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Republic of the Philippines

OFFICE OF THE OMBUDSMAN

Agham Road † North Triangle † Diliman † Quezon City † 1128

18 August 2006

Her Excellency

President GLORIA MACAPAGAL-ARROYO

Malacañang Palace, Manila

The Honorable

Vice-President NOLI L. DE CASTRO

PICC Complex, Roxas Boulevard, Manila

The Honorable

President of the Senate

Speaker of the House of Representatives

Members of Congress

Your Excellencies:

Pursuant to Section 34 of Republic Act No. 6770, we are honored to submit the Office of the Ombudsman's Annual Report for the Calendar Year 2005.

The Office of the Ombudsman (OMB) over the past seventeen (17) years has continued to affirm its crucial role in the battle against graft and corruption. In the performance of its constitutional mandate, the OMB fully recognizes the support and cooperation of the Executive Department and of Congress in effectively curbing graft and corruption in the government.

With the strong support and joint assistance provided by the Executive Department and the Congress, the Office can carry on all its undertakings in accordance with its mandated task, with the entire Filipino nation hopeful that our country becomes graft and corruption-free in the future.

Very truly yours,


MA. MERCEDITAS N. GUTIERREZ
Tanodbayan (Ombudsman)

FOREWORD

Corruption and poverty are the most challenging major problems besetting the Philippines over the years. According to World Bank President James Wolfenson, “corruption is one of the greatest inhibiting forces to equitable development and to the combating of poverty”. And as shown by recent studies, corruption directly correlates with and positively impacts on poverty. To cite a most relevant study on this issue, the working paper of the International Monetary Fund entitled “*Does Corruption Affect Income Inequality and Poverty?*” concluded that there is a statistically significant positive association between corruption and poverty; that statistical “evidence shows that corruption increases poverty.” A prominent Catholic prelate, His Eminence Ricardo Cardinal Vidal, expressed a similar view that “*corruption affects all of us, endangers our national life, and makes the poor poorer.*”



Thus, as the Office of the Ombudsman (OMB) struggles in seriously performing its constitutional mandate to address the problem of corruption despite its severe lack of resources and other constraints, it likewise operates to contribute to poverty alleviation. Effective, vigorous and sustained anti-corruption reforms and initiatives are envisioned to generate substantial reduction in budgetary leakages and revenue “losses”, as well as accrual of savings and increased revenue collection. These can be used by the government to fund poverty-alleviation projects. Moreover, reduced corruption incidents can create higher investor confidence which translates to more investments and employment for our citizens.

Given the foregoing challenges and focus, the OMB has, despite many limitations, relentlessly pursued its goals and this has resulted in the achievement of significant and very encouraging work accomplishments summarized in this Report.


MA. MERCEDITAS N. GUTIERREZ
Tanodbayan

INVESTIGATION

The Office of the Ombudsman (OMB) has taken the proactive approach in making graft and corruption a high risk and low reward activity. Its main tools in its campaign to curb graft and corruption are: *(a) aggressive and effective criminal prosecution; (b) thorough and strategic investigation; and (c) swift and decisive administrative investigation and adjudication.*

The OMB utilizes its three functional offices in the aspect of investigation and prosecution, namely: the Field Investigation Office (FIO); the Preliminary Investigation, Administrative Adjudication and Monitoring Office (PAMO); and the Office of the Special Prosecutor (OSP).

EVALUATION AND INVESTIGATION

TOTAL WORKLOAD

The overall workload and status of criminal and administrative cases for the calendar year 2005 is shown in *Table 1* having a total of 18,859. The figure includes 8,576 new criminal and administrative cases docketed in 2005, the 9,747 cases carried over from the previous year and the 536 disposed cases which were reverted back to pending. Distribution of the newly received cases are as follows: OMB-Central Office – 1,163 or 15%; OMB-Luzon – 2,545 or 30%; OMB-Visayas – 1,148 or 13%; OMB-Mindanao – 1,034 or 12%; and OMB-MOLEO – 2,686 or 31%. *(see Table 1)*

This year's overall workload of 18,859 cases reflected an increase 1,556 cases or 9% compared to the 17,303 cases handled in 2004.

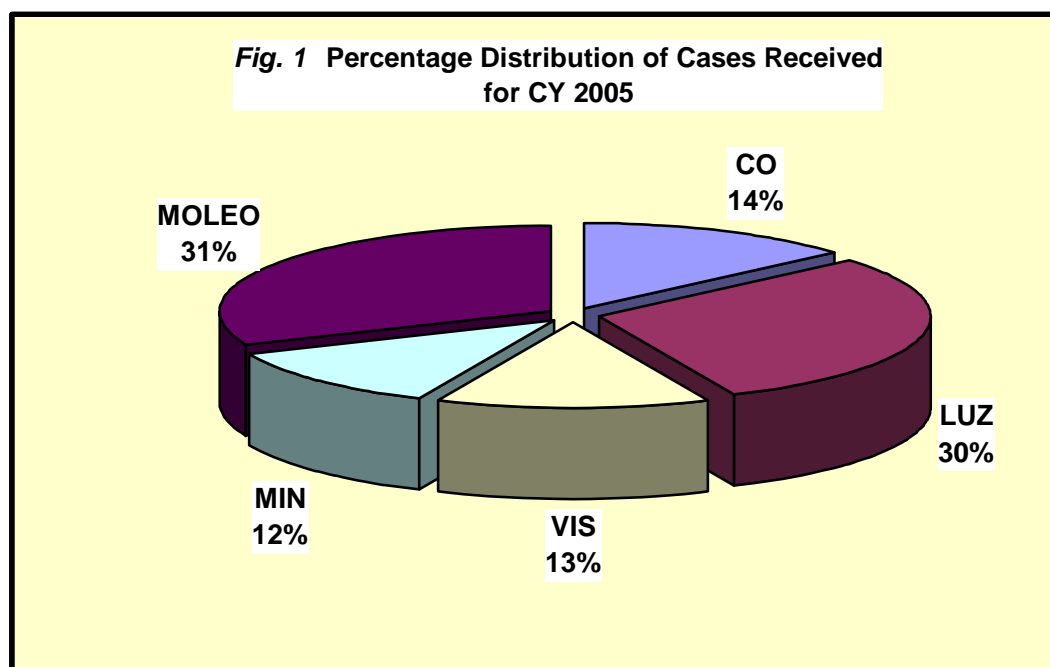
CASES RECEIVED

Figure 1 shows the percentage distribution of the number of cases received by the central and area/sectoral offices.

**TABLE 1. WORKLOAD AND STATUS OF CRIMINAL AND ADMINISTRATIVE CASES
(OMB DOCKETED AND OSP/TBP TRANSFERRED CASES)
As of December 31, 2005**

PARTICULARS	TOTAL	CO ¹	LUZ ²	VIS ³	MIN ⁴	MOLEO ⁵
Total Workload of Criminal and Administrative Cases	18,859	3,891	5,782	2,914	1,740	4,532
Cases received during the year	8,576	1,163	2,545	1,148	1,034	2,686
Disposed cases reverted back to pending	536	525	--	--	11	--
Carry-over from 2004	9,747	2,203	3,237	1,766	695	1,846
Disposed	7,727	1,402	2,002	1,149	901	2,273
Prosecution	1,145	139	264	148	123	471
Penalty Imposed	454	220	12	146	76	---
Dismissed/Exonerated	5,275	841	1,724	744	691	1,275
Closed and Terminated	853	202	2	111	11	527
Pending	11,132	2,489	3,780	1,765	839	2,259

Source: Monitoring and EDP Division, FMS



¹ Central Office

² Office of the Deputy Ombudsman for Luzon

³ Office of the Deputy Ombudsman for Visayas

⁴ Office of the Deputy Ombudsman for Mindanao

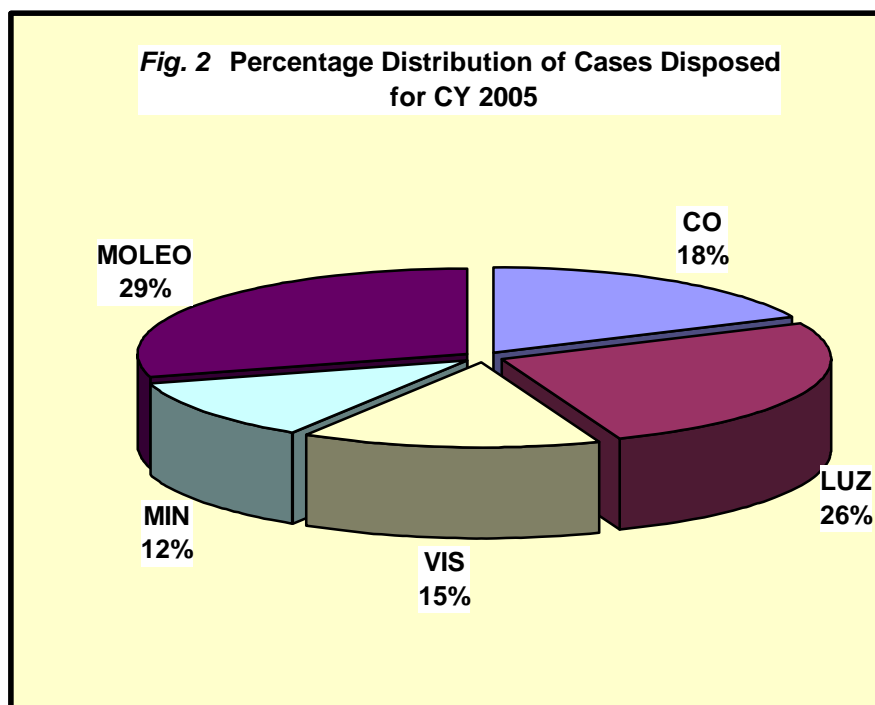
⁵ Office of the Deputy Ombudsman for the Military and Other Law Enforcement Offices

CASES DISPOSED

Likewise reflected in *Table 1* is the distribution of 7,727 disposed cases for the calendar year 2005, with breakdown as follows: for prosecution - 1,145 or 15%; for imposition of penalty - 454 or 6%; dismissed/exonerated – 5,275 or 68%; and closed and terminated - 853 or 11%.

The 7,727 overall cases disposed in 2005 was an increased of 171 cases or 2% compared to 7,556 cases disposed in 2004.

Fig. 2 shows the percentage distribution of cases disposed of per area/sectoral office as reflected in Table 1.



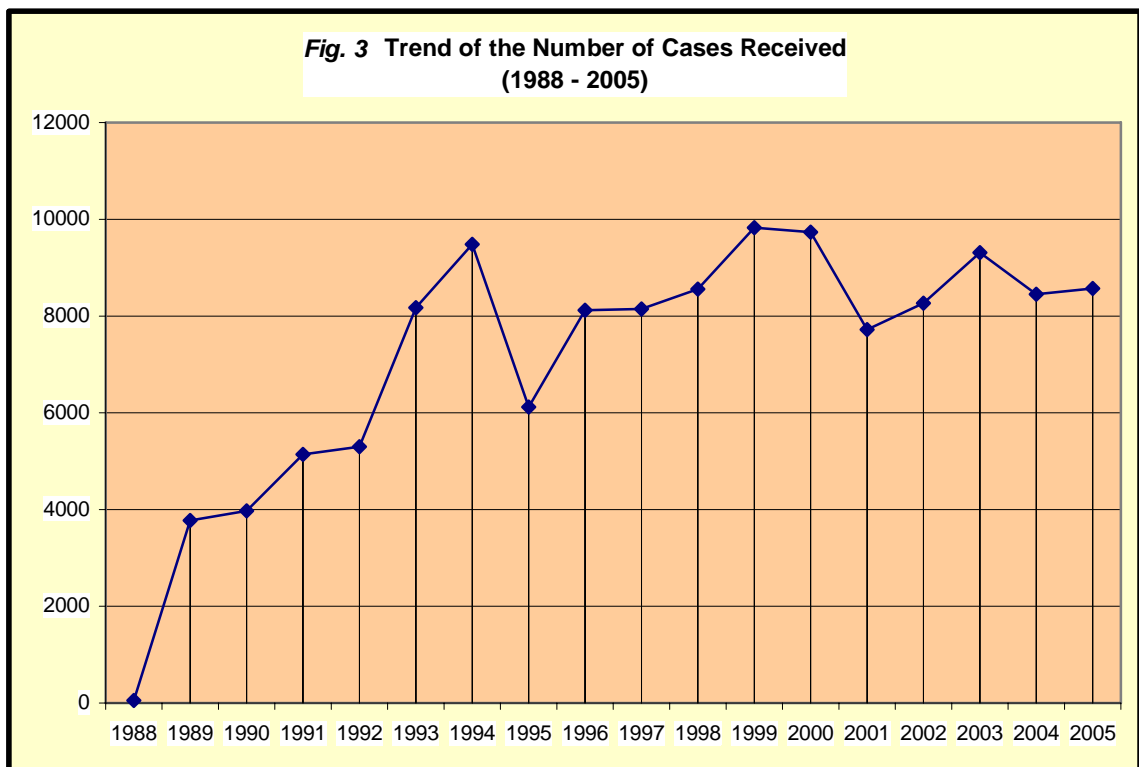
CASES RECEIVED BY AREA/SECTORAL OFFICE

With regard to the number of cases filed from 1988 to 2005 on a per area or sectoral basis, data showed that out of the 128,728 criminal and administrative cases filed, the bulk of 28,356 or 22% thereof were directly filed with the OMB-Central Office, followed by OMB-Luzon which accounted for 27,952 or almost 22%, OMB-MOLEO with 21%, OMB-Visayas with 20% and OMB-Mindanao registered the least number of cases filed with 16%. (see *Table 2*)

**TABLE 2. NUMBER OF CASES RECEIVED BY THE CENTRAL OFFICE
AND BY THE AREA/SECTORAL OFFICES (1988-2005)**

YEAR	CO	LUZON	VISAYAS	MIN	MOLEO	TOTAL
1988	57	---	---	---	---	57
1989	2,029	1,102	450	191	---	3,772
1990	1,462	980	696	775	64	3,977
1991	1,783	1,077	967	1,012	303	5,142
1992	2,368	296	977	1,341	321	5,303
1993	3,380	983	1,485	1,659	665	8,172
1994	2,473	1,884	2,102	1,971	1,051	9,481
1995	1,203	1,295	1,268	1,491	865	6,122
1996	1,342	1,525	2,026	1,140	2,084	8,117
1997	1,246	1,494	2,075	1,150	2,185	8,150
1998	1,372	1,399	2,077	1,308	2,395	8,551
1999	1,483	1,874	2,454	1,562	2,451	9,824
2000	1,586	2,083	2,231	1,360	2,479	9,739
2001	1,363	2,024	1,449	1,052	1,832	7,720
2002	1,519	2,066	1,466	1,033	2,183	8,267
2003	1,320	3,006	1,554	1,069	2,361	9,310
2004	1,207	2,319	1,339	884	2,699	8,448
2005	1,163	2,545	1,148	1,034	2,686	8,576
TOTAL	28,356	27,952	25,764	20,032	26,624	128,728

Figure below shows the trend in the number of cases received from CY 1988 to 2005.

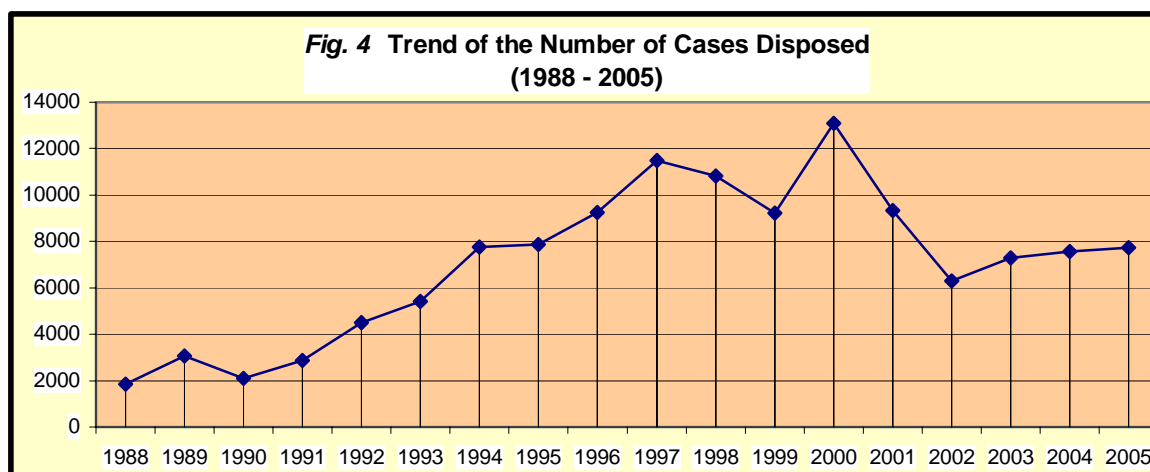


CASES DISPOSED BY AREA/SECTORAL OFFICES

The following table reflects the number of cases disposed from 1988 to 2005 by the Central and area/sectoral offices with the overall total of 126,575. The OMB-Central Office registered the highest case disposal with 25%, OMB-MOLEO follows with 21%; OMB-Luzon with 19%; OMB-Visayas with 18%, and OMB-Mindanao with 16%. *Figure 4* shows the Trend of the Number of Cases Disposed from 1988 – 2005.

TABLE 3. NUMBER OF CASES DISPOSED BY THE CENTRAL OFFICE AND BY THE AREA/SECTORAL OFFICES (1988-2005)

YEAR	CO	LUZ	VIS	MIN	MOLEO	TOTAL
1988	1,862	---	---	---	---	1,862
1989	2,593	168	217	78	---	3,056
1990	821	384	536	362	5	2,108
1991	876	534	814	582	79	2,885
1992	1,395	1,125	1,215	394	365	4,494
1993	2,160	1,207	671	738	640	5,416
1994	2,514	1,470	1,266	1,521	1,001	7,772
1995	1,984	1,416	1,476	1,834	1,155	7,865
1996	2,974	1,135	1,752	1,281	2,121	9,263
1997	3,249	1,772	2,094	2,034	2,343	11,492
1998	1,769	2,365	1,989	1,956	2,737	10,816
1999	1,248	1,944	1,458	1,998	2,587	9,235
2000	2,579	2,267	2,064	2,107	3,079	13,096
2001	1,586	2,342	1,911	1,329	2,156	9,324
2002	920	1,266	1,215	822	2,083	6,306
2003	1,346	1,452	1,290	951	2,263	7,302
2004	1,139	1,999	1,453	953	2,012	7,556
2005	1,402	2,002	1,149	901	2,273	7,727
TOTAL	32,417	24,848	22,570	19,841	26,899	126,575



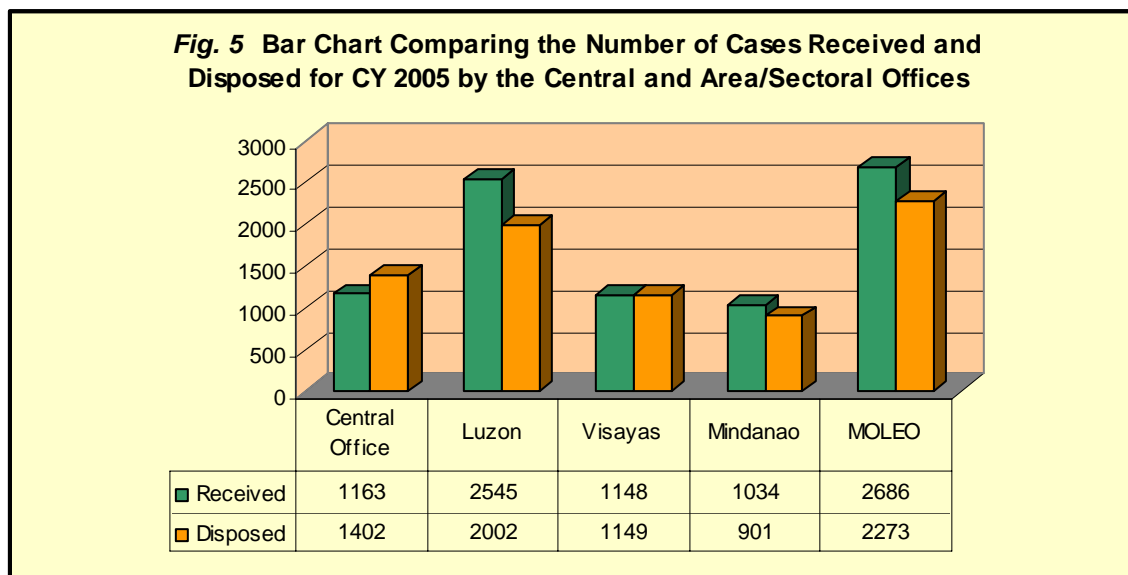
COMPARATIVE PERFORMANCE OF THE AREA/SECTORAL OFFICES

Shown in *Figure 5* is the comparative performance of the five offices in terms of the number of cases disposed as against the total number of cases received for calendar year 2005. The highest performance was registered at 121% by OMB-Central Office, followed by the OMB-Visayas at 100%, OMB-Mindanao at 87%, OMB-MOLEO at 85% and OMB-Luzon at 79% case disposal rate.

In terms of the number of cases disposed of vis-à-vis their respective workload, the overall performance of the five offices are as follows: OMB-Mindanao ranked first with 52% disposal rate; second, OMB-MOLEO with 50%; followed by OMB-Visayas with 39%; OMB-Central Office with 36%; and OMB-Luzon with 35%. (see *Table 4*)

**TABLE 4. COMPARATIVE PERFORMANCE AS TO
TOTAL NUMBER OF CASES DISPOSED AS AGAINST THE TOTAL WORKLOAD
FOR THE CALENDAR YEAR 2005**

Particulars	Total Workload of Cases	Disposed Cases	% of Disposed over Workload
OMB-Central Office	3,891	1,402	36%
OMB-Luzon	5,782	2,002	35%
OMB-Visayas	2,914	1,149	39%
OMB-Mindanao	1,740	901	52%
OMB-MOLEO	4,532	2,273	50%
TOTAL	18,859	7,727	41%

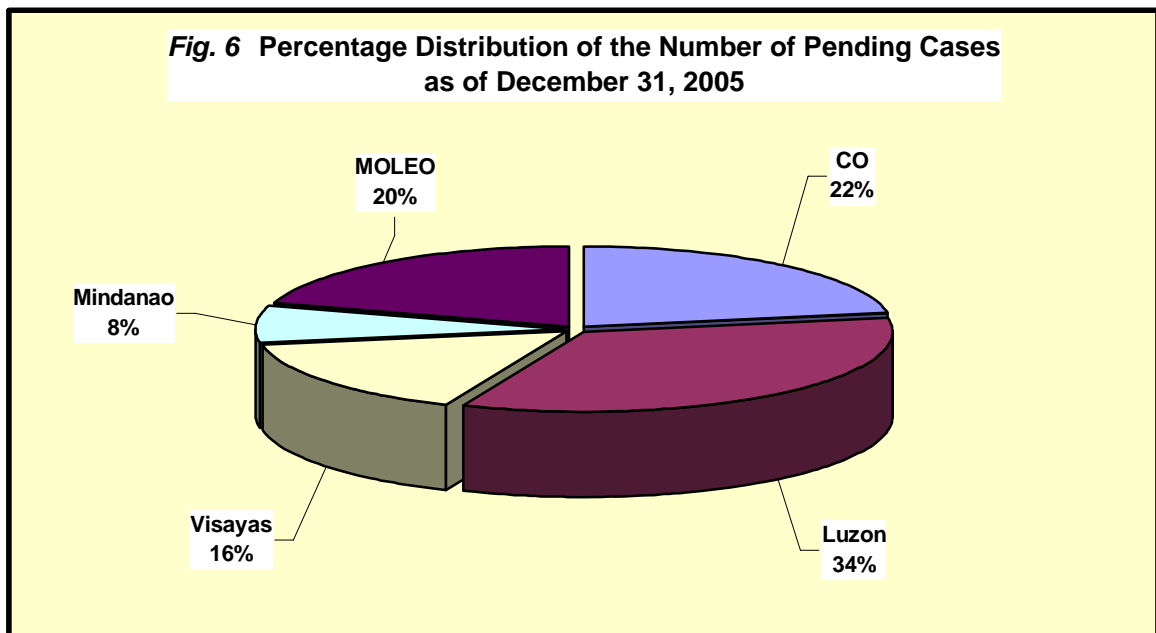


Collectively, the 7,727 cases disposed represented 90% of the 8,576 newly docketed cases and 41% of the workload for the calendar year 2005.

CASES PENDING

As of December 31, 2005, a total of 11,132 criminal and administrative cases were considered active and awaiting action. About 51% of the 11,132 pending cases were criminal while the remaining 49% were administrative cases.

Figure 6 shows the percentage distribution of the pending cases by the end of CY 2005, as follows: OMB-Central Office - 2,489 or 22%; OMB-Luzon – 3,780 or 34%; OMB-Visayas – 1,765 or 16%; OMB-Mindanao – 839 or 8%; and OMB-MOLEO – 2,259 or 20%.



Tables 5 & 6 and Figure 7 show the breakdown of Criminal and Administrative Cases.

