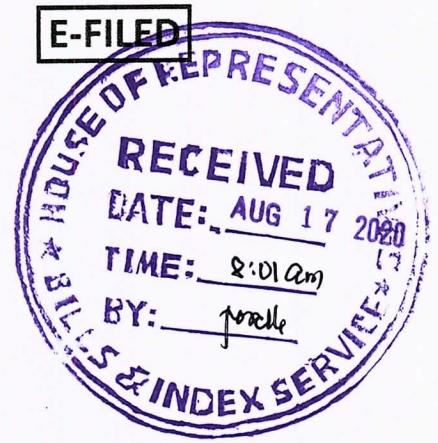


Republic of the Philippines  
**House of Representatives**  
Quezon City, Metro Manila

**EIGHTEENTH CONGRESS**  
Second Regular Session  
House Bill No. **7402**



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**INTRODUCED BY**  
**REP. ALFRED VARGAS**

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**AN ACT**  
**PENALIZING THE ILLICIT ENRICHMENT OF PUBLIC OFFICIALS AND**  
**EMPLOYEES FOR THE ACQUISITION OF PROPERTIES THROUGH**  
**UNLAWFUL MEANS**

**EXPLANATORY NOTE**

The State has the power to recover from public officials or employees, as well as their transferees or nominees, properties which were illegally acquired by them. Republic Act No. 1379, otherwise known as "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 Proceedings Therefor" enforce this power.

However, while Republic Act No. 1379 provides a procedure for forfeiture to be followed when said public officials or employees amass, accumulate, or acquire unexplained wealth, and imposes upon them the penalty of forfeiture of the properties unlawfully acquired, the said law does not criminalize their acts of unlawful acquisition of said properties. Actions brought under R.A. No. 1379 are classified as civil actions in rem directed at the assets illegally acquired, and do not pass upon the criminal liability of the public officer or employee who acquired them. Thus, even if economic penalty is imposed and the further use of the properties seized is stopped, said public officials or employees remains not guilty of any crime in the eyes of the law and is not made to suffer any penalty.

Public servants are to be reminded of their commitment to transparency and accountability, and are to be held with higher standards for public service.

This bill seeks to curb graft and corruption in public service by penalizing and criminalizing public officials and employees proven to have acquired ill-gotten wealth.

In view of the foregoing, the immediate passage of this bill is urgently sought.



**ALFRED VARGAS**

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*Be it enacted by the Senate and the House of Representatives of the Philippines in Congress assembled:*

**SECTION 1. Short Title.** – This Act shall be known as the “Anti- Ill-Gotten Wealth Act”.

**SECTION 2. Declaration of Policy.** – It is hereby declared the policy of the State that public office is a public trust. Public officers and employees must, at all times, be accountable to the people and serve them with utmost responsibility and integrity.

**SECTION 3. Definition of Terms.** – As used in this Act, the following words and phrases shall mean:

- a.) *Legitimately-acquired property* - means any real or personal property, money, salary, business interest or securities which the public officer or employee has, at any time, acquired by sale, donation, inheritance or other mode of acquisition before becoming a public office or employee, or any property already pertaining to him when he qualified for public office or employment, and the income or fruits from said properties. It shall not include:
  - 1. Property unlawfully acquired by the public officer or employee but its ownership is concealed or recorded in the name of, or held by, the public officer or employee’s spouse, ascendants, descendants, relatives, or any other person;



2. Property unlawfully acquired by the public officer or employee but transferred by him to another person or persons.

b.) *Unlawful acquisition* - shall refer to the acquisition by a public officer or employee of funds or property which is manifestly out of proportion to his salary as such public officer or employee and to his other lawful income and the income from legitimately acquired property. It shall also include those properties which are not legitimately acquired as defined under paragraph (a) of this Section.

**SECTION 4. *Unlawful Acquisition of Property.*** – It shall be unlawful for any public officer or employee to directly or indirectly acquire, possess, receive, use, benefit, or otherwise enjoy, real or personal properties, money, assets, business interests, or securities, within or outside of the Philippines, which amount is manifestly out of proportion to his salary as such public officer or employee and to his other lawful income and the income from legitimately acquired property. It shall also be unlawful to knowingly acquire properties which are not legitimately acquired as defined under paragraph (a) of the preceding Section. It shall also be unlawful for any public officer or employee to transfer or convey, directly or indirectly, any interest in said properties to another person or entity. Such transfer or conveyance shall be *void ab initio*.

**SECTION 5. *Prohibition on Private Individuals.*** – It shall be unlawful for any private individual to directly or indirectly acquire, possess, receive, use, benefit, or otherwise enjoy, real or personal properties, money, assets, and securities, within or outside of the Philippines, from a public officer or employee knowing the same to have been illegally acquired by the latter.

**SECTION 6. *Prima Facie Presumptions.*** –

a.) Whenever any public officer or employee has acquired during his incumbency fund or properties which are manifestly out of proportion to his salary as such public officer or employee, and to his other lawful income and the income from legitimately acquired property, said funds or properties shall be presumed *prima facie* to have been unlawfully acquired.

b.) Failures of a public officer or employee to file a Statement of Assets, Liabilities and Net Worth within the period prescribed by law from date of assumption to office shall be *prima facie* evidence that said public officer or employee has no property, asset or business interest to declare at the beginning of his public service or without prejudice to the penalties that may be impose under the law. The failure to file a Statement of Assets, Liabilities and Net Worth for any particular year after

assumption to office shall be *prima facie* evidence that the public officer or employee has no other information to declare outside of his declaration in his prior submissions without prejudice to any liabilities that may have been incurred under existing laws.

**SECTION 7. Penalties.** – Any public officer or employee who shall illegally enrich himself through the unlawful acquisition of the properties above-mentioned shall be penalized with imprisonment of not less than six (6) years and one day but not more than twelve (12) years, or a fine not exceeding twice the amount of the property illegally acquired, or both such imprisonment and fine, perpetual absolute disqualification from public office, and confiscation or forfeiture in favor of the government of the unlawfully acquired properties.

The penalty of imprisonment for not less than one year and one day to not more than six (6) years, or a fine not exceeding twice the amount of the property conveyed or transferred, shall be imposed upon any private individual who shall knowingly acquire, possess, receive, use, benefit from, or otherwise enjoy, properties unlawfully acquired by any public officer or employee.

**SECTION 8. Separability Clause.** – If, for any reason, any part, section or provision of this Act is held invalid or unconstitutional, the remaining provisions not affected thereby shall continue to be in full force and effect.

**SECTION 9. Repealing Clause.** – All laws, decrees, orders, rules and regulations, or other issuances or parts thereof inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

**SECTION 10. Effectivity.** This Act shall take effect after fifteen (15) days after its publication either in the Official Gazette or in a newspaper of general circulation.

*Approved,*