

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
First Regular Session

HOUSE RESOLUTION No. 702



Introduced by

MINORITY LEADER BIENVENIDO "BENNY" M. ABANTE, JR., 6th District of Manila, BAYAN MUNA Reps. CARLOS ISAGANI T. ZARATE, FERDINAND R. GAITE and EUFEMIA C. CULLAMAT, ACT TEACHERS Party-List Rep. FRANCE L. CASTRO, GABRIELA Women's Party List Rep. ARLENE D. BROSAS, KABATAAN Party-List Rep. SARAH JANE I. ELAGO, QUEZON CITY 6th District Rep. JOSE CHRISTOPHER BELMONTE, MARIKINA 1ST District Rep. BAYANI FERNANDO, PROBINSYANO AKO Party-List Rep. JOSE C. SINGSON, JR., CAMARINES SUR 3rd District Rep. GABRIEL H. BORDADO, JR., MARIKINA 2nd District Rep. STELLA LUZ A. QUIMBO, APEC Party-List Rep. SERGIO DAGOOC, AGUSAN DEL NORTE 1ST DISTRICT Rep. LAWRENCE FORTUN, A-TEACHER Party-List Rep. MA. VICTORIA UMALI, KALINGA Party-List Rep. IRENE GAY SAULOG, RECOBODA Party-List Rep. GODOFREDO GUYA

RESOLUTION

DIRECTING THE HOUSE OF REPRESENTATIVES, THROUGH THE COMMITTEE ON GOOD GOVERNMENT AND ACCOUNTABILITY, TO CONDUCT AN INVESTIGATION, IN AID OF LEGISLATION, ON THE ALLEGED USE OF CONFIDENTIAL FUNDS OF THE DEPARTMENT OF INFORMATION AND COMMUNICATIONS TECHNOLOGY FOR SURVEILLANCE

WHEREAS, in Republic Act No. 10844 or the Department of Information and Communication Technology Act of 2015, the department is mandated to be the primary policy, planning, coordinating, implementing, and administrative entity of the Executive Branch of the government that will plan, develop, and promote the national information and communication technology (ICT) development agenda;

WHEREAS, on January 31, 2020, the issue of DICT's involvement in surveillance activities was brought to surface when Engr. Eliseo M. Rio, Jr. resigned as Undersecretary for Operations of the agency. It is noted that he was also pointed as the Acting Secretary of the agency on May 8, 2018 and March 25, 2019;¹

WHEREAS, according to Joint Circular No. 2015-01 between the Commission on Audit (COA), Department of Budget and Management (DBM), Department of Interior and Local

¹ <https://www.cnnphilippines.com/news/2020/2/3/Eliseo-Rio-resigns-DICT.html>

1 Government (DILG), Governance Commission for GOCCs (GCG) and the Department of
2 National Defense (DND) dated January 8, 2015, confidential expenses refers to the expenses
3 pertaining/related to surveillance activities in civilian government agencies that are intended to
4 support the mandate or operations of the agency;

5
6 **WHEREAS**, according to the Joint Circular, confidential fund can only be used for the
7 following:

- 8
9 (1) The purchase of information necessary for the formulation and implementation of
10 program, activities and projects relevant to the national security and peace and order;
11 (2) Rental of transport vehicle related to confidential activities;
12 (3) Rentals and the incidental expenses related to the maintenance of safehouses;
13 (4) Purchase or rental of supplies, materials and equipment for confidential operations that
14 cannot be done through regular procedures without compromising the information
15 gathering activity concerned;
16 (5) Payment of rewards to informers (non-employee of concerned government agency)
17 subject to the certain conditions;
18 (6) Uncover/Prevent illegal activities that pose a clear and present danger to agency
19 personnel/property, or other facilities and resources under the agency protection, done
20 in coordination with the appropriate law enforcement agencies;
21 (7) Others that may be authorized by the General Appropriations Act or other special law/s;

22
23 **WHEREAS**, the conduct of confidential activities shall, as far as practicable, be done with
24 proper collaboration with any of the following law enforcement agencies: the Philippine National
25 Police (PNP), the Armed Forces of the Philippines (AFP), the Philippine Drug Enforcement
26 Agency (DND), or other agencies with law-enforcement functions;

27
28 **WHEREAS**, Executive Order No. 185, s. 2015 created the National Cybersecurity Inter-Agency
29 Committee (NCIAC) chaired by the Executive Secretary and co-chaired by the National Security
30 Adviser and Director-General of the National Security Council (NSC) and the Secretary of the
31 Department of Science and Technology (DOST);

32
33 **WHEREAS**, President Rodrigo Roa Duterte reorganized the NCIAC through Executive Order
34 No. 95, s. 2019, wherein the secretary of the DICT became a co-chair, replacing the secretary of
35 the DOST;

36
37 **WHEREAS**, NSC is the principal advisory body on the proper coordination and integration of
38 plans and policies affecting national security. One of its mandates is to evaluate and analyze all
39 information, events and incidents in terms of the risks or threats they pose to the overall security
40 and stability of the nation, which includes cybersecurity;