**TABLE 5. WORKLOAD AND STATUS OF CRIMINAL CASES
(OMB DOCKETED AND OSP/TBP TRANSFERRED CASES)
AS OF DECEMBER 31, 2005**

PARTICULARS	TOTAL	CO	LUZ	VIS	MIN	MOLEO
Total Workload of Criminal Cases	9,826	1,958	3,127	1,457	977	2,307
Cases received during the year	4,537	577	1,434	553	574	1,399
Disposed cases reverted back to pending	248	239	--	--	9	--
Carry-over from 2004	5,041	1,142	1,693	904	394	908
Total Cases Disposed	4,184	616	1,232	554	507	1,275
Prosecution	1,145	139	264	148	123	471
With Regular Courts	1,070	105	254	145	102	464
With Sandiganbayan	75	34	10	3	21	7
Dismissed	2,951	438	968	365	384	796
Closed and Terminated	88	39		41		8
Pending	5,642	1,342	1,895	903	470	1,032

Source: Monitoring and EDP Division, FMS

**TABLE 6. WORKLOAD AND STATUS OF ADMINISTRATIVE CASES
AS OF DECEMBER 31, 2005**

PARTICULARS	TOTAL	CO	LUZ	VIS	MIN	MOLEO
Total Workload of Administrative Cases	9,033	1,933	2,655	1,457	763	2,225
Cases received during the Year	4,039	586	1,111	595	460	1,287
Disposed cases reverted back to pending	288	286	---	---	2	---
Carry-over from 2004	4,706	1,061	1,544	862	301	938
Total Cases Disposed	3,543	786	770	595	394	998
Penalty Imposed	454	220	12	146	76	---
Dismissed/Exonerated	2,324	403	756	379	307	479
Closed and Terminated	765	163	2	70	11	519
Active/Awaiting Final Disposition	5,490	1,147	1,885	862	369	1,227

(Source: Monitoring and EDP Division, FMS)

PROFILE OF SIGNIFICANT CRIMINAL AND ADMINISTRATIVE CASES RESOLVED IN 2005

1. **Case No.:** OMB-C-C-03-0513-I

Rank/Position of the Accused: Undersecretary of the Department of Public Works and Highways, wife and children

Summary: The complaint stemmed from respondents' violation of RA 1379, otherwise known as "An Act Declaring Forfeiture in Favor of the State and Property Found to Have been Unlawfully Acquired by any Public Officer or Employee and Providing for the Procedure Therefor". The respondent stands accused of having accumulated during his incumbency as public officer real properties and huge amount of money and assets that are grossly disproportionate to his salary and his other lawful income.

The Office of the Ombudsman filed with the Sandiganbayan a petition for the forfeiture on the unlawfully acquired and unexplained wealth of DPWH Undersecretary. The petition for forfeiture also included the real properties in the name of respondent's wife, and those of their three children who were found to have been holding properties for and in his behalf.

The petition for forfeiture covers subject assets amounting to at least Nine Million Eight Hundred Forty-Two Thousand Nine Hundred Forty-Five Pesos and 24/100 (Php9,842,945.24) and other properties not declared in USEC's SALN which are located in different barangays in Sta. Maria, Bulacan. Three (3) lots valued at Three Million Four Hundred Eleven Thousand Seven Hundred Eighty-Two Pesos (Php3,411,782.00) are located in barangay Poblacion. Respondent claimed that he acquired the two lots through inheritance – a 998 sq.m. in 1991; 998 sqm in 1993, while the third lot a 356 sq.m. residential house was purchased in 1998.

Two (2) commercial lots in barangay Pulong Buhangin were acquired while two (2) residential lots, and two (2) agricultural lands were acquired through foreclosures. The approximate value of these pieces of property is Seven Million Seven Hundred Forty-Five Thousand Eight Hundred Seventy (Php7,745,877.00). Spouses also claimed that they acquired eight (8) residential lots in barangay Caycombo valued approximately at Sixteen Million Eight Hundred Thirty Thousand Pesos (Php16,830,000.00). Four agricultural lots in the same area were likewise not also reflected in his SALN. The spouses

claimed to have acquired three residential lots in barangay Catmon by foreclosure of mortgage, but again these were not declared in his statement of assets and liabilities.

Aside from the noted discrepancies, examination of all available loan documents revealed that most of the supposed liabilities reflected in USEC's SALN were not substantiated by evidence. Not a single evidence was presented to support the big amount of loans allegedly secured from different banks and savings institutions.

The respondent was also found guilty of Grave Misconduct and Dishonesty and meted the penalty of dismissal from service with cancellation of eligibility, forfeiture of retirement benefits, and the perpetual disqualification for reemployment in the government service.

1. **Case No.:** OMB-L-C-02-0798-I

Rank/Position of the Accused: Governor and the Provincial Planning and Development Coordinator, Provincial Planning and Development Office, both from Bontoc, Mt. Province

Summary: A complaint was filed by an employee from the Social Action Development Center against the Governor of Bontoc, Mt. Province and the Provincial Planning and Development Coordinator for falsification of public/official documents as defined and penalized under Article 171 of the Revised Penal Code.

Based on the examination of the records by Ombudsman investigators, a total estimated amount of P80M worth of irrigation projects was indorsed to the Department of Agriculture through the National Irrigation Administration for funding during a meeting of the Provincial Development Council (PDC) of Mt. Province held on November 6, 2001. However, PDC Resolution No. 7-2001 attested and certified correct by respondent Kollin, which was extracted from the minutes of said meeting reflected and bloated the estimated irrigation project amount to P390,227,207.00, instead of the P80M. This Resolution containing the falsified entry was approved by Governor Malinias as the presiding officer of the PDC.

The Office of the Ombudsman filed graft charge with the Sandiganbayan for falsification of public documents after denying the Motion for Reconsideration filed by the respondents.

2. **Case No.:** OMB-P-C-02-0229-C

Rank/Position of the Accused: Commanding Officer and Members of the AFP Technical and Inspection Team and Acceptance Committee, all from the Research and Development Center of Camp Alejandro Melchor, Sr., Libis, Quezon City and the President of Floro International Corporation

Summary: This case involves a violation of Section 3 (e) of R.A. 3019 or the Anti-Graft and Corrupt Practices Act. Respondents caused undue injury to the government relative to the purchase of seventy five units of 9mm MKG submachine gun in the amount of P1.5M which turned out to be defective.

Based on evidences gathered by the Office of the Deputy Ombudsman for the Military and Other Law Enforcement Offices (OMB-MOLEO), the respondents connived and conspired to give unwarranted benefits to co-accused from Floro International Corporation by causing the payment of P1.5M without the required Report of Test and Report of Evaluation for the said submachine guns.

An Information for violation of Sec. 3(e) of RA 3019 was filed against the respondents with the Sandiganbayan.

3. **Case No.:** OMB-P-C-03-1439-L

Rank/Position of the Accused: Brigadier General, Major, an Engineer from Philippine Air Force and one from Eduard Enterprises

Summary: The complaint against the said officers was made following an investigation report from the Military Support Unit Cebu (MSUC), AFP Logistics Center, Cebu City, and the AFP Office of the Inspector General declaring the loss of four (4) caterpillar generators at the Mactan Benito Ebuen Air Base.

A careful perusal of the facts and pieces of evidence by Ombudsman investigators revealed the existence of conspiracy among the accused. It was found that the sale of the generators without proper authorization, for a losing price, and absent of the conduct of public bidding, was highly irregular and disadvantageous to the government thereby making the said air force officers liable for malversation of government property and violation of Anti-Graft Law. The Brigadier General, being the immediate administrator of all the

properties within his area of control, was responsible for the safekeeping of the four generators yet allowed its anomalous disposition. The Major admitted participation from the time he verified the status of the generators to the time the same were released from the base. An Engineer was liable for he facilitated the unlawful sale of the generators to the would-be-buyer from the Eduard Enterprises.

Tanodbayan ordered the filing of Informations for Malversation and for violation of the Anti-Graft and Corrupt Practices Act before the Sandiganbayan against the respondents.

4. **Case No.:** OMB-P-C-05-0425-C

Rank/Position of the Accused: Major General from the Philippine Military Academy

Summary: Accused military officer was charged with the Sandiganbayan for violation of perjury, falsification and violation of Section 3(e) of Republic Act 3019.

The respondent falsified certain documents to qualify for promotion from Brigadier General to Major General. The documents included his personal and family background, summary of his information, 1999 to 2001 annual income tax returns, NBI clearance, medical examination, medical history, and dental health reports. The respondent reflected in his Personal and Family Background and in the other documents that he submitted to the Commission on Appointments that he was born on March 30, 1949. However, it was discovered that he could not have been born on March 30, 1949 as a younger brother was born on April 19 of the same year. Also, the cadet information sheet that the respondent filled up in his own handwriting at the PMA academy wrote March 30, 1946 as his birth date. Hence, the respondent deliberately altered his date of birth in order to extend his stay in the government service. As a result, he stayed three more years in the service longer than what is mandated by law.

He committed acts of falsification when he violated Article 171 of the Revised Penal Code. He law penalizes falsification committed by a public officer who takes advantage of his official position and falsifies a document by committing and making untruthful statements in a narration of facts. It was clearly pointed out that the respondent had the duty to prepare his documents

for appointment and he had official custody of the same. He made untruthful statements when he had a legal obligation to disclose the truth. Clearly, the facts he narrated were absolutely false.

5. **Cases No.:** OMB-P-C-0185-A
OMB-P-C-05-0184-A

Rank/Position of the Accused: Lt. General from Air Force Logistics and Support Command and his family, sister and brother-in-law

Summary: The case involves a violation of the Republic Act No. 3019 and Republic Act No. 1379 for owning and acquiring properties which are manifestly out of proportion to his salary and other legitimate family income.

The Office of the Ombudsman ordered the filing of a Petition for the forfeiture of the respondents' unexplained wealth amounting to a whopping ONE HUNDRED THIRTY FIVE MILLION TWO HUNDRED EIGHTY THOUSAND EIGHT HUNDRED TWENTY-TWO PESOS AND ELEVEN CENTEVOS (Php135,280,822.11) composed of several hectares of lands in Bukidnon and Rizal, posh condominium units in the Philippines, house and lots in the USA, several vehicles and such other properties, which are manifestly out of proportion to his income as a public officer and his other lawful income.

Further, the Ombudsman found the respondent liable for eleven (11) counts of Perjury. The failure of the respondent to declare all his properties in his Statement of Assets and Liabilities and Net Worth from 1993 to 2003 made him liable for Perjury under Art. 183 of the Revised Penal Code.

He was also found guilty for administrative offenses of Grave Misconduct and Dishonesty which carry the penalty of dismissal from the service. However, since the respondent already retired from the service in 2004, such penalty of dismissal from service could no longer be imposed. Accordingly, in view of such finding, the Ombudsman found him not entitled to claim any retirement benefit and other benefits, and is declared perpetually disqualified from entering public service again.

6. **Case No.:** OMB-L-C-03-0488-D
OMB-L-C-03-0491-D
OMB-L-C-03-0845-G

Rank/Position of the Accused: Former Cainta Municipal Mayor, together with some other municipal officials and private persons

Summary: The respondents were charged before the Sandiganbayan for violations of the Anti_Graft and Corrupt Practices Act (RA 3019) for crimes under the Revised Penal Code, The Local Government Code (RA 7160), the Tax Reform Law (RA 8424) and the laws on procurement.

In OMB-L-C-03-0488-D, in relation to the consultancy agreement entered into by the Municipality of Cainta with an architectural firm. The Office of the Ombudsman found probable cause for Malversation thru Falsification of Public Documents under The Revised Penal Code against the former Mayor, other officials and private persons on account of the use, among others, of a falsified Special Power of Attorney (SPA) purportedly executed, in favor of the architectural firm authorizing the former to collect from Cainta the first partial payment of P3.7 million for consultancy contract. It was found that said SPA was executed two (2) months after the demise of the person who executed the SPA. Further, the release of P3.7M from the municipal funds was found unauthorized considering that the contract did not provide for such partial payment, there was not output to support the payment, and the said amount was excessive by P700,000.00.

In view of the said anomaly, the same municipal officials, including Municipal Administrator who notarized the falsified SPA, shall stand charged for Violation of Section 3(e) of RA 3019, who because of their manifest partiality and evident bad faith gave unwarranted benefit to the architectural firm, resulting in the undue injury suffered by the Municipality of Cainta amounting to P3.7M.

Moreover, for the failure of the Municipal Treasurer and the Accountant to cause the withholding of the tax due from the architectural firm on the above-said transaction, by reason of approval of the Mayor of a falsified letter-request for deferment of tax payment purportedly issued by the owner of the firm after his death, the above-cited municipal officials and a private person shall be subject to indictment for violation of Sec. 114, in relation to Secs. 251 and 272 of RA No. 8424.

OMB-L-C-03-0491 and OMB-L-C-03-0845-G relate to the acquisition and operation of an asphalt batching plant by the Municipality of Cainta. In these cases, the preliminary investigation showed that former Mayor contracted with Rock Ridge Aggregates (Rock Ridge partnership), by virtue of the authority given him by the Sangguniang Bayan, to operate the asphalt batching plant without the conduct of a public bidding. Later, when the partnership dissolved, the respondent Mayor allowed Rock Ridge Aggregates Co. Inc. (Rock Ridge Corporation), with a separate and distinct personality from Rock Ridge partnership, to assume the latter's contract as asphalt plant operator, again without a prior public bidding. The Rock Ridge corporation, in the course of its operation of the plant, incurred a demandable obligation to the Municipality of Cainta in the amount of P10.5 million. However, the former Mayor allowed the said corporation to, instead, settle its obligation by only a P7.5million payment through dacion en pago or in the form of assets. It was shown during the investigation that the corporation overvalued some of its assets used to settle its obligation. Thereafter, the respondent mayor, again with neither the conduct of a public bidding nor of a study to determine the competency of the operator to undertake the project, entered into a Memorandum of Agreement (MOA) with Bondlink Corporation for it to operate the asphalt batching plant.

Thus, the Office of the Ombudsman found the following causes for indictment (1) against the former Mayor, Vice-Mayor and Sangguniang Bayan members for Violation of Sec. 3(e) of RA 3019 for their failure to conduct a public bidding in the selection of the Rock Ridge partnership as asphalt batching plant operator; (2) against the former Mayor for Violation of Sec. 3(e) of RA 3019 for the Rock Ridge corporation to operate the asphalt plant without the conduct of public bidding and allowing it to assume the previous contract of Cainta with the Rock Ridge partnership; (3) against the former Mayor for violation of Sec 3(e) of RA 3019 for accepting the P7.5M payment of Rock Ridge corporation through dacion en pago; (4) against the former mayor for Violation of Sec. 3 (3) of RA 3019 for entering into a MOA with Bondlink Corporation for the operation of the asphalt plant without a public bidding or conduct of a feasibility study.

In OMB-L-C-03-0494-D, for the anomalous purchase by the Municipality of Cainta of a Contex scanner (used for scanning and copying large documents), the Office of the Ombudsman found probable cause against the former Mayor, Municipal Budget Officer, Officer-in-Charge of the General Services and a private person for Violation of Section 3(e) of RA 3019. For the

same transaction, they were also found probably guilty of Malversation thru Falsification of Public Documents.

Evidence showed that in the procurement of a Contex scanner, the Committee on Bids for Miscellaneous Supplies resorted to personal canvass leading to the award of the contract in favor of Joriel Trading in the amount of P1.4 million. Said canvass was found irregular considering that the contract amount involved would necessitate a conduct of a public bidding and that it was simulated. Said municipal officials claimed that they awarded the contract in favor of Joriel Trading because it presented Certificate of Exclusive Distributorship, which turned out to be falsified. The purchase amount was also found to be excessive by P502,700.00. Worse, it was later discovered that the municipality never used the scanner at all.

In the same case, the Office of the Ombudsman found probable cause for Violation of Sec. 89 of RA 7160 and Sec. 3(e) of RA 3019 against the former Mayor and members of the Committee on Bids for Miscellaneous Supplies and Budget Officer for unwarranted benefit given to Tueance Alera Gentrade Industries, where one of the respondent has business interests, in the purchase of supplies and materials without a public bidding.

7. **Cases No.:** OMB-P-C-05-0289-B
OMB-P-A-05-0263-B

Rank/Position of the Accused: Comptroller of the Armed Forces of the Philippines and his family

Summary: The respondent was charged with Plunder and several counts of Perjury before the Sandiganbayan. Based on the criminal information for Plunder, the accused was able to “amass, accumulate and acquire ill-gotten wealth in the form of funds, landholdings and other real and personal properties, in the aggregate amount of THREE HUNDRED MILLION TWO HUNDRED SEVENTY-TWO THOUSAND FIVE and 99/100 Pesos (P303,272,005.99),” in conspiracy with members of his immediate family and other persons.

The Perjury case stemmed from the alleged failure of the respondent to include in his Statements of Assets and Liabilities and Networth (SALN) for the years 1997, 1998, 1999 and 2000 certain motor vehicles owned by him and his family such as Toyota Previa, Mitsubishi L-300 Van de Luxe, and 1997

Honda Civic 1.6 VTI. His deposits and investments in the Armed Forces and Police Savings and Loan Association, Inc. (AFPSLAI), amounting to P12,003,117.70 were not included in his SALN for the year 2000.

8. **Cases No.:** OMB-4-93-0929-E
OMB-MIL-CRIM-01-0650-A

Rank/Position of the Accused: Former Chief of Staff

Summary: The Office of the Ombudsman filed with the Sandiganbayan a Petition for forfeiture of unlawfully acquired properties against former Chief of Staff pursuant to Section 2 of Republic Act No. 1379, as amended.

After conducting an inquiry similar to a preliminary investigation in criminal cases, that OMB has determined that more than a reasonable ground exists that the respondent and his wife acquired during his incumbency as a public officer, ill-gotten wealth in the total amount of P11,262,876.01 which is manifestly out of proportion to his salary as such public officer and his other lawful income, if any. The records also show that in 1986, respondent's networth was only P2,205,000.00; however, by 1993, his declared networth has already jumped to P13,262,876.01.

Records disclose that for the year 1992, Abadia reflected in his 1992 SALN that his total amount of taxes paid and expenses incurred is P766,209.00 while his total income for the same year is P3,579,840.00 which included the proceeds of an alleged sale of property in the amount of P2,550,000.00. But the respondent was not able to submit any deed of sale, receipt, checks or any competent documentary evidence to support the existence of said transaction.

For the year 1993, the respondent claimed an income of P3,275 million in his SALN to partially justify the enormous increase in his net worth. The reported amount of cash in his name leaped from P4.445 million in 1992 to P8.1 million in 1993 while he acquired an additional property for the amount of P5.5 million. Abadia asserted that his wife received P3.275 million as second and full payments of 10,000 shares in Antipolo Properties, Inc. which she allegedly sold in 1991 to a certain Mr. Victor Takai.. But his SALN for 1992 does not indicate any such account receivables.

Likewise, for 1993, Abadia attempted to explain the enormous increase of P7,135,000.00 in his net worth for said year alleging that he earned an income of P4,264,971 from alleged sales of shares in Palawan Oil and Gas Corp. However, he stated in his Counterd-Affidavit dated November 1995 that through a broker he unloaded 200,000 shares on 13 January 1994, through the same broker, he allegedly unloaded the remaining 200,000 shares netting P2,126,500.00. Deducting the P10,500.00 taxes and P63,000.00 commissions paid, he allegedly realized the amount of P4,517,971.25. The Ombudsman rejected his explanation that this income should be included in his 1993 SALN since these sales transactions admittedly happened in 1994 as he himself stated under oath. Thus, this cannot be used to justify the enormous increase of P7.135 M in his Networth for 1993.

9. **Case No.:** OMB-ADM-0-01-0502
OMB-0-01-0793

Rank/Position of the Accused: Port District Manager, Port District Office of Manila, Philippine Ports Authority

Summary: A complaint for Grave Misconduct and Conduct Prejudicial to the Best Interest of the Service was filed against the respondent Manila Port District Manager of the Philippine Ports Authority.

Based on the evidences gathered by the Ombudsman investigators, circumstances clearly showed that the respondent Port District Manager took advantage of his position as Chairman of the Port District Security Bids and Awards Committee of the PPA and “used it as a leverage in soliciting cash and a Mitsubishi Pajero van from the bidders as a consideration for the award of PPA security contract.”

According to the complainant, respondent and other officials demanded various sums of money or “balato” ranging from P10,000 to P20,000 a month. This practice continued until sometime in April 1999, the respondent requested for P40,000 to P50,000 a month after the security force was increased to 184 security guards at the North Harbor-Special Take-Over Unit. In February 2001, the complainant, together with his secretary, gave the sum of P50,000 to the respondent after which the latter asked for Mitsubishi Pajero to be delivered to him the next month, this despite the absence of a winning bidder yet. The complainant, however, failed to deliver the Pajero, only to find out later that the service contract was awarded to another bidding security agency. He later

discovered that a late model Pajero was registered and transferred under the name of the respondent's son on March 12, 2001.

Having both solicited and/or receiving cash and Mitsubishi Pajero, respondent was held liable for violation of RA 3019.

The respondent was dismissed from the service by the Office of the Ombudsman for grave misconduct. The penalty of dismissal carried with it the accessory penalties of cancellation of eligibility, forfeiture of retirement benefits and respondent's perpetual disqualification from reemployment in government service. The Office likewise approved the filing of an Information against him with the Sandiganbayan for violation of Section 3(b) of RA 3019, otherwise known as the Anti-Graft and Corrupt Practices Act.

10. **Case No.:** OMB-ADM-0-01-0502

Rank/Position of the Accused: Port District Manager, Port District Office of Manila, Philippine Ports Authority

Summary: A complaint for Grave Misconduct and Conduct Prejudicial to the Best Interest of the Service was filed against the respondent Manila Port District Manager of the Philippine Ports Authority.

The complainant alleged that herein respondent who has been working with the BIR on a continuous and uninterrupted service and who now occupies the position of Attorney V has acquired, during his incumbency as a public officer, property and money which is manifestly out of proportion to his salary and other lawful income.

After the conduct of administrative adjudication, the Ombudsman ruled that respondent should be held guilty of the offense charge. Such fact as adequately established in the present case constitutes a ground for the dismissal of the respondent from the service, in accordance with Section 8 of Republic Act No. 3019, in relation to Republic Act 1379. Accordingly, respondent was meted the penalty of dismissal from the service, with cancellation of eligibility, forfeiture of retirement benefits, and perpetual disqualification from reemployment in the government service.

11. **Cases No.:** OMB-C-A-03-0327-I
(OMB-C-C-03-0496-I)

Rank/Position of the Accused: Chief, Miscellaneous Division, Customs Operations Officer, both of from the Bureau of Customs, Port Area, Manila

Summary: The case stemmed from the complaint filed by the Philippine National Police – Criminal Investigation and Detection Group which caused the dismissal from the service of the respondents with cancellation of eligibility, forfeiture of retirement benefits and perpetual disqualification for reemployment in the government service.

The respondent Chief of the Miscellaneous Division was charged with owning properties evidently disproportionate to her true and lawful income. She had been with the Bureau of Customs for the past 28 years with latest annual salary of P249,876.00 only, but her declared networth in her Statement of Assets Liabilities and Networth (SALN) ranged from P2.5M in 1999 to P2.7M in 2002.

Based on the approved decision, respondent's properties consists of a unit in Antel Seaview Towers in Roxas Boulevard worth P12M; house and lot in Fairview, Quezon City worth P1M; and a residential lot in Naga City worth P148,200.00. She owns 4 luxury vehicles - - 2 BMWs, 1 Honda CRV and 1 Isuzu Trooper. On top of these, Bureau of Immigration records disclosed that respondent Chief, together with the children, made numerous travels in China, Hongkong, and the United States.

The other respondent Customs Operation Officer was likewise held culpable for the offenses of Grave Misconduct and Dishonesty, for having served as the “dummy” owner of the Isuzu Trooper which was regularly under control and possession of the Chief respondent. According to Ombudsman investigators, it is incomprehensible how a Customs Officer with a regular salary of P14,098.00 can afford to buy a vehicle worth P1.5M and merely allows somebody else to use the same.

12. Case No.: OMB-C-A-05-0358-G**Rank/Position of the Accused:** City Councilor of Manila**Summary:** An administrative case for Grave Misconduct was filed by a private complainant against the City Councilor of Manila.

The complainant alleged that respondent demanded from her the amount of P1.2 million in connection with the complainant's application for the renewal of the franchise of the Abucay Market Corporation. The actuation of the respondent is characterized by "corruption and clear intent to violate the law" showing the commission of the administrative offense of Grave Misconduct.

The Office of the Ombudsman found respondent guilty of Grave Misconduct with the penalty of Dismissal from the Service, with the accessory penalty of cancellation of eligibility, forfeiture of retirement benefits, and perpetual disqualification for re-employment in the government service.

13. Case No.: OMB-M-C-03-0621-L**Rank/Position of the Accused:** Former Undersecretary of the Bureau of Madaris Education, Department of Education, Cotabato City

Summary: The complainant allegedly went to ORC complex to submit the application of his daughter for the position of Arabic Teacher with the Bureau of Madaris Education, DECS-ARMM. The respondent DECS Undersecretary advised him not to submit the application because it might be misplaced. The complainant submitted the application and other supporting documents to the respondent Undersecretary at Ayala Resort Hotel, Marawi City, pursuant to their agreement. The respondent Undersecretary assured the complainant that he could facilitate the processing and approval of the application if the complainant would deliver the amount of P20,000.00 which would be returned if his daughter would not be appointed within five months. On December 20, 1998, the complainant gave to the respondent the said amount and the latter issued an acknowledgement receipt. The complainant waited for the application of his daughter to be approved until the respondent's employment as Undersecretary was terminated. The complainant verified with the Bureau of Madaris Education and in the Office of the Regional Secretary and it was found out that there was no application submitted.

This Office finds probable cause against the respondent for the crime of Estafa as defined and penalized under Article 315 of the Revised Penal Code and for violation of Section 3 (e) of Republic Act No. 3019 otherwise known as the Anti-Graft and Corrupt Practices Act and ordered the filing of the Information before the appropriate court.

14. **Cases No.: OMB-C-C-03-0729-L (OMB-V-C-0240-E)
OMB-V-A-02-0214-E**

Rank/Position of the Accused: Former District Revenue Officer of the Bureau of Internal Revenue in Talisay City

Summary: These cases arising from the expose made by the Philippine Center for Investigative Journalism against the former District Revenue Officer of the Bureau of Internal Revenue in Talisay City and now reassigned as Chief Revenue Officer in Cebu City for violations of Section 2, RA 1379 (An Act Declaring Forfeiture in Favor of the State Any Property Found to Have Been Unlawfully Acquired by any Public Officer or Employee and Providing for the Procedure Therefor), Article 183 of the Revised Penal Code and Section 8 in relation to Section 11 of RA 6713 (Code of Conduct and Ethical Standards for Public Officials and Employees).

The investigation conducted on Mr. Racho revealed that he and his wife maintain an account in three Cebu-based banks in the aggregate amount of P5,793,881.39. Likewise, respondent has business interest in Angelsons Lending and Investors, Inc. and NAL Pay Phone Services, which he failed to reflect in his SALN. Moreover, based on respondent's submitted SALN, a significant increase of P696,000.00 in his networth was noted in CY 2000.

