

# Mounting evidence of Philippine president's involvement in shady dealings

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Over the last two weeks damning evidence has come to light in the impeachment trial of Philippine President Joseph Estrada linking him to a bank account under the fictitious name of “Jose Velarde” at the Equitable PCI Bank. According to the prosecuting team, money in the account came from payoffs from the illegal numbers racket “jueteng”.

Last month Clarissa G. Ocampo, one of the bank's senior vice-presidents, testified that she had gone to the presidential palace on February 4, 2000 and sat alongside Estrada as he signed documents related to a \$US10 million trust account using the alias.

On January 2, Manuel Curato, the bank's legal counsel, corroborated Ocampo's testimony, saying he was also present during the signing. The prosecution allege that the trust and a cheque for \$US1.4 million, used to pay for a luxury mansion for one of Estrada's mistresses, are part of a \$US24 million savings and current account held at the bank for Estrada. His mistress Laarni Enriquez, who was due to testify on January 17, fled the country last week.

Estrada's ownership of the bank account is a key piece of evidence in the prosecution case as it shows that the president had far in excess of his declared assets of \$US700,000 and therefore breached the country's anti-graft laws by failing to declare his true wealth. Moreover, the account confirms that Estrada earned more than his presidential salary and adds weight to previous evidence given by his former friend Luis Singson, governor of Ilocos Sur province, that the president received over \$US8.6 million in gambling payoffs as well as a cut of \$2.8 million from provincial tobacco taxes.

When Ocampo gave further evidence in early January, she dropped another bombshell. She testified that just six days after the impeachment trial began on

December 7 an attempt was made to switch the ownership of the incriminating bank account to one of Estrada's close friends—Jaime Dichaves—and to backdate the documents to February, 2000. In other words, Dichaves, who is said to have made a fortune by trading in telecommunications frequencies handed to him by the Estrada administration, was to be the fall guy for the president.

Ocampo testified that she had been directed to draw up the necessary documents by PCI bank chairman George Go, another of Estrada's close friends, who resigned his post on December 19 and fled the country on January 12, citing health reasons and death threats. The transaction failed to go through mainly because “Velarde” was not on hand to sign the transfer.

According to Ocampo, the attempted transfer, which involved herself, Go and Dichaves, took place in the private office of Estelito Mendoza—Estrada's leading lawyer in the impeachment trial and an attorney general under the Marcos regime. Mendoza has denied any involvement or knowledge of the transaction, saying that he was just doing some associates a favour by letting them use his office. There have been calls for him to step down from Estrada's defence team and he could face the ethics investigation committee.

At the end of last week, evidence was given on another charge—that Estrada had instructed former Securities and Exchange Commission (SEC) chief Perfecto Yasay to clear one of the president's business associates, Dante Tan, of insider trading involving gaming firm BW Resources Corporation. Stock in the company had risen more than 5,000 percent in the first nine months of 1999 before collapsing.

According to Yasay, Estrada had called him five times between October and November 1999, saying on the fourth occasion: “Speed it up. You clear Dante Tan,

you clear BW. I'm giving you three days. I am banking on you.” Yasay resigned his post last February under pressure from the president. Tan was indicted for securities fraud last month.

Yasay's testimony was corroborated by Estrada's former finance secretary Edgardo Espiritu, who told the Senate that the president had BW shares and had made a huge profit. He also alleged that Estrada had ordered the government-run Philippine National Bank to lend 600 million pesos to BW Resources in July 1999 even though the SEC was already investigating it.

There have been further top-level desertions from Estrada's camp. The Philippine's press noted that most senior ministers did not accompany Estrada on his first official function of the new year—passing out food books to the poor. Executive Secretary Ronald Zamora, a key figure in the administration, has resigned in order to run for the senate election due in May. Estrada's press secretary Richard Puno also plans to contest the senate.

In this political climate, five bombs went off in Manila virtually simultaneously on December 30 claiming the lives of 22 people and injuring more than 150. No group has claimed responsibility but opposition leaders allege that the administration is responsible. Whether Estrada was involved or not, he is desperate to divert attention from the impeachment trial and has latched onto the bombings as a means for doing so.

The president has blamed the separatist Moro Islamic Liberation Front (MILF) for the attacks and security forces rounded up 17 suspects—all from a poor Muslim neighbourhood in Quezon City. Fourteen have since been released and the other three have been charged with minor offences unrelated to the bombings. The MILF issued a statement repudiating the bombings saying “our strategy is semi-conventional warfare not urban terrorism.” Charges of multiple murder have been laid, however, against the MILF head Hashim Salamat and five other leaders.

Using the bombings as a pretext, Estrada has broken off talks with the MILF and ordered the fourth infantry division on exercises in Mindanao. Earlier last year, faced with falling popularity and mounting criticisms, he took a similar step—launching a military offensive against the separatists in southern Mindanao to bolster his standing and deflect attention from other issues.

The preparations for a new military assault have already come under heavy criticism. Reverend Magno Teves, convenor of Mindanao Peace Advocates, told the *Philippine Daily Inquirer*: “[The] government's war declaration could be related to the campaign for the ouster of the president on charges of corruption... Mindanao is again being sacrificed (to save the president) that is the worst part of these developments.”

Makati Business Club chairman Jogi Ilagan Bian denounced the military operation saying: “We have a crisis in leadership, we have not recovered yet from the effects of the war. Why is the government taking another drastic action by launching a war?” The International Monetary Fund and investors have been critical of the size of the government's budget deficit, part of which is due to increased military spending.

The deterioration of the economy under the impact of rising petrol prices, slowing economic growth and the impeachment trial has led to repeated calls from big business for Estrada to resign, or at least for the Senate proceedings to be ended quickly. The value of shares and the peso have slumped. The latest figures show that foreign investment in the Philippines dropped more than half a billion dollars last year from a net inflow of \$US400 million in 1999 to a net outflow of \$US109 million in the year 2000.

The prosecution is due to complete its case on January 19, the defence has indicated that it will finish by January 31, and a decision by the Senate is expected by February 12. A two-thirds majority is necessary for Estrada to be found guilty and removed from office.



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