

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
First Regular Session

HOUSE BILL No. 6261



Introduced by
**BAYAN MUNA Representatives FERDINAND R. GAITE,
CARLOS ISAGANI T. ZARATE and EUFEMIA C. CULLAMAT**

AN ACT
**MANDATING THE OVERSIGHT AND AUDIT OF GOVERNMENT
INTELLIGENCE AND CONFIDENTIAL FUNDS AND FOR OTHER PURPOSES**

EXPLANATORY NOTE

Billions of pesos in taxpayers' money have been allotted to intelligence and confidential funds, programs and activities of the government. According to Budget of Expenditures and Sources of Financing for FY 2020, intelligence expenses and confidential expenses will be allocated a budget of P4.8 billion and P3.5 billion, respectively.

For 2020, P4.5 million is allocated for intelligence and confidential expenses of the Office of the President. This is an unprecedented increase of 400% from the request during the last year of the Benigno Aquino III administration. According to the Department of Budget and Management (DBM), despite that OP is not a unit primarily responsible for intelligence outcomes, the intelligence and confidential funds will be used "mainly for President Rodrigo R. Duterte's war against drugs, criminality and corruption."

Also, in 2015, state auditors found that the Department of National Defense failed to liquidate a total of P82.5 million in confidential and intelligence funds in 2011, 2012, and 2013. Almost the entire amount disbursed were only identified as "advances to officers and employees."

As these funds are prone to misuse, the Commission on Audit (COA), together with the DBM, Department of the Interior and Local Government (DILG), Department of National Defense (DND) and the Governance Commission for GOCCs (GCG) signed the Joint Circular on Guidelines on the Entitlement, Release, Use, Reporting and Audit of the Confidential and/or Intelligence Fund on January 8, 2015 for accountability and transparency.


Congressional oversight on intelligence and confidential funds in the 10th, 11th, 12th, 13th, 14th and 15th and 16th Congresses were done through a Senate Select Oversight Committee on Intelligence and Confidential funds, Programs and Activities that was created on August 1997, October 2001, January 2005, August 2009, and September 2010, respectively.


But the Select Oversight Committee initiative does not fully address the issues concerning transparency, accountability and other malevolent issues surrounding the use of intelligence and confidential funds that also target Filipino citizens who are private individuals, government critics, political activists and members of cause-oriented groups.

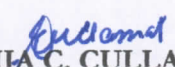
1 It is high time that the government rectify this unconstitutional mode of allocating intelligence and
2 confidential funds that are free from audit, public scrutiny and official accountability.

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4 Immediate approval of this measure is earnestly sought.

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7 *Approved,*

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14 **REP. FERDINAND R. GAITE**
15 *Bayan Muna Partylist*

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20 **REP. CARLOS ISAGANI T. ZARATE**
21 *Bayan Muna Partylist*


REP. EUFEMIA C. CULLAMAT
Bayan Muna Partylist

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14 **AN ACT**
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17

18
19 *Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:*

20
21 **SECTION 1. Title.** – This law shall be known as the “**Intelligence and Confidential Funds**
22 **Transparency Act of 2020.**”

23
24 **SECTION 2. Declaration of Policy.** – The principle and practice of transparency in
25 governance covers all branches, appendages, agencies, programs, policies and initiatives of the
26 State.

27
28 The 1987 Constitution emphatically states that the State shall maintain honesty and integrity in the
29 public service and take positive and effective measures against graft and corruption (Article II
30 Section 27) and that no law shall be passed exempting any entity of the Government or its
31 subsidiaries in any guise whatever, or any investment of public funds, from the jurisdiction of the
32 Commission on Audit. (Article IX Section 3).

33
34 Article III Section 7 stated that the right of the people to information on matters of public concern
35 shall be recognized.

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37 This Act shall widen the parameters of our country’s democracy by once and for all clearly
38 defining that all State funds are indeed subject to audit, public scrutiny and official accountability.

