholding tax certificates. Likewise, there is nothing on record that will show any known Marcos client as he has no known law office. As previously stated, his net worth was a mere P120,000.00 in December, 1965.** The joint income tax returns of FM and Imelda cannot, therefore, conceal the skeletons of their kleptocracy.<sup>[40]</sup>

In addition, the former President also reported a total of Php 2,521,325 which he referred to as “Miscellaneous Items” and “Various Corporations” under “Other Income” for 1972-1976. Spouses Marcos did not declare any income from any deposits that may be subject to a 5% withholding tax, nor did they file any capital gains tax returns from 1960 to 1965. The Bureau of Internal Revenue attested that there are no records pertaining to the tax transactions of the spouses in Baguio City, Manila, Quezon City, and Tacloban.

The Balance Sheet attached to the couple’s ITR for 1965 indicates an ending net worth of Php 120,000, which covered the year immediately preceding their ascendancy to the presidency. As previously mentioned, the combined salaries of the spouses for the period 1966 to 1986, or in the two decades that they stayed in power, totaled only USD 304,372.43. In stark contrast, as shown by Schedule D, computations establish the total net worth of the spouses for the years 1965 until 1984 in the total amount of USD 957,487.75,

assuming that the income from legal practice is real and valid.<sup>[41]</sup>  
**The combined salaries make up only 31.79% of the spouses' total net worth from 1965 to 1984. This means petitioners are unable to account for or explain more than two-thirds of the total net worth of the Marcos spouses from 1965 to 1984.**

Thus, for the final time, we soundly reiterate that the Republic was able to establish the *prima facie* presumption that the assets and properties acquired by the Marcoses were manifestly and patently disproportionate to their aggregate salaries as public officials. The Republic presented further evidence that they had bigger deposits beyond their lawful incomes, foremost of which were the Swiss accounts deposited in the names of five foundations spirited away by the couple to different countries. Petitioners herein thus failed to overturn this presumption when they merely presented vague denials and pleaded “lack of sufficient knowledge” in their Answer.

In any case, petitioners may no longer question the findings of the Sandiganbayan affirmed by the Supreme Court in the Swiss Deposits Decision, as these issues have long become the “law of the case” in the original Petition for Forfeiture. As held in *Philippine Coconut Producers Federation, Inc. (COCOFED) v. Republic*:<sup>[42]</sup>

Law of the case ... is a term applied to an established rule that when an appellate court passes on a question and remands the case to the lower court for further proceedings, the question there settled becomes the law of the case upon subsequent appeal. It means that whatever is once irrevocably established as the controlling legal rule or decision between the same parties in the same case continues to be the law of the case, ... so long as the facts on which such decision was predicated continue to be the facts of the case before the court.