

On March 8, 2017, Ms. Marcos filed her **Formal Offer of Evidence**⁶⁹ consisting of Exhibits "1" to "3" which the Court admitted as part of the testimonies of defense witnesses Marites Gauran and Jessa Lee Roque,⁷⁰ over the objection of the prosecution.

The prosecution and the accused submitted their memoranda, respectively on August 29, 2017⁷¹ and September 19, 2017,⁷² thus these consolidated cases were deemed for Decision.

Evidence for the Prosecution

The prosecution presented as witnesses:

- (1) Ms. Lourdes Magno, *Records Officer III of the Presidential Commission on Good Government (PCGG)*,⁷³
- (2) Mr. Nestor J. Ballasillo, *Assistant Solicitor General of the Office of the Solicitor General*⁷⁴
- (3) Atty. Francisco I. Chavez, *former Solicitor General from March 16, 1987 to February 6, 1992*,⁷⁵
- (4) Ambassador Luis Ascalon, former *Charge d' Affaires* and later *Ambassador to Switzerland from March 16, 1987 up to April 21, 1992*,⁷⁶
- (5) Mr. Jaime Laya, *former Governor of the Central Bank of the Philippines*,⁷⁷
- (6) Mr. Cesar Virata, *former Chairman and member of the Board of Directors of the Philippine Export and Foreign Loan Guarantee Corporation (Philguarantee) from January 31, 1977 until February 26, 1986*,⁷⁸
- (7) Mr. Victor Macalincag, *Officer-in-charge from January 11, 1985 to February 28, 1991 and President/Chief Executive Officer & Board Member from March 1, 1991 until August 31, 2001 of Philguarantee and its successor, Trade and Investment Development Corporation of the Philippines (TIDCORP)*,⁷⁹
- (8) Guillermo Soliven, *former Special Assistant to the Governor of Central Bank*, whose testimony was dispensed with after counsel for the accused agreed to stipulate on the documents on January 22, 2015.⁸⁰

⁶⁹ Records, Vol. 12, p. 32

⁷⁰ Id., p. 110

⁷¹ Id., p. 147

⁷² Id., p. 183

⁷³ TSN, June 21, 1999; March 16, 2009, March 17 and 30, 2009

⁷⁴ TSN, June 21, 1999

⁷⁵ TSN, January 13, 2000

⁷⁶ TSN, September 24, 2012

⁷⁷ TSN, December 5, 2013

⁷⁸ TSN, November 4, 2014

⁷⁹ TSN, November 13, 2014, Judicial Affidavit, Records, Volume 11, p. 83

⁸⁰ Memorandum for the Monetary Board dated May 9, 1984 and Memorandum addressed to the Management of External Debts and Investment Accounts Department of the Central Bank dated July 20, 1983

Ms. Lourdes Magno, Records Officer III of the PCGG, testified that as records custodian, she was the over-all in-charge of the day to day function of its library and MIS Division; she had in her custody at the PCGG, the authenticated documents sent by the Swiss authorities respecting the Swiss assets and bank accounts of Marcos, which were marked by the prosecution as Exhibits "D" to "K" and series relative to Criminal Cases Nos. 17287-91, 19225, 22867-22870; and likewise identified her signature in the *certifications* of the photocopies thereof.

Mr. Nestor J. Ballasillo, Assistant Solicitor General, testified that he was a member of the panel created by Solicitor General Chavez called the *Task Force Humongous*, which was tasked to work closely with the PCGG for the purpose of studying the documents sent to the Philippine government by Peter Cosandey, Chief Magistrate of Canton, Zurich, Switzerland; Mr. Cosandey was the officer authorized by the Swiss government to address the Philippine's request for assistance in matters involving the freezing of assets of various Swiss bank accounts and assets of foundations alleged to be linked with the Marcoses; the said Swiss documents were coursing through Ambassador Luis Ascalon, the Philippine Ambassador to Switzerland. He also testified that: aside from the Swiss documents, the PCGG likewise gave the panel some documents recovered from Malacañang, the Central Bank of the Philippines and other sources, which were material to the filing of cases against the Marcoses; however, he did not have personal knowledge nor any participation in the preparation of any evidentiary documents used in the cases filed against the Marcoses; and after the complaints were filed, the records were turned over to the PCGG.

Atty. Francisco I. Chavez testified that he served as Solicitor General on March 16, 1987 to February 6, 1992. Sometime in July 1991 he received from PCGG a Letter marked as Exhibit "A" directing him to file the appropriate forfeiture proceedings under RA 1379 in relation to EO 1, 2, 14 and 14-A against the estate of the late Ferdinand Marcos, Imelda Marcos and other Marcos family members based on the documents turned over or to be turned over by the Swiss authorities, and if warranted, to file appropriate criminal charges.

Accordingly, he organized *Task Force Humongous* over which he had direct control and supervision, with the following members: Asst. Solicitor General and PCGG Chairman Cesario del Rosario, Asst. Solicitor General Nestor Ballasillo, Mr. Danilo Daniel of the PCGG and two (2) interpreters from the Department of Foreign Affairs specifically with respect to documents written in French and German languages. The team gathered all documents and information necessary in the filing of criminal and civil complaints against the Marcoses before December 21, 1991 which was a

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requirement of the Swiss Federal Supreme Court's twin decisions concerning the "legal assistance in favour of the Republic of the Philippines" and the "international judicial assistance proceeding in the Canton of Fribourgh," marked as Exhibit "F-1" to "F-18" in order that the "freeze orders" over the Swiss assets of the Marcoses and their cronies would not be lifted.

That he received from Ambassador Luis Ascalon, voluminous Swiss documents attached as annexes to the *Certificate of Authentication* by Ma. Fe Pangilinan-Klingert, Philippine Consul to Switzerland, marked as Exhibits "C" to "J" with sub-markings. These were transmitted to Ascalon via *diplomatic pouch* under various cover Letters dated December 12, 1991 marked as Exhibit "B", December 20, 1991 as Exhibit "B-2", October 16, 1991 as Exhibit "B-3" and series. These documents, as well as those marked as Exhibits "A" (PH-CH MLAT) to "E" (PH-CH MLAT) purport to show that the Philippines sought the assistance of the *Federal Office of Justice Swiss Central Authority* in connection with the prosecution of the Marcos family and the corresponding legal assistance it granted to the Philippine government in connection therewith.

Chavez testified that he conferred many times with Peter Cosandey, the only *District Attorney of Zurich* specifically and exclusively designated by the Swiss Federal Supreme Court to act as the sole *Investigating Magistrate* for the discovery, freezing and recovery of the Marcos assets in Switzerland. He was the Swiss official supposed to coordinate with the Office of the Solicitor General and the PCGG with respect to the Philippine Government's efforts to retrieve information, documents and eventually money from the Marcoses.