After thorough investigation, the Office found probable cause to dismissed from service for administrative offense of Dishonesty of the respondent and ordered the forfeiture of respondents benefits, cancellation of his eligibility and his perpetual disqualification to hold public office. Criminal case was also filed before the appropriate court against the respondent, for acquiring unexplained wealth manifestly out of proportion to his salary as a government official and for failure to disclose his properties in his SALN.

FACT-FINDING AND INTELLIGENCE

The Field Investigation Office (FIO) and the concerned units of the area/sectoral offices handled a total of 5,431 complaints/cases for fact-finding and intelligence work for the calendar year 2005. Of these cases, 3,482 complaints/cases were newly received; 12 cases were reverted back to pending and 2,270 cases carried over from CY 2004. During the year, 333 cases were referred to other OMB offices and government agencies for appropriate action. (see Table 7)

A total of 2,241 fact-finding and intelligence work was completed/ terminated, of which 1,962 cases or 88% were recommended for dismissal while 12% were referred for preliminary investigation and/or administrative adjudication.

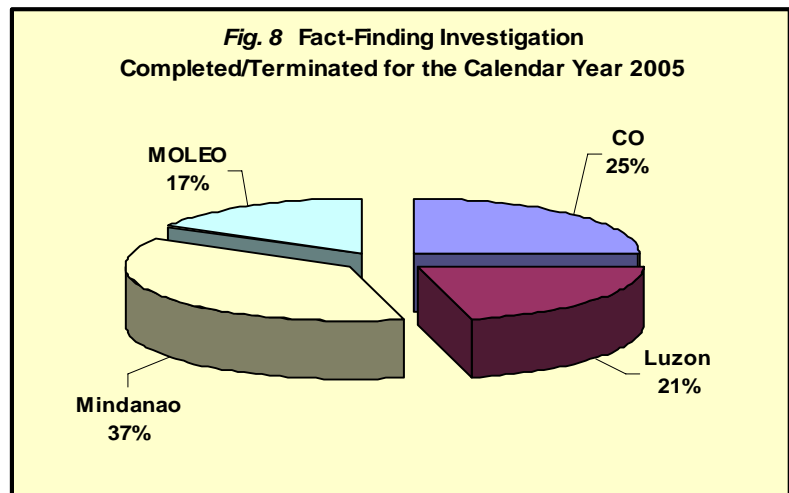


TABLE 7. WORKLOAD AND STATUS OF CASES FOR FACT-FINDING AND INTELLIGENCE WORK AS OF DECEMBER 31, 2005

PARTICULARS	TOTAL	CO	LUZ	MIN	MOLEO
Total Workload of Complaints/Cases	5,431	2,432	1,039	1,149	811
Complaints/Cases Received	3,482	1,166	703	1,117	496
Disposed complaints/cases reverted back to pending	12	12	---	---	---
Add: Carry-over – CY 2004	2,270	1,375	336	244	315
Less: Cases Referred to other OMB Offices & Other Gov't. Agencies	333	121	---	212	---
Fact-Finding Investigation Completed/Terminated	2,241	706	500	681	354
For Dismissal	1,962	533	500	619	310
For P.I./Admin. Adjudication	279	173	---	62	44
Pending Complaints/Cases	3,190	1,726	539	468	457

(Source: Monitoring and EDP Division, FMS)

PROSECUTION

Pursuant to Republic Act No. 6770 and Republic Act No. 7975, as amended, the Office of the Special Prosecutor (OSP) is primarily tasked to prosecute cases cognizable by the Sandiganbayan and to represent the People of the Philippines in appealed cases from the regular courts to the Sandiganbayan and from the Sandiganbayan to the Supreme Court. The OSP is also tasked to conduct preliminary investigation and to review cases referred to it by the Office of the Ombudsman.

HIGHLIGHTS OF ACCOMPLISHMENTS

The Office of the Special Prosecutor filed a total of **272 criminal cases** for prosecution with the Sandiganbayan for CY 2005. Added were 275 cases revived, adjustment of 275 cases and 1,718 cases carried over from the previous year, the **total cases filed with the Sandiganbayan was 2,475.** (*see Table 8*)

**TABLE 8. WORKLOAD AND STATUS OF CRIMINAL CASES
FILED WITH THE SANDIGANBAYAN
AS OF DECEMBER 31, 2005**

TOTAL WORKLOAD OF CRIMINAL CASES	2,475
Cases Filed	272
Pending Arrest	229
Pending Arraignment	36
Appealed Cases	5
Civil Cases	2
Cases Revived	275
Adjustment	210
Carry-Over from CY 2004	1,718
Criminal Cases	1,707
Pending Arrest	32
Under Reinvestigation or Reconsideration by the Ombudsman	67
Pending Arraignment	276
Pending Pre-Trial	194
Cases Pending Trial	875
Suspended Proceedings	88
Submitted for Decision	175
Appealed Cases	8
Pending Submission of Briefs	3
Submitted for Decision	5
Civil Case Pending Trial	3

(Source: Monitoring and EDP Division, FMS)

Compared with the 131 criminal cases filed with the Sandiganbayan in CY 2004, this year's 272 cases reflected an increase of 141 cases or 108%. Likewise, the 2,475 total workload was an increase of 85 cases or 4% from the 2,390 total workload in 2004.

Reflected in *Table 9* is the breakdown of the 264 criminal cases disposed of by the Sandiganbayan for the calendar year 2005. This year's disposal was a reduction of 408 criminal cases or 61% compared to last year's 672 criminal cases disposed.

TABLE 9. DISPOSAL OF CASES FILED WITH THE SANDIGANBAYAN BY THE OSP FOR THE CALENDAR YEAR 2005

PARTICULARS	NO. OF CASES
Dismissed without Trial	51
Dismissed/archived/withdrawn by OSP	1
Dismissed/archived	1
Pleaded guilty	1
Withdrawn by Ombudsman/OSP	38
Transferred to other courts	1
Appealed cases	5
Archived without prejudice	26
Terminated after Trial	140
All Accused Convicted	24
All Accused Acquitted	73
Convicted/Acquitted	11
Convicted/Archived	8
Convicted/Dismissed	3
Acquitted/Dismissed	5
Acquitted/Archived	6
Acquitted/Dismissed/Archived	2
Dismissed with Trial	8
TOTAL	264

As of December 31, 2005, a total of 2,211 cases were considered pending trial. The bulk of these pending cases are criminal cases composed of 2,196 or 99% and the remaining 1% consisted of appealed cases – 8 and civil case – 1. (*see Table 10*)

Conviction rate

A total of 46 cases resulted to the conviction of the accused after trial on the merit and 1 criminal cases resulted to conviction on a plea of guilt. The 47 convicted criminal cases represents 33% of the 141 cases terminated after trial with the Sandiganbayan.

**TABLE 10. NUMBER OF CASES PENDING TRIAL WITH THE SANDIGANBAYAN
AS OF DECEMBER 31, 2005**

PARTICULARS	NO. OF CASES
Criminal Cases	2,196
Pending Arrest	96
Under Reinvestigation or Reconsideration by the Ombudsman	72
Pending Arraignment	609
Pending Pre-Trial	147
Pending Trial	934
With Suspended Proceedings	217
Submitted for Decision	121
Appealed	8
Pending Submission of Briefs	5
Submitted for Decision	3
Civil Cases	7
Pending Filing of Pleadings	3
Pending Trial	2
Pending Pre-trial	2
Criminal Cases Pending Trial as of December 31, 2005	2,211

This year's pending represented an increase of 493 cases or 28% compared to last year's figure of 1,718 cases pending trial with the Sandiganbayan.

Table 11 summarizes the status of cases with the Sandiganbayan. With the 264 cases disposed deducted from the 2,475 total workload, cases considered pending trial as of December 31, 2005 was 2,211.

**TABLE 11. STATUS OF CASES FILED
WITH THE SANDIGANBAYAN
AS OF DECEMBER 31, 2005**

Total Workload of Criminal Cases	2,475
Less: Disposed Criminal Cases	264
Criminal Cases Pending Trial as of December 31, 2005	2,211

PROFILE OF SIGNIFICANT CRIMINAL CASES CONVICTED WITH THE SANDIGANBAYAN IN 2005

Criminal Case No. 24357

Rank/Positions of the Accused: Presiding Judge, Municipal Trial Court of Mabini, Province of Batangas

Summary: Accused was charged with Bribery (Article 210, Revised Penal Code) for demanding and actually receiving P3,000.00 in consideration for the dismissal of a case pending before his sala for preliminary investigation.

The accused put up the defense that the money was intended for the bailbond of the sons of the private complainant whose case was pending before the accused.

The Sandiganbayan, in its decision convicting the accused, said that money demanded and actually received by the accused could not be for the bond of the private complainant's sons because the accused simply had no control over the case when the amount was given to him and therefore could no longer fix the amount of bail.

Notwithstanding that accused had no control over the case of the private complainant's son, the undisputed fact is that the accused received the P3,000.00, according to the Sandiganbayan. Whether or not there was any consideration, the point is, the Sandiganbayan said, that the accused received the amount by reason of his office, as presiding judge of a Municipal Trial Court.

While the information was held by the Sandiganbayan to be insufficient for direct bribery under Article 210 of the Revised Penal Code, the allegations in the information and the evidence adduced support the claim of the prosecution that accused had committed the crime of indirect bribery.

The accused was sentenced to suffer the penalty of six (6) months and one (1) day of *prison correccional* minimum, as the minimum penalty, to three (3) years, six (6) months and twenty-one (21) days of *prison correccional* medium, as the maximum penalty.

Criminal Case No. 23625-23626

Rank/Positions of the Accused: Regional Director of DECS, Region XI; Division of Superintendent of DECS Davao Oriental; Two Private Contractors

Summary: Accused were charged with 2 counts of violation of Section 3, Paragraph (g) of RA 3019, also known as the Anti-Graft and Corrupt Practices Act, for entering into contracts grossly and manifestly disadvantageous to the government by purchasing various science and laboratory tools and devices, without any public bidding, at a price exceeding the prevailing market prices ranging from 64% to 1,175% thus shortchanging the government by P398,962.55.

Criminal Case No. 21651

Rank/Positions of the Accused: Municipal Mayor

Summary: During the incumbency of the accused as Municipal Mayor, her municipality received from its provincial government an earthquake fund in the amount of One Million Pesos (P1,000,000.00) for the repair and rehabilitation of certain roads in that municipality which were destroyed by the 1990 killer earthquake. Accused entered into a contract with a private contractor for the repair of the destroyed roads. After the completion of the work, however, accused refused to fully pay the private contractor.

Thus the accused and another person were with the Sandiganbayan for violation of Section 3(e), RA 3019. After trial on the merits, the anti-graft court convicted her for the offense charged, sentencing her to suffer an indeterminate sentence of imprisonment for a period of six (6) years and one (1) month, as minimum, to nine (9) years, as maximum, and to pay the heirs of the private contractor the amount of P300,000.00 as actual damages.

Accused assailed her conviction before the Supreme Court but her petition was denied by the High Court on the ground that she failed to sufficiently show that the Sandiganbayan had committed any reversible error in the question judgment.

Criminal Case Nos. 26181-89

Rank/Positions of the Accused: Municipal Mayor of Naga, Province of Cebu and his two subordinate employee

Summary: The accused were charged with Falsification of Public Documents as defined in Article 171 of the Revised Penal Code on the basis of nine (9) Informations which accused the Municipal Mayor of conspiring with two subordinate employees in falsifying Business Interest and Financial Connections and Identification of Relatives in the Government Service covering various periods by making it appear therein that they were not related within the fourth civil degree of consanguinity or affinity, when the truth was they were either first degree-cousins or first degree-cousins-in-law, thereby making untruthful statements in a narration of facts.

After trial, accused Mayor Paulino S. Ong was sentenced to suffer an indeterminate penalty of imprisonment from two (2) years, four (4) months and one (1) day of Prison Correctional medium as the minimum penalty to eight (8) years and one (1) day of Prison Mayor medium to maximum penalty and to pay a fine of P5,000.00 in each of the eight (8) charges, while the two subordinate employees were separately sentenced to the same penalty of imprisonment and fine in each of their four (4) respective charges.

The three accused were acquitted in one criminal case (No. 26188) for failure of the prosecution to present the original or certified copy of the SALN.

Note: With pending Motion for Reconsideration before the Sandiganbayan.

LEGAL AFFAIRS

The Office of the Ombudsman has its Office of Legal Affairs (OLA) which acts as the legal arm of the Office. Its major functions include the following: acts on appeals or petitions for review on decisions, resolutions or final orders issued by the area and sectoral offices of the OMB in administrative disciplinary and criminal cases; represents the Office in, or in coordination with, the Office of the Solicitor General in appeals and/or original petitions for certiorari, prohibition or mandamus filed before the Court of Appeals, Supreme Court or any other court involving the decisions, resolutions or orders of the Office in administrative disciplinary cases and in original special civil actions, except those falling within the jurisdiction of the OSP, relating to criminal cases resolved or disposed of by the OMB; and represents the Office in any other case before the courts and quasi-judicial bodies where the interests of the Office are involved.

For the calendar year 2005, the following are the highlights of accomplishment of the Office of the Legal Affairs: cases reviewed – 133; legal opinions rendered – 64; pleadings/substantive motions filed before the Supreme Court/Court of Appeals – 218; draft pleadings indorsed to the Office of Solicitor General – 117; legal articles/press releases prepared – 42; and communications/letters/ indorsements prepared – 1,257.

PUBLIC ASSISTANCE AND CORRUPTION PREVENTION

The corruption prevention mandate of the Office of the Ombudsman is specifically provided under Sec. 13 (7), Article XI of the 1987 Philippine Constitution that states:

“Section 13. The Office of the Ombudsman shall have the following powers, functions and duties:

“(7) Determine the cause of inefficiency, red tape, mismanagement, fraud, and corruption in the Government and make recommendations for their elimination and the observance of high standards of ethics and efficiency”.

Graft prevention activities are being carried out mainly by the Public Assistance and Corruption Prevention Office (PACPO) through the Community Coordination Bureau (CCB), the Public Assistance Bureau (PAB) and the Bureau of Resident Ombudsman (BRO) which was recently transferred to PACPO, with focus on the following areas of concern: public assistance, community mobilization, conduct of seminars, dialogues and workshops, undertaking of educational and motivational programs on graft and corruption prevention, integrity development review, training of IDR assessors in partnership with the Development Academy of the Philippines (DAP), training on procurement (R.A. 9184), and facilitating focused group discussions on anti-corruption reform programs with collaborating government agencies and stakeholders from the civil society, NGOs, church organizations, academe and business community.

Public Assistance

Another major function of the Office of the Ombudsman is to provide a **responsive and efficient public assistance center**. Under the Ombudsman Act of 1989 (RA 6770), the Ombudsman may extend public assistance to citizens by ensuring the delivery by the government of basic public services like health care, power supply, water services, personnel work benefits and clearances for retirement. Accordingly, the Office of the Ombudsman, through the Public Assistance Bureau (PAB) and the corresponding units in the OMB area/sectoral offices, takes charge of all the requests for assistance (RAs) and promptly acts on them to ensure that government agencies will act on citizens' needs.

Requests for Assistance Received and Disposed

A total of 9,242 RAs were received in CY 2005 by the central and area/sectoral offices. With 1,549 carried over from the previous year, the net workload of RAs was 10,791.

Disposed requests for assistance for the year totaled 8,567 which is equivalent to almost 93% of the number of RAs received this year. (see Table 6)

Compared to last year's figure on received RAs, this year was a reduction of 1,985 RAs or 18% from the 11,227 received in 2004. Also, this year's 8,567 disposed RAs was lowered by 2,508 or 23% than the 11,075 disposed during the previous year.

**TABLE 14. WORKLOAD AND STATUS OF REQUESTS FOR ASSISTANCE (RAs)
AS OF DECEMBER 31, 2005**

PARTICULARS	TOTAL	CO	LUZ	VIS	MIN	M0LEO
Total Workload of Requests for Assistance (RAs)	10,791	3,917	408	1,486	4,627	353
RAs received during the year	9,242	3,118	333	915	4,584	292
Carry-over from CY 2004	1,549	799	75	571	43	61
DISPOSED	8,567	2,864	282	642	4,570	209
PENDING	2,224	1,053	126	844	57	144

(Source: Monitoring and EDP Division, FMS)

The Public Assistance Bureau has likewise received a total of 51,754 applications and issued a total of 54,596 clearances to retirees, promotees, and probable appointees; held 81 conferences; and administered 2,934 oaths during the calendar year 2005.

The following graph represents the number of requests for assistance received from calendar year 1988 to 2005 with a total of 100,691 requests for assistance.

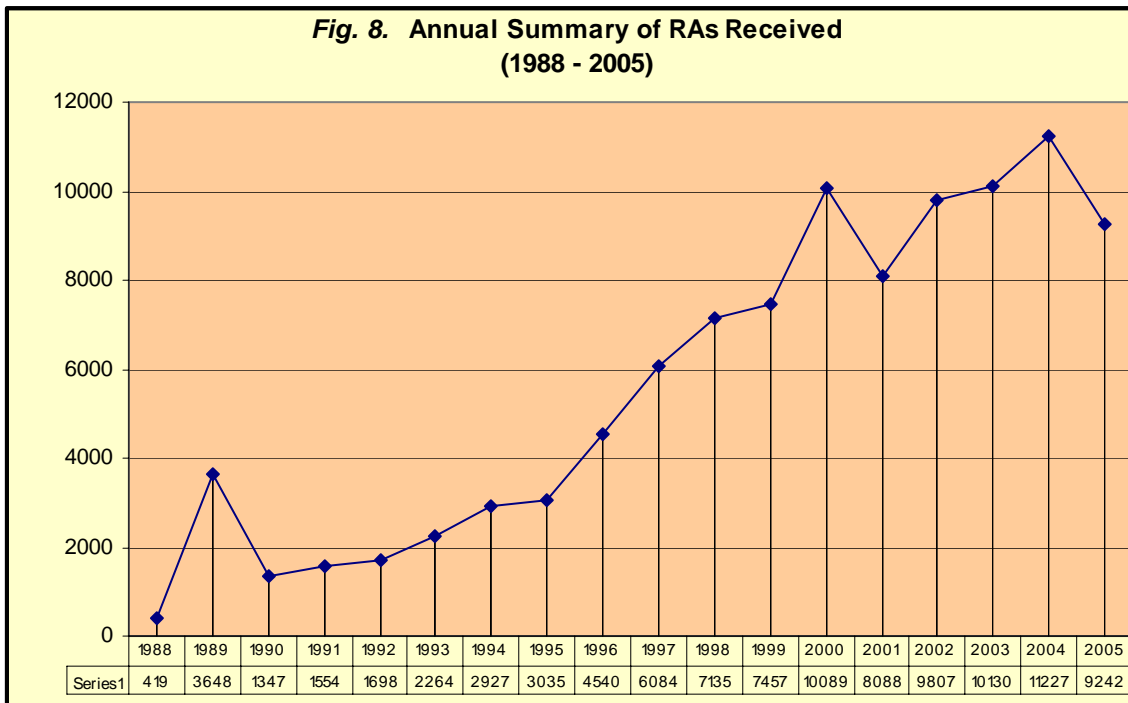
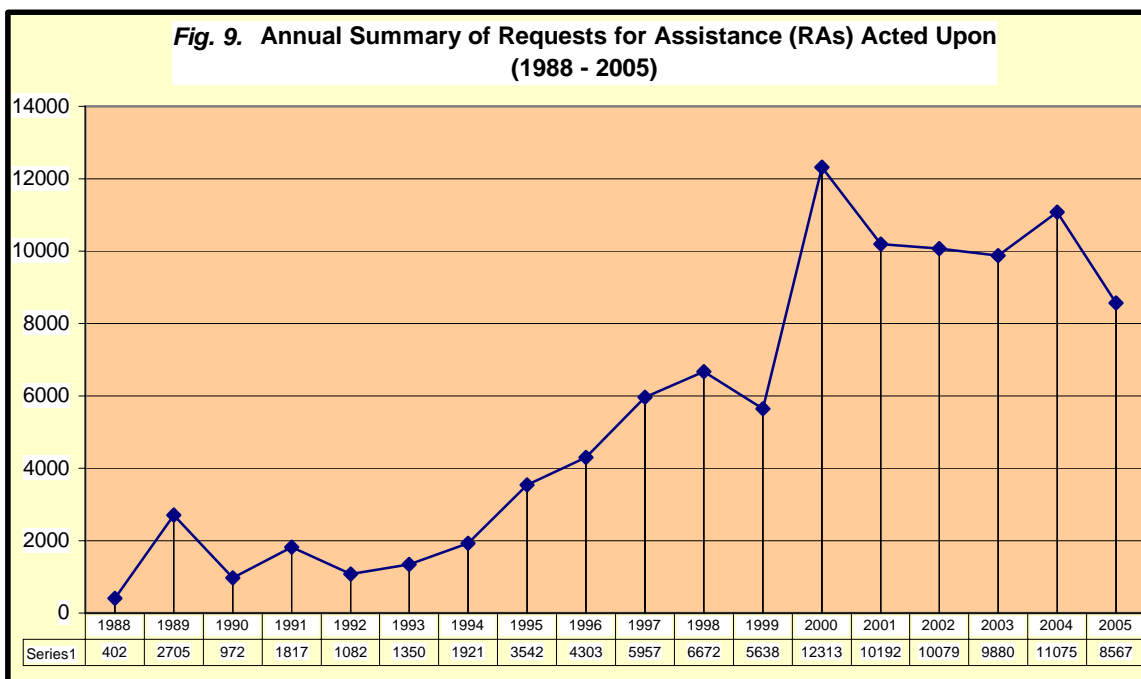


Figure 9 shows the trend in the number of RAs acted upon in the eighteen-year period of operation of the Office of the Ombudsman which totaled 98,467.



Profiles of Significant Request for Assistance

RAS-C-05-0037

Mrs. Gina Daria of Road 12, Sta. Mesa, Manila sought the assistance of the Ombudsman regarding the ballooning hospital bills she had as a result of the confinement of her husband Mr. Romulo Daria at the UERM Medical Hospital.

Romulo suffered a stroke while at work on December 26, 2004. He fell unconscious in front of the hall of Barangay 267 in Sta. Mesa, Manila. Fortunately, Barangay Chairman Andrea Aragona rushed him to the nearest hospital. He was revived after receiving ten electric shocks. However, he was in comatose state.

He became totally dependent on feeding tube and artificial oxygen.

On March 10, 2005, Ms. Daria decided to bring out Romulo from the hospital. Sadly, the bill was two hundred thousand pesos. The family could not raise the needed amount. Mrs. Daria was a mere laundry woman while Romulo used to work as a helper in a water station. The month-long hospitalization had already depleted their resources. They sold every piece of property they owned in the province, including a most treasured farm carabao.

Through the help of other good Samaritans, the amount of one hundred and fifty thousand pesos was raised, but it was not yet enough.

With the help of the PAB, Mrs. Daria was referred to the PCSO for financial assistance. The following day, she was able to get a check in the amount of Fifty Thousand Pesos (P50,000.00).

That same day, Romulo was immediately released from the hospital. He was transported directly to his home-town in Lapaz, Abra – 500 kilometers away from Manila – to the delight of his family.

RAS-C-05-0980

Mrs. Pacita Balubal, a beautician and a single mother of four sought the assistance of the Ombudsman regarding the alleged run-around treatment she received each time she went to follow-up for a copy of the police report on the

death of her son at Camp Karingal in Quezon City. On several occasions, Ms. Balubal was told to return as the report was not yet available. The police report was needed to support her complaint in the regular court.

Mrs. Balubal was getting impatient because she was also a daily wage-earner who had to leave her work just to get a copy of the report only to be told to return another day.

Her son Robert was stabbed to death for no apparent reason by one Dennis Samson five months ago. Mrs. Balubal was further outraged by the fact that the suspect remained to roam freely in the area, but the police had not done anything about it.

The Public Assistance Bureau (PAB) brought to the attention of the concerned police chief about Mrs. Balubal's predicament.

The next day, Mrs. Balubal informed the PAB that she received a copy of the police report and that the complaint was already filed in the Quezon City Prosecutor's Office. Likewise, she was happy to know that a warrant for the arrest of the suspect was already issued.

Mrs. Balubal expressed gratitude to the Ombudsman for the immediate action. She was spared from additional expenses as a result of the immediate action of PAB.

RAS-C-05-0605

Mrs. Isabel Manango, wife of an overseas contract worker sought the assistance of PAB regarding her reimbursement for medical expenses amounting to Php36,000.00 which she incurred when she undergone Linear Radiation Treatment at the Perpetual Help Medical Center. The request for reimbursement of expenses was filed at the Overseas Workers Welfare Administration (OWWA), Manila sometime in December 2004 which was pending until March 7, 2005.

The PAB made follow-up of her request to OWWA which the latter acted upon immediately and referred the matter to PHILHEALTH. The check for reimbursement was released on April 1, 2005.

RAS-C-04-1516

Sometime in July 2004, Mr. Romeo Concepcion of Sampaloc, Manila, wrote the Office of the Ombudsman to request its intercession in connection with an administrative complaint they lodged before the People's Law Enforcement Board (PLEB) of the City of Manila against PO3 Reynaldo Borjal for Grave Misconduct.

According to Romeo's statement, that in August of 2000, PO3 Borjal, and several others, forcibly entered his home and pistol-whipped the former's head. When his wife, Grace, tried to intercede, she was kicked by the respondent and his companions. Sandra, Romeo's eleven year-old daughter, present during the incident, was not saved from the respondent's kick as well.

Romeo filed the appropriate complaint with the PLEB. Following due hearing and presentation of evidence, the case was submitted for resolution on July 5, 2003. However, after almost one year, Romeo received no word as to the decision of the PLEB. Thus, he wrote to the Office of the Ombudsman, asking for assistance with regard to the immediate issuance of the Decision of the PLEB on the administrative complaint filed against PO3 Borjal.

The OMB Public Assistance Bureau, acting upon this request, promptly wrote the PLEB on July 19, 2004 requesting information as to the actions taken by the latter on the subject complaint. In response, the PLEB informed the PAB that a Decision was already rendered on June 9, 2004, finding respondent Borjal guilty of Grave Misconduct for which he was accordingly meted the penalty of one degree demotion in rank. Upon follow-up of the PAB, it was informed that the appeal filed by the respondent was denied on May 5, 2005.