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40 **SECTION 3. Definition of Terms.** – For purposes of this Act, “**Intelligence funds**” are funds
41 provided for those related to intelligence information gathering activities of uniformed and
42 military personnel, and intelligence practitioners that have direct impact to national security.
43 “**Confidential funds**” are funds provided for those related to surveillance activities in civilian
44 government agencies that are intended to support the mandate or operations of the agency.

45
46 Intelligence funds shall only be released upon approval of the President, while Confidential funds
47 shall only be released or disbursed upon the approval of the Department Secretary concerned.

48
49 **SECTION 4. Submission of Accomplishment Reports.** All departments, bureaus, offices or
50 agencies, shall submit to the Senate President, Speaker of the House of Representatives, and
51 Chairperson of the COA, a detailed quarterly report on the disbursement of and use of intelligence

1 and confidential funds, copy furnished the Senate Committee on Finance and House Committee
2 on Appropriations.

3
4 **SECTION 5. Joint Congressional Oversight Committee on Intelligence and Confidential**
5 **Funds.** Pursuant to its constitutional duties, Congress and the Commission on Audit shall
6 discharge Oversight functions to wit:

7
8 (a) There shall be a Joint Congressional Oversight Committee on Intelligence and
9 Confidential Funds (JCOCIF) composed of five (5) members each from the Senate and
10 the House of Representatives. The JCOCIF shall be co-chaired by the chairpersons of
11 the Senate Committee on Accountability of Public Officers and Investigation, and the
12 House Committee on Good Government and Public Accountability. It shall include the
13 chairpersons of the Senate Committee on Finance and the House Committee on
14 Appropriations as well as two members from the Senate and House minorities. The Joint
15 Congressional Oversight Committee shall have its own independent counsel;

16
17 (b) The Oversight Committee shall conduct a semi-annual review of the status and
18 implementation of all programs and activities financed by intelligence and confidential
19 funds, its compliance with this Act and existing laws of the Republic and report to
20 Congress not later than June 30 of each year;

21
22 (c) The Commission on Audit shall conduct a yearly special audit on all intelligence and
23 confidential funds and report to Congress not later than June 30 of each year.

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25 **SECTION 6. Non-Interference in Oversight and Audit Functions.** In no way shall any
26 government agency, appendage, and its subsidiaries in any guise; or any private entity, interfere
27 with the oversight functions of Congress and the constitutional mandate of the Commission on
28 Audit.

29
30 **SECTION 7. Use of Intelligence and Confidential Funds.** Confidential and intelligence funds
31 provided for in the budgets of departments, bureaus, offices or agencies of the National
32 Government, to be used for intelligence, counter-intelligence and confidential activities, shall be
33 released only upon the expressed recommendation of Congress via Joint Resolution, and the
34 approval of the President of the Philippines.

35
36 **SECTION 8. Declassification of Intelligence and Confidential Funds Documents.**
37 Documents related to the use of confidential and intelligence funds shall be automatically
38 declassified by the Joint Congressional Oversight Committee on Intelligence and Confidential
39 Fund ten (10) years after the annual audit of such documents.

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41 Provided that, no information related to the use of intelligence and confidential funds may remain
42 classified indefinitely.

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44 **SECTION 9. Penalties.** The non-submission of accomplishment reports as defined in this Act
45 shall bar the release of any and all allocations for intelligence and confidential funds until said
46 agency complies with Section 4.

47
48 Any person who violates Section 4 of this Act shall result in the absolute perpetual disqualification
49 from holding any public office, notwithstanding applicable administrative and criminal penalties.

1 **SECTION 10. Separability Clause.** Should any provision of this Act be declared
2 unconstitutional, the validity or constitutionality of the other provisions shall not be affected
3 thereby.

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5 **SECTION 11. Repealing Clause.** All laws, decrees, letters of instruction, resolutions, orders,
6 ordinances, issuances or parts thereof which are inconsistent with the provisions of this Act are
7 hereby repealed, amended, or modified accordingly.

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9 **SECTION 11. Effectivity.** This Act shall take effect fifteen (15) days after its publication in a
10 newspaper of general circulation.

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12 *Approved,*