Chavez claimed he looked into the probative value of these documents and requested Peter Cosandey to issue a Certification attesting to the authenticity of the documents transferred to them. Peter Cosandey informed him, though, that in Switzerland they follow the procedure in the certification of documents as embodied in the Treaty between Switzerland and the USA dated May 25, 1973 and that it was not necessary for him to issue certified true copies of each and every document; the various *Certificate of Authenticity of Business Record* executed by Swiss banks and the accompanying *Certificate of the Swiss Authority Executing Request for Documents* marked as Exhibits "C" to "J" on the genuineness of the attached documents sent via *diplomatic pouch* were sufficient authentication for purposes of presentation in US Courts, as well as in European Courts, with the hope that this would be the same in Philippine Courts.

There were about thirty-eight (38) civil cases involving the Marcoses as principal defendants pending before the Sandiganbayan and about

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four hundred fifteen (415) co-defendants who were either cronies, dummies or associates of the Marcoses. He instituted sometime in 1991 about seventy-eight (78) criminal cases against herein accused Imelda Marcos plus one (1) forfeiture petition, which he filed on December 17, 1991 before the *Sandiganbayan*. Among the cases he filed are the instant cases. Criminal Case No. 17287 involves Maler Foundation. Criminal Case No. 17288 concerns Trinidad Foundation, Criminal Case No. 17289 centers on Rayby Foundation, while Criminal Case No. 17290 focuses on Palmy Foundation. On the other hand, Asian Reliability Company Inc. (ARCI), which was a local company, is the subject matter of Criminal Case No. 17291 and Criminal Case No. 19225. Meanwhile, Criminal Cases Nos. 22867 to 22870 involve Avertina, Xandy, Wintrop, Charis, Vibur-Avertina, Azio-Verso-Vibur Foundations, Scolari, Valamo, Spinus Foundations, and Aguamina Foundation.

The documents allegedly show that Trinidad, Rayby, Palmy, Maler, Avertina, Xandy, Wintrop, Charis, Vibur-Avertina, Azio-Verso-Vibur Foundations, Scolari, Valamo, Spinus Foundations, and Aguamina foundations had been established by the Marcoses in Switzerland, with a common design, scheme, procedure, and practice of administering, managing, promoting and participating in the operations thereof, used to conceal the real ownership of the same, which is that of the Marcoses. That the foundations were created one after the other, or at times, co-existed.

Specifically, Chavez adopted his allegations in the Petition for Forfeiture docketed as Civil Case No. 0141, marked as Exhibit "X to "XX-77," where he claimed to show how Ms. Marcos and her husband "clandestinely stashed away the country's wealth to Switzerland and had the same under layers upon layers of foundations and other corporate entities to prevent its detection" using dummies and agents, opened and maintained bank accounts.

Based on documents he gathered, he testified that **Trinidad Foundation** was established on August 26, 1970 in Vaduz with C.W Fessler and E. Sheller of Suisse Credit (SKA) and Dr. Otto Tondury as its directors. Ms. Marcos issued a written mandate to Markus Geel on said date to arrange with a Liechtenstein lawyer to establish Trinidad for the account of Ms. Marcos, shown in *Exhibit "D"-Trinidad*, while the Regulations and the Agreement dated August 28, 1970, marked as *Exhibit "F" to "F-3"-Trinidad* were signed by Ms. Marcos, who was named as the first beneficiary and her children, Imelda (Imee), Ferdinand Jr. (Bongbong) and Irene were named as equal second beneficiaries. Aside from these, the following documents allegedly show Ms. Marcos had direct and indirect financial interest and participated in the management of Trinidad, viz:

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- (1) the Agreement between Ms. Marcos as mandatory, and Mr. Markus Geel, as mandatary for Trinidad Foundation, marked as *Exhibit "G" to "G-2"-Trinidad*;
- (2) the Agreement between Ms. Marcos as mandatory, and Mr. C Walter Fessler/Mr. Ernest Scheller as mandatary, dated August 28, 1970 marked as *Exhibit "H"-Trinidad*;
- (3) the Letter of Ms. Marcos to the Board of Trustees of Trinidad dated March 10, 1981 requesting them to remit to Bank Hofmann, Zurich, in favor of Fides Trust Company, Zurich, marked as *Exhibit "I"-Trinidad*, as well as
- (4) the various Credit and Debit Advices and Statements of Accounts pertaining to Trinidad in 1976, marked as *Exhibits "K" to "YY"-Trinidad*.

As for **Rayby Foundation**, Chavez claimed that the documents show it was established on June 22, 1973 in Vaduz with the same directors of Trinidad Foundation, *viz*: Fessler, Sheller and Ritter, as members of its Board of Directors, while FW Schweizer of Hong Kong appears as additional director. Ms. Marcos, thru an undated letter marked as *Exhibit "C"-Rayby*, issued and signed a Mandate to Dr. Theo Bertheau to establish Rayby with a note that its capitalization and costs be debited against the account of Trinidad. Ms. Marcos was named by Dr. Bertheau as its "first and only beneficiary." By virtue of the Agreement between Ms. Marcos and Dr. Bertheau, dated June 22, 1973, marked as *Exhibit "F"-Rayby*, Mr. Bertheau took the mandate as founder of Rayby. The further Agreement of June 22, 1973 between Ms. Marcos, as mandatory, and Ms. Fessler/Scheller and Schweizer, as mandataries for Rayby, dated June 22, 1973, marked as *Exhibit "G"-Rayby* and the By-laws of Rayby, marked as *Exhibit "H,"* were signed by Ms. Marcos. In the Regulations of Rayby dated June 22, 1973, marked as *Exhibit "I"-Rayby*, Dr. Bertheau named Ms. Marcos as the successor to the founder, and as the "first and only beneficiary" of Rayby. Allegedly, Ms. Marcos' reason for establishing Rayby was to transfer the assets of Trinidad to another foundation. The transfer, however, did not take place. On March 10, 1981, in Manila, Ms. Marcos issued a written order to the Board of Trustees of Rayby thru a Letter bearing such date, marked as *Exhibit "J"-Rayby* to transfer to Trinidad Foundation, for its account with Credit Suisse, Zurich (SKA) any assets and balances held by Rayby, and to subsequently liquidate Rayby. That she ordered the Board of Trinidad to dissolve Rayby and transfer all its assets to Bank of Hofmann in favor of Fides Trust Co. under the account "*Reference Dido.*" Rayby was dissolved on April 6, 1981 and Trinidad was liquidated on August 3, 1981. He also identified *Exhibits "K" to "L"-Rayby*, which pertain to various Credit and Debit Advice of Rayby, transfers of fund from Rayby to Trinidad, in

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compliance with the Letter of Ms. Marcos to the Board of Trustees of Rayby dated March 10, 1981.

