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Republic vs. Sandiganbayan (2003)

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REPUBLIC OF THE PHILIPPINES, *petitioner*,
VS.

**HONORABLE SANDIGANBAYAN (SPECIAL
FIRST DIVISION), FERDINAND E. MARCOS
(REPRESENTED BY HIS ESTATE/HEIRS: IMELDA R.
MARCOS, MARIA IMELDA [IMEE] MARCOS-
MANOTOC, FERDINAND R. MARCOS, JR. AND
IRENE MARCOS-ARANETA) and IMELDA
ROMUALDEZ MARCOS, *respondents*.**

**G.R. No. 152154 | July 15, 2003 | 453 Phil.
1059 | En Banc | Justice Corona**

**Political and International Law | Constitutional Law |
Law on Public Officers | Asset Forfeiture**

FACTS:

Petitioner Republic, through the Presidential Commission on Good Government (PCGG), represented by the Office of the Solicitor General (OSG), filed a petition for forfeiture before the Sandiganbayan. Petitioner sought the declaration of the aggregate amount of US\$356 million (now estimated to be more than US\$658

million inclusive of interest) deposited in escrow in the PNB, as ill-gotten wealth. The funds were previously held by the following five account groups, using various foreign foundations in certain Swiss banks. Moreover, the petition sought the forfeiture of US\$25 million and US\$5 million in treasury notes which exceeded the Marcos couple's salaries, other lawful income as well as income from legitimately acquired property. The treasury notes are frozen at the Central Bank of the Philippines, now Bangko Sentral ng Pilipinas, by virtue of the freeze order issued by the PCGG. Before the case was set for pre-trial, a General Agreement and the Supplemental Agreements were executed by the Marcos children and then PCGG Chairman Magtanggol Gunigundo for a global settlement of the assets of the Marcos family to identify, collate, cause the inventory of and distribute all assets presumed to be owned by the Marcos family under their conditions contained therein.

ISSUE:

Whether or not the Swiss funds can be forfeited in favour of the Republic, on the basis of the Marcoses's lawful income.

RULING:

Yes. R.A. No. 1379 raises the *prima facie* presumption that a property is unlawfully acquired, hence subject to forfeiture, if its amount or value is manifestly disproportionate to the official salary and other lawful income of the public officer who owns it.

The following facts must be established in order that forfeiture or seizure of the Swiss deposits may be effected:

- (1) ownership by the public officer of money or property acquired during his incumbency, whether it be in his name or otherwise, and
- (2) the extent to which the amount of that money or property exceeds, *i. e.*, is grossly disproportionate to, the legitimate income of the public officer.

Herein, the spouses Ferdinand and Imelda Marcos were public officials during the time material to the present case was never in dispute.

The spouses accumulated salary of \$304,372.43 should be held as the only known lawful income of the Marcoses since they did not file any Statement of Assets and Liabilities (SAL), as required by law, from which their net worth could be determined.

Besides, under the 1935 Constitution, Ferdinand E. Marcos as President could not receive “any other emolument from the Government or any of its subdivisions and instrumentalities”.

Likewise, under the 1973 Constitution, Ferdinand E. Marcos as President could “not receive during his tenure any other emolument from the Government or any other source.” Their only known lawful income of \$304,372.43 can therefore legally and fairly serve as basis for determining the existence of a *prima facie* case of forfeiture of the Swiss funds. The Republic did not fail to establish a *prima facie* case for the forfeiture of the Swiss deposits.

The Swiss deposits which were transferred to and are deposited in escrow at the Philippine National Bank in the estimated aggregate amount of US\$658,175,373.60 as of 31 January 2002, plus interest, were forfeited in favor of the Republic.

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