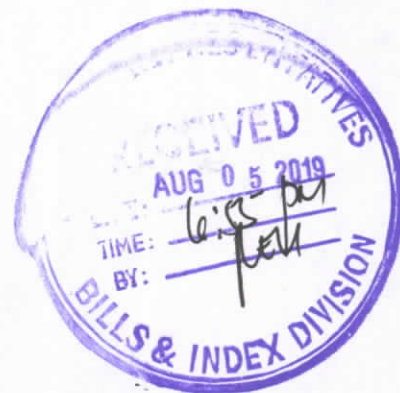


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

EIGHTEENTH CONGRESS
First Regular Session

House Resolution No. **189**



Introduced by HON. LORD ALLAN JAY Q. VELASCO

RESOLUTION URGING THE COMMITTEES ON GOOD GOVERNMENT AND PUBLIC ACCOUNTABILITY AND GAMES AND AMUSEMENTS TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, INTO THE EXISTENCE OF MASSIVE CORRUPTION IN THE PHILIPPINE CHARITY SWEEPSTAKES OFFICE (PCSO) INCLUDING ALL GAMING ACTIVITIES OPERATED, LICENSED AND FRANCHISED BY IT

WHEREAS, on July 26, 2019, President Rodrigo Roa Duterte ordered the closure of all gaming activities operated, licensed and franchised by the Philippine Charity Sweepstakes Office (PCSO), which included lotto, small town lottery (STL), *Peryahan ng Bayan* and Keno;

WHEREAS, President Duterte issued the verbal order on the ground of "massive corruption" and the Palace itself claimed that there was a conspiracy among major players in PCSO games that deprive the government its rightful share of revenues;

WHEREAS, the previous PCSO general manager, retired Marine general Alexander Balutan, was sacked earlier this year due to corruption allegations;

WHEREAS, among its several key findings in its 2018 report, the Commission on Audit (COA) flagged PCSO for not paying, from 1994 to 2016, the government's share in its annual net earnings in the total amount of P8.4 billion. COA also discovered a shortfall amounting to P4.6 billion in the presumptive amount of monthly sales that authorized STL agents are required to meet and that PCSO omitted to transfer to its charity fund the amount of P684.3 million from forfeited prizes in Keno games for the years 2015 to 2017 and from its unutilized operating fund in 2017;

WHEREAS, 23,654 PCSO outlets were closed nationwide by July 28. Of these, 7,768 are lotto outlets, 13,320 are STL kiosks, 2,194 are *Peryahan ng Bayan* outlets and 472 are Keno shops;

WHEREAS, on July 30, 2019, President Duterte revised his order and lifted the suspension on PCSO's lotto operations. As for *Peryahan ng Bayan*, STL and Keno, their operations remain suspended;

WHEREAS, despite the resumption of lottery activities, a Congressional investigation must be immediately commenced to fully dissect the extent of corruption in PCSO, to make all responsible PCSO officials and significant personalities accountable to the public and to cleanse the government body of the unbridled and crippling corruption that continues to hound its gaming schemes;

NOW, THEREFORE, BE IT RESOLVED, AS IT IS HEREBY RESOLVED, the Committees on Good Government and Public Accountability and Games and Amusements should conduct an inquiry, in aid of legislation, into the full extent of corruption in the Philippine Charity Sweepstakes Office (PCSO), including all gaming schemes operated, licensed and franchised by it, and to hold all responsible officials and personalities liable for their unlawful transgressions.

Adopted,


LORD ALLAN JAY Q. VELASCO