He also claimed based on documents that **Palmy Foundation** was established on May 13, 1981 in Vaduz with Dr. Ivo Beck and Limag Management, a wholly owned subsidiary of Fides Trust Co, as members of the Board of Directors. The account of Palmy was officially opened with Credit Swisse (SKA) on September 10, 1981 via a Contract between "Palmy Stiftung" as "Depositor" and Credit Suisse as "Bank," Vaduz, marked as *Exhibit "D"-Palmy*. The beneficial owner was not made known to the bank since Fides Trust Company acted as fiduciary, but the listings of securities in the safe deposit registered in the name of Trinidad Foundation as of December 31, 1980 were practically the same as the securities of Palmy as of December 31, 1981. Hence, Chavez concluded that Palmy was the beneficial successor or owner of Trinidad Foundation. He claimed that among the documents from the Swiss authorities is a "declaration" of Dr. Ivo Beck that the beneficial owner of Palmy Foundation was Ms. Marcos; that another document signed by Raber shows that Palmy was owned by "Marcos Familie." He further stated that Ferdinand Marcos gave an instruction to the Board of Trustees of Avertina Foundation to place US\$2M at the disposal of Imelda Marcos, who ordered that the said amount be credited to Palmy, as shown in *Exhibit "CC"-Palmy*. That Palmy Foundation, holder of Account No. 391528 was beneficially owned by Ms. Marcos with address at Malacañang, Manila, Philippines shown in the instruction for the opening of such account signed by Ivo Beck, marked as *Exhibits "DD"-Palmy*, while Account No. 391528-9 was owned by the Marcos family, which is shown in *Exhibit "EE"-Palmy*. Palmy Foundation is said to be "directly connected" to the *Petition for Legal Assistance* by the Philippine government filed on April 7, 1986 by its hired legal counsels - Fontanet and Salvioni. Palmy was also one of the subjects of the failed partial release of assets in the July 1986 Agreement between PCGG and Marcos where Ms. Marcos made admissions of ownership of Palmy. It was also subject of the Preliminary Report on Marcos Accounts in Switzerland submitted by the Financial Data Monitoring Team on May 23, 1988 where it was stated that Palmy was under the direct beneficial ownership of Ms. Marcos. The findings of the Decision of Zurich Magistrate Cosandey dated December 6, 1989, copy thereof was marked as *Exhibit "Z(t)*, is said to be relevant in the management of Ms. Marcos of Trinidad and Rayby, which were the predecessors of Palmy, also beneficially controlled by Ms. Marcos. The decision ruled in favor of the Philippine government and the appeal therefrom to Swiss Federal Supreme Court by the Marcoses was denied in a Decision dated December 21, 1990, marked as *Exhibit "F."*

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Chavez also referred to the Answer of Ms. Marcos in the Petition for Forfeiture particularly under paragraph 22 thereof, which he marked as *Exhibit "Y-4-a."* The same is allegedly an admission of Ms. Marcos as she stated that they "*deny x x x in so far as it alleges that [they] clandestinely stashed the country's wealth in Switzerland x x x the truth being that [their] aforesaid properties were lawfully acquired.*"

Chavez testified that as for **Maler Foundation**, the documents show that it was first created as an establishment on February 5, 1962, as shown in *Exhibit "P(t)"-Maler*, the Articles of which was amended on May 16, 1968. On November 17, 1981 it was converted to Maler Foundation, as shown in *Exhibit "N(t)"-Maler* and *"O(t)"-Maler*. That the direct intervention of Ms. Marcos in the management of Maler is shown by the following documents, *viz*:

- (1) Rules and Regulations of Maler Establishment signed by Ferdinand and Imelda Marcos dated October 19, 1968, marked as *Exhibit "J"-Maler*, which was found among the documents recovered from Malacañang.
- (2) The appointment of Dr. Andre Barbey and Jean Louis Sunier as attorneys of the company and as administrator and manager of all assets of Maler Foundation, which they claim to have bought from Swiss Bank Corporation (SBC), embodied in a Letter dated October 19, 1968 addressed to Messrs. Andre Barbey and Jean Louis Sunnier c/o Swiss Bank Corporation, Geneva, marked as *Exhibit "G"-Maler* signed by Ferdinand and Imelda Marcos, said document was among those recovered from Malacañang;
- (3) The opening document of Maler account with SBC, Geneva, signed by Dr. Barbey and Mr. Sunnier as authorized signatories. The Marcos couple also mentioned in a Letter dated October 19, 1968 to Maler Establishment informing it that all instructions to be transmitted with regards to Maler will be signed with the word "**John Lewis**," which will have the same value as the couple's own personal signature as affixed therein, which was marked as *Exhibit "I"-Maler*;
- (4) Maler Establishment was transformed to Maler Foundation on November 17, 1981, with its attorneys changed to Michael Amaudruz et. al. but the administration of the assets was left to SBC, shown in *Exhibit "O"-Maler*;
- (5) The Articles of Incorporation of Maler Foundation was registered on November 17, 1981 as *Exhibit "P(t)"-Maler* which appear to be the same articles applied to Maler Establishment.

Chavez tried to link Ms. Marcos to Maler Foundation via Maler's alleged investment in US Dollar Treasury Notes issue of the Philippine Republic as a response of Ms. Marcos to Jaime Laya's Memorandum dated October 21, 1983, marked as *Exhibit "W-2"-Maler* and *"W-3"-Maler*, asking

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for help to look for investment in the US dollar treasury notes issue of the Philippines. This is allegedly shown by the Sales Report of the Central Bank of the Philippines dated October 4, 1983 with placements of Bank of Hofmann, SBC-Geneva, and Paribas-Geneva, all under the name of Roberto Benedicto, marked as Exhibit "*W*"-Maler." Maler's investment is said to be through its account with SBC, Geneva, shown in the series of Statements of Account or movement of capital in this account, marked as *Exhibit "F"-Maler*, which earned profits shown in the Memorandum crediting interests dated June 13, 1984, marked as Exhibit "*W-5*"-Maler. Chavez stated that while there is no record that SBC made the placement, it was in fact upon the instruction of Ms. Marcos. The Maler Trustees allegedly took it from Ms. Marcos' solicitation letter to various businessmen, marked as *Exhibit "S"-Maler*, as an instruction for them to likewise invest a portion of Maler monies in SBC to US dollar denominated notes issue of the Philippines. That as allegedly shown in *Exhibits "U"-Maler* and *"W"-Maler*, the progress of floating of Treasury Notes by the Central Bank and the National Treasury was directly monitored by Ms. Marcos. On February 28, 1984, Maler Foundation transferred the power of attorney for the management of its assets maintained in SBC to Suntrust Investment Co., S.A. shown in *Exhibit "R"-Maler*. Maler allegedly put up foundations for profit, and for allegedly stashing ill-gotten wealth of Ms. Marcos. Documents show that these foundations of Maler were recipient of instructions from the Marcoses to invest in precious metals, securities, government bonds and corporate stocks of other international corporations. That these investments belong to Maler Foundation is explained in paragraph 35 of Chavez's 5th Supplemental Affidavit.

