

OFFICE OF THE PRESIDENT

Malacanang

Executive Order No. 38

REORGANIZING AND EXTENDING THE LIFE OF THE SPECIAL TASK FORCE CREATED UNDER E.O. 156 DATED OCTOBER 7, 1999, ENTITLED "CREATING A SPECIAL TASK FORCE TO REVIEW, INVESTIGATE, AND GATHER EVIDENCE NECESSARY TO SUCCESSFULLY PROSECUTE IRREGULARITIES COMMITTED AT THE BUREAU OF INTERNAL REVENUE, BUREAU OF CUSTOMS AND OTHER GOVERNMENT OFFICES OR AGENCIES UNDER OR ATTACHED TO THE DEPARTMENT OF FINANCE".

WHEREAS, a Special Task Force was organized to investigate and gather evidence against individuals, corporations and other entities suspected of having committed irregularities at the Bureau of Internal Revenue, the Bureau of Customs, the One-Stop Shop Inter-Agency Tax Credit and Duty Drawback Center (CENTER) and other offices or agencies attached to the Department of Finance (DOF).

WHEREAS, there is a need to re-focus and maximize the functions of the Special Task Force so that it may concentrate and fully address the speedy investigation and the successful prosecution of the "tax credit scam" cases involving the Center, and the recovery and collection of revenues lost by the government through the scam;

WHEREAS, there is a need to further improve the efficiency of the on-going investigations and prosecution of the "tax credit scam" cases and the recovery and collection efforts through organizational restructuring and augmentation of its budgetary allocation.

NOW, THEREFORE, I, GLORIA MACAPAGAL-ARROYO, President of the Republic of the Philippines, by virtue of the powers vested in me by law, do hereby order.

Section 1. Section 1 of Executive Order No. 156 series of 1999 of October 7, 1999 is hereby repealed to read as follows:

"Section 1. Creation. There is hereby created a Special Task Force to investigate and prosecute the irregularities relative to the "tax credit scam" committed at the CENTER of the DOF and to recover



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and collect revenues lost by the government through the "scam". The Task Force shall report to the President through the Secretary of Finance".

Section 2. Sec. 2 of the same issuance shall read as follows:

"Section 2. REORGANIZATION OF THE TASK FORCE. The Special Task Force created under EO 156, under the control and supervision of the Office of the President, is hereby reorganized and reconstituted as follows:

Secretary of Finance or his designated representative	Chairman
Secretary of Justice or his designated representative	Vice Chairman
Executive Secretary or his designated representative	Member
Executive Director of Center (DOF)	Member
Director of National Bureau of Investigation (DOJ)	Member

Section 3. Section 3 of the same issuance shall read as follows:

"Section 3. Assistance from Other Government Agencies. The Task Force shall have the authority to enlist the assistance of any department, bureau, office, or any agency or instrumentality of the government, including government-owned or controlled corporations, in carrying out its functions, including the use of their respective personnel, facilities and resources. Deliberate failure by a government official or personnel to provide assistance to the Task Force in the discharge of its mandate shall be deemed to constitute the offense of refusal of assistance under Article 223 of the Revised Penal Code without prejudice to such other administrative and criminal liabilities under related laws"

Section 4. Section 4 of the same issuance is hereby amended to read as follows:

"Section 4. Powers, Duties and functions. The Task Force shall have the following powers, duties and functions:

- a) To investigate and gather evidence against individuals, corporations and other entities suspected of having committed the tax credit scam at the Center;



- b) To pursue and take such action as may be necessary or proper to recover any revenues lost by the Government through the "tax credit scam";
- c) To gather and collate the required quantum of evidence and file the appropriate criminal, civil or administrative complaint or case before the appropriate court, administrative body or agency;
- d) To recommend the settlement of cases for approval of the President, subject to appropriate rules on the settlement of claims by the government;
- e) To assist the prosecuting and collecting agency towards the successful prosecution of cases and the recovery of lost revenues;
- f) To hire such personnel on a project or contractual basis as may be necessary to achieve its purposes;
- g) To receive donations, bequest, and other gratuitous benefits which will solely be used to attain the objectives of the Task Force;
- h) To coordinate with other government agencies, non-government organizations, international organizations and other individuals or entities as may be found necessary by the Task Force;
- i) To recommend to the President the formation of such special investigations or prosecuting groups to be assigned to specific agencies or cases as may be necessary;
- j) To perform any and all acts as may be necessary to successfully implement this Order, subject to the control and supervision of the President.

Section 5. Section 6 of the same issuance shall read as follows:

Section 5. Term. The Task Force shall exist for another two years to expire on October 7, 2003, unless extended by the Office of the President".



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Section 6. Section 7 of the same issuance shall be amended to read as follows:

“Section 7. Funding. Subject to the usual auditing rules and regulations, the Task Force shall be provided with One Million Pesos (Php 1,000,000.00) per month funding support to be drawn from Center’s Trust Fund. Any additional funding requirements shall require the President’s approval.”

Section 8. Repealing Clause. All executive orders, administrative orders, presidential issuances, and implementing rules and regulations, or parts thereof that are in conflict with this Executive Order are hereby repealed or modified accordingly.

Section 8. Effectivity. This Executive Order shall take effect immediately.

DONE in the City of Manila, this 6th day of October in the year of our Lord, Two Thousand and One.

By the President:




ALBERTO G. ROMULO
Executive Secretary

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Date




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