Community Coordination

In charge of the graft prevention activities with the objective of enlisting the support of the citizenry for graft detection and to produce a new breed of Filipinos with strong moral character. This objective is being carried out through community mobilization, conduct of seminars, dialogues and workshop, undertaking of educational and motivational programs on graft and corruption prevention, as well as massive information dissemination campaign. For the calendar year 2005, the following graft prevention activities were undertaken:

EHEM! AHA! PROGRAM

This is one of the major graft prevention programs of the Office of the Ombudsman with respect to the proper understanding of graft and corruption, its incidences, causes and dimensions. *Ehem! Aha!* is in pursuance of the Memorandum of Agreement between the Philippine Province of the Society of Jesus (PPSJ) and the Office of the Ombudsman signed on October 13, 2003.

EHEM! is a guttural voice to make known our disenchantment in a subtle but deep manner. *Ehem!* will announce our presence/protest in one word that says many things. It is very distinct from other anti-corruption programs because it does not point an accusing finger to anybody nor is it intended to blame any person. *Ehem!* will allow us to look at ourselves and see how we become part of the problem and, more importantly, provide solution to the problem.

AHA! complements and supports *EHEM!* in the sense that *Aha!* culminates in the filing of a complaint against, and the prosecution of, an erring public official who remains undeterred and unaffected by the less emphatic yet more culturally understandable reminders, or hints for the erring public official to already stop his corrupt practices.

A total of 23 *Ehem! Aha!* seminars were conducted for the calendar year 2005. Seven (7) of which were conducted for the officials and employees of the Office of the Ombudsman; eleven (11) for the officials and employees of other government agencies, such as the Land Transportation Office, Department of Public Works and Highways, National Meat Inspection of DA, Department of Health and the Insurance Commission; three (3) for the

officials and members of the Corruption Prevention Units; and one (1) for the officers and advisers of the Junior Graftwatch Units.

Relative to the functions of the Technical Working Group of the Ehem! Aha!, five (5) batches of Focused Group Discussions (FGDs) on Whistleblowing and Tipping Project were conducted. The Whistleblowing and Tipping Project intends to develop and popularize the legal procedures in whistleblowing and tipping, generate creative strategies and practical techniques, establish principles and philosophical foundations, as well as locate the morality and spirituality in whistleblowing as an avenue for citizens' participation in the fight against corruption. This project is in partnership with the Philippine Province of the Society of Jesus (PPSJ) and USAID-ROLE.

CORRUPTION PREVENTION UNITS

The Office, through the Community Coordination Bureau (CCB) and the corresponding unit in the area/sectoral offices, continued the accreditation of CPUs in accordance with the new guidelines of the 2003 CPU Manual Accreditation. A total of 14 CPUs were accredited this year, broken down as follows: NCR – 6; Luzon – 3; Visayas – 4; and Mindanao – 1. As of the end of 2004, accredited CPUs totaled 31 while 10 were terminated/expired during the year, which brought the total CPUs as of December 31, 2005 to 35. These were distributed as follows: 6 from the NCR, 5 from Luzon, 14 from Visayas, and 10 from Mindanao. (*see Table 12*)

**TABLE 12. NUMBER OF ACCREDITED CORRUPTION PREVENTION UNITS
AS OF DECEMBER 31, 2005**

CPUs	Total Accredited as of December 31, 2004	Accredited for Calendar Year 2005	Terminated	Total Accredited as of December 31, 2005
NCR	6	6	6	6
Luzon	6	3	4	5
Visayas	10	4	--	14
Mindanao	9	1	--	10
Total	31	14	10	35

During the year, the members and officers of the Corruption Prevention Units attended the following conferences and seminars: Lapitbayan or Duluganbayan and Lifestyle Check Monitoring, 377 participants; Ehem! Aha! Seminars, 104 participants; OMB Courtwatch Program Seminar, 71 participants; focused Group Discussion on Whistleblowing and Tipping Project, 15

participants.

A total of 457 consultations, meetings and dialogues were conducted in 2005 through actual visits of the CPUs or through telephone or cellular phones.

JUNIOR GRAFTWATCH UNITS

As of December 31, 2004, a total of 86 JGUs were accredited nationwide. Of the 86 JGUs, 14 are based in the National Capital Region (NCR), 8 in Luzon, 32 in the Visayas and 32 in Mindanao. (see Table 13)

**TABLE 13. NUMBER OF ACCREDITED JUNIOR GRAFTWATCH UNITS (JGUs)
FOR THE CALENDAR YEAR 2004**

JGUs	Total Accredited As of December 31, 2005
NCR	37
Luzon	12
Visayas	42
Mindanao	98
Total	189

The following programs, projects and other activities were accomplished as regards the implementation of the JGU program:

1. Junior Graftwatch Officer-of-the-Week Summer Program. This is a month-long (May) activity for JGU volunteers. Five (5) JGU officers from the NCR took part in this program. They were trained to perform office functions and develop their organizational skills and public service values.
2. The 9th JGU Anniversary and Twin Event Competitions were held on November 18, 2005. The celebration's theme was "*Pagsisimalat ng Katiwalian, Pananagutan Ko sa Bayan.*" Two competitions were held, namely: the Extemporaneous Speech and Anti-Corruption Jingle Contests. This was participated in by almost 300 JGUs from the NCR.
3. MAKIBATA 2005. This annual outreach project was held on December 22, 2005. One hundred (100) orphans and abused girls benefited in this activity. The beneficiaries were given toiletries, food and a Christmas program was organized for them. Twenty (20)

volunteers from the OMB and JGUs facilitated the activity.

The following seminars/symposia were conducted for the JGU members and officers: (1) Ehem! Aha! JGU Seminar, 55 participants; (2) OMB Courtwatch Seminar, 99 participants; (3) Junior Graftwatch Seminar, 100 participants; and (4) Focused Group Discussion on Whistleblowing and Tipping Project, 16 participants.

For the calendar year 2005, a total of 503 consultations, meetings and dialogues with JGUs and other Youth Organizations were done through actual visits or through telephones/cellular phones.

LEGAL ASSISTANCE

The Community Coordination Bureau likewise provided legal assistance to requesters referred by the CPUs/JGUs/Non-Organic Resident Ombudsmen (RO) and participants in the Seminars on Public Accountability. For the year 2005, it provided legal advice and necessary information on 405 requesters, prepared 102 letters/indorsements and other communications related to request for assistance, acted as resource person in a total of 51 modules re: Powers and Functions of the Office of the Ombudsman, Brief Survey on Common Crimes Committed by Public Officials and Employees, Public Service Laws, Graft Prevention Programs and other related laws in the conduct of seminar on Public Accountability and in the Launching and Re-echo Seminars on the Use of the Graft and Corruption Prevention Education Teaching Exemplars, and appeared for a 30-minute interview aired over Channel 4 on the topic: Ombudsman's Powers and Functions including the Procedures observed in Criminal and Administrative Cases.

NON-ORGANIC RESIDENT OMBUDSMEN

CCB also implemented **Administrative Order No. 10, Series of 2001**, for the installation of Resident Ombudsmen (Non-Organic) in departments, offices and agencies of the government, including government-owned or controlled corporations. For the year, after a thorough evaluation and background investigation of 23 nominees, 5 Non-Organic Resident Ombudsmen were installed/designated to the following agencies: Philippine Deposit Insurance Company (PDIC), National Economic and Development Authority (NEDA), Philippine Postal Corporation (PPC), Energy Regulatory Commission (ERC) and Industrial Technology Development Institute – DOST.

As of December 31, 2005, a total of 19 Non-Organic Resident Ombudsmen were designated in different government offices in the National Capital Region.

GRAFT AND CORRUPTION PREVENTION EDUCATION (GCPE) TEACHING EXEMPLARS

These teaching exemplars are lesson guides designed for elementary and secondary levels which will serve as models in enhancing and restoring values among the youth and prepare them to become responsible citizens in the future, especially when they enter public service. Positive values of honesty, integrity, upholding the common good, professionalism, nationalism and simple living are among the graft prevention concepts in the exemplars. Likewise, integrated into the different subject areas in the curriculum are norms of conduct enumerated in Republic Act No. 6713, otherwise known as the *Code of Conduct and Ethical Standards for Public Officials and Employees*.

For the year, the following activities were undertaken: facilitated the Awarding of Certificate of Appreciation and Turn-Over Ceremony by Tanodbayan Simeon V. Marcelo to Secretary Francisco B. Abad, conducted a Special Launching and Orientation Workshop on the Use of GCPE Teaching Exemplars; and facilitated the production of 200 copies of the elementary and secondary exemplars and distributed copies to participants.

RESEARCH/THESIS ASSISTANCE PROGRAM

Another project concerning educational program is the Research and Thesis Assistance Program which serves as a positive reinforcement for the students in the graduate and undergraduate level to contribute their knowledge and wisdom towards nation building by writing their research work on graft and corruption prevention and control.

Three (3) applicants for this program were granted by the Office in 2005. Titles of their thesis are as follows: (1) "Factors Affecting the Growing Incidence of Medical Malpractice Cases"; (2) "Combating Corruption by Strengthening the Prosecutory Arm of the Office of the Ombudsman: Proposal to Amend RA 6770, otherwise known as the Ombudsman Act"; and (3) "Fixing Society: An Ethnographic Study of Fixers in the Philippines."

PUBLIC ACCOUNTABILITY SEMINAR

In its effort to strengthen the public accountability of government servants and increase the service orientation of the work force in the bureaucracy, the Office of the Ombudsman conducted a total of 24 batches of seminars on Public Accountability with 2,351 participants from the following government agencies: Philippine National Police, Cavite City; City College of Manila, Manila; Municipal Government of Noveleta, Cavite City; DepEd Non-Teaching Personnel, Oasis Convention Center, San Fernando La Union; Parole and Probation Administration, Quezon City; Tanza National Comp. High School, Tanza, Cavite; Maya Elementary School, Tanza, Cavite; Philippine Atmospheric, Geophysical & Astronomical Services Adm. (PAGASA), Quezon City; Office of the Presidential Adviser on Peace Process (OPAP), Pasig City; Consultative Meeting & Training of Dulugan ng Bayan, PGEA, Baguio City; Samahang Grupong Bantay Mamamayan, Inc. (SGBMI), Office of the Ombudsman, Quezon City; Maritime Industry Authority, Manila; Department of Land Reform, Region IV-B (MIMAROPA), Quezon City; Department of Education, CAR, La Trinidad, Benguet; Veterans Medical Memorial Center, Quezon City; National Meat Inspection Services, DA, Quezon City; Department of Tourism, Manila; City Government of Balanga, Bataan; DepEd Non-Teaching Personnel, Region IX, CARAGA, Astoria Hotel, Zamboanga City; Coast Guard Education & Training Command, Phil. Coast Guard, Manila; Municipal Cooperative Dev't Council, Municipality of Baud, Camarines Norte; Calamba Water District, Calamba City; DepEd Non-Teaching Personnel, Reg. XII – ARMM, Estosan Hotel, Cotabato City; and City College of Manila, Manila. One seminar was also conducted to the Political Science Students and Academicians, Dela Salle University, Dasmariñas, Cavite.

ORIENTATION BRIEFING

For the calendar year 2005, there were five (5) Orientation Briefings facilitated by CCB, as follows: Career Field Trip (3 batches) of the Students from La Salle Green Hills, Justices of the Supreme Court of the Kingdom of Nepal, and Federation of Nepalese Chambers of Commerce and Industries.

PUBLICATIONS

As an added tool for an effective information dissemination campaign, the following publications were prepared: OMB Journal for the 17th Anniversary. Copies were distributed to OMB officials and employees and to

other government agencies and researchers. The Annual Report for CY 2004 was prepared and submitted to the President, Vice-President, the Senate and the House of Representatives.

The distribution of information materials continued, to wit: Annual Reports, OMB Primer, JGU Primer, Graft Prevention Education Modules, CPU Primer, CPU Manual and Primer on Research/Thesis Assistance Program. These information materials, including compilation of laws, were distributed to students and the general public as well. Other information materials were also provided to the OMB website developer for updating.

The CCB caused the publication of the maiden issue of the OMB Integrity Newsletter, an EC-OMB Corruption Prevention Project.

The PACPO Proper issued press releases and its officials appeared on radio and television on matters concerning the Office of the Ombudsman.

*(Note: Graft prevention activities undertaken by the different area offices were included in the **Regional and Sectoral Activities** of this Annual Report)*

Resident Ombudsman

Organic Resident Ombudsmen (RO) were installed in various graft-prone government agencies with the main function of monitoring the official performance and transactions in order to prevent wheeling and dealing. They also address incidents of inefficiency where these happen and conduct systems and procedure studies. The Resident Ombudsmen concept is in the process of reformulating its mandate to give strategic focus on systems integrity-based corruption prevention. As of December 2005, there are twelve (11) appointed/supervising ROs keeping watch over twenty-nine (29) government agencies.

For the year 2005, the Bureau of Resident Ombudsman (BRO) has undertaken the following functional responsibilities:

Request for Assistance (RAS)

Received a total of 5,268 request for assistance (RAS), of which were immediately acted upon/disposed of and/or referred to different units/bureaus/offices. Some of RAs success stories are as follows:

1. RO-DepEd-RAS-2005-038, 043, 047, 048, 051, 061, 062, 072, 081, 082
“Complaints/Grievances against United Teachers Credit Cooperative (UTCC) and other Private Lending Institutions”

Various requests from teachers regarding their grievances against private lending institutions (PLI) were acted upon by RO-DepEd. The instant RAS were referred to the Office of the Undersecretary for Administrative and Finance, Department of Education. Letters were sent out to concerned PLI for appropriate action and consultation meeting was called to discuss issues and concerns for immediate resolution. To date, complaints against concerned PLI were minimized.

2. RO-BI-RAS-2005-0046
“RAS of Mr. Tarcisio O. Ebrole, of Sorsogon Street, Group 6, Payatas, Quezon City”

Requester sought the assistance of ORO-BI to make a letter-request on his behalf, addressed to the Hon. Ombudsman, to intercede in a criminal cases (Frustrated Murder) filed with the Regional Trial Court, Branch 88 of Quezon City, involving his son, for speedy administration of justice. Since requester was

still in a state of recovery from “stroke”, he was thankful having availed of the assistance given him by the ORO-BI, hoping for the expeditious resolution of the case. The request was immediately referred to the concerned court for appropriate action. Requester was further advised to inform the office of the action the Court may have taken on the matter.

3. ORO-DILG-RAS-2005-0914-178

“RAS of Mr. Eliseo L. Fuentes of 105 Marcos Hi-way, Sta. Cruz, Antipolo City regarding non-payment of financial obligation of JO2 Rodel Mancilla of BJMP”

The request for assistance was referred to Chief Supt. Arturo W. Alit, BJMP for appropriate action.

The prompt action of the ORO-DILG resulted in an amicable settlement between parties, JO2 Mancilla having paid P8,500.00 in full payment of his financial obligation to the requester. ORO-DILG was furnished copy of Receipt of Payment and amicable settlement.

Fact-Finding Investigation

Conducted the initial fact-finding investigation of cases with its disposal of 189 cases (this function was accomplished prior to BRO’s transfer to PACPO).

Media Interest Matters

The Office of the Resident Ombudsman has acted on 19 Media Interest Reports. The most significant of these media reports, follows:

Newspaper Report of Philippine Daily Inquirer dated September 6, 2005 entitled “Resigned Executive Bares Corruption at DOTC”

This stemmed from former Mayor Antonio Villar, Jr.’s resignation as Assistant Secretary of DOTC allegedly due to corruption in the agency, which he could no longer stand.

An insider from the DOTC listed some of the reasons for the ex-mayor’s disgust with the agency, to wit:

1. On the issuance of smoke emission test:

- a. Permit to operate emission testing centers can easily be bought from some DOTC officials costing from Eight Hundred Thousand Pesos to One Million Pesos;
 - b. Vehicles subjected to testing need not be brought to the testing center;
 - c. Suspension Orders for practicing vehicle non-appearance were lifted in exchange for huge amount paid to a DOTC Undersecretary.
2. On the issuance of drug testing certificates:
- a. Permit to operate can be bought from DOH;
 - b. Little or no post accreditation inspection is conducted to ensure quality testing;
 - c. Testing facilities are located in Shopping Malls which are conducive to the operations of “fixers”

Acting on the Action Slip dated September 6, 2005 from Acting Assistant Ombudsman and concurrent BRO Director, Evelyn A. Baliton, Resident Ombudsman Virgilio H. Gante conducted a study on the issues raised in the media report.

To address the concern on the issuance of Smoke Emission Test, Atty. Gante mentioned about RA 8749, otherwise known as the Philippine Air Act of 1999 which mandated the DENR, DTI and DOTC to formulate a holistic National Program of Air Pollution Management. Three (3) joint Administrative Orders were already issued pursuant to the mandate of RA 8749.

On the issuance of drug testing certificates, RA No. 6425, otherwise known as the dangerous Drug Act of 1972 has vested upon the Dangerous Drugs Board the authority to issue licenses to laboratories conducting drug testing while RA No. 9165, otherwise known as the Comprehensive Dangerous Drug Act of 2002 empowers the DOH to accredit, monitor and supervise drug testing centers.

It was recommended that the agencies concerned should constantly monitor the observance of or strict compliance with the above-cited laws.

Special Projects

The ROs have also undertaken special projects such as monitoring, ocular inspection, preventive graft patrol networking, coordination and information gathering. They have also undertaken common projects, such as, monitoring of unliquidated cash advances, monitoring of inventory of motor vehicles, monitoring of submission of SALN, monitoring of the host agency's compliance with the Memorandum Circular No. 35 issued by President Gloria Macapagal-Arroyo requiring every government department/agency to post their workflow charts, and monitoring of preparation of Annual Procurement Plan for CY 2005 and training of Members of Bidding and Awards Committee (BAC) in their respective agencies.

Some of these projects include: Monitoring of the Bureau of Immigration Detention Center at Camp Bagong Diwa, Bicutan, Taguig, Metro Manila; Compliance by the Organic and Non-Organic Resident Ombudsmen with the Required Posting of Flowchart and Procedure on Filing Complaints; and Ocular Inspection Conducted at the Casecnan Multi-Purpose Irrigation and Power Project (CMIPP).

System Study and Research

The RO office initiated and facilitated the conduct of consultative meetings with representatives from the host agency for identification of problem areas concerning defects, weaknesses and inadequacies in their existing systems and procedures that enhance the agency's vulnerabilities to corruption, with the end view of recommending changes/reforms or doable solutions to improve the same or implement internal controls and corruption risk management. Some of the system studies conducted are as follows: (1) **System Study on BI-NAIA Handling of Travelers Leaving the Country.** This system study tackles the system of handling passengers who are going out of the country – one of the essential systems in the Bureau of Immigration-NAIA. The study aims to establish the system's "*quid es*" and wishes to identify its weakness or outright failures so as to make policy recommendations to correct the problems; (2) **Systems Study on the BI Operations at Davao Fishport;** and (3) **Philippine Centennial Village System Study.**

The BRO was also instrumental in the following corruption prevention/integrity development programs and initiatives:

1. Networking activities with various respected and well-meaning civil society, business and church-based groups. Hence, the Bureau was exposed to organizational meetings and various anticorruption activities of the Coalition Against Corruption (CAC), Bishops-Businessmen's Conference, CODE-NGO, Makati Business Club, Transparency and Accountability Network (TAN), Catholic Bishop's Conference of the Philippines (CBCP)-NASSA, NAMFREL, Barug! Pilipino, People's Graftwatch of Iloilo, Inc., Brotherhood of Christian Businessmen and Professionals and Couple's for Christ through its St. Thomas More Association. Anticorruption activities involved, among others, conceptualization of the Pork Barrel Watch, training on the IRA Watch, monitoring and inspection of textbook deliveries in public schools; training of Bids and Awards Committee (BAC) observers, and monitoring of medicine deliveries in public hospitals;

2. The Bureau also completed the *Asia-Foundation* assisted OMB Procurement Watch, Inc. Project on the Development of a BAC Observer Feedback Handling Mechanism for the Office of the Ombudsman. This is in line with the mandate of RA 9184 or the Government Procurement Reform Act for the Office of the Ombudsman/Resident Ombudsmen to receive BAC observer feedback especially those involving deviations from RA 9184;

3. It actively participated in the annual assemblies of the Association of Resident Ombudsmen in Government Agencies (AROGA) in Visayas and in Mindanao, by giving a briefing on the repositioned mandate of Resident Ombudsmen and empowerment lecture on the Integrity Development Review (IDR), a systems reforms-based corruption prevention tool;

4. Assisted the OMB-Luzon in reviving/revitalizing the non-organic Resident Ombudsmen (ROs) in the Luzon area through an assembly/conference at the Regional Training Center of the Department of Education in La Union;

5. BRO played a critical role in the commitment setting of sixteen (16) participating agencies under the European Community-Office of the Ombudsman Corruption Prevention Project in the three (3) batches of Solana-Type Workshops. The BRO had a hand in the preparation of the Memorandum of Agreement (MOA) with the Development Academy of the

Philippines and Memorandum of Understanding (MOU) with sixteen (16) agencies relative to the Integrity Development Review (IDR) Project. The MOA and MOU were signed sometime in October 2005, and will have the following strategic agencies: Bureau of Customs, Bureau of Internal Revenue, Land Transportation Office, Department of Public Works and Highways, and Philippine National Police; and

6. BRO likewise was involved in the following trainings/seminars: (a) Strategic Planning and training on lifestyle check and procurement monitoring of Barug! Pilipino; (b) Multisectoral Forum, University of Eastern Philippines, Catarman, Northern Samar; (c) Basic Lifestyle Check and Procurement Monitoring Training in Naga and Pili, Camarines Sur; (d) Solana-Type Workshops for the European Union-OMB Corruption Prevention Project; (e) Association of Resident Ombudsmen in Government Agencies (AROGA) – Visayas Annual Conference; (f) First Association of Resident Ombudsmen in Government Agencies (AROGA) – Region XI Annual Conference; (g) Training on the New Procurement Law, Red Flags in Public Procurement and draft operational guidelines on BAC observer feedback handling – AROGA XI; (h) Integrity Development and Public Accountability Seminars at the Philippine Public Safety College (PPSC), Bureau of Fire Protection (BFP) and the National Police Commission (NAPOLCOM); and, (i) Regional Orientations of Integrity Development Committee (IDCs) of the Department of Health.

Number of Designated Non-Organic Resident Ombudsman

National Capital Region	19
Visayas	155
Mindanao	17
TOTAL	191

Research and Special Studies Project Management Office

In 2005, the Research and Special Studies Bureau (RSSB) functioning as the Project Management Office (PMO) served as the critical link between the Office of the Ombudsman (OMB) and its international development partners. The OMB is fortunate in being able to receive support and assistance from international development partners that financed much of the anti-corruption reform initiatives, more particularly, in relation to capacity building and systems development.

The significant contributions, therefore, of international development partners supportive of the anti-corruption reform initiatives of the OMB are:

Australian Agency for International Development (AusAID) through the Philippines-Australia Human Resource Development Facility (PAHRDF)

▣ *Strategic Human Resource Management and Development Plan*

- The PMO secured for the OMB a small grant for a short term engagement under the Facility's (PAHRDF) Category "S" partnership. The PAHRDF approved the grant during the second quarter of 2005.
- The grant, as OMB proposed, is to finance the Project calling for the crafting of OMB's Strategic Human Resource Management and Development Plan for CY 2006-2009.
- The PAHRDF engaged the services of a provider, i.e., Bridges, Inc., to assist and guide the OMB in the formulation of its Strategic Human Resource Management and Development Plan for CY 2006-2009.
- The Project started on June 2005 and completed on September 2005.

▣ *OMB's nomination by the PAHRDF for upgrading to Level "A" Status*

- The successful completion of the OMB's Strategic Human Resource Management and Development Plan for CY 2006-2009 paved the way for the PAHRDF to nominate OMB to become a Level "A" status partner of the Facility.
- The Facility, in most instances, usually nominates a partner agency to pass to Level "B" status first before being recommended to become Level "A" status. In the case of the OMB, however, the Facility recognized the substantial results of the short term engagement and immediately nominated OMB for the said upgrading.

- The OMB, through the joint efforts of CAS-FAO and PMO, successfully complied with the administrative and documentary (on-line updating) requirement for the upgrading.
- Level “A” status partners of the PAHRDF can access the Facility’s support for specific and/or specialized courses and foreign scholarships/trainings abroad aptly called as Short-Term Training (STT) and Long-Term Training (LTT) courses, respectively.

▣ *OMB’s access to 3 STT’s for 2006 and 2-slots for the LTT for 2007*

- The OMB will benefit to three (3) STT’s approved by the Facility, to wit: (i) HRMD Capacity Building HRMD Capacity Building – Upgrading the Recruitment and Selection Procedures for the Office of the Ombudsman; (ii) Capacity Building of Middle Management for Effective Leadership and Service Delivery; and, (iii) Capacity Building in Effective Client Service Delivery for Frontline Staff.
- The two (2) slots for the LTT, which will commence on January 2007, will focus on Executive Development Program - Capacity Building in Effective Public Sector Management.

United Nations Development Programme (UNDP)

▣ *Printing of the OMB Medium-Term Anti-Corruption Plan and Public Investment Program (2005-2009)*

- The UNDP provided funding support for the printing of the OMB Medium-Term Anti-Corruption Plan and Public Investment Program (MTACP and PIP) for 2005-2009. The OMB MTACP and PIP is with the printer service provider.

▣ *Implementation of OMB’s MTACP*

- The UNDP also provided funding support for the OMB to draw up the implementation plan defining the strategies for disseminating the MTACP and PIP to the donor community and seek technical and funding assistance.
- In December 2005 the OMB requested the UNDP to utilize the funds earlier allocated to this activity to support the National Anti-Corruption Program of Action (NACPA) process, particularly the conduct of the convergence summit and the finalization of the sourcebook.
- The UNDP approved the request and the convergence summit was completed in March 2006 with The Asia Foundation (TAF) as co-sponsor.

British Embassy (UK)

▣ *Development and production of Infomercials*

- The British Embassy (UK) provided funding assistance for the development and production of two (2) 30-second infomercial to support the anti-corruption efforts of the OMB and the Department of Finance's (DOF) Revenue Integrity Protection Service (RIPS). The British Embassy (UK) engaged the services of Campaigns & Grey, an advertising firm, for this purpose.

