

BSP closes another 'Legacy' bank

by DES FERRIOLS
Philstar.com

MANILA—The Bangko Sentral ng Pilipinas (BSP) is putting another rural bank under receivership of the Philippine Deposit Insurance Corp. (PDIC), the 13th rural bank so far that had to be shut down this year.

In the wake of numerous criminal cases filed against rural bank officials that were previously shut down, the BSP decided to close the Rural Bank of Polangui in Albay.

The closure order was issued by the BSP's Monetary Board on Feb. 26, prohibiting the bank from "doing business in the Philippines" and placing its assets and affairs under PDIC receivership.

The rural bank has been linked to the notorious Legacy group of banks that have been under congressional investigation and linked their illegal operations with the controversial businessman Celso de los Angeles, mayor of Santo Domingo town in Albay.

RBPI reportedly declared a bank holiday last week that prevented depositors from transacting business with the bank.

RBPI was reportedly established in April 1965 and last year started offering as much as 20 percent monthly interest on deposits for minimum placements of P250,000—the maximum amount

currently covered by the PDIC's deposit insurance program.

The BSP has been cracking down on possible copycat banks that have been engaged in complex pyramiding schemes using a network of rural banks, luring in depositors by offering principal protection through the PDIC.

The BSP earlier filed its third wave of charges against rural bank officials involved in the closure of 12 rural banks belonging to the so-called Legacy Group.

The third wave of charges named De los Angeles for the first time in a P1 billion case of syndicated estafa, together with other officers of the Legacy Group and affiliated companies.

BSP Gov. Amando Tetangco said they are also investigating reports that other banks were involved in similar pyramiding schemes aimed at generating deposits through unsafe and unsound practices.

"Our bank examiners are on the watch," Tetangco said. "But we want to determine if these banks

really are engaged in the same or similar practices. It is possible, we will see."

BSP deputy governor Nestor Espenilla earlier said the Legacy Group was not an isolated case although its operators were by far the most developed and most sophisticated and systematic of all the banks involved.

Espenilla said the BSP received complaints and information about banks making offers of returns that were "too good to be true."

He said these were copycat banks attempting similar pyramiding schemes but not as openly systematic as the marketing salvo used by the 12 banks shut down under the Legacy Group.

Espenilla added the rural bank of Polangui was among those included in the Legacy Group.

"Many factors point to it but De los Angeles denied it under oath during the House hearing," he said.

Espenilla, however, said regulators were aware of these operations and they could very well face the same sanctions as the Legacy banks where at least two waves of criminal charges have already been filed against its officials.

"The public should really think carefully that if the scheme seems too good to be true, then it probably is too good to be true," Espenilla said.

"Fortunately, we think that the public is more aware now and more suspicious of these kinds

of schemes." Espenilla said schemes that make "double-your-money" offers were considered unsafe and unsound under BSP rules and these were covered by penalties and sanctions.

The BSP has already filed cases against officers and employees of four rural banks under the controversial Legacy Group, initiating the process for possible criminal charges before the court.

The BSP filed for 116 counts of falsification of public and commercial documents plus 2 counts of false statements against 18 officers, employees, and agents of four rural banks belonging to the Legacy Group.

The banks were identified as Rural Bank of Parañaque, Rural Bank of DARBCI in South Cotabato, Rural Bank of San Jose in Batangas, and Bank of East Asia.

The BSP said this was the second wave of charges that it has so far filed against Legacy banks. Last Jan. 5, the BSP filed criminal charges against 16 officers, employees and agents for 49 counts of falsification of public and commercial documents, plus one case each of false reporting and false statement.

Involved in the first filing were the Rural Bank of Parañaque; Rural Bank of San Jose in Batangas; Dynamic Rural Bank in Calatagan, Batangas; and Rural Bank of DARBCI in South Cotabato.

5 solons sign impeachment rap vs Ombudsman

by GIL C. CABACUNGAN JR.
Inquirer.net

MANILA—Five partylist representatives placed their signatures on the impeachment complaint filed by former Senate President Jovito Salonga against Ombudsman Merceditas Gutierrez.

One of them, Bayan Muna Representative Teodoro Casiño, urged Gutierrez to go on leave of absence to ensure that congressmen facing charges in her office would be free to choose whether to sign the impeachment complaint against her or not.

Casiño, in a brief press conference at 10:30am, said that this would be better than forcing congressmen facing charges in the Ombudsman to think twice about endorsing the impeachment complaint.

Aside from Casiño, the other new endorsers were Bayan Muna Representative Satur Ocampo, Gabriela Representative Liza Maza and Representative Luzviminda Ilagan, and Anakpawis Representative