

Corruption scandal in Philippine Congress in its second month

Dylan Lubao**13 September 2013**

For over a month, news headlines in the Philippines have been dominated by a corruption scandal festering in the Congress. The complicity of the entire political establishment in these crimes, combined with the parochial nature of the coverage delivered by the corporate press, underscores the contempt felt by the country's ruling class for the broad mass of the toiling population.

In July, the *Philippine Inquirer* broke a story implicating a number of senators and congressmen in a long-running scam to snag kickbacks from the Priority Development Assistance Fund (PDAF), colloquially known as the "pork barrel." The PDAF is a lump-sum fund allocated to each member of Congress for infrastructure projects in their respective districts. Senators and congressmen are each allotted P200 million (\$US4.5 million) and P70 million (\$1.6 million), respectively.

In reality, and universally recognized by the working population, the PDAF functions as a state-sanctioned personal cookie jar for those holding congressional office. Disbursements from the fund are rewarded or withheld depending on which ruling class faction holds the reins of power. Numerous petty swindlers have amassed immense fortunes by diverting these funds into the bank accounts of their political patrons and then pocketing the remainder.

Janet Lim-Napoles is a businesswoman who is accused of being the mastermind behind the scam in question. Over nearly a decade, Lim-Napoles is alleged to have embezzled at least P10 billion from the PDAF using her ties to several senators and congressmen, who worked with her for their mutual enrichment. The racket had until recently operated with impunity under the administrations of former President Gloria Macapagal-Arroyo, and her political rival and

successor, current President Benigno Aquino III.

The pork-barrel scam reportedly involved a network of dummy NGOs headed by employees and incorporated under the JLN Group of Companies. Using this network, billions were diverted to non-existent "ghost" projects from the PDAF of accomplices in Congress. The national government agencies tasked with implementing these projects have roundly claimed ignorance of the criminal goings-on, despite overwhelming evidence that few, if any, ordinary citizens saw a single peso of the pilfered funds. Scores of mayors and local government officials had their signatures forged to authorize these expenditures. Others were hoodwinked into signing off on money that never materialized and lodged numerous complaints with national agencies that were simply ignored. In essence, the dirty footprints leading away from this scandal point directly to the highest offices in the national government.

Such crimes are not confined to one section of the Philippine elite. The Commission on Audit (COA), a national budgetary oversight body appointed by the president, recently released a report detailing widespread abuse of the PDAF between 2007 and 2009 to the tune of P6.1 billion. The report names 16 senators out of 24 and 180 congressmen out of 294, many of whom went on to head major government offices, including the Department of Budget and Management and the Department of Agriculture. The racket alleged to have been orchestrated by the Lim-Napoles group accounted for only one-third of these abuses.

The ongoing media coverage has almost exclusively focused on Lim-Napoles and a small clique of prominent senators with whom it is claimed she colluded. Reading through a list of their names is to

glimpse a cross-section of the elite Philippine *trapos*—the widely used contemptuous term for corrupt politicians who are often the patriarchs or scions of political dynasties. This list includes Ferdinand Marcos Jr, son of the late former dictator, along with his father's close collaborators and political powerbrokers, Juan Ponce Enrile and Gregorio Honasan. Accompanying them are Jinggoy Estrada, the son of impeached former president and current Manila mayor Joseph Estrada, and Ramon Revilla Jr, leader of the much-diminished Lakas party of Arroyo, who is a sitting congresswoman.

It is patently clear that what is taking place is a demolition job to sideline Aquino's political opponents and further consolidate his hold on power. All of the aforementioned senators belong to rival political parties of Aquino's Liberal Party (LP) with the exception of Marcos, whose Nacionalista Party is a member of the LP coalition. However, both Marcos and Revilla are eyeing the presidency and will be running in 2016 against Mar Roxas, the current secretary of the interior and local government and Aquino's heir-apparent.

Leila de Lima, Aquino's appointed justice secretary, is prosecuting the assault on the opposition. She recently announced that charges would be filed against several members of Congress over the next few weeks in connection with the current scandal, but declined to provide names. Members of the ruling LP coalition who were initially under investigation have been personally cleared of wrongdoing by de Lima, despite being named in the COA report.

Just as he did in 2011 to decimate his predecessor's regime, Aquino and his LP are employing anti-democratic measures to whittle away what remains of the opposition and extend the power of the executive branch. Before Arroyo left office, she stacked a number of government departments with appointees beholden to her, whom Aquino subsequently removed. This vendetta culminated in the impeachment of Arroyo's appointed chief justice Renato Corona, a process that included the fabrication and illegal seizure of evidence, and the withholding of PDAF from members of Congress who refused to vote for impeachment.

All of these sordid proceedings are being pursued under the banner of Aquino's "Daang Matuwid" (Right Path) anti-corruption campaign. The widespread abuse of the PDAF, reaching into every level of

government, exposes this populist rhetoric as a total sham. Were the corrupt elements weeded out of the three branches of the national government, those chambers would sit empty. Even the PDAF rackets pale in comparison to the hundreds of billions in Special Purpose Funds (SPF) under the exclusive management of the president and virtually undisclosed to the public.

Underpinning Aquino's efforts to consolidate and centralize his power are broader international issues. The US has cultivated Aquino as a proxy in its intensified military build-up and confrontation with China. Arroyo had shifted economic and diplomatic ties away from Washington and toward Beijing. The commanding status of Aquino's LP and the disintegration of Arroyo's Lakas party is bound up with a re-orientation of the Philippines behind the Obama administration's "pivot" to Asia.



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