United States Agency for International Development (USAID) through the Rule Of Law Effectiveness (ROLE) Project

▣ *Observational Study Mission (OSM) to the USA on the area of prosecution*

- The USAID/ROLE sponsored a 5-day observational study mission to the USA on the area of prosecution.

▣ *SOLANA Covenant II*

- A continuation of the SOLANA Covenant I, where the heads of the Civil Service Commission (CSC), Commission on Audit (COA) and the OMB met, agreed and forged a continuing understanding in the handling of corruption cases.

▣ *Asia Pacific Economic Cooperation (APEC) Anti-Corruption Transparency Task Force (ACT-TF) Meeting*

- The USAID/ROLE sponsored the participation of the OMB designated representative to the APEC ACT-TF's meeting in Seoul, Korea, particularly to support the APEC Senior Official for the Philippines, Edsel T. Custodio, Undersecretary, Department of Foreign Affairs (DFA).

▣ *Trial Advocacy Skills Development Program*

- A continuing training program, in basic and advanced level, for the OMB's prosecutorial staff.

▣ *Performance Management Indicators for the OMB*

- The USAID/ROLE supported the conduct of a 3-day workshop for the development of performance indicators, as a management tool, for the various functional areas of the OMB.

***United States Agency for International Development (USAID) through
The Asia Foundation (TAF)***

☐ *Establishment of Feedback Monitoring System for Volunteer-Observers in the Bids and Awards Committees*

- The USAID/TAF supported the establishment, in partnership with the Procurement Watch, Inc. (PWI), of a system that enables to process the observations, comments and requests for immediate action from the volunteer-observers in the various BACs in government agencies.

☐ *National Anti-Corruption Program of Action (NACPA)*

- A priority Project of the Honorable Ombudsman Ma. Merceditas Navarro-Gutierrez that seeks to bring about the final convergence of the major players in the campaign against graft and corruption. The UNDP, in particular, co-sponsored the conduct of the Convergence Summit earlier scheduled in December 2005 but was reset and completed in March 2006.

***World Bank-ASEM (Asia Europe Meeting) Trust Fund Grant
“Institutional Strengthening of the Office of the Ombudsman for Good
Governance”***

☐ *Field Investigation Training Sub-Component*

- The OMB completed a total of six (6) training batches covering two (2) advanced and four (4) basic level of field investigation training. The major beneficiary of the training programs were the newly recruited field investigator of the Field Investigation Office (FIO).

☐ *Software Development Sub-Component*

- The OMB, through the services of a local technical assistance (LTA) successfully completed the preparation of the Terms of Reference (TOR) required in procuring the services of a consulting firm that will develop the software for the (i) Case Monitoring System for the Office of the Special Prosecutor and (ii) Database System for the Statement of Assets, Liabilities and Net Worth (SALN).

Millennium Challenge Corporation (MCC)

Millennium Challenge Account (MCA)

☐ *Integrated Country (Philippines) Threshold Proposal-OMB Component*

- The Millennium Challenge Corporation (MCC) is a new facility established by the U.S. Government, specifically to consider possible

programs, projects and activities from developing countries for support through the Millennium Challenge Account (MCA).

- The OMB was invited in January 2005 to a Dialogue on Corruption and Judicial Reforms with key officers of the MCC. The OMB was asked to submit list of possible programs, projects and activities for support through the MCA. OMB submitted its proposal for funding support of the MCA to the Department of Finance (DOF).
- The OMB, between January and May 2005, was constantly coordinating with the DOF, being the lead government agency, in preparing the Integrated Threshold Proposal for the Philippine Government. The Country Threshold Proposal (CTP) included providing support to the OMB, DOF's RIPS, and the Bureaus of Customs (BOC) and Internal Revenue (BIR) focusing on revenue and anti-corruption reform initiatives.
- The CTP was submitted for review and consideration of the MCC through the USAID on July 2005.

European Union/Delegation of the European Commission to the Philippines

▣ *Improving Governance to Reduce Poverty: Corruption Prevention (EC-OMB Corruption Prevention Project)*

- Intended to support the co-operative efforts of the OMB in corruption prevention by tapping or getting support of CSO's/NGO's, participating government agencies, other accountability and oversight agencies, academe, youth, media, business sector, and to strengthen management capacity of OMB.
- The four (4) core components of the Project are: (i) collaboration with civil society organizations (CSOs); (ii) winning the co-operation of the wider public; (iii) co-operation with other government agencies to prevent corruption; and, (iv) management requirements of the OMB.
- Financing Agreement numbered PHI/AIDCO/2003/5572 between the Philippine Government and the European Community was signed on 10 August 2004. The Project is for a period of 3 years (**36 months**) with two (2) Project Implementation Phases, to wit: (i) Operational Implementation (**30 months**), which started on 10 August 2004 and to end on 15 February 2007; and, (ii) Closure Phase (**24 months**), which will start on 15 February 2007 and to end on 15 February 2009.

▣ *Accomplishments (for all components)*

- The RSSB completed all preparatory activities required for implementing the Inception Phase (January 2005).
- The RSSB completed all implementation modality requirements, i.e., creation of the Project Steering Committee (PSC), Project Task Force (PTF), and the Special Bids and Awards Committee (SBAC). The RSSB as the PTF finalized the Project's indicative schedule with the Chief Adviser, Mr. Tony Kwok (February 2005).
- The PTF completed the conduct of the Inception Phase within 3 months, which was originally for a 6-month period. The Inception Workshop was completed on 2-4 March 2005 with the assistance *pro bono* of the Development Academy of the Philippines (DAP). (March 2005).
- The PTF completed a total of six (6) Consultative Meetings (6, 7, 12, 13, 14 and 28 April 2005) with all collaborating and participating government agencies and CSO/NGO partners (April 2005).
- The 1st Project Steering Committee was called on 10 May 2005, specifically approving and endorsing to the Honorable Ombudsman the Overall and Annual (2005) Work Plans of the Project, who, in turn will endorse the same to the Delegation for its approval (May 2005).
- The EC-OMB Corruption Prevention Project was launched on 12 May 2005 at the Manila Diamond Hotel with Her Excellency President Gloria Macapagal-Arroyo as guest of honor. The launching of the Project was likewise highlighted by (i) the signing of the Covenant between the OMB and the Project stakeholders and (ii) launching of the multi-event competition of essay, slogan and poster making contests (May 2005).
- The PTF also caused the printing of a Souvenir Program for the purpose of the launching (May 2005).
- EC advised the OMB to coordinate with Calyon Bank, the EC-designated bank for the Project's Euro account. EC deposited €900,000.00 (€800,980.00 to be exact, less €20 for bank charges) on 21 July 2005; the amount is inclusive of the €150,000.00 pre-financing fund, which was supposed to be released to the OMB before the conduct of the Inception Workshop. Accordingly, the OMB requested PhP36 Million in equivalent Euro amount from Calyon Bank on 27 July 2005 (June-July 2005).
- The OMB mainstream the participation of personnel in the central, area and sectoral offices of Luzon, the Visayas and Mindanao in the implementation of the various activities in the Multi-Event Competition (June-November 2005).

- The PTF completed in August 2005 three (3) batches of the Solana-Type Workshops. EC deployed a Monitoring Mission to check on the Project's progress, specifically during the second batch of the Solana-Type Workshop. The monitor, Mr. Holger Nauheimer, was able to meet and interview randomly selected participants attending the workshop. The PTF was likewise arranged for the monitor to meet other agency heads or focal persons and representatives of CSOs/NGOs involved in the Project and based in Metro Manila (August 2005).
- The OMB and EC met to clarify and discuss the results and findings of Mr. Nauheimer's Mission Report, particularly the rating "D" (or Serious Deficiencies) in terms of "Effectiveness to date". The OMB expressed its sentiments to EC, i.e., the Project has barely taken-off when the monitoring mission was deployed (September 2005).
- The OMB engaged the services of DAP to implement, using its counterpart funds the Integrity Development Review (IDR) in BOC, BIR, Department of Public Works and Highways (DPWH), Land Transportation Office (LTO) and the Philippine National Police (PNP) (September 2005).
- The IDR implementation was well underway between October and December 2005; the 1st Advisory Group meeting was completed in November 2005, two (2) batches of Assessor's Training was completed with 63 assessors trained on 30 November-2 December or 12-14 December 2005.
- The PTF, engaging the services of Softskills Consultancy, completed the Project Cycle Management Training (PCM) on 30 November-2 December 2005. The PCM was not originally part of the activities for implementation in 2005 but was included because of the findings and recommendations in the Monitoring Mission Report (November-December 2005).
- The 1st Integrity TV Show was completed on 9 December 2005, which was telecast live via PTV/NBN Channel 4 (December 2005). The TV Show also showcased the awarding of the winners of the multi-event competition, launching of the Integrity Theme Song Writing Competition and the Inter-Universities Debate Competition in partnership with the British Council and the Ateneo and De La Salle-College of Saint Benilde Debate Societies, respectively.
- The PTF caused the printing, using its counterpart fund, of the maiden issue of the Integrity Newsletter (December 2005).

- The OMB wrote to EC on 29 December 2005 indicating the priority areas of the various activities as the Final Work Plan is still in the preparatory stages.

All told, the strategic collaboration of the OMB with the international development partners literally extends and multiplies OMB's otherwise limited and finite resources. Taken together, the RSSB-PMO for its part has ensured the proper management, coordination and synchronization of the various programs, projects and activities supported by international development partners. Further, the RSSB-PMO also continued instituting systems reforms in the management of the OMB Library including the updating of the resources, references, materials and collections through direct acquisitions, donations and/or inter-library loans via inter-library networking.

REGIONAL AND SECTORAL ACTIVITIES

The Office of the Ombudsman's regional and sectoral offices have conducted relevant programs and activities in support of the continuing efforts and unwavering commitment of the Office to establish a graft-free, effective and responsible government. For the calendar year 2005, the OMB-Luzon, the OMB-Visayas, the OMB-Mindanao and the OMB-MOLEO have pursued and implemented various programs and activities that were supportive of, and consistent with, the graft prevention thrust of the Office of the Ombudsman.

OMB-LUZON

The Office of the Deputy Ombudsman for Luzon (OMB-Luzon) had undertaken the following graft and corruption prevention projects and programs during the Calendar Year 2005:

1. Conducted a Leadership Training on "The Advance Field Investigators Course", a project jointly supported by World Bank – AEM and Office of the Ombudsman, from 01 to 12 August 2005 at the PHINMA Training Center in Tagaytay City, and was participated in by thirteen (13) Graft Prevention and Control Officers (GIPOs) and Associate Graft Investigation Officers (AGIOs) of OMB-Luzon and also GPCOs and AGIOs of OMB-Central, OMB-MOLEO, OMB-Visayas and OMB-Mindanao;
2. Conducted the Ehem! Aha! Cultural Sensitivity Series of Seminars, one of the main graft prevention program of the Office, in seven (7) batches among OMB employees, CPU officers and members and local government officials and employees;
3. Implemented the Multi-Event Competitions: On-The-Spot Poster Making, Essay Writing, and Slogan Making Contests.
 - 3a. On-the-Spot Poster Making Contests were participated in by high school and college students, government employees (national and local) and the general public. These were held on the following dates and areas: June 6 at Puerto Princesa City, Palawan; June 16 at Lucena City, Quezon; and June 21 and 24 at Legazpi City.

- 3b. Essay Writing and Slogan Making Contests were held simultaneously with the national and regional sectors within the period July 15 to September 30, 2005.
4. Revived the non-organic Resident Ombudsman Program of OMB-Luzon and was formally effected by the attendance of the non-organic Resident Ombudsmen in the Ehem! Aha! Seminar held on September 6-9, 2005 at the RELC San Fernando City, La Union.
5. Final Evaluation of the Graft and Corruption Prevention Education Teaching Exemplars, a joint project of the Office of the Ombudsman and the Department of Education was completed wherein Director Wilbert L. Candelaria acted as Co-Chairman of the OMB Editorial Team.
6. Conducted four (4) Whistleblowing and Tipping Project Focused Group Discussions (FGD), attended by officials and employees of the public and private sectors, to wit: November 17 in Baguio City, November 22 in Naga City, Camarines Sur, November 24 in Batangas City, and December 2 in Santiago City, Isabela.
7. Accredited five (5) Corruption Prevention Units (CPUs), as follows: Kaagapay Lingkod Bayan, Council for the Restoration of Filipino Values, Bulakenyo Paras sa Mabuting Gobyerno at Kaunlaran or BUMAGO KA, and Task Force Awareness International, Phil. Or Daingan Bayan.
8. Accredited eight (8) school-based organizations as Junior Graftwatch Units. These are: Badipa National High School, Lananpin National High School, Mariano Q. Umipig National High School, Palina East National High School, Urdaneta City National High School, Benigno V. Aldana High School, Calumpit Institute, and Manaog National High School.

Profiles of Requests for Assistance Acted Upon by OMB-Luzon

RAS-L-05-125

Mr. Ferdinand P. Batungbacal, an inmate at the Minimum Security Compound at Camp Sampaguita, Muntinlupa City, had already served time in

prison beyond the minimum number of years of his sentence. Languishing in hopelessness, he turned to our Office to help him secure a parole.

Acting expeditiously on the request, we asked the DOJ Secretary to take appropriate action on the matter. On September 8, 2005, we received a letter from Mr. Ernesto P. Dizon, Chief Parole Officer, Board of Pardons and Parole, informing us that the Board, after a careful evaluation of his case, has granted parole to Mr. Ferdinand P. Batungbacal.

RAS-L-04-148

Mr. Feliciano Balajadia sought our assistance regarding the failure and/or seeming complacency of the Department of Environment and Natural Resources (DENR) – Legal Affairs to act on his land case (DENR Case No. 5227, entitled: *“Heirs of San Juan de Castro vs. Spouses Feliciano Balajadia & Teofista de Castro”*), which had been pending since 1998.

Our handling investigator immediately made a personal follow-up at the DENR Office, Visayas Avenue, Diliman, Quezon City, to inquire about the status of Mr. Balajadia’s land case. We were then informed that the subject land case is now under review by the DENR General Legal Services.

In his letter, dated March 11, 2005, Mr. Balajadia graciously thanked our office for *“the big help in urging DENR to finally come up with the decision... and in patiently following up my case with the DENR.”* Apparently, the DENR furnished him its decision on his land case, dated February 17, 2005, which was in his favor.

RAS-L-05-014

Mr. Rudy Ignacio paid cash amounting to Forty Thousand Pesos (P40,000.00) to a Land Transportation Office (LTO) – Pasay City employee named Irma, who promised to facilitate for him his application for a certificate of public convenience filed before the Land Transportation and Franchising Regulatory Board (LTFRB). For two months, he was assured by Irma that the said application was just pending approval.

Hoping to seek the truth, Mr. Ignacio sought our assistance. We accompanied him to the LTFRB where Chairperson Ma. Elena Bautista, herself, told him that there was in fact no available route for the franchise he was

applying for. Immediately thereafter, we helped her to contact Irma and to recover the amount she took from him. After several meetings and dialogue with Irma, we were able to help Mr. Ignacio recover the full amount of P40,000.00.

RAS-L-05-044

Atty. Ryan M. Celino sought our assistance to collect from the Commission on Higher Education (CHED) – Cordillera Administrative Region (CAR), Thirty-Seven Thousand Five Hundred Thirteen Pesos (P37,513.00) representing the price of unpaid office supplies it purchased from his client, E-Gana Trading, Inc.

We promptly requested CHED-CAR Regional Director Magdalena C. Jasmin to inform us of whatever action her office may have taken in the matter of the subject claim. She replied by promising to help in the settlement of the same, properly observing accounting and auditing rules.

True enough, in a letter dated 11 July 2005, Dr. Jasmin informed us that CHED-CAR had already settled its debt with E-Gana Trading, Inc. and furnished us with a copy of a voucher (duly received by an E-Gana Trading, Inc. representative) evidencing the fact of such settlement.

RAS-L-04-183

Leo M. Rojas, Utility Worker I at the Romblon District Hospital, had not been paid his correct salaries for several months, despite the approval of the Civil Service Commission (CSC) of his appointment as such. After several follow-ups, including personal visits by the handling investigator to the CSC main office, Mr. Rojas was finally paid his regular salaries as Utility Worker I.

OMB-VISAYAS

For the calendar year 2005, the Office of the Deputy Ombudsman for the Visayas has registered the following notable accomplishments with regard to the implementation of graft prevention programs:

- 1) Conducted a total of sixty-one (61) lecture-seminars/trainings in various government agencies in the Visayas. These activities focused on the following topics: Public Accountability; Public Ethics and Good Governance; Powers, Functions and Authority of the Ombudsman and other related laws; Lifestyle Checks; Ehem! Aha! Seminars; and RA 6713 or the Code of Conduct and Ethical Standards for Public Officials and Employees;
- 2) Designated a total of one hundred fifty-five (155) Non-Organic Resident Ombudsmen in the different government agencies in the three (3) Regions of the Visayas, distributed as follows: Region VI (Western Visayas) – 39; Region VII (Central Visayas) – 62; and Region VIII (Eastern Visayas) – 54.
- 3) Accredited fourteen (14) Corruption Prevention Units and forty-two (42) Junior Graftwatch Units; and
- 4) Implemented/conducted the following graft prevention programs/activities:
 - a. Lecture/seminar on Courtwatch for the Ombudsman Visayas staff/employees which was held on 17 January 2005;
 - b. Ehem! Aha! Seminar which were held during the period covered and conducted in eleven (11) batches: (1) Ombudsman Visayas employees on 28 March 2005; (2) officers and members of Region 8 Administrators League and the Association of Resident Ombudsman of Government (AROGA) on April 5 to 6, 2005; (3) Ombudsman Visayas employees on April 13 to 14, 2005; (4) OMB Visayas and DOH Employees at Busay, Lahug, Cebu City on April 21 to 22, 2005; (5) Faculty, staff and student leaders of Ormoc College of Science and Technology (OCSAT) on April 26 to 27, 2005; (6) District Engineers of Regions 6, 7 & 8 at DPWH-7 Conference Room on August 24 to 25, 2005; (7) Department Heads of Vicente Sotto Memorial Hospital in

- Cebu City on October 13 & 14, 2005; (8) LTO-8 employees at Tacloban City on October 18 to 19, 2005; (9) DOH-7 officials at Busay, Cebu City on November 17 to 18, 2005; (10) LTO employees at the OMB-VIS Courtroom on November 30 to December 1, 2005; and, (11) Bureau of Customs Region 8 employees at Tacloban City on December 13 to 14, 2005.
- c. JGU Days 2005, a three-day affair aimed to reawaken the youth of their role to minimize corruption, held on March 9-11, 2005 and participated in by seven (7) JGUs in Cebu City.
 - d. JGU Summer Training Program '05 which was held on May 3-27, 2005 and was participated in by fifteen (15) JGU trainees. Highlights of the Program included: the Radio/Barangay Hopping; Outreach at Gasa sa Gugma Home for Dying Destitutes and Sports Festival. An offshoot of the training, the trainees joined in the symposium on "Protecting Riverbanks through tree planning" held on July 29, 2005 and they likewise took part in the field action through tree planting along the Butuanon Riverbank on July 31, 2005.
 - e. A three-day Annual Convention of Resident Ombudsmen, held on June 22-24, 2005, participated in by all Resident Ombudsmen (ROs) of the three (3) regions formed associations/organization to have a more efficient and stronger linkages with other government agencies. The formed functional groups actively participated in the Office of the Ombudsman's graft prevention activities, to wit: EC-OMB Multi-Event Competitions; Ehem!Aha! Seminars; Whistleblowing and Tipping Project Focus Group Discussion (November-December 2005); and Seminar Workshop for the 120 Cebu City Barangay officials on "Commitment Towards Good and Effective Governance."
- 5) For the year covered by this Report, there were thirteen (13) requests for assistance/complaints (RAS/CPLs) forwarded by the CPUs and sixteen (16) RAS and CPLs forwarded by the JGUs.

Profiles of Requests for Assistance Acted Upon by OMB-Visayas**RAS-V-05-0560**

Docketed as the above-numbered Request for Assistance is a letter of Mr. Martin Toradio, an employee of the Department of Agriculture-VII, Cebu City, seeking assistance of this office regarding his unsettled COA disallowances which shall be deducted from his terminal leave pay. Mr. Toradio was due to retire in August 2005. Acting on his request, this office set a conference on August 23, 2005.

In the conference, Ms. Evelyn Romarate, Accountant of DA-VII, informed this office that some of the unsettled disallowances of Mr. Toradia were still on appeal. So, she assured him that any payment that will be made by Mr. Toradio will be deposited in the bank and once the decision becomes final in favor of Mr. Toradio, his payment will be refunded to him. The requesting party understood and was satisfied of the explanation of Ms. Romarate and agreed to the proposal.

RAS-V-05-0586

This refers to the letter of Mr. Quirico Orlanes, Manager and owner of World Appliance Center with business address at D. Jakosalem St., Cebu City, reporting to this office that Mr. Nerio Aquino, a personnel assigned in the Office of Provincial Board Member Carey Kintanar, Cebu Province, has failed to settle some obligations with his company. To clarify some matters raised by Mr. Orlanes, this office set a conference on September 27, 2005.

During the conference, Ms. Juliet Abellana, representative of Mr. Orlanes, denied having filed the said report. According to Ms. Abellana, Mr. Aquino left their company with a good business record. And that Mr. Orlanes was denying the allegations against Mr. Aquino. She further said, that the person who signed the name of Mr. Orlanes was fictitious whose purpose was only to malign the integrity of Mr. Aquino. With the meeting called by this office, Mr. Aquino was cleared of the derogatory report sent by an anonymous person of which he was very grateful.

RAS-V-05-0797

Mr. Alejandro E. Elevera, a resident of No. 1096, G. Pundok, Basak, Pardo, Cebu City, wrote this office anent the unpaid account of the National

Transmission Corporation, Nasipit, Talamban, Cebu City, in the amount of P187,774.00 for various deliveries he made to said company. After this office had arranged a meeting with both parties, the NTC agreed to pay Mr. Elevera only the actual deliveries received by the company minus the liquidated damages incurred provided that Mr. Elevera will no longer impose the additional extra delivery charges. The proposal was readily accepted by both parties and Mr. Octavio Briones advised Mr. Elevera that the latter may follow-up the subject payment from the NTC.

RAS-V-05-0490

This is a request for assistance filed by Mr. Joselito E. Desierto, on behalf of Ms. Leonor Desierto Luces, complaining to this office against Messrs. Antonietto Tumongha and Genovevo Judilla, Barangay Captain and Lupon Member, respectively, Tugbongan, Consolacion, Cebu, for alleged abuse of authority and manifest partiality in handling a case they filed with the barangay.

To give immediate action on the matter, a conference was held on August 17, 2005. It was clarified during the said conference that it was the complainants who walked out during the conference. This was, however, denied by Mr. Desierto. He said that Mr. Judilla required them to present witnesses to support the complaint they filed with the barangay. Director Virginia Palance-Santiago, then advised the barangay officials concerned that they should not act as a Judge. Their role at the barangay level is to conciliate and if the parties fail to reach a settlement, the Lupon then is required to issue a Certification to File Action. Thereafter, the parties agreed that they will meet again at the barangay hall and Mr. Tumongha will issue the certification sought for by the complainants.

RAS-V-05-0352

Ms. Alicia Castro personally came to this office to seek assistance regarding her request for the location of the whereabouts of Sgt. Dionymar Emperado, a personnel of the Armed Forces of the Philippines (AFP) Central Command, Camp Lapu-Lapu, Cebu City. Sgt. Emperado is a prosecution witness in their case docketed as Crim. Case No. CBU-64537 pending before Branch 18, Regional Trial Court, Cebu City. According to Ms. Castro, the said personnel was already reassigned to another headquarters.

Thru the intercession of this office, Col. Felipe A. Perez, of the Central Command, provided us the address of Sgt. Emperado. Ms. Castro expressed her heartfelt thanks to the office.

OMB-MINDANAO

For the year 2005, the Office of the Deputy Ombudsman for Mindanao has undertaken various graft prevention programs/activities. The accomplished programs/activities are presented as follows:

1. A total of sixty-one (61) information dissemination activities were conducted focused on the following areas of concern:
 - 1a. JGU Orientation and Accreditation
 - 1b. Administrative Order No. 10 – Installation of Non-Organic RO
 - 1c. Kumustahan Group Session
 - 1d. Stumbling Blocks and Building Blocks in Curbing Corruption in the Transport Sector
 - 1e. Courtwatch, Whistleblowing and Tipping Orientation/Seminars
2. Sixty-seven (67) Junior Graftwatch Units (JGUs) and one (1) Corruption Prevention Unit (CPU) were accredited;
3. Two (2) consultative meetings with church-based organizations, particularly Mindanao diocesan social action center, were held. Recommended the conduct of a joint information dissemination cum values orientation activities via the Ehem! Aha! Framework for civil servants in Mindanao;
4. Seventeen (17) Non-Organic Resident Ombudsmen (ROs) were designated. OMB-MIN assisted in the establishment of the Association of Resident Ombudsmen in Government Agencies (AROGA) in Regions X and XI. AROGA conducted series of Ehem! Aha! Anti-Corruption Ombudsmen on Procurement (RA 9184); Forum on Administrative Order No. 10, and the Annual Conference of Resident Ombudsmen in the areas of Mindanao;
5. Other milestone undertakings for the year are the following:
 - 5a. The conduct of the DepEd Division Orientation on the Graft and Corruption Prevention Education (GCPE) Modules and Launching of the GCPE Teaching Exemplars for Basic Education in two (2) areas, namely: Davao City (January 27) and Cotabato City (March 29-30);

- 5b. Held the EC-OMB Multi-Event Competitions (Poster Making, Essay Writing, and Slogan Making) in key cities of Mindanao such as Davao, Zamboanga, Cagayan de Oro and Koronadal;
 - 5c. USAID assisted “Whistleblowing and Tipping Project” in coordination with the Philippine Province of the Society of Jesus (PPSJ), aimed at gathering information and insights, on this corruption prevention strategy, six (6) focus group discussions (FGDs) were conducted with 67 multi-sectoral representatives from key cities in Mindanao;
 - 5d. Seven (7) Ehem! Aha! Anti-Corruption Sensitivity Training Seminars were conducted with the regional agencies of the Land Transportation Office; eleven (11) Ehem-related seminars were also integrated with the OMB Public Accountability Seminars for good government.
 - 5e. OMB Courtwatch Project in coordination with the OMB-MIN Special Prosecution Office and five (5) law schools in Region X, i.e. Cagayan de Oro City, Iligan City and Marawi City, fifty-one (51) law students were registered as volunteer courtwatchers to monitor the technical and overall conduct of Ombudsman prosecutors.
6. Fifty-four (54) requests for assistance/complaints (RAS/CPLs) referred/forwarded by the CPUs, JGUs and ROs were acted upon;
 7. Registered fifty-on (51) law students as court-watchers to monitor the technical and overall conduct of Ombudsman prosecutors.