In all these testimonies of Chavez, there has been a consistent objection of the defense because Chavez allegedly had no personal knowledge of the content of the documents used as basis of his statements. But Chavez insisted that these were based on documents, which he and Mr. Cosandey examined, showing the different personalities commissioned by Mr. and Ms. Marcos to open these accounts for them. That the admissibility of these documents was explained by Mr. Cosandey in his Letter to Chavez previously identified as *Exhibit "D"* series.

In **Vibur-Avertina Foundations**, Chavez presented documents marked as *Exhibits "F"-Vibur-Avertina to "NNNNN-1"-Vibur Avertina*.

Ms. Marcos' interest in these Foundations is allegedly shown by the following:

- (1) Mr. Marcos requested Dr. Theo Bertheau for the creation of **Azio Foundation** in Vaduz and appointed Roberto S. Benedicto as his attorney-in-fact with respect to Azio Foundation shown in

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Mr. Marcos' Letter dated June 11, 1971, marked as *Exhibit "F"-Vibur-Avertina* and Power of Attorney, marked as *Exhibit "G"-Vibur-Avertina*;

- (2) Mr. Marcos named himself as the first beneficiary of Azio and the "Marcos Foundation" as the second beneficiary after the passing away of the former in the Regulations of Azio dated June 11, 1971, marked as *Exhibit "I"-Vibur-Avertina*.
- (3) Later in his handwritten Letter dated November 12, 1971, marked as *Exhibit "K"-Vibur-Avertina*, Mr. Marcos ordered to name Austraphil PTY Ltd. Co. as the first and only beneficiary of Azio Foundation.
- (4) Further, in Mr. Marcos' handwritten Letter dated December 14, 1971, marked as *Exhibit "M"-Vibur-Avertina*, he canceled the existing regulations of Azio and named **Charis Foundation** as first and only beneficiary, also shown in Azio's Regulations dated December 4, 1972, marked as *Exhibit "N"-Vibur-Avertina*.
- (5) That **Azio Foundation** was change to company name **Verzo Foundation** as shown in the Resolution of the Legal Founder of Azio dated August 29, 1978, marked as *Exhibit "O(t)"-Vibur-Avertina*, while Dr. Helmuth M. Merlin and Ernst Sheller were authorized to sign and issue orders for Verzo Foundation, marked as *Exhibit "P(t)"-Vibur-Avertina*.
- (6) In a Letter of Mr. Marcos to Verzo's Board dated March 11, 1981, he requested to remit all assets, securities, time deposits and balances of Verzo to Bank Hofmann AG Zurich in favor of Fides Trust Company Zurich, which is marked as *Exhibit "Q"-Vibur-Avertina*.
- (7) *Exhibits "R(t)"-Vibur-Avertina* shows Dr. Ivo Beck and Limag Management as **Vibur Foundation**'s Board members, which opened an account in Credit Suisse Bank via a Contract dated September 10, 1981, marked as *Exhibit "S"-Vibur-Avertina* and supplemental contract for special arrangements, marked as *Exhibit "S-7"-Vibur-Avertina*. Fiduciary time deposits and deposit of securities of Vibur were respectively arranged on September 10, 1981 and September 12, 1981, as shown in *Exhibits "S-9"* and *"T"-Vibur-Avertina*.
- (8) Chavez stated that on March 18, 1986, Vibur Foundation was dissolved in a Resolution of its Board, marked as *Exhibit "W-(t)"-Vibur-Avertina*. In the "Declaration" for opening of account or securities account no. 467857 of Vibur Foundation dated April 11, 1989 signed by Dr. Ivo Beck, marked as *Exhibit "Z"-Vibur-Avertina*, Ferdinand Marcos was named as beneficial owner, while the "Classification Note" sent by G. Raber dated September 30, 1988 re: Vibur, marked as *Exhibit "AA(t)-Vibur-Avertina*, reference to said account named Marcos Family as the owner thereof.



Chavez also testified that a Contract for the opening of current account/safe custody with Credit Suisse between Mr. Marcos, as depositor, and Swiss Credit Bank dated March 20, 1968, as depositary, marked as *Exhibit "CC"-Vibur-Avertina*, shows Mr. Marcos used the pseudonym "**William Saunder**," while Ms. Marcos used "**Jane Ryan**" as pseudonym. In a Contract dated March 21, 1968, marked as *Exhibit "DD"-Vibur-Avertina*, a special arrangement to the contract dated March 21, 1968 also bears the handwritten name of "**Jane Ryan**," as pseudonym, and "**Imelda Marcos**," as true name, marked as *Exhibit "EE"-Vibur-Avertina*. The Swiss Credit Bank's Declaration/ Specimen signature of Imelda Marcos (true name) and "**Jane Ryan**" (pseudonym) dated March 21, 1968 marked as *Exhibit "FF"-Vibur-Avertina* and the specimen signature of Ferdinand Marcos/William Saunders marked as *Exhibit "GG-6"-Vibur-Avertina* also show the same use of pseudonyms. Ms. Marcos constituted Mr. Marcos as her lawful attorney to represent her in Swiss Credit Bank as per Power of Attorney dated March 21, 1968, marked as *Exhibit "GG" Vibur-Avertina*.

Chavez claimed that based on the records, Mr. and Ms. Marcos ordered the closure of accounts of Vibur with Suisse Credit Bank and transferred them to **Xandy Foundation**, where the Marcos spouses were named as the first beneficiaries, the surviving spouse as the second beneficiary and the Marcos children as the third beneficiaries, shown in *Exhibits "HH-Vibur-Avertina."* A Letter of Mr. Marcos to Mr. Markus Geel dated March 3, 1970, marked as *Exhibit "JJ"-Vibur-Avertina* instructed the creation of **Xandy Foundation**. *Exhibit KK,*" shows the hand-printed regulations of Xandy Foundation dated February 13, 1970 signed by Mr. and Ms. Marcos naming their three children as beneficiaries, and in case of death, Ferdinand and Imelda as next beneficiaries, while the typewritten version thereof issued by Mr. Markus Geel was marked as *Exhibit "LL"-Vibur-Avertina*.

