

CORRUPTION IN THE PHILIPPINES IN THE MIDST OF THE PANDEMIC

*Olivia I. Laroza-Torrevillas**

Corruption is a form of *dishonesty* or a *criminal offence* which is undertaken by a person or an organization which is entrusted in a position of authority, in order to acquire illicit benefits or abuse of power for one's personal gain. While corruption appears to be a legal and institutional problem, the same should be treated as a social, political, and cultural phenomenon driven by human behaviour and circumstances.

Philippine Laws Penalizing Corruption:

1. Acts of Graft and Corruption punishable under the Revised Penal Code;
2. Republic Act No. 3019, or the Anti-Graft and Corruption Practices Act;
3. Republic Act No. 7080, or An Act Defining and Penalizing the Crime of Plunder;
4. Republic Act No. 6713, or the Code of Conduct and Ethical Standards for Public Officials and Employees;
5. Republic Act No. 9184, or the Government Procurement Reform Act;
6. Republic Act No. 9485, as amended by RA 11032, or the Ease of Doing Business and Efficient Government Service Delivery Act of 2018;
7. Republic Act No. 6770, or the Ombudsman Act of 1989;
8. Presidential Decree No. 46 series of 1972, Punishing the Receiving of Gifts by Public Officials and Employees; and
9. Anti-Red Tape Act of 2007.

I. THE DUTERTE ADMINISTRATION'S FIGHT AGAINST CORRUPTION

It was the commitment of then President Rodrigo Duterte to rid the government of corrupt officials and employees. He issued Executive Order No. 43 creating the Presidential Anti-Corruption Commission, the anti-corruption government agency during the Duterte administration. Also, in a Memorandum dated 27 October 2020, he mandated the Department of Justice to investigate allegations of corruption in the entire government. Thus, the Department of Justice, in a Department Order, created the mega Task Force Against Corruption which consists of other bodies and agencies of the government. The Task Force Against Corruption was authorized to investigate, prosecute and file appropriate charges in allegations of corruption, taking into consideration the gravity of the acts and the impact on the delivery of government services. The creation of TFAC resulted in the filing of corruption complaints directly with the Office of the Secretary of Justice who acted as the Chairperson of the Task Force Against Corruption.

The Covid-19 outbreak increased corruption risks, exposing the health sector and undermining the health care system of the Philippines. The pandemic led to the granting of emergency powers to then President Rodrigo R. Duterte who enacted measures, rules and laws to address the Covid-19 crisis.

* Deputy State Prosecutor, National Prosecution Service, Department of Justice, Philippines.

II. REPUBLIC ACT NO. 11469 OR THE BAYANIHAN TO HEAL AS ONE ACT

Republic Act No. 11469, also known as the *Bayanihan Act*, is a law in the Philippines that was enacted in March 2020 granting the President additional authority to combat the Covid-19 pandemic in the Philippines. The law provides the President of the Philippines the power to implement temporary emergency measures to respond to the crisis brought about by Covid-19, such as:

- adopting and implementing measures, to prevent or suppress further transmission and spread of Covid-19;
- authorizing the National Health Insurance Program of the Philippine Health Insurance Corporation to cover the cost of medical expenses due to Covid-19;
- providing an emergency subsidy amounting to five thousand pesos (₱5,000.00) to eight thousand pesos (₱8,000.00) to low-income households based on prevailing regional minimum wage rates;
- partnering with the Philippine Red Cross in giving aid to the people;
- implementing an expanded and enhanced Pantawid Pamilya Pilipino Program and providing an assistance programme through the Department of Social Welfare and Development and the Department of Labor and Employment;
- enforcing measures against hoarding, profiteering, injurious speculations, manipulation of prices, product deceptions, cartels, monopolies or other combinations to restraint trade or affect the supply, distribution and movement of food, clothing, hygiene and sanitation products, medicine and medical supplies, fuel, fertilizers, chemicals, building materials, implements, machinery equipment and spare parts for agriculture, industry and other essential services;
- procuring of goods and services for social amelioration measures, in the most expeditious manner through exemptions from Republic Act No. 9184 or the "Government Procurement Reform Act" and other relevant laws; and
- Others.

III. RECENT CORRUPTION SCANDALS

The emergency powers given to the President under the Bayanihan Act did not deter private and public individuals from committing corruption activities during the pandemic. A number of corrupt acts emerged during the Covid-19 pandemic which are magnified in the following scandals:

A. Pharmally Scandal

The emergency procurement system was hit by corruption when in 2020-2021, the government of the Philippines entered into a string of multi-billion-peso contracts with a company called Pharmally Pharmaceuticals, despite the fact that Pharmally is a small firm that was incorporated only in 2019 and lacked the funds, experience and credibility to handle major government contracts. It was later revealed that Pharmally has direct ties with Chinese

businessman Michael Yang, a close friend and former advisor of President Rodrigo Duterte. While direct corruption in this case has not yet been proven, the circumstances are extremely suspicious, and this is just one high-profile example of questionable Covid-related procurement deals.

B. Wasted Pandemic Response Fund

The Commission on Audit reported trillions of pesos of wasted pandemic response funds. In August, the Commission on Audit (COA) flagged deficiencies in the use by the DOH of P63.72 billion in funds which were supposed to be used to help fight the Covid-19 pandemic. The COA found billions of pesos in the coffers of the health department, as well as suspected irregularities in transactions made using the Covid-19 funds. COA findings also showed that: (1) P6 million was spent on expired drugs and medicines; (2) P69 million was spent on overstocked, slow-moving or idle drugs and medicines; and (3) P20 million was spent on nearly expired drugs and medicines. Senators also questioned the alleged P550 million worth of test kits that had expired in 2020 without being used, as well as the acceptance by PD-DBM of face shields deemed unfit for use by health care workers at the frontline.

C. Corruption in PhilHealth

The problem of corruption in PhilHealth more than anything victimizes the vulnerable, the sick and poor Filipinos who are being cheated on medical assistance that could have been used to treat their illnesses and possibly save their lives. The current composition of PhilHealth underrepresents patients, health providers, concerned civil society groups and the public (Filipino citizens) in general, and overrepresents the government. There's only one slot on the PhilHealth board dedicated to consumer/patient representation. This is a major deficiency that needs to be addressed if accountability and transparency are to be ensured in PhilHealth's operations and decision-making processes.

D. Corruption in the Implementation of the Social Amelioration Program (SAP)

According to the Presidential Anti-Corruption Commission, a total of 7,601 complaints of corruption in the distribution of cash aid in time of the pandemic have been reported and investigated by its office. It shows that the billions of pesos could have been misused. One of the Philippine senators claimed irregularities when DSWD tapped a private corporation to issue the cash assistance through e-wallets. Thus, the recipients who do not know how to download the app for e-wallets did not receive the allocated financial assistance.