Profiles of Requests for Assistance Acted Upon by OMB-Mindanao

RAS-M-05-1537

In a letter dated February 3, 2005, requester Violeta P. Genise claimed that she is the wife of the late Roma T. Genise, Sr., a member of the Social Security System with SSS No. 03-0854992-0. Requester claimed that as a surviving spouse, she is entitled to a monthly pension of P3,973.19. Allegedly, requester failed to receive her pension from January to April 2000. When she went to SSS-Iligan City Branch to inquire, she was allegedly made to execute an affidavit of non-receipt. On October 13, 2000, requester submitted the said affidavit. Since then, requester has been periodically following up her claim.

Except for a routing slip dated June 8, 2004 addressed to SSS Cagayan de Oro City Branch, requester received no response.

Requester averred that she painstakingly followed up her request for five years, but no avail. Hence, her request for assistance.

On March 5, 2005, this Office referred requester's plea to the SSS-Iligan Branch. On June 14, 2005, this Office made a formal follow up on the action taken. On July 11, 2005, this office received a letter from Gema Genise-Estrada, the daughter of the requester, informing that the said pension has been claimed in May 2005. On behalf of her mother, Genise-Estrada extended her appreciation and gratitude for the assistance extended by this Office.

RAS-M-05-1537

Requester Cresencia E. Famitanco, single, 82 years old, handicapped and a retired government employee, personally appeared before this Office to request for assistance pertaining to the release from the National Housing Authority (NHA) of her title to the lot situated in Purok Mahayag, Buhangin, Davao City. Allegedly, requester used all her retirement benefits and savings to fully pay said lot on July 26, 2001.

Requester, who was bodily carried by her kindhearted neighbors up to the fourth floor of the building where this Office is located, said that said title was not released by the NHA because of a verbal complaint of one Sammy Moralde.

A call was made to NHA to inquire on the status of the requester's title and the basis for Moralde's verbal complaint. This Office was informed that the said complaint was already filed with the barangay where no final settlement was reached. The NHA required the submission of a barangay certification of withdrawal or retraction. Consequently, on requester's behalf, this Office sent a letter to Barangay Captain Claudia Salvador of Barangay Buhangin, Davao City and to the Lupong Tagapamayapa for the required certification.

After several follow-ups on requester's behalf, this Office was informed that Famitanco finally received her title from the NHA on September 23, 2005.

RAS-M-05-3653

In a letter dated July 7, 2005, requester Atty. Luis F. Salazar, on behalf of his client Amy Santos, requested for assistance in facilitating the early release of his client's impounded motor vehicle which was long overdue. Requester averred that they wrote a letter to the Regional Executive Director of DENR Regional Office XII and made several follow ups-all without positive results. The vehicle has been in custody since November 2004.

On August 1, 2005, this Office sent a letter to DENR XII Director Jim Sampulna, seeking clarification and advice on the remedies available on behalf of the requester. On August 11, 2005, this Office received information from DENR XII that the matter has already been acted upon. In a letter dated August 25, 2005, requester Atty. Salazar informed this Office that the vehicle of his client was already released.

In closing, Atty. Salazar's letter reads: *"In passing, I wish to declare with all sincerity that my trust in the Ombudsman was affirmed and invigorated by your prompt action. We also wish to thank Jim O. Sampulna, RED DENR 12 for fast action. Mabuhay ang Ombudsman!"*

OMB-MOLEO

The Office of the Deputy Ombudsman for the Military and Other Law Enforcement Offices (OMB-MOLEO) pursuant to Office Order No. 05-001 issued on January 4, 2005, explicitly provides that “in consonance with the intensified campaign of the office against graft and corruption, vis-à-vis strengthening of bureaus through specialization, the Fact-Finding Investigation and Community Coordination and Public Assistance Bureau” were divided into two (2) separate bureaus. The Fact-Finding Investigation Bureau which concentrates on fact-finding investigation on anonymous complaints/reports and the Community Coordination and Public Assistance Bureau is mainly responsible for general coordination and public assistance including information dissemination, issuance of clearances, monitoring of cases and security management of documents and files.

In line with the information dissemination task of the Bureau for the calendar year 2005, a total of seventy (70) lectures/seminars were conducted in the different offices under the OMB-MOLEO jurisdiction, which include the Armed Forces of the Philippines (AFP) and the Philippine National Police (PNP). The lectures/seminars were conducted during the period January to December 2005 and were attended by an approximate total of five thousand four hundred forty-five (5,445) participants.

In May 2005, OMB-MOLEO conducted a training entitled “Professional Responsibility in Effective Governance” in coordination with the Joint United States Military Assistance Group (JUSMAG). This activity was participated in by high ranking officials/officers of the AFP, the Commission on Audit (COA), the Department of Justice (DOJ) and the Office of the Ombudsman.

Relevant to the transparency policy of the government as recommended by the Integrity Development Review (IDR) of this Office, flowcharts of existing procedures were posted at the corridors of OMB-MOLEO. These flowcharts are on: Procedure in the Adjudication of Administrative Cases; Procedure in the Preliminary Investigation of Criminal Cases; and Procedure in the Issuance of Clearance.

With regard to the issuance of clearances, for the calendar year 2005, OMB-MOLEO has issued a total of twenty-two thousand ninety-six (22,096) clearances to personnel under its jurisdiction, and acted a total of two hundred fourteen (214) requests for assistance (RAS).

Profiles of Requests for Assistance Acted Upon by OMB-MOLEO**RAS-P-05-0203*****Request for Assistance of Ma. Arlinda B. Macabenta******Re: Status of Application for Burial Assistance of PVA***

Ma. Arlinda B. Macabenta, a contractual janitress assigned at the Office of the Ombudsman, sought the assistance of this office to facilitate the claim for burial assistance of her mother with the Philippine Veterans Affairs Office (PVAO) in connection with the death of her grandfather. In a follow up made through telephone, the PVAO assured this office that her mother would get the check for her claim by October 2005.

RAS-P-05-0113***Request for Assistance of SCEPA******Re: Financial Management of SCEPA***

The President of Southern Command Enlisted Personnel Association (SCEPA) wrote this Office a letter denouncing certain anomalies in the way CMS Juan Dizon, Jr. manages the finances of the association. He also requested for the intervention of this Office by conducting a conference to be attended by the members of the association and CMS Dizon, Jr. Acting on said request, the concerned parties were summoned a dialogue in Zamboanga City. CMS Dizon, Jr. committed to remit to the association all the monies in his possession. He also committed to produce the bank statements and the list of transactions of the association.

RAS-P-04-0255***Request for Assistance of Jiane Tandong-Quiamco******Re: Claim for Support***

Jiane Tandong-Quiamco sought the help of this office in connection with her claim for support from her husband PO1 Marlon Quiamco of the Philippine Navy. The latter had previously executed a deed of assignment voluntarily agreeing to give her the amount of P4,000 for the monthly amortization of their house in Pagadian City. Her husband, however, reneged on his promise. Representations made with the Philippine Navy resulted in the issuance of a direct order by the Naval Flag Officer-in-Command tasking the Commander of the PN Finance Center to implement the provisions of the deed.

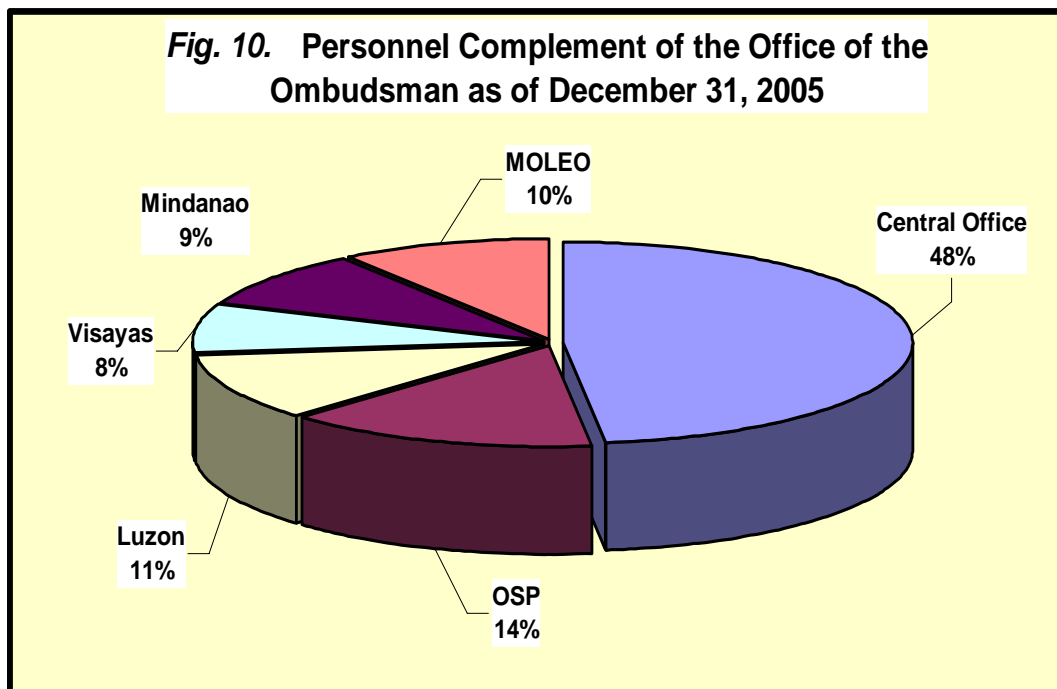
RAS-P-05-0203***Request for Assistance of Ma. Arlinda B. Macabenta******Re: Status of Application for Burial Assistance of PVA***

Evelyn Callo sought the intercession of this office relative to her claim for a share in the retirement benefits due her estranged husband S/Sgt. Allan S. Callo. Her husband had earlier agreed to give her and their common child 30% of his unused furlough cash advance lump sum. The Pension and Gratuity Benefits (PGAB) of the Philippine Army, however, had not yet released her claim. Representations made with the Chief of PGAB resulted in the release of P130,114.00 to the requester.

FINANCIAL AND ADMINISTRATIVE SUPPORT SERVICES

PERSONNEL COMPLEMENT

As of December 31, 2005, the Office of the Ombudsman was complemented by a total of 957 employees with the following breakdown: OMB-Central Office - 461 (48%); OSP - 136 (14%); OMB-Luzon - 105 (11%); OMB-Visayas – 75 (8%); OMB-Mindanao – 86 (9%); and, OMB-MOLEO - 94 (10%). (see Figure 10)



ADMINISTRATIVE SUPPORT SERVICES

With regard to personnel development, the Central Administrative Service through the **HUMAN RESOURCE MANAGEMENT DIVISION (HRMD)** has initiated and accomplished the following:

- a) On **Human Resource Selection**, prepared the documentary requirements for the filing of an application and upon notice of selection to a career service position in the Office of the Ombudsman (*Office Order no. 05-17 dated January 24, 2005 as amended by Office Order No. 49-05 dated April 27, 2005*); prepared the additional procedures to be observed in the filling-up of career service positions in the Office of the Ombudsman (*Office Order No. 05-16 dated January 24, 2005 as amended by Office Order No. 50-05 dated April 27, 2005*);

prepared the Revised System of Ranking Positions (*Office Order No. 42-05 dated April 8, 2005*); and processed 271 appointments.

b) On Human Resource Development, (1) conducted the Induction and Orientation Program for New Employees (**WELCOME** stands for ***Winning Employees' Loyalty and Commitment to Office Mandates and Ethics***) for 70 new employees; (2) updated the EMPLOYEE HANDBOOK (3rd Edition in August 2005 and 4th Edition in December 2005); (3) caused the publication of the following issuances: Norms of Behavior for Official of the Office of the Ombudsman (March 28 – Official Gazette); Ethical Standards on Interaction with Former OMB Officials and Employees (March 28 – Official Gazette); Rules on Gifts and Benefits (March 28 – Official Gazette, April 4, 11, 18 – Philippine Daily Inquirer); Rules Governing the Receipt, Recording, Custody and Management of Documents (September 26 – Official Gazette); and Rules Relating to Control Measures on Industry Risk for High Profile Cases (November 14 – Official Gazette); (4) prepared the training design for the PRIDE Orientation where **PRIDE** stands for ***Pursuing Reforms through Integrity Development***); (5) prepared the EMPLOYEE HANDBOOK SUPPLEMENT to serve as the primary material to the PRIDE Orientation; (6) conducted PRIDE Orientation for 17 new employees on November 14-18, 2005; (7) conducted Lecture Series on Mandatory Continuing Legal Education (MCLE) attended by 373 lawyer-participants; (8) facilitated the approval of the Trial Advocacy Skills Development Program as an MCLE activity with 60 participants; (9) participated in the following activities leading to the formulation of the Strategic Human Resource Management and Development Plan (SHRMDP) of the Office of the Ombudsman for Calendar Years 2006-2009): *Course on Strategic Management of the HRMD Function; Coaching and Mentoring on the Preparation of the SHRMD* for 20 days with 23 participants; *Workshop-Orientation of Executives and Line Managers on the SHRMDP* with 30 participants; *Course Management on Strategic Planning and Change Management* with 19 participants; *Training Need Assessment Workshop* with 17 participants; and *Workshop on Presentation Skills* with 19 participants; (10) arranged for the conduct of the following orientation courses: GSIS Pabahay Program (11 participants) and Quedancor Briefing on Program for Income Augmentation and Livelihood for State Employees (11 participants); (11) recommended the participation of sixteen (16) employees in the local training courses; (12) facilitated and recommended the nomination of two employees for the 41st Masteral Course in National Security Administration in the National Defense College of the Philippines; and (13) facilitated and recommended the nomination of eight (8) employees to the training courses outside the country.

c) On **Organizational Development**, (1) prepared the resolution for the conversion of Security Officer II position to Private Secretary; (2) evaluated the proposed reassignment of 55 employees from the Field Investigation Office (FIO) to General Investigation Bureau (GIB) A and GIB B; (3) prepared the proposal for the realignment of filled-up Assistant Special Prosecutor positions at the Office of the Special Prosecutor; (4) finalized the Resolution downgrading the Legal Researcher positions to Legal Assistant II positions; (5) finalized the resolution providing for the creation of the Prosecution and Monitoring Bureau of the Preliminary Investigation and Administrative Adjudication and Monitoring Office (PAMO); (6) prepared the issuance for the activation of the Assets Investigation Bureau (AIB) of the Field Investigation Office (FIO) and the reassignment of staff to the AIB, and the designation of the Acting Director thereof; (7) finalized the proposal for the organizational restructuring and realignment of positions of the Office of the Deputy Ombudsman for Luzon; (8) prepared issuances for the designation of acting heads of the following: PIAB B, OLA, Prosecution Bureaus VI, VII, VIII & IX, Clearing House for Administrative Cases, and Office of the Chief Legal Counsel; (9) caused the publication of the following issuances in the Official Gazette: Creating PIAB D and PIAB E, Delegation of Final Approving Authority to the Deputy Ombudsman for MOLEO, Delegation of Final Approving Authority to Deputies of Luzon, the Visayas and Mindanao; and (10) prepared Plantilla for 265 new positions per Notice of Staffing and Compensation Allocation (NOSCA).

d) On **Awards and Service Excellence**, (1) proposed for non-monetary remuneration for overtime services; proposed for the revised guidelines for recognition award for performance/best employee award; (3) evaluated the proposed reconstitution of the OMB-MOLEO PRAISE Committee; (4) processed 89 Best Employee Awards; (5) processed 14 Perfect Attendance Awards; (6) processed/evaluated proposed productivity incentive bonuses for employees of Central Office, Office of the Special Prosecutor, and Office of the Deputies; (7) processed 99 Notices of Salary step increment for length of service; and (8) processed 68 Loyalty Incentive Awards.

e) On **Personnel Welfare and Relations and Other Personnel Actions**, (1) proposed the creation of the Central Office Committee on Decorum and Investigation (Anti-Sexual Harassment); (2) proposed amendment to Officer Order No. 39-04, proposing the creation of the Central Office Grievance Committee and prepared study and recommendation of the grievance of OMB-Visayas GIPOs (Grievance Machinery); (3) proposed for

the mandatory annual drug testing of all officials and employees of the OMB and arranged with the Philippine National Police for the drug testing of 610 officials and employees of the Central Office, OMB-Luzon, OMB-MOLEO and OSP; (4) scheduled 294 employees for annual medical check-up; (5) arranged for the conduct of blood donation activity of the Philippine Children's Medical Center with 64 donors; (6) proposed for the constitution and reconstitution of the Management Panel in the collective negotiation with the Ombudsman Employees Association or OMBEA; (7) recommended through the Personnel Development Committee financial support to three Bar reviewees and one CPA reviewee; (8) processed 31 requests for vacation leave to be spent abroad; (9) processed 48 requests for authority to teach; (10) processed 4 employees recommended for dropping the rolls; (11) processed 5 requests to engage in additional employment; (12) processed 47 resignations/requests for transfer/ request for separation; (13) proposed for the creation of ad hoc committees for the office anniversary and Christmas celebrations; (14) proposed for the creation of Technical Working Groups for office uniforms under the supervision of the Bids and Awards Committee; (15) assisted in the filing of 2,239 loan/benefit applications to GSIS/ECC/HDMF/PHIC, claimed for employees 992 checks for loans and benefits; (16) prepared study for the drafting of bill for the enhancement of employees' compensation package; (17) prepared study and recommendation for the proposed four (4) day work week in April and May 2005; (18) processed the on-the-job training of 57 students; (19) prepared list of validated GSIS membership data as requested by GSIS; and (20) caused the updating of Personal Data Sheet in compliance with CSC Memorandum Circular No. 08 Series of 2005.

The **CENTRAL RECORDS DIVISION** (CRD) which serves as the frontline unit of the Office concerning records management received a total of 2,773 complaints, docketed 1,163 complaints (of which 577 were criminal and 586 were administrative cases), recorded 647 dismissed complaints, 2,136 cases as disposed and 2,489 cases as pending in Central Office.

With regard to records management of the Statement of Assets, Liabilities and Networth (SALNs), the CRD received 128,398 SALNs, encoded 67,680 SALNs, alphabetized 67,422 SALNs, reconciled with transmittals 62,736 SALNs, segregated 29,928 SALNs and transferred 94,300 SALNs to the Records Management and Archives Office.

The following are other records management services accomplished for the year: served 21,349 sets of pleadings and other communications; received and sent 38,253 mails and other communications; made 3,402 referrals on

requests for assistance and other communications; and acted on 8,741 requests for records verification/copies of records/certifications.

The functional units of the **GENERAL SERVICES DIVISION (GSD)** rendered services in relation to procurement/property management, cashiering, motorpool, printing, ground and building maintenance and provided supervision of contracted janitorial services. The following were accomplished for the year 2005:

On **property management services**, procured P10,513,256 worth of equipment and P6,213,861 worth of supplies and materials; prepared/processed 3,624 documents relating to procurement and property management; conducted the annual physical inventory of properties; assisted in the disposal through donation/transfer without cost of various unserviceable equipment to Barangays De La Paz, San Vicente and San Buenaventura, all in the Municipality of Buhi, Camarines Sur.

As **secretariat to the Bids and Awards Committee**, the GSD processed 10,808 documents/activities/inquiries.

The GSD performed its **cashiering services** by preparing 3,413 cheques and issued 885 official receipts. In the **administration of the OMB building**, the following were accomplished: proposed for the regulations on the use of restrooms and pantries in order to improve wastewater discharge to meet environmental standards; proposed for and monitored the bio-augmentation program on wastewater to meet environmental standards; renovated the 5th Floor Hallway for the use of the Field Investigation Office; constructed three swing doors at FIO; installed one water pressure tank at the roof deck; renovated HRMD premises for the provision of a training room; constructed wall partition with two doors, and fabricated floor-to-ceiling cabinets in OMB Proper; applied waterproofing at the roof deck; constructed comfort room at the PIAB C Director's office; constructed PMO PTF room at roof deck; installed barbed wire along OMB Building perimeter fence; provided modular partitions at OLA and OMB Proper; completed the following: 1,210 electrical and communication works and repairs, 449 plumbing works and repairs, 976 airconditioning works/repairs and 499 carpentry works.

With regard to providing **transportation**, the Motorpool Section acted on 3,163 requests for motor vehicle; completed the 271 motor vehicle maintenance works and repairs and 69 motor vehicle check-ups; and registered and issued 37 motor vehicles.

The GSD likewise provided **printing services** for 317,000 sheets of various forms printed, bound various books and issuances and laminated identification cards and visitors' passes.

The GSD likewise assisted in the physical preparation and food

provision in the Integrity TV Show at Teatro Marikina in December and provided for the stage and tent for the Christmas program.

FINANCE AND MANAGEMENT SERVICES

The Financial Management Services (FMS) consists of three divisions: the Planning and Budget Divisions (PBD), the Accounting Division and the Monitoring and EDP Division (MED).

The Organizational Reforms and Enhanced Strategic Collaboration and Partnership with various Sectors initiatives pursued by the Office of the Ombudsman have shown positive impact in the battle against corruption. Over the years, initiatives waged to fight graft and corruption included administrative measures, legislative action, and the involvement of the large mass of citizenry. Undeniably, however, these reforms are continuing processes which can be successfully implemented through active participation and constant collaboration with other government agencies. With the major final outputs of budget preparation, authorization, execution and advocacy services, the **PLANNING AND BUDGET DIVISION'S** (PBD) satisfactorily performed the following relevant achievements:

(a) On **budget preparation**, prepared and submitted for incorporation in the President's Budget through the Department of Budget and Management (DBM), the total OMB Proposal of P1,476,369,000.00 to enhance existing and lined-up programs and projects for FY 2006;

(b) On **budget authorization**, prepared and coordinated with the DBM, the House of Representatives, and the Senate of the Philippines the documents necessary for the inclusion of the total amount of P260,585,000.00 over and above the current budget level of P675,011,000.00 for FY 2006;

(c) On **budget execution, administration and support to operations**, coordinated with the DBM the release of additional cash allocations (NCAs) for the payment of the following: a) Interest and principal due on the P400 million term loan with the Land Bank of the Philippines; b) terminal leave benefits of former OMB employees; and, c) other obligations which have no supporting cash allocations; evaluated the proposals for additional funding, prepared the communications to the concerned officials and facilitated the release of the additional allotment and cash allocation to Area/Sectoral Offices and the Office of the Special Prosecutor for their operational expenses; and prepared OMB Resolutions formalizing and giving substance to the following: (1) creation of Preliminary Investigation, Administrative Adjudication Bureaus D and E (PIABs D and E) at the Preliminary Investigation, Administrative

Adjudication and Monitoring Office (PAMO) to attain the close-to-ideal Director/Manager – Graft Investigation and Prosecution Officers relationship; (2) repositioning of the Bureau of Resident Ombudsman (BRO) from PAMO to Public Assistance and Corruption Prevention Office (PACPO) to enhance public assistance and graft prevention functions; (3) realignment of savings to cover identified deficiencies in allotment for FY 2004; (4) abolition of Associate Graft Investigation Officer I positions to create Legal Researcher positions in line with the functional restructuring of the Field Investigation Office (FIO); (5) downgrading of Legal Researcher positions to create Legal Assistant to fast track the issuance of Notice of Organization, Staffing and Compensation Action by the DBM, as recommended by the Secretary of Budget and Management; (6) abolition of Graft Investigation and Prosecution Officer I and Stenographic Reporter III to create the much needed Graft Investigation and Prosecution Officer III and Driver II positions at the OMB-Luzon; (7) creation of the Prosecution and Monitoring Bureau (PMB) at the PAMO and the transfer/realignment of positions to handle case filed before the regular courts; (8) creation of Evaluation and Investigation Bureau – A at the OMB-Luzon to attain the close-to-ideal Director/Manager – Graft Investigation and Prosecution Officers relationship brought about by the increase in the work load, both criminal and administrative cases, of said Office; (9) augmentation of extraordinary and miscellaneous expenses of OMB officials for FY 2005; and, (10) authority to grant Special Welfare Assistance (SWA) to OMB personnel for FY 2005; and

d) On **advocacy services**, continued grant of Emergency Economic Assistance I and II (EEA and II) to all officials and employees of the OMB; continued grant of Rice Subsidy Allowance (RSA) to all officials and employees of the Office of the Ombudsman; and continued grant of annual medical check-up for OMB officials and employees.

The **ACCOUNTING DIVISION**, was able to cope with the agency's financial commitments and submitted various periodical reports to the Department of Budget and Management (DBM), Bureau of Internal Revenue (BIR), Commission on Audit (COA), Government Service Insurance System (GSIS) and other regulatory bodies, as required.

For the calendar year ended December 31, 2005, the accounting personnel, in coordination with the different bureaus and offices had undertook the following: (1) implementation of the ATM Payroll Facility pursuant to the Memorandum of Agreement for ATM Payroll and Installation executed by and between Land Bank of the Philippines and the Office of the Ombudsman; (2) implementation of the Electronic Remittance Program

initiated by the Government Service Insurance System which simplifies the preparation and submission of remittances, both in hard and soft copies using the prescribed GSIS Electronic File Lay-out; (3) formulation of policies, rules and regulations relative to the financial operation of the OMB-Employees Medical Welfare Fund and the OMB-Employees Multi-Purpose Cooperative, Inc.; and (4) maintenance of records and preparation of financial reports on the utilization of the Inter-Agency Anti-Graft Coordinating Council (IAAGCC) fund.