Chavez further stated that later, the company name of Xandy Foundation Vaduz was changed to **Wintrop Foundation**, Vaduz, shown in the Certification by the Office of Public Record Vaduz dated September 7, 1978, marked as *Exhibit MM(t)-Vibur-Avertina*. C.W. Fessler, Dr. Helmuth Merlin, C. Souviron and E. Scheller were the authorized signatories of Wintrop, shown in *Exhibit "NN"-Vibur-Avertina*.

Chavez likewise alleged that: **Avertina Foundation** was registered in the records of Vaduz Public Register dated May 13, 1981 with Dr. Ivo Beck in Vaduz and Limag Management as members of the Board, shown in *Exhibit "PP(t)"-Vibur-Avertina*. It opened the Avertina account, safekeeping accounts, deposit of securities or renting of safety deposit box with Suisse Bank shown in Exhibits "*QQ*", "*RR*," "*SS*" "*TT*", "*UU*", "*VV*", "*WW*",

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"XX", "YY", "ZZ" and "AAA"-*Vibur-Avertina*. Ferdinand Marcos was named as the beneficial owner of Avertina account in Dr. Ivo Beck's Declaration on opening account 211925 dated April 11, 1989 marked as *Exhibit "HHH"-Vibur-Avertina*.

In a Letter of Ferdinand Marcos to Dr. Theo Bertheau marked as *Exhibit "KKK"-Vibur- Avertina*, he requested to arrange for the creation of **Charis Foundation** and to name C.W. Fessler, E. Scheller and Peter Ritter as members of the Board. Mr. Marcos as mandator, constituted C.W. Fessler and E. Scheller, as mandataries of **Charis Foundation Zurich** in the Agreement dated November 12, 1971 marked as *Exhibit "MMM"-Vibur- Avertina*. A special power of attorney was in favor of Roberto Benedicto as Mr. Marcos' representative in the Council of Charis, marked as *Exhibit "PPP."* In the hand printed regulation of Charis dated November 12, 1971 signed by Mr. Marcos marked *Exhibit "NNN"-Vibur-Avertina*, he named himself as first beneficiary, and Xandy Foundation, as second beneficiary. The Regulations of Charis issued by Dr. Bertheau on December 30, 1971, marked as *Exhibit "OOO"-Vibur-Avertina* named Mr. Marcos as first beneficiary, and Xandy Foundation as second beneficiary.

He continued to testify as follows: the company name of Charis Foundation was changed to **Scolari Foundation**, shown in the Certification of Liechtenstein, District Court Chancery marked as *Exhibit "QQQ"-Vibur- Avertina*, and another Certification by Public Register of Vaduz, dated September 7, 1978, marked as *Exhibit "SSS."* C.W Fessler, Peter Ritter and E. Scheller were members of its Board, shown in *Exhibit "RRR(t)"-Vibur- Avertina*. That **Scolari Foundation** was renamed to **Velamo Foundation**. Ferdinand Marcos allegedly ordered on March 11, 1981 the latter's Board of Trustees for the remittance of all assets, securities, time deposits, balances held by Velamo to Bank Hofmann AG, Zurich in favor of Fides Trust Company, Zurich under account "Reference Omal" shown in *Exhibits "SSS"* and *"UUU"-Vibur-Avertina*.

On the other hand, Chavez claimed that **Spinus Foundation** was registered per Certification dated May 13, 1981 of the Office of Public Register Vaduz, with Dr. Ivo Beck and Limag Management as Board members authorized to sign, marked as *Exhibit "VVV"-Vibur-Avertina*. Documents show it opened an account or safekeeping account in Credit Suisse in a Contract dated September 10, 1981, supplemented by a contract for special arrangements also dated September 10, 1981, and a Letter of Special Instruction of Spinus to Credit Suisse for arrangement of fiduciary deposits, respectively marked as *Exhibit "WWW," "YYY." And "ZZZ," -Vibur- Avertina*. **Spinus Foundation** closed its account from Credit Suisse and remitted the same to **Avertina Foundation** shown in *Exhibits "DDDD"* to

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"GGGG" -*Vibur-Avertina*, while various placements were made under Avertina account of securities listed, as shown in *Exhibits "RRRR"* to "TTTT"-*Vibur-Avertina*.

Allegedly, the **flow chart** identified and marked by Chavez as *Exhibit "EE"* graphically demonstrates the creation, collapse and merging of these foundations towards the design of the Marcos couple to hide their true ownership of these accounts.

That in 1983, Ms. Marcos assisted the Central Bank of the Philippines to access US\$ through investments in Treasury Notes denominated in US dollars issued by the Philippine Republic. Mr. Marcos advised then CB Governor Jaime Laya to expect inward remittances from two (2) Swiss Banks which were actually received by BSP in the amount of US\$200,000,000.00 without any indication as to who the principals were. These remittances were left unclaimed even after the maturity of the Treasury Notes, referenced by *Exhibit "VVVV"-Vibur-Avertina*. This, allegedly, is a circumstantial evidence of Ms. Marcos' intervention.

Chavez also endeavored to show the involvement of Ms. Marcos in the management and administration of **Aguamina Foundation**. The pertinent documents showing the same consist of *Exhibits "B"-CC#22868 & 22870 to Exhibit "X-1" and series- CC#22868 & 22870*. These documents show allegedly the conspiracy, when Mr. and Ms. Marcos jointly decided to enter into a contract with Swiss Credit Bank Zurich in March 1968 for the opening of a current account and/or safe custody account using pseudonyms "*William Saunders*" and "*Jane Ryan*" to conceal their identities. That the Marcoses opened, maintained, expanded and multiplied numerous bank accounts in Switzerland. Through Banque de Paribas, Stephen Cattaui was able to create several establishments, *viz: Pretorian, Gladiator, Bullseye, Mabari, Cesar, Gardenia, ESG, Azio and Charis*, to administer, invest and facilitate transfers and disbursements of funds for the benefit of the Marcoses. Mr. and Ms. Marcos allegedly conspired to utilize the services of Michael de Guzman to try to withdraw their dollar deposits in Swiss Banks shortly after the 1986 EDSA Revolution. Through their alleged joint effort, the Marcos couple tried to block the transmittal to the Philippines of bank documents involving **Aguamina Foundation** by appealing to the Federal Swiss Supreme Court the Decision of the Cantonal Magistrate of Fribourg granting the request of the Philippines for mutual assistance on legal matters.