41
42 **WHEREAS**, DICT, on the other hand, is mandated to ensure the rights of individuals to
43 privacy and confidentiality of their personal information, ensure the security of critical ICT
44 infrastructures including information assets of the government, individuals and businesses and to
45 provide oversight over agencies governing and regulating the ICT sector and ensure consumer
46 protection and welfare, data privacy and security, foster competition and the growth of the ICT
47 sector;

48
49 **WHEREAS**, according to RA 10844, Cybercrime Investigation and Coordination Center
50 (CICC) was attached to the DICT and all the powers and function related to cybersecurity,
51 including the formulation of National Cybersecurity Plan, establishment of the National

Computer Emergency Response Team (NCERT) and the facilitation of the international cooperation on intelligence regarding cybersecurity matters are transferred to the agency;

WHEREAS, the cybersecurity office of the DICT is not created for surveillance of civilians; it was created instead to secure the nation's cyber space from cyber threats;

WHEREAS, the conduct of surveillance and intelligence activities is nowhere to be found in the DICT charter, which questions the use of P400 million of the confidential funds allocated on the agency for Fiscal Year 2019;"

WHEREAS, it is one of the functions of the NCIAC, under Section 2 of the Executive Order 185, s. 2015, to serve as the country's coordinating arm between the intelligence gathering of the NSC and the NCERT of the DICT. The DICT has absolutely no need for any confidential and intelligence fund and the alleged conduct of the surveillance activities of the DICT is a useless duplication of the activities done by intelligence-gathering agencies;

WHEREAS, the following shows the actual expenditure and/or appropriation of the confidential fund under DICT according to National Expenditure Program 2019 to 2020 and General Appropriations Act for Fiscal Years 2017 to 2020:

		2017	2018	2019	2020
Appropriations (GAA)	OS			400,000	800,000
	NPC	600	600		
Actual Expenditures (NEP/BESF)	OS			400,000	
	NPC	0	600		

In thousand pesos

OS – Office of the Secretary

NPC – National Privacy Commission

WHEREAS, Engr. Rio cited "conflicting views" with other officials and the confidential funds lodged in the agency as the reasons why he left his post. Rio claimed the other undersecretaries and assistant secretaries did not involve him in decision-making despite being the Undersecretary for Operations;

WHEREAS, the Department of Budget Management confirmed that in the General Appropriations for Fiscal Year 2019, DICT received P803 million for confidential, extraordinary and miscellaneous, and intelligence expenses. Of which, P800 million is appropriated for confidential expenses of the DICT – Office of the Secretary;

WHEREAS, Audit Observation Memorandum No. 2020-001 (2019) of the Commission on Audit dated January 20, 2020 red flagged the disbursement P300 million of the confidential fund in the form of three cash advances of P100 million each granted on November 8, December 3 and December 17, 2019. As of January 20, the cash advances granted on December 2019 are not yet liquidated;

WHEREAS, news reports claim that the P400 million confidential fund was inserted in the Senate at the time when current DICT Secretary Gregorio B. Honasan II was still a senator;

1 **WHEREAS,** the allocation of very huge confidential fund for DICT is just part of the
2 unprecedented increase of the confidential and intelligence fund of the different department and
3 agencies under the present administration. With the current expose of former DICT
4 Undersecretary Engr. Rio of suspected misuse of such funds, it behooves upon Congress to
5 exercise its oversight powers and scrutinize how this funds are being expended.
6

7 **NOW, THEREFORE BE IT RESOLVED,** that the House of Representatives, through the
8 Committee on Good Government and Accountability, to conduct an investigation, in aid of
9 legislation, on the alleged use of confidential funds of the Department of Information and
10 Communication Technology for surveillance.
11

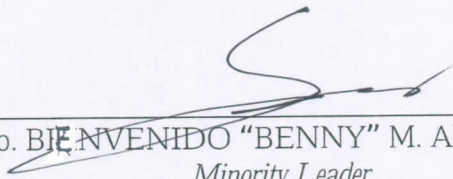
12 *Adopted,*

ADDITIONAL CO-AUTHORSHIP

FOR THE SECRETARY GENERAL:

Please include the undersigned as co-author/sponsor of HOUSE RESOLUTION No _____

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Rep. BENVENIDO "BENNY" M. ABANTE JR
Minority Leader


Rep. JANETTE GARIN


Rep. JOSE CHRISTPHER BELMONTE


Rep. BAYANI FERNANDO

Rep. JOSEPH STEPHEN PADUANO


Rep. JOSE SINGSON

Rep. SHAREE/ANN TAN


Rep. CARLOS ZARATE


Rep. GABRIEL BORDADO JR


Rep. FRANCE CASTRO


Rep. STELA LUIZ QUIMBO

Rep. ARNOLFO TEVES JR


Rep. ALEX ADVINCULA

Rep. ISAGANI AMATONG


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