To upgrade the skills and expertise of staff members and be more efficient and responsible in the discharge of their duties, the following seminars/workshops were attended: (1) Value Added Tax (VAT) Law pursuant to Bureau of Internal Revenue Memorandum Circular No. 29-2005 dated June 29, 2005 conducted by the BIR Revenue District Office No.038, Quezon City; (2) Electronic New Government Accounting System (e-NGAS) Functional Training Course conducted by the Commission on Audit at the Professional Development Center, COA, Quezon City; (3) Internal Controls Course conducted by the US Federal Bureau of Investigation at the CCB Function Room; (4) Seminar on “Prudent Fiscal Management – Key to National Stability” conducted by the Association of Government Accountants of the Philippines; and (5) Team Building Session of the personnel of the Finance and Management Services to improve its operation and fulfill its mandate as provider of support services of the office.

The **MONITORING AND EDP DIVISION (MED)** continued to provide operational support to facilitate the flow of information to, and from, the various offices, bureaus and divisions. For its monitoring function, MED prepared seven (7) OMB integrated accomplishment reports for the third and fourth quarters, second semester and annual reports that were highly dependent on the submission of the respective reports of the central and area/sectoral offices. Also, during the year, thirty-three (33) statistical reports were prepared upon the request of the different OMB offices and other government agencies.

With regard to System Development and Office Automation, MED coordination with the different offices resulted to the development of the following: 100% completion of the Property Plant and Equipment Ledgers Maintenance (PPELM) of the Property management Section (PMS); 75% completion of the FIO System of the Field Investigation Office (FIO); and 80% completion of the ALOBS System of the Planning and Budget Division (PBD).

Modifications of the following developed systems were provided to the end-users for additional requirement and improvement of the system: Request for Assistance System and PAB Clearance Verification System of PAB; Payroll System and the Personnel Management Information System of the OSP; and Case Monitoring System of OLA.

MED likewise continued its file management and maintenance of the following OMB developed and installed system: Payroll System, Trial Balance System, Cash Advance Reporting System and Journal of Disbursing Officers (JDDO) System (Accounting Division); CARE, ALMS and NEW CARE (CRD); Personnel Management Information System (HRMD); NEW MEDSERVE (MED); Motor Vehicle Registry System (Motorpool Section); OLA Case Monitoring System (OLA); Automatic Bibliographic Search (OMB-Library); CARELUZ and NEW CARE (OMB-Luzon); NEW CARE (OMB-MOLEO); Case Profile System (OMB-Proper); INFORMVIS (OMB-Visayas); OMBCLEAR, RAS System and PAB Clearance Verification System (PAB); PAMOSYS (PAMO); PIAB-A Case Monitoring System; PIAB-B Case Monitoring System; PIAB-C Case Monitoring System; PIAB-D Case Monitoring System; PIAB-E Case Monitoring System; Property Plant and Equipment Ledger's Maintenance (PMS); and SEC Case Monitoring System (Screening and Evaluation Committee).

To keep abreast of the developments on Information and Communications Technology, MED continued coordination efforts with IT firms and attended four (4) seminars and product launchings to evaluate applicability to OMB operations. A total of 63 news articles on IT products and trends were compiled and 11 digests were prepared for information and reference.

MED's concern in the quarterly conduct of hardware and software maintenance, on-call technical assistance and user's European Commission Representatives for the Corruption Prevention Project primarily aimed to enhance the capability of the Office of the Ombudsman to develop and Integrated Management Information System (MIS) Framework was pursued. This project envisions to provide and develop a strategic plan that can be used directly in the development of the Decision-Support Systems and Local Area Networking (LAN) and Wide Area Networking (WAN) infrastructure based on the workflows and processes of the OMB mission critical functions. It shall include the conduct of capability-building interventions to capacitate initially its core IT personnel on LAN/WAN.

With the efforts to improve OMB's financial system, MED coordinated with the Commission on Audit for the adoption and implementation of Electronic New Government Accounting System (e-NGAS) to ensure accurate and timely recording and reporting of the accounting and financial transactions resulting to a more efficient government operation. Another special project concern is the linkage initiated with telecommunication providers for the development of the Text OMB SMS text messaging services.

EMPLOYEES' WELFARE

During the period under review, the Employees Medical and Welfare Fund of the Office of the Ombudsman, continues to realize positive growth in its nine (9) years of operation. It posted an increase of 6.92% in its membership and 48.61% in net earnings from its three (3) loan portfolios, namely: General Purpose, Commodity and Educational as compared last year.

Members contributions to the Fund had reached P19,491,470.00 while its accumulated assets had a total of P30,338,542.41.

Cash dividends of P2,937,081.90 have been scheduled for distribution to qualified members, including those who have been separated from the service of the Office of the Ombudsman but whose contributions have not been returned to or withdrawn by them.

While Fund membership is increasing annually, the authorized Two Million Pesos (P2,000,000.00) Office annual contributions to the Fund, by virtue of the Ombudsman Employees Medical and Welfare Fund Rules and Regulations signed on January 26, 1996 by then Overall Deputy Ombudsman Francisco A. Villa and Ombudsman Aniano A. Desierto, had not been increased since its inception. Said amounts are being allocated, although not sufficient, to defray annual medical reimbursement claims of its members.

The Fund was created primarily to provide a common and ready fund that could be utilized for providing benefits to its member-employees. Its 9-man elective and appointive governing Board, which promulgates policies, programs and projects, and those managing its operations come from the organic personnel of the Office of the Ombudsman, with two (2) clerical support from the ABC Janitorial Services.

Priority Fund Programs	No.	Amount
1. Processing and granting of applications for General Purpose Loan	493	P 21,283,594.00
2. Processing and granting of applications for Commodity Loan	188	4,219,586.65
3. Processing and granting of applications for Educational Loan	198	1,965,000.00
4. Processing and granting of claims for reimbursement of medical expenses	265	1,565,421.82

OMB-EMWF continued its policy enunciations governing fund operation by passing Board Resolutions concerning the following: (1) increased loanable amount for general purpose loan with qualifying guidelines; (2) increased penalty surcharge for unpaid monthly loan amortization; and (3) authorize voluntary one-time deposit on membership contributions.

FINANCIAL REVIEW

OFFICE OF THE OMBUDSMAN
Consolidated Balance Sheet (Detailed)
December 31, 2005
(With Comparative Figures for CY 2004)
(In Thousand Pesos)

ASSETS	2005	2004
Current Assets:		
Cash (Note 6)		
Cash Collecting Officers	12,384.92	22,072.72
Cash Disbursing Officers	1,215,453.26	817,157.10
Petty Cash Fund	254,985.95	217,610.40
Cash in Bank- Local Currency, CA	18,189,751.82	18,271,002.90
Cash in Bank- Local Currency, SA	230,043.37	168,617.70
Cash in Bank- Foreign Currency, SA	213,143.15	247,486.50
Total Cash	20,115,762.47	19,743,947.32
Receivables (Note7)		
Due from Officers & Employees	1,011,142.33	1,464,342.06
Due from NGAs	418,275.72	24,911.83
Due from Central Office	3,538,545.01	2,671,619.95
Due from Regional Offices	533,603.32	533,603.32
Due from Other Funds	1,727,951.00	2,536,168.64
Receivables-Disallowances/Charges	910,137.80	922,563.63
Other Receivables	20,145.56	
Total Receivables	8,159,800.74	8,153,209.43
Inventories (Notes 3.3 and 8)		
Office Supplies Inventory	4,771,564.50	4,101,625.69
Accountable Forms Inventory	402.60	2,059.53
Other Supplies Inventory	343,470.32	340,382.09
Total Inventories	5,115,437.42	4,444,067.31
Prepaid Expenses (Note 9)		
Prepaid Rent	20,543.16	21,049.80
Prepaid Insurance	1,223,812.31	1,290,435.41
Advances to Contractors	-	172,348.00
Other Prepaid Expenses	102,442.35	47,118.47
Total Prepaid Expenses	1,346,797.82	1,530,951.68
Other Current Assets		
Guaranty Deposits	197,800.00	113,000.00
Investments		
Investments in Stocks	258,190.00	258,190.00
Property, Plant and Equipment (Notes 3.5 and 10)		
Land	159,280,005.00	159,280,005.00
Office Buildings	705,239,054.49	667,939,742.12
Other Structure - Fence & Guardhouse	1,788,581.50	
Office Equipment	17,311,684.50	17,917,875.65
Furniture and Fixtures	22,742,562.07	20,849,754.24
IT Equipment and Software	49,696,978.41	41,383,481.61
Library Books	4,753,900.23	4,501,089.23
Communication Equipment	1,181,616.73	1,212,204.08
Medical, Dental and laboratory Equipment	680.00	680.00
Military and Police Equipment	1,300.00	5,100.00
Sports Equipment	1,650.00	1,650.00
Other Machineries and Equipment	348,036.80	490,907.05
Motor Vehicles	34,045,294.76	34,083,699.76
Other Property, Plant and Equipment	6,484,051.82	5,656,920.34
Construction in Progress-Agency Assets	-	896,030.75
Total Property, Plant and Equipment	1,002,875,396.31	954,219,139.83
Less: Accumulated Depreciation (Note)	(134,354,187.53)	103,543,751.70
Property, Plant and Equipment - Net	868,521,208.78	850,675,388.13
Other Assets (Note 11)		
Items in Transit	3,483,326.60	3,483,326.60
Other Assets	2,091,702.11	2,192,987.80
Total Other Assets	5,575,028.71	5,676,314.40
TOTAL ASSETS	909,290,025.94	890,595,068.27

	2005	2004
LIABILITIES AND EQUITY		
Liabilities		
<i>Current Liabilities (Note 12)</i>		
Accounts Payable	4,651,418.09	3,818,411.01
Due to Officers and Employees	927,748.55	592,034.85
Due to National Treasury	16,113.61	13,907.85
Due to BIR	1,627,536.60	1,302,800.74
Due to GSIS	2,939,485.85	3,206,667.81
Due to PAG-IBIG	493,292.59	441,310.62
Due to PHILHEALTH	153,497.99	88,696.54
Due to Other National Government Agencies	5,040,429.51	4,726,044.46
Due to Other GOCCs	9,139.28	32,239.88
Due to Central Office	96,709.06	-
Due to Other Funds	446,845.50	18,270.00
Performance/Bidders/Bail Bonds Payable	2,531,521.28	2,407,660.50
Tax Refund Payable	38,753.29	21,213.26
Other Payables	<u>712,785.66</u>	<u>711,995.62</u>
<i>Total Liabilities</i>	19,685,276.86	17,381,253.14
<i>Long-Term Liabilities (Note 13)</i>		
Loans Payable, Domestic	225,000,000.00	275,000,000.00
<i>Deferred Credits</i>		
Other Deferred Credits	113,869.96	130,420.00
Equity		
Government Equity, January 1, 2005	598,083,395.13	539,694,881.60
Retained Operating Surplus		
Add: Current Operations	74,253,680.07	102,545,404.61
Writ - off of various Property Plants & Equipment	(380,020.08)	
Transfer from CFAG to Regular Account	436,963.88	
Transfer of Assets to other Gov't Entities		3,455,725.90
Transfer from Regular to CFAG Account	<u>(875,676.43)</u>	<u>(1,000,000.00)</u>
	73,434,947.44	105,001,130.51
Less: Prior Year's Adjustments	7,027,463.45	45,018,100.55
Property, Plant and Equipment	<u>-</u>	<u>1,594,516.43</u>
	<u>7,027,463.45</u>	<u>46,612,616.98</u>
Government Equity, December 31, 2005	<u>664,490,879.12</u>	<u>598,083,395.13</u>
TOTAL LIABILITIES AND EQUITY	909,290,025.94	890,595,068.27

See Accompanying Notes to Financial Statement.

**OFFICE OF THE OMBUDSMAN
CONSOLIDATED DETAILED BALANCE SHEET
December 31, 2005**

*(With Comparative Figures for CY 2004)
(Figures in Thousand Pesos)*

	2005	2004
ASSETS		
Current Assets:		
<i>Cash (Note 6)</i>		
Cash Collecting Officers	12	22
Cash Disbursing Officers	1,215	817
Petty Cash Fund	255	218
Cash in Bank- Local Currency, CA	18,190	18,271
Cash in Bank- Local Currency, SA	230	169
Cash in Bank- Foreign Currency, SA	213	247
Total Cash	20,116	19,744

	2005	2004
Receivables (Note 7)		
Due from Officers & Employees	1,011	1,464
Due from NGAs	418	25
Due from Central Office	3,539	2,672
Due from Regional Offices	534	534
Due from Other Funds	1,728	2,536
Receivables-Disallowances/Charges	910	923
Other Receivables	20	-
<i>Total Receivables</i>	8,160	8,154
Inventories (Notes 3.3 and 8)		
Office Supplies Inventory	4,772	4,102
Accountable Forms Inventory	-	2
Other Supplies Inventory	343	340
<i>Total Inventories</i>	5,115	4,444
Prepaid Expenses (Note 9)		
Prepaid Rent	21	21
Prepaid Insurance	1,224	1,290
Advances to Contractors	-	172
Other Prepaid Expenses	102	47
<i>Total Prepayments</i>	1,347	1,531
Other Current Assets		
Guaranty Deposits	198	113
<i>Total Other Current Assets</i>	198	113
Investments		
Investments in Stocks	258	258
<i>Total Investments</i>	258	258
Property, Plant and Equipment (Notes 3.5 and 10)		
Land	159,280	159,280
Office Buildings	705,239	667,940
Other Structure - Fence & Guardhouse	1,789	-
Office Equipment	17,312	17,918
Furniture and Fixtures	22,743	20,850
IT Equipment and Software	49,697	41,383
Library Books	4,754	4,501
Communication Equipment	1,182	1,212
Medical, Dental and laboratory Equipment	1	-
Military and Police Equipment	1	5
Sports Equipment	2	2
Other Machineries and Equipment	348	491
Motor Vehicles	34,045	34,084
Other Property, Plant and Equipment	6,484	5,657
Construction in Progress-Agency Assets	-	896
<i>Total Property, Plant and Equipment</i>	1,002,876	954,219
Less: Accumulated Depreciation (Note 10)	(134,354)	103,543
<i>Property, Plant and Equipment - Net</i>	868,522	850,676
Other Assets (Note 11)		
Items in Transit	3,483	3,483
Other Assets	2,092	2,193
<i>Total Other Assets</i>	5,575	5,676
TOTAL ASSETS	909,290	890,596
LIABILITIES AND EQUITY		
Liabilities		
Current Liabilities (Note 12)		
Accounts Payable	4,651	3,818
Due to Officers and Employees	928	592
Due to National Treasury	16	14
Due to BIR	1,628	1,303
Due to GSIS	2,939	3,207
Due to PAG-IBIG	493	441
Due to PHILHEALTH	153	89

	2005	2004
Due to Other National Government Agencies	5,040	4,726
Due to Other GOCCs	9	32
Due to Central Office	97	-
Due to GOCC	-	-
Due to Other Funds	447	18
Performance/Bidders/Bail Bonds Payable	2,532	2,408
Tax Refund Payable	39	21
Other Payables	713	712
<i>Total Current Liabilities</i>	19,685	17,381
Long-Term Liabilities (Note 13)		
Loans Payable, Domestic	225,000	275,000
<i>Total Long-Term Liabilities</i>	225,000	275,000
Deferred Credits		
Other Deferred Credits	114	130
<i>Total Liabilities</i>	244,799	292,511
Equity		
<i>Government Equity, January 1, 2005</i>	598,085	539,696
Retained Operating Surplus		
Add: Current Operations	74,254	102,545
Writ - off of various Property Plants & Equipment	(380)	-
Transfer from CFAG to Regular Account	437	-
Transfer of Assets to other Gov't Entities	-	3,456
Transfer from Regular to CFAG Account	(876)	(1,000)
	73,435	105,001
Less: Prior Year's Adjustments	7,027	45,018
Property, Plant and Equipment	-	1,594
	7,027	46,612
<i>Government Equity, December 31, 2005</i>	664,491	598,085
TOTAL LIABILITIES AND EQUITY	909,290	890,596

OFFICE OF THE OMBUDSMAN
Consolidated Statement of Cash Flows
As of December 31, 2005
(With Comparative Figures for CY 2004)
(In Philippine Pesos)

	2005	2004
Cash Flow from Operating Activities:		
Cash Inflows:		
Receipt of Notice of Cash Allocation	613,031,282.81	495,072,471.00
Receipt of Subsidy from Central Office	178,777,438.68	161,095,893.08
Collection of Misc. Service Income/Certification Fees	1,528.12	22,110.50
Grants of Petty Cash Fund		20,000.00
Receipt of Refund from excess of foreign Travel	45,935.80	
Refund of Cash Advance	747,119.76	299,424.58
Receipt of refunds of CA from DPWH re: Const.of Bldg.		33,773.98
Receipt of payment of employees GSIS-SOS Loan		1,548.88
Receipt of refund of Excess Payments	292,007.03	160,682.51
Receipt of refund of tax payable of employees	7,206.44	9,354.81
Receipt of refund of overpayment in PVB Loan	6,632.79	2,536.07
Undeposited Collections		9,734.80
Collection of Receivables	817,874.00	-
Collection of Performance/Bidders/Bail Bonds	1,288,763.07	1,293,626.57
Prior Years' Adjustments	80,628.23	27,089.67
Collection of Certification Fees and Production Cost	55,506.00	-
Receipt of Non- Refundable Deposit		19,000.00
Interest earned for the Year	136,422.47	102,856.79
Fund Transferred from CFAG Account	3,000,524.95	
Receipt of Payment of Fine	6,273.00	
Grant from OECD		320,346.50
Total Cash Inflows	798,295,143.15	658,490,449.74

	2005	2004
Cash Outflows:		
Cash Payments of Operating Expenses	(428,233,314.09)	(253,227,281.21)
Cash Payments of Payables	(4,506,049.75)	(6,430,599.47)
Cash Purchases of Inventories	(7,506,573.75)	(8,184,675.89)
Cash Advances granted for Travel and Special Purpose	(1,395,117.45)	(2,140,478.28)
Granting of Cash Advance /Petty Cash Fund	(21,188,582.20)	(46,363,057.59)
Remittance to GSIS/HDMF/Philhealth/NHMFC	(42,123,394.50)	(43,123,937.76)
Release of Funds to Regional Offices	(179,513,691.60)	(162,412,016.74)
Release of Funds to Central Offices	(1,761,191.00)	
Cash Advances Granted to NGAs	(3,516,721.01)	
Payment of Bank Charges	(6,930.00)	(5,242.00)
Payment of Previous Year's Expenses	(6,796,727.98)	(7,538,352.09)
Release to other NGAs	(132,510.69)	-
Payment of Withholding Tax	(3,555.34)	(79,531.26)
Reversion of Unused Notice of Cash Allocation	(71,805.44)	(591,037.55)
Cash Deposit to National Treasury	(28,765.13)	(50,561.30)
Remittance of Loans & Contribution to EMWF etc.		(8,277,786.19)
Payments as Guaranty Deposit		(86,200.00)
Cash Payments of Other Payables		(1,025,661.03)
Refund of Bidder's Bond	(1,011,902.29)	(1,411,422.09)
Total Cash Outflows	(697,796,832.22)	(540,947,840.45)
Cash Provided by Operating Activities	100,498,310.93	117,542,609.29

OFFICE OF THE OMBUDSMAN
Consolidated Statement of Cash Flows
As of December 31, 2005
(With Comparative Figures for CY 2004)
(Figures in thousand Pesos)

	2005	2004
Cash Flow from Operating Activities:		
Cash Inflows:		
Receipt of Notice of Cash Allocation	613,031,282.81	495,072,471.00
Receipt of Subsidy from Central Office	178,777,438.68	161,095,893.08
Collection of Misc. Service Income/Certification Fees	1,528.12	22,110.50
Grants of Petty Cash Fund		20,000.00
Receipt of Refund from excess of foreign Travel	45,935.80	
Refund of Cash Advance	747,119.76	299,424.58
Receipt of refunds of CA from DPWH re: Const. Of Bldg.		33,773.98
Receipt of payment of employees GSIS-SOS Loan		1,548.88
Receipt of refund of Excess Payments	292,007.03	160,682.51
Receipt of refund of tax payable of employees	7,206.44	9,354.81
Receipt of refund of overpayment in PVB Loan	6,632.79	2,536.07
Undeposited Collections		9,734.80
Collection of Receivables	817,874.00	-
Collection of Performance/Bidders/Bail Bonds	1,288,763.07	1,293,626.57
Prior Years' Adjustments	80,628.23	27,089.67
Collection of Certification Fees and Production Cost	55,506.00	-
Receipt of Non- Refundable Deposit		19,000.00
Interest earned for the Year	136,422.47	102,856.79
Fund Transferred from CFAG Account	3,000,524.95	
Receipt of Payment of Fine	6,273.00	
Grant from OECD		320,346.50
Total Cash Inflows	798,295,143.15	658,490,449.74
Cash Outflows:		
Cash Payments of Operating Expenses	(428,233,314.09)	(253,227,281.21)
Cash Payments of Payables	(4,506,049.75)	(6,430,599.47)
Cash Purchases of Inventories	(7,506,573.75)	(8,184,675.89)
Cash Advances granted for Travel and Special Purpose	(1,395,117.45)	(2,140,478.28)
Granting of Cash Advance /Petty Cash Fund	(21,188,582.20)	(46,363,057.59)
Remittance to GSIS/HDMF/Philhealth/NHMFC	(42,123,394.50)	(43,123,937.76)
Release of Funds to Regional Offices	(179,513,691.60)	(162,412,016.74)
Release of Funds to Central Offices	(1,761,191.00)	
Cash Advances Granted to NGAs	(3,516,721.01)	
Payment of Bank Charges	(6,930.00)	(5,242.00)
Payment of Previous Year's Expenses	(6,796,727.98)	(7,538,352.09)
Release to other NGAs	(132,510.69)	-

	2005	2004
Payment of Withholding Tax	(3,555.34)	(79,531.26)
Reversion of Unused Notice of Cash Allocation	(71,805.44)	(591,037.55)
Cash Deposit to National Treasury	(28,765.13)	(50,561.30)
Remittance of Loans & Contribution to EMWF etc.		(8,277,786.19)
Payments as Guaranty Deposit		(86,200.00)
Cash Payments of Other Payables		(1,025,661.03)
Refund of Bidder's Bond	(1,011,902.29)	(1,411,422.09)
Total Cash Outflows	(697,796,832.22)	(540,947,840.45)
Cash Provided by Operating Activities	100,498,310.93	117,542,609.29
Cash Flow from Investing Activities:		
Cash Inflows:		
Receipt of NCA for Building Construction		8,901,172.78
Receipt of NCA for Perimeter Fence and Guard House Construction		1,800,000.00
Total Cash InFlows		10,701,172.78
Cash Outflows:		
Buildings	(37,299,312.37)	(44,929,939.13)
Purchase of Books	(108,143.00)	(842,700.05)
Cash Payment to SB & T Construction	(807,352.72)	(807,352.72)
Purchase of Motor Vehicles		(3,050,800.00)
Cash Payment of Contractors	(75,000.00)	
Cash Payment to PLDT Construction		(9,767,258.12)
Purchase of Equipment, Furnitures & Fixtures	(11,836,687.69)	(17,957,995.21)
Total Cash Out Flows	(50,126,495.78)	(77,356,045.23)
Cash Used in Investing Activities	(50,126,495.78)	(66,654,872.45)
Cash Flow from Financing Activities:		
Cash Outflows:		
Payment of Loan to the Land Bank of the Philippines	(50,000,000.00)	(50,000,000.00)
Cash Used in Financing Activities	(50,000,000.00)	(50,000,000.00)
Total Cash Provided by Operating, Investing and Financing Activities	371,815.15	887,736.84
Add: Cash Balance, Beginning, January 1, 2005 and 2004	19,743,947.32	18,856,210.48
Cash Balance, Ending, December 31, 2005 and 2004	20,115,762.47	19,743,947.32
See accompanying notes to Financial Statements.		