Chavez claimed to have personally examined all the documents pertaining to the Marcos Swiss accounts gathered from the Swiss authorities, as well as those retrieved from Malacañang immediately after the People Power Revolution in February 1986, which he described as "*smoking gun*"

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documents." To supplement his testimony in all of these cases, Chavez executed the following affidavits with corresponding annexes marked as exhibits, to wit:

1. Affidavit dated October 6, 1999⁸¹
2. 1st Supplemental Affidavit dated February 15, 2001 as Exhibit "CC"⁸²
3. 2nd Supplemental Affidavit dated February 16, 2001 as Exhibit "A-Trinidad"⁸³
4. 3rd Supplemental Affidavit dated August 15, 2001 as Exhibit "A-Rayby"⁸⁴
5. 4th Supplemental Affidavit dated April 23, 2002 as Exhibit "A-Palmy"⁸⁵
6. 5th Supplemental Affidavit dated July 25, 2002 as Exhibit "A-Maler"⁸⁶
7. 6th Supplemental Affidavit dated August 2, 2007 as Exhibit "A-Vibur-Avertina" (**Criminal Case No. 22867** Azio-Verso-Vibur Foundation Scolari, Valamo, Spinus Foundation and **Criminal Case No. 22869** Avertina, Xandy, Wintrop, Charis, Vibur-Avertina)⁸⁷
8. Judicial Affidavit dated May 31, 2011 on **Criminal Case No. 22868** re: Aguamina Foundation and **Criminal Case No. 22870** re: Banque de Paribas⁸⁸

The documents lengthily identified by Atty. Chavez in his testimony adjunct to the Judicial Affidavits he executed were as follows, to wit:

1. Exhibits "A-PH-CH MLAT" to "E- PH-CH MLAT" inclusive of sub-markings respecting the Mutual Legal Assistance Treaty between the Philippines and the Swiss Confederation.
2. Common Exhibits "A" to "V," "X" to "Z," "BB" to "DD," inclusive of sub-markings **under the 1st Affidavit of Francisco I. Chavez dated October 6, 1999**)
3. Exhibits "A-Trinidad" to "YY-Trinidad" inclusive of sub-markings (Criminal Case No. 17288 with reference to Trinidad Foundation) **under the 2nd Supplemental Affidavit dated February 16, 2001**
4. Exhibits "A-Rayby" to "M-Rayby" inclusive of sub-markings (Criminal Case No. 17289 with reference to Rayby Foundation) **under the 3rd Supplemental Affidavit dated August 15, 2001**

⁸¹ Records, Vol. 4, p. 1118

⁸² Records, Vol. 5, p. 1445

⁸³ Records, Vol. 5, p. 1563

⁸⁴ Records, Vol. 5, p. 1712

⁸⁵ Records, Vol. 5, p. 1850

⁸⁶ Records, Vol. 6, p. 42

⁸⁷ Records, Vol. 8, p. 21

⁸⁸ Records, Vol. 9, p. 230

5. Exhibits "A-Palmy" to "II-Palmy" inclusive of sub-markings (Criminal Case No. 17290 with reference to Palmy Foundation) **under the 4th Supplemental Affidavit dated April 23, 2002**
6. Exhibits "A-Maler," "C-Maler" to "Y-25(t)-Maler" inclusive of sub-markings (Criminal Case No. 17287 with reference to Maler Foundation) **under the 5th Affidavit Supplemental Affidavit dated July 25, 2002**
7. Exhibits "A-Vibur-Avertina" to "NNNNN-Vibur-Avertina," inclusive of sub-markings (Criminal Cases Nos. 22867 with reference to Azio-Verzo-Vibur Foundations and Criminal Case No. 22869 with reference to Avertina, Xandy, Wintrop, Charis, Scolari, Velamo, Spinus Foundations) **under the 6th Supplemental Affidavit dated August 2, 2007**
8. Exhibits "A-CC# 22868 & 22870" to "X-1-CC# 22868 & 22870" inclusive of sub-markings (Criminal Cases Nos. 22868 and 22870 with reference to Aguamina Foundation and Banque de Paribas, respectively) **under the Judicial Affidavit dated May 31, 2011**

Atty. Chavez likewise alleged that as regards the local company, **Asian Reliability Company, Inc.(ARCI)**, the PCGG documents show that while the said corporation was not registered in the names of Marcoses, they were the beneficial owners thereof over which they had financial interest. That accused Imelda Marcos participated in the management and exercise of discretion in the said corporation through Vicente Chuidian, its President, as attorney-in-fact or dummy of the accused. This is said to be shown by the documents consisting of:

- (1) Letter to Ferdinand Marcos dated January 5, 1984 penned by Antonio Garcia, President of Dynetics Corporation where ARCI owns interest, reporting on the intra-corporate dispute in Dynetics and where it was stated that Vicente Chuidian holds the voting trust of and represents the Marcos in Dynetics thru ARCI, marked as Exhibit "D."
- (2) Memorandum of Vicente Chuidian to Ferdinand Marcos dated January 18, 1984 which was routed to accused Imelda in her capacity as Minister of Human Settlements; Chuidian in the said Memorandum, claimed to have personally spoken to Ms. Marcos who allegedly instructed him to brief Ferdinand of their electronic business, ARCI's revised overall financial plan and financial picture of Dynetics, marked as Exhibit "E."

Aside from these documents, the following PCGG records allegedly show the management and prerogative of Ms. Marcos in the conduct of business of ARCI and Dynetics, who was regularly consulted and briefed

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of the operations of ARCI by its officers, made aware of ARCI's profitability, and informed of the management disputes through Vicente Chuidian, to wit:

- (1) Letter to Imelda Marcos of Chuidian dated January 31, 1984 reporting on what he referred to as "*our electronic business*" as Exhibit "F" (ARCI);
- (2) Letter to Ferdinand Marcos by Chuidian dated June 26, 1984 reporting on ARCI business, as Exhibit "G" (ARCI);
- (3) Typewritten translation of the marginal note of Ferdinand on the Memorandum of Cesar Virata, former Prime Minister dated September 27, 1985, as Exhibit "J" to "J-4" (ARCI);
- (4) Transcript of Stenographic Notes of hearing before the PCGG held on June 5, 1984 involving Rosendo Bondoc, Acting President of Philguarantee and stood as its representative in the ARCI Board of Directors as Exhibit "K" (ARCI). Bondoc during said PCGG hearing claimed he knew of the electronics business of the "highest authority" referring to accused Imelda and talked personally with Ferdinand on ARCI; he knew of the estimated cost of the electronic project of ARCI and the cause against Chuidian because of the incurred losses of the government on ARCI's loan, and that he was told by Imelda not to resign from Philguarantee;
- (5) Cesar Virata Affidavit dated February 20, 1992 corroborating the testimony of Rosendo Bondoc concerning the financial interest and management control of Ferdinand and Imelda Marcos on the conduct of business of ARCI and Dynetics as Exhibit "L" (ARCI) and Exhibit "MM" (ARCI); Affidavit of Victor Macalincag, Treasurer of the Republic of the Philippines, dated February 20, 1992 substantiating Virata's Affidavit as Exhibit "M" (ARCI); Joint Supplemental Affidavit of Virata and Macalincag dated April 22, 1992 on the alleged discretion and supervision of Ferdinand Marcos over the affairs of ARCI and Philguarantee as Exhibit "N" (ARCI).

That Ms. Marcos intervened in matters before several offices of the government, such as the Central Bank of the Philippines, for such financial interest in ARCI for the grant of behest loans shown in her marginal notes inscribed on the following documents:

- (1) Letter dated August 3, 1982 of Vicente Chuidian to Jaime Laya, CB Governor as Exhibit "A" (ARCI), which states "*To Gov. Laya, We refer for your approval. Thank you, [signed] Imelda Marcos;*" and
 - (2) Memorandum of Chuidian to Guillermo Soliven, Special Assistant to CB Governor dated July 14, 1983 which states "*Gov. J. Laya, I highly recommend the approval of this proposal vital to our development program. Thank you. [signed] Imelda R. Marcos July 30, 1983*" as Exhibit "B" (ARCI) which documents are in the custody of PCGG attested to by the
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Affidavit of Benjamin Alonte of the PCGG dated August 1, 1991, as Exhibit "C" (ARCI).

To supplement his testimony in relation to ARCI, he executed his 8th Supplemental Judicial Affidavit dated May 2, 2012 in Criminal Cases Nos. 17291 and 19225 with attached documents, marked as Exhibits "A" to "MM" (ARCI).

Chavez also claimed that accused Ms. Marcos made several admissions in her *Answer* in the forfeiture proceedings docketed as SB Case No. 0141 before the *First Division*, marked as *Exhibit "Y"*, that she was not only a former Minister of Human Settlements from 1976 to 1986 but also the former Chairman of Metro Manila Commission from 1985 to 1986, which was taken judicial cognizance of by the *Sandiganbayan* as reflected in the Transcript of Stenographic Notes in the said proceeding dated September 7, 1989, marked as *Exhibit "W."* Thus, Chavez claimed that being a member of the Batasang Pambansa and a Cabinet member, Ms. Marcos' participation in the aforementioned Swiss foundations violates RA 3019 Section 3(h) in relation to the 1973 Constitution, Article IX, Section 8 as well as Section 11, Article VIII thereof. That Ms. Marcos' financial interest in ARCI as well as her intervention in the management thereof, taking advantage of her position, by securing the approval of the Central Bank Governor of the US\$25M loan applied for by ARCI and guaranteed by the Philguarantee, likewise constitutes a violation of the same law.

Ambassador Luis Ascalon, former *Charge d' Affaires* and later Ambassador to Switzerland from March 16, 1987 up to April 21, 1992, testified that in his capacity as such, he performed a primary role in the legal assistance proceedings of the Marcos ill-gotten wealth and acted as the conduit between the Philippine authorities and those of the Swiss government. That in giving assistance to the legal proceedings, he employed mechanisms in accordance with diplomatic practice wherein all official representations of the Philippine Government are transmitted by diplomatic notes to the Swiss Federal Department of Justice and Police, and the Philippine Embassy receives and forwards to appropriate Philippine authority official documents and communications which the Swiss government may transmit in the course of the proceedings.

In these cases, he testified that he was receiving official instructions directly from the PCGG, headed by Hon. Jovito R. Salonga, the Office of the Solicitor General, headed by Atty. Frank I. Chavez, and from the designated Swiss Lawyers who were members of the Swiss Parliament in the name of Sergio Salvioni, Dr. Moritz Louemberger and Mr. Guy Fontanet hired by the Philippine government for representation and assistance before the Swiss



courts. There were occasions when the Republic of the Philippines sent a delegation to Switzerland, headed by Atty. Chavez, to examine the documents pertaining to the Marcos Swiss accounts and confer with Swiss Lawyers and Officials of the Swiss Government. He stated, however, that he did not have the power or authority to pass upon the propriety, validity or legality of such representations.

In his capacity as the then Ambassador to Switzerland, he participated in the process by transmitting some of these documents pertaining to the Marcos Swiss accounts to Atty. Chavez by way of a *diplomatic pouch* under his cover Letters dated December 12, 1991, December 20, 1991 and October 16, 1991, respectively marked as Exhibits "B-1", "B-2" and "B-3." These mentioned documents were turned over to him in a sealed manner and since he does not open and read sealed documents, he presumed that the cover letters enumerate the documents that were contained inside. In relation thereto, two cash vouchers were issued by the Foreign Service of the Republic of the Philippines dated October 27, 1988 and March 1989, one was sent to Solicitor General Chavez and the other one to the Office of the President. Those cash vouchers were intended for the payment of the cost of documents sent by DHL to the Solicitor General of the Philippines on October 18, 1988 and February 17, 1989. The DHL carrier issued two Official Receipts on the transactions.

In support of his testimony, he executed his Judicial Affidavit dated September 24, 2012.⁸⁹

Mr. Jaime Laya, former Governor of the Central Bank of the Philippines (CB) from 1981 to 1984, was presented who testified on his unmarked Judicial Affidavit dated October 10, 2013.⁹⁰ During his incumbency as Head of the CB, the country was experiencing an acute dollar crisis; that CB resorted to the program of floating of treasury notes. The continuing shortfalls in dollar receipts prompted him to seek the assistance of President Marcos and Ms. Marcos in the issuance of Treasury Notes to Filipinos who could possibly have access to USD abroad, asking them to convince Filipino businessmen to generate additional subscriptions to the dollar notes issue.

That sometime in August or September 1983, President Marcos called him to advise that he had called friends in Europe and that he should expect remittances from two (2) Swiss Banks. Funds were subsequently received by the CB from the said Swiss banks amounting to 200 million USD, with no indication of who the principals thereof were. The amounts were left

⁸⁹ Records, Vol. 10, p. 382

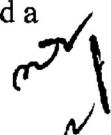
⁹⁰ Id., p. 428

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unclaimed after maturity of the Treasury Notes. The CB also received a Letter dated September 15, 1983 from Jaime Zobel de Ayala, marked as *Exhibit "T-Maler,"* committing to purchase US dollar treasury notes. He identified his Letter to Jose B. Fernandez, then Chairman of the Monetary Board of CB, dated March 12, 1986, marked as *Exhibit "VVVV-Vibur-Avertina,"* where he clarified the IMF findings on the so-called overstatement of the Philippine international reserves in 1983, including the possible interventions therein of then President Marcos and Ms. Marcos, and on CB actions described as "kiting" or the "black market intervention" or "Binondo Central Bank." He likewise pointed to his Memorandum to Ms. Marcos dated October 21, 1983, marked as *Exhibit "W-Maler,"* on the status of Dollar Treasury Note issue, as well as the Treasury Notes issued in 1983, marked as *Exhibit "U"* inclusive of sub-markings.

Mr. Cesar Virata, former Chairman and member of the Board of Directors of Philguarantee from January 31, 1977 until February 26, 1986, testified that he was the Minister of Finance from February 1970 to February 1986 and Prime Minister from July 1981 to March 1986. As Finance Minister, he was the Ex-officio Chairman of Philguarantee beginning 1977. Among his functions as part of the Board was the approval of guarantees in favor of applicants; that ARCI's foreign loan in 1981 in the amount of US\$25 million was approved for the purpose of financing its capital requirements for five (5) interrelated electronic projects, namely: electronics and semi-conductor equipment, manufacture, machine shop, wafer fabrication, precious metal recovery and plating, and a testing facility.

He claimed the projects did not materialize because the funds were used for other purposes. In March 1983, Philguarantee Board learned from its president, Rosendo Bondoc, that ARCI used the proceeds of the loan to purchase shares of stock in local and US based companies in violation of the conditions of the approval of Philguarantee's guarantee. As a result, in May 1985, Philguarantee filed a lawsuit in the Superior Court of California against Mr. Chuidian, ARCI President, and his companies which included ARCI, to recoup the loan proceeds. However, President Ferdinand Marcos told him that the agenda should first be cleared up with him. In September 1985, Philguarantee received a draft of a proposed settlement agreement from a representative of President Marcos, providing for the termination of the lawsuit in California against Chuidian and his companies. The draft was in favor of Chuidian and imposed unacceptable obligations on Philguarantee. The Board, thus, recommended to President Marcos, through a Memorandum dated September 27, 1985, that Philguarantee should not enter into such an agreement, but President Marcos returned the latter with handwritten note instructing him to negotiate with Chuidian and cooperate. Hence, he called a



meeting on September 30, 1985 with the Board of Philguarantee, which decided to draft a counter-settlement requiring from ARCI a restitution to Philguarantee and to authorize Cesar Macuja, a member of its Board, to negotiate the restitution agreement with Chuidian in California. That together with Macalincag and Macuja, he met with Ronaldo Zamora, personal counsel and close confidant of the late President Marcos, who assured them that it would not be a problem for Philguarantee to recover at least US\$8 million in any settlement with Chuidian. That Macuja, accompanied by Zamora, went to California on October 3, 1985 to discuss the settlement with Chuidian. However, Macuja thereafter reported to the Board of Philguarantee that he signed an agreement with Chuidian dated October 5, 1985 without any provision for restitution.

He continued with his testimony, stating the Board decided not to accept the October 5, 1985 agreement which could not be considered binding without any provision for restitution. Thus, he received a call from President Marcos on November 6, 1985 who was very angry that he reneged on the agreement with Chuidian. In a meeting on November 8, 1985, the Board directed Macuja to inform Chuidian that Philguarantee could not be a party to the October 5, 1985 agreement to protect the interests of Philguarantee. The latter allegedly took the following actions, viz: (1) recommended the prosecution of Bondoc and Chuidian, (2) filed a lawsuit against Chuidian and his companies in California, (3) repudiated the October 5, 1985 agreement, (4) sent another team to Chuidian to renegotiate the provisions of the said agreement to ensure that Philguarantee would not be burdened by financial liability. As a result of the renegotiation, a new agreement was entered into on November 27, 1987 which devolved the financial obligations upon Asian Reliability and Dynetics, Inc.

He identified his Affidavits dated February 20, 1992 as Exhibit "L" (ARCI), June 20, 1986 as Exhibit "MM" (ARCI), and Joint Supplemental Affidavit with Victor Macalincag dated April 22, 1992 as Exhibit "N" (ARCI).

Mr. Victor Macalincag corroborated the testimony of Mr. Virata and testified, among others, that he became the Officer-in-Charge of Philguarantee on January 11, 1985 following the suspension of its former President Rosendo Bondoc in view of his complicity with Mr. Chuidian's/ARCI's diversion of the US\$ 25 million loan proceeds guaranteed by Philguarantee. On November 22, 1985, a representative of President Marcos came to see him to inform them that the latter was very angry and that he wanted matters with Chuidian cleared up. That he was shown a list of four (4) instructions from the late President Marcos but can only recall three (3), viz: (1) to withdraw the telex to Chuidian repudiating the October 5, 1985

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agreement; (2) to submit the settlement agreement for judicial confirmation; (3) to send a Philguarantee team to the US to implement the agreement; that the Board was ordered by the late President to abide by the principal terms of the October 5, 1985 agreement, hence, in accordance with his instructions, Philguarantee dispatched a team to San Francisco, California to renegotiate the provisions of the October 5, 1985 agreement. As a result of the renegotiation, the November 27, 1987 agreement was entered into which absolved all its liability to Chuidian, and instead devolved the said obligations upon Dynetics, Inc.

Mr. Macalincag identified his Affidavit dated February 20, 1992 marked as Exhibit "M" (ARCI) inclusive of sub-markings, Joint Supplemental Affidavit with Cesar Virata dated April 22, 1992, marked as Exhibit "N" (ARCI), inclusive of sub-markings.

Evidence for the Defense

On July 14, 2016, the prosecution and the defense stipulated on the authenticity and existence of the Transcript of Stenographic Notes (TSN) of the cross-examination of ASG Cesar del Rosario in Criminal Cases Nos. 91-101732-39, 91-101879-92 & 91-101959-69, entitled *People of the Philippines versus Imelda R. Marcos, et. al.* before the Regional Trial Court, Branch 26, Manila, supposedly to be identified by the intended defense witnesses Jessalee C. Roque and Marites D. Gauran, court stenographers of the Regional Trial Court of Manila, Branch 26. The defense marked the said TSN, to wit: Exhibit "1"- *TSN dated September 5, 2006; signature of Marites Gauran as Exhibit "1-a"; TSN dated October 10, 2006 as Exhibit "2"; signature of Jessalee Roque as Exhibit "2-a"; TSN dated November 28, 2006 as Exhibit "3" and signature of Maritess Gauran as Exhibit "3-a."*

Issue

The issue in these cases is whether or not the accused, Ms. Marcos, is guilty of ten (10) counts of violation of Republic Act No. 3019, Section 3(h).

Findings and Ruling of the Court

Republic Act No. 3019, Section 3(h) provides:

Section 3. Corrupt practices of public officers. – In addition to acts or omissions of public officers already penalized by existing law, the following shall constitute corrupt practices of any public officer and are hereby declared to be unlawful:

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