OFFICE OF THE OMBUDSMAN
CONSOLIDATED STATEMENT OF CASH FLOWS
As of December 31, 2005
(With Comparative Figures for CY 2004)
(Figures In Thousand Pesos)

	2005	2004
Cash Flow from Operating Activities:		
Cash Inflows:		
Receipt of Notice of Cash Allocation (Note 14)	613,031	495,072
Receipt of Subsidy from Central Office	178,777	161,096
Collection of Misc. Service Income/Certification Fees	2	22
Grants of Petty Cash Fund	-	20
Receipt of Refund from excess of foreign Travel	46	-
Refund of Cash Advance	747	299
Receipt of refunds of CA from DPWH re: Const. Of Bldg.	-	34
Receipt of payment of employees GSIS-SOS Loan	-	2
Receipt of refund of Excess Payments	292	161
Receipt of refund of tax payable of employees	7	9
Receipt of refund of overpayment in PVB Loan	7	2
Undeposited Collections	-	10
Collection of Receivables	818	-
Collection of Performance/Bidders/Bail Bonds	1,289	1,294
Prior Years' Adjustments	81	27
Collection of Certification Fees and Production Cost	56	-
Receipt of Non- Refundable Deposit	-	19

	2005	2004
Interest earned for the Year	136	103
Fund Transferred from CFAG Account	3,001	-
Receipt of Payment of Fine	6	-
Grant from OECD	-	320
Total Cash Inflows	798,295	658,490
Cash Outflows:		
Cash Payments of Operating Expenses	(428,233)	(253,227)
Cash Payments of Payables	(4,506)	(6,431)
Cash Purchases of Inventories	(7,507)	(8,185)
Cash Advances granted for Travel and Special Purpose	(1,395)	(2,140)
Granting of Cash Advance /Petty Cash Fund	(21,189)	(46,363)
Remittance to GSIS/HDMF/Philhealth/NHMFC	(42,123)	(43,124)
Release of Funds to Regional Offices	(179,514)	(162,412)
Release of Funds to Central Offices	(1,761)	-
Cash Advances Granted to NGAs	(3,517)	-
Payment of Bank Charges	(7)	(5)
Payment of Previous Year's Expenses	(6,797)	(7,538)
Release to other NGAs	(133)	-
Payment of Withholding Tax	(4)	(79)
Reversion of Unused Notice of Cash Allocation	(72)	(591)
Cash Deposit to National Treasury	(29)	(51)
Remittance of Loans & Contribution to EMWF etc.	-	(8,278)
Payments as Guaranty Deposit	-	(86)
Cash Payments of Other Payables	-	(1,026)
Refund of Bidder's Bond	(1,012)	(1,411)
Total Cash Outflows	(697,797)	(540,947)
Cash Provided by Operating Activities	100,498	117,543
Cash Flow from Investing Activities:		
Cash Inflows:		
Receipt of NCA for Building Construction	-	8,901
Receipt of NCA for Perimeter Fence and Guard House Construction	-	1,800
Total Cash InFlows	-	10,701
Cash Outflows:		
Buildings	(37,299)	(44,930)
Purchase of Books	(108)	(843)
Cash Payment to SB & T Construction	(807)	(807)
Purchase of Motor Vehicles	-	(3,051)
Cash Payment of Contractors	(75)	-
Cash Payment to PLDT Construction	-	(9,767)
Purchase of Equipment, Furnitures & Fixtures	(11,837)	(17,958)
Total Cash Out Flows	(50,126)	(77,356)
Cash Provided by Investing Activities	(50,126)	(66,655)
Cash Flow from Financing Activities:		
Cash Outflows:		
Payment of Loan to the Land Bank of the Philippines	(50,000)	(50,000)
Cash Provided Financing Activities	(50,000)	(50,000)
Total Cash Provided by Operating, Investing and Financing Activities	372	888
Add: Cash Balance, Beginning January 1	19,744	18,856
Cash Balance, Ending December 31 (Note 6)	20,116	19,744

See Accompanying notes to Financial Statements

OFFICE OF THE OMBUDSMAN
Consolidated Statement of Income and Expenses (Detailed)
For the Year Ended December 31, 2005
(With Comparative Figures for CY 2004)
(Figures in Philippine Peso)

	2005	2004
Income		
Subsidy Income from National Government	636,250,567.58	516,701,782.95
Less: Subsidy To Regional Offices	(179,513,691.60)	(162,412,016.74)
Reversion Of Unused Cash Allocation	(71,805.44)	(591,037.55)
Subsidy from Central Office	179,244,222.84	162,765,135.91
Subsidy from Other National Gov't Agencies	2,350,760.43	3,392,976.11
Subsidy from other funds		(0.01)
Income from Grants and Donations		240,438.00
Interest Income	72,030.57	148,738.79
Miscellaneous Operating and Service Income	55,872.57	2,342.51
Fines and Penalties-Gov't Serv & Bus Operations	4,331.40	4,229.88
Gain/Loss - Prior Year's Adjustments	(820,364.47)	-
Total Income	<u>637,571,923.88</u>	<u>520,252,589.85</u>
Less Expenses:		
<i>Personal Services</i>		
Salaries and Wages-Regular Pay	285,793,024.15	188,651,943.37
Personnel Economic Relief Allowance	5,342,149.45	5,011,378.46
Additional Compensation	5,342,913.72	4,727,657.05
Representation Allowance	15,877,928.35	12,986,604.83
Transportation Allowance	14,998,539.78	12,156,251.51
Clothing/Uniform Allowance	3,822,622.50	3,288,905.00
Productivity Incentive Benefits	1,796,628.53	1,632,658.80
Other Bonuses and Allowances	5,851,000.00	4,616,939.00
Honoraria	24,439.00	205,891.48
Hazard Pay	1,101.32	1,377.37
Longevity Pay		70,000.00
Overtime and Night Pay	3,243,288.41	3,548,098.40
Cash Gift	4,409,000.00	4,669,582.00
Year End Bonus	14,082,722.00	13,216,054.50
Life and Retirement Insurance Contributions	19,363,912.18	18,754,956.50
PAG-IBIG Contributions	1,011,028.00	985,969.34
PHILHEALTH Contributions	1,738,643.75	1,190,884.49
ECC Contributions	662,386.32	629,420.30
Pensions Benefits-Civilians	4,229,121.00	4,077,245.10
Retirement Benefits - Civilians	601,562.77	
Terminal Leave Benefits	6,532,491.08	3,750,606.10
Other Personnel Benefits	<u>21,674,053.50</u>	<u>9,386,285.12</u>
	<u>416,398,555.81</u>	<u>293,558,708.72</u>
<i>Maintenance and Other Operating Expenses</i>		
Traveling Expenses - Local	6,013,139.72	5,208,813.49
Traveling Expenses - Foreign	1,369,533.87	2,213,925.30
Training and Seminar Expenses	3,814,459.87	4,914,997.86
Scholarship Expenses	5,000.00	-
Office Supplies Expenses	9,395,000.05	8,368,445.70
Accountable Form Expenses	30,331.93	27,867.47
Food Supplies Expenses		-
Medical, Dental & Laboratory Supplies Expenses		-
Gasoline, Oil and Lubricants Expense	4,701,786.70	2,787,039.50
Textbook and Instruction Materials Expenses	1,780.00	-
Other Supplies Expense	1,449,719.60	1,093,780.87
Water Expenses	945,615.35	951,395.82
Electricity Expenses	7,667,510.57	14,960,435.40
Postage and Deliveries	453,464.35	196,649.23
Telephone-Landline	4,725,945.45	4,883,719.49
Telephone-Mobile	339,231.08	288,204.10
Internet Expenses	87,278.60	51,850.00

Cable, Satellite, Telegraph and Radio Expenses	7,560.00	7,020.00
Awards and Indemnities	--	---
Membership Dues & Contributions to Organization	55,181.00	113,242.00
Advertising Expense	673,407.00	404,900.50
Printing and Binding Expense	395,238.45	311,412.95
Rent Expense	6,288,288.11	8,251,581.26
Representation Expenses	43,323.60	89,542.34
Transportation and Delivery Expenses	20,812.50	66,998.00
Subscription Expense	700,622.14	527,813.88
Auditing Services	526,074.93	77,465.83
Consultancy Services	240,000.00	340,500.00
General Services	1,112,114.07	862,206.89
Janitorial Services	15,282,658.82	13,185,170.68
Security Services	13,108,074.38	13,048,212.84
Other Professional Services	135,277.25	137,832.89
Repair & Maintenance-Office Buildings	630,519.30	169,048.27
Repair and Maintenance-Office Equipment	673,476.61	412,792.70
Repairs & Maintenance-Furniture & Fixtures	33,165.58	20,075.00
Repairs & Maintenance-IT Equipment & software	174,711.60	83,026.75
Repairs & Maintenance-Communication Equipment	1,500.00	15,218.59
Repair & Maintenance-Other Machinery & Equipment	25.00	1,500.00
Repairs and Maintenance-Motor Vehicles	1,462,082.23	1,331,937.74
Repair and Maintenance-Other PPE	427,051.15	15,150.00
Subsidy to other funds	1,776,282.84	
Donation		30,929.46
Confidential Expenses	315,000.00	627,348.00
Intelligence Expenses	315,000.00	627,348.00
Extraordinary Expenses	2,821,532.36	2,124,167.62
Miscellaneous Expenses	2,697,509.47	2,553,340.38
Taxes, Duties and Licenses	1,250.00	807.00
Fidelity Bond Premium	256,289.50	259,716.98
Insurance Expense	2,109,842.67	2,203,389.25
Depreciation - Office Building	21,374,774.64	19,974,561.76
Depreciation - Other Structures (Fence & Guardhouse)	44,714.52	
Depreciation - Office Equipment	1,681,563.25	848,594.98
Depreciation - Furniture & Fixtures	1,551,405.03	901,456.01
Depreciation - IT Equipment	4,720,209.72	1,932,321.41
Depreciation - Library Books	347,023.15	244,319.66
Depreciation - Communication Equipment	67,025.09	50,438.67
Depreciation - Medical, Dental & Lab Equipt	20.40	61.20
Depreciation - Military and police equipt	316.50	459.00
Depreciation - Sport Equipment	148.50	148.50
Depreciation - Other Machineries and Equipment	17,229.74	22,540.25
Depreciation - Motor Vehicles	2,050,122.99	2,120,702.54
Depreciation - Other PPE	683,408.36	404,686.26
Tax Refunds	10,049.83	
Other Maintenance and Operating Expenses	11,077,440.30	3,793,957.65
	<u>146,909,119.72</u>	<u>124,141,067.92</u>
<i>Financial Expenses</i>		
Bank Charges	10,485.18	7,238.50
Documentary Stamps Expenses	83.10	170.10
	<u>10,568.28</u>	<u>7,408.60</u>
Total Expenses	<u>563,318,243.81</u>	<u>417,699,946.74</u>
Excess of Income over Expenses	74,253,680.07	102,552,643.11

See Accompanying Notes to Financial Statements.

OFFICE OF THE OMBUDSMAN
CONSOLIDATED DETAILED STATEMENT OF INCOME AND EXPENSES
For the Year Ended December 31, 2005
(With Comparative Figures for CY 2004)
(Figures in thousand Pesos)

	2005	2004
Income		
Subsidy Income		
Subsidy Income from National Government (Note 14)	636,251	516,702
Less: Subsidy To Regional Offices	(179,514)	(162,412)
Reversion Of Unused Cash Allocation (Note 14)	(72)	(591)
<i>Subsidy Income-Net</i>	456,665	353,699
Subsidy from Central Office	179,244	162,765
Subsidy from Other National Gov't Agencies	2,351	3,393
<i>Total Subsidy Income</i>	638,260	519,857
Other Income		
Income from Grants and Donations	0	240
Interest Income	72	149
Miscellaneous Operating and Service Income	56	2
Fines and Penalties-Gov't Serv & Bus Operations	4	4
Gain/Loss - Prior Year's Adjustments	(820)	0
<i>Total Other Income</i>	(688)	395
Total Income	637,572	520,252
Less Expenses:		
Personal Services		
Salaries and Wages-Regular Pay	285,793	188,652
Personnel Economic Relief Allowance	5,342	5,011
Additional Compensation	5,343	4,728
Representation Allowance	15,878	12,987
Transportation Allowance	14,999	12,156
Clothing/Uniform Allowance	3,823	3,289
Productivity Incentive Benefits	1,797	1,633
Other Bonuses and Allowances	5,851	4,617
Honoraria	24	206
Hazard Pay	1	1
Longevity Pay	0	70
Overtime and Night Pay	3,243	3,548
Cash Gift	4,409	4,670
Year End Bonus	14,083	13,216
Life and Retirement Insurance Contributions	19,364	18,755
PAG-IBIG Contributions	1,011	986
PHILHEALTH Contributions	1,739	1,191
ECC Contributions	662	629
Pensions Benefits-Civilians	4,229	4,077
Retirement Benefits - Civilians	602	0
Terminal Leave Benefits	6,532	3,751
Other Personnel Benefits	21,674	9,386
	416,399	293,559
Maintenance and Other Operating Expenses		
Traveling Expenses - Local	6,013	5,209
Traveling Expenses - Foreign	1,370	2,214
Training and Seminar Expenses	3,814	4,915
Scholarship Expenses	5	-
Office Supplies Expenses	9,395	8,368
Accountable Form Expenses	30	28
Gasoline, Oil and Lubricants Expense	4,702	2,787
Textbook and Instruction Materials Expenses	2	-
Other Supplies Expense	1,450	1,094
Water Expenses	946	951
Electricity Expenses	17,668	14,961
Postage and Deliveries	453	197
Telephone-Landline	4,726	4,884
Telephone-Mobile	339	288
Internet Expenses	87	52
Cable, Satellite, Telegraph & Radio Expenses	8	7

	2005	2004
Membership Dues & Contributions to Organization	55	113
Advertising Expense	673	405
Printing and Binding Expense	395	311
Rent Expense	6,288	8,252
Representation Expenses	43	90
Transportation and Delivery Expenses	21	67
Subscription Expense	701	528
Auditing Services	526	77
Consultancy Services	240	341
General Services	1,112	862
Janitorial Services	15,283	13,185
Security Services	13,108	13,048
Other Professional Services	135	138
Repair & Maintenance-Office Buildings	631	169
Repair and Maintenance-Office Equipment	673	413
Repairs and Maintenance-Furniture and Fixtures	33	20
Repairs and Maintenance-IT Equipment and Software	175	83
Repairs and Maintenance-Communication Equipment	2	15
Repair and Maintenance-Other Machinery & Eqpt.	0	2
Repairs and Maintenance-Motor Vehicles	1,462	1,332
Repair and Maintenance-Other PPE	427	15
Subsidy to other funds	1,776	0
Donation	0	31
Confidential Expenses	315	627
Intelligence Expenses	315	627
Extraordinary Expenses	2,822	2,124
Miscellaneous Expenses	2,698	2,553
Taxes, Duties and Licenses	1	1
Fidelity Bond Premium	256	260
Insurance Expense	2,110	2,203
Depreciation - Office Building	21,375	19,975
Depreciation - Other Structures (Fence and Guardhouse)	45	0
Depreciation - Office Equipment	1,682	849
Depreciation - Furniture & Fixtures	1,551	901
Depreciation - IT Equipment	4,720	1,932
Depreciation - Library Books	347	244
Depreciation - Communication Equipment	67	50
Depreciation - Other Machineries and Equipment	17	23
Depreciation - Motor Vehicles	2,050	2,121
Depreciation - Other PPE	683	405
Tax Refunds	10	0
Other Maintenance and Operating Expenses	11,077	3,794
	146,909	124,141
Financial Expenses		
Bank Charges	10	7
Documentary Stamps Expenses	0	-
	11	7
Total Expenses	563,318	417,707
Excess of Income over Expenses	74,254	102,545

See Accompanying Notes to Financial Statement.

Office of the Ombudsman
NOTES TO FINANCIAL STATEMENTS
December 31, 2005

1. General/Agency Profile

- 1.1 The 1987 Constitution, in its declaration of Principles and State Policies, mandated that the State shall maintain honesty and integrity in the public service and take positive and effective measures against graft and corruption. It has likewise reiterated that public office is a public trust and that public officers and employees must, at all times, be accountable to the people, serve them with utmost responsibility, integrity, loyalty and efficiency, act with patriotism and justice, and lead modest lives. Along this line, the same Constitution gave birth to the Office of the Ombudsman which it has expressly described as an independent body and the protector of the people. It has vested the Office with broad and comprehensive powers in order to institute reforms in the bureaucracy and prosecute erring government officials and employees
- 1.2 Its key authority is the power of inquiry and the various programs, projects and activities are:
- a. General Investigation Service
 - Evaluation of complaints and conduct preliminary investigation
 - Conduct of fact-finding investigation and intelligence activities
 - Adjudication of cases
 - b. Prosecution of complaints/cases
 - Prosecution of cases and filing of cases to courts and administrative bodies
 - c. Public Assistance and Corruption Prevention
 - Promotion of efficient and fast delivery of service from the government to the general public thru public assistance programs
 - Development and implementation of plans and programs aimed at promoting and enhancing community involvement in the campaign against irregularities in government, maintenance and operation of community based corruption prevention groups.

2. Basis of Financial Statements Presentation

- 2.1 The statements have been prepared in accordance with generally accepted state accounting principles and standards.
- 2.2 In the consolidated financial statements, the financial reports of the area or sectoral offices, namely, the Office of the Deputy Ombudsman for Luzon, the Office of the Ombudsman for Visayas, the Office of the Ombudsman for Mindanao and the Office of the Ombudsman for MOLEO and the office of the Special Prosecutor are included in said reports.

3. Significant Accounting Policies

- 3.1 The Office of the Ombudsman uses the accrual basis of accounting. All expenses are recognized when incurred and reported in the financial statements in the period to which they relate. Income is on accrual basis except for transactions where accrual basis is impractical or when law requires other methods.
- 3.2 Notice of Cash Allocation is recorded in the books, as well as, those income or receipts which the agency is authorized to use.
- 3.3 The cost of ending inventory of office supplies and materials and other inventory items is based on the Perpetual Inventory Method.
- 3.4 Petty Cash Fund (PCF) account is maintained under the Imprest System. All replenishment is directly charged to the expense account and the petty cash fund is not used to purchase regular inventory items for stock.
- 3.5 Property, Plant and Equipment are carried at cost less accumulated depreciation. The straight line method of depreciation is used in depreciating the Property, Plant and Equipment with estimated useful lives ranging from five (5) to thirty (30) years. A residual value computed at ten (10) percent of the cost of assets is set and depreciation starts in the following month after purchase.
- 3.6 Accounts were classified to conform to the new Chart of Accounts prescribed under the New Government Accounting System (NGAS) per COA Circular No. 2004-008 dated September 20, 2004.

3.7 Payable accounts are recognized and recorded in the books of accounts only upon acceptance of the goods/inventory/other assets and rendition of services to the agency.

3.8 Financial Expenses such as bank charges are separately classified from MOE.

4. Correction of Fundamental Errors

4.1 Fundamental errors of prior years are corrected by using the Prior Years' Adjustments account. Errors affecting current year's operations are charged to current year's accounts.

5. Subsequent Events

5.1 The Office of the Ombudsman was granted a Long-term Loan of Pesos: Four Hundred Million only (Php400,000,000.00), Philippine currency, from the Land Bank of the Philippines for the construction of the Ombudsman Building at Agham Road, Diliman, Quezon City with the terms and conditions:

Term: Ten (10) years, inclusive of two (2) years grace on principal. All releases are co-terminus with the first drawdown.

Repayment:Principal - Payable quarterly in thirty-two (32) equal quarterly amortization, effective July 04, 2002 to April 04, 2010.

Principal Balance: P225,000,000.00 as of December 31, 2005

5.2 In line with the implementation of the Electronic New Government Accounting System (e-NGAS), the Office of the Ombudsman and The Commission on Audit (COA) signed an assistance agreement wherein the latter shall develop a computerized system that embodies the reforms and changes prescribed in the NGAS to issue competent and timely recording and reporting of financial transactions. The assistance commenced on October 17, 2005 and shall continue for a period of one year unless successfully completed as certified to in a Project Completion Report to be submitted by the COA Project Team and accepted by the Office of the Ombudsman.

5.3 The Office of the Special Prosecutor located at the Sandiganbayan Centennial Building, Commonwealth Avenue corner Batasan Road, Quezon City started operation as decentralized office in February, 2004

6. Cash

This account consists of the following:

OMB OFFICES	2005	2004
OMB-Central Office	₱ 6,836,406.73	₱ 6,059,563.25
OMB-Luzon	2,568,496.29	1,714,007.56
OMB-Visayas	3,562,695.34	2,804,199.85
OMB-Mindanao	3,329,808.64	4,364,840.73
OMB-MOLEO	2,282,548.65	1,532,246.61
OMB-OSP	1,535,806.82	3,269,076.32
Total	₱ 20,115,762.47	₱ 19,743,934.32

a) Central Office

The PCF represents petty cash fund granted to Special Disbursing Officer for the repair of motor vehicles/equipments/computers and travel expenses of process servers.

Cash-Collecting Officers represents undeposited collections as of December 31, 2005.

Cash-Disbursing Officers represents unliquidated cash advances of OMB Cashier and Area/Sectoral disbursing officers for payroll and special projects.

Cash in Bank-Local Currency, CA-represents deposits maintained with Authorized Government Depository Bank (AGDB).

Cash in Bank – Foreign Currency, SA – represents deposit maintained with the Philippine National Bank, Agham Road, Diliman, Quezon City.

b) Ombudsman-Mindanao

Cash in Bank-Local Currency, SA represents collections from certification fees and cost of reproduction of documents.

7. Accounts Receivable

This account consists of the following:

- a) Central Office

	2005	2004
Due from officers and Employees	₱ 674,512.85	₱ 562,176.70
Due from NGAs	372,780.95	14,613.28
Due from Regional Offices	533,603.32	533,603.32
Disallowances/Charges	236,889.15	236,889.15
Total	₱ 1,817,786.27	₱ 1,347,282.45

The account Due from Officers and Employees consists mainly of the amount granted for cash advances for traveling, intelligence fund and special purposes which are subject to liquidation.

Due from NGAs represents receivable from Procurement Service.

Due from Regional Offices represents unliquidated internal operating budget (I.O.B.) granted to Area/Sectoral Offices before decentralization, as follows:

	2005	2004
OMB-Luzon	₱ 394,069.31	₱ 394,069.31
OMB-Military	0.15	0.15
OMB- Visayas	15,543.95	15,543.95
OMB-Mindanao	123,989.91	123,989.91
Total	₱ 533,603.32	₱ 533,603.32

Disallowances/Charges represents amount due from suppliers and employees resulting from audit disallowances which have become final and executory.

b) Ombudsman-Luzon

	2005	2004
Due from Officers and Employees	₱ 275.73	₱ 23,658.47
Due from NGAs	33,370.45	1,985.60
Due from Other Funds	1,727,951.00	1,712,895.00
Due from Central Office	498,500.00	554,128.28
Total	₱ 2,260,097.18	₱ 2,292,667.35

The account Due from National Government Agency, represents overpayment to Procurement Service for undelivered items and overpayment of training fees to Commission on Audit.

The account Due from Other Funds consists of funding checks inadvertently deposited to other account and disbursement drawn against regular funds but should be charged to other account.

The account Due from Central Office consists of unreleased funding checks for the year 2005.

c) Ombudsman-Visayas

This account consists of:

	2005	2004
Due from Officers and Employees	₱ 84,676.00	₱ 696,859.34
Due from Central Office	444,374.50	581,575.86
Disallowances/Charges	20,892.76	33,318.59
Other Receivables	20,145.56	
Total	₱ 570,088.82	₱ 1,311,753.79

d) Ombudsman-Mindanao

	2005	2004
Due from Officers and Employees	₱ 4,645.85	₱ 4,017.00
Due from Other Funds	-	5,399.64
Due from Central Office	575,212.36	406,758.66
Disallowances/Charges	652,355.89	652,355.89
Total	₱ 1,232,214.10	₱ 1,068,531.19

e) Ombudsman-MOLEO

	2005	2004
Due from Officers and Employees	₱ 64,465.00	₱ 41,840.00
Due from NGAs	5,329.90	5,314.30
Due from Central Office	1,076,333.15	1,129,157.15
Total	₱ 1,146,128.05	₱ 1,176,311.45

The account Due from Officers and Employees represents unliquidated cash advance for traveling.

f) Ombudsman-OSP

	2005	2004
Due from Officers and Employees	₱ 182,566.90	₱ 135,790.55
Due from NGAs	6,794.42	2,998.65
Due from Central Office	944,125.00	817,874.00
Total	₱ 1,133,486.32	₱ 956,663.20

8. Inventories

OMB Offices	Office Supplies Inventory	Other Inventory Items	Accountable forms Inventory	Total
Central Office	₱ 3,260,789.89	₱ 132,428.49	₱ -	₱ 3,393,218.38
OMB-Luzon	255,841.55	-	-	255,841.55
OMB-Visayas	143,204.11	196,421.71	-	339,625.82
OMB-Mindanao	280,300.85	-	-	280,300.85
OMB-MOLEO	631,519.57	-	-	631,519.57
OMB-OSP	199,908.53	14,620.12	402.60	214,931.25
Total	₱ 4,771,564.50	₱ 343,470.32	₱ 402.60	₱ 5,115,437.42

9. Prepaid Expenses

OMB Offices	Prepaid Insurance	Prepaid Rent	Other Prepaid Rent	Total
Central Offices	₱ 1,123,932.99	₱ 20,543.16	₱ 87,442.35	₱ 1,231,918.50
OMB-Visayas	64,679.15	-	-	64,679.15
OMB-Mindanao	28,732.70	-	-	28,732.70
OMB-MOLEO	6,467.47	-	15,000.00	21,467.47
Total	₱ 1,223,812.31	₱ 20,543.16	₱ 102,442.35	₱ 1,346,797.82

10. Property, Plant and Equipment

Land represents the value of lot at Agham Road, Diliman, Quezon City where the main office is located with a total area of 10,000 square meters. This was purchased in November 1998 for ₱150,280,005.00 including registration and other incidental charges, as evidenced by Tax Declaration No. D-085-03191.

The Accumulated Depreciation of the Property Plant and Equipment are the following:

OMB OFFICES	2005	2004
OMB-Central Office	₱ 111,585,856.89	₱ 82,695,129.98
OMB-Luzon	5,432,151.40	4,700,872.44
OMB-Visayas	7,174,720.32	5,743,613.98
OMB-Mindanao	6,085,879.12	5,561,925.32
OMB-MOLEO	4,050,681.40	4,839,209.90
OMB-OSP	24,898.84	3,000.08
Total	₱ 134,354,187.97	₱ 103,543,751.70

11. Other Assets

OMB OFFICES	2005	2004
OMB-Central Office	₱ 32,425.00	₱ 32,425.00
OMB-Luzon	1,982,208.85	1,982,208.85
OMB-Visayas	45,036.11	178,353.95
OMB-MOLEO	32,032.15	-
Total	₱ 2,091,702.11	₱ 2,192,987.80

12. Current Liabilities

OMB OFFICES	2005	2004
OMB-Central Office	₱ 12,907,115.43	₱ 11,124,959.58
OMB-Luzon	502,828.88	408,794.09
OMB-Visayas	2,019,631.35	1,600,449.63
OMB-Mindanao	1,704,129.31	1,961,201.35
OMB-MOLEO	858,334.31	696,774.15
OMB-OSP	1,693,237.58	1,589,074.34
Total	₱ 19,685,276.86	₱ 17,381,253.14

13. Loans Payable-Domestic

This account consists of the following:

a. Central Office

Loan Account No.	Amount	Balance
PN-P-2721 (10)	₱ 40,000,000.00	₱ 22,500,000.00
PN-P-2721 (20)	80,000,000.00	45,000,000.00
PN-P-2721 (30)	100,000,000.00	56,250,000.00
PN-P-2721 (40)	100,000,000.00	56,250,000.00
PN-P-2721 (50)	60,000,000.00	33,750,000.00
PN-P-2721 (60)	20,000,000.00	11,250,000.00
Total	₱ 400,000,000.00	₱ 225,000,000.00

14. Subsidy Income from National Government

NCA received from DBM for operational requirements	₱ 613,031,282.81
Add: Tax Remittance issued to BIR	23,219,284.77
Sub-total	<u>636,250,567.58</u>
Less: reversions of NCA	71,805.44
Total	<u><u>₱ 636,178,762.14</u></u>

15. Receipt of Notice of Cash Allocation (NCA)

Notice of Cash Allocation received from Department of Budget and Management amounting to ₱636,250,567.58 including amortizations due on the ₱400 Million term loan with the Land Bank of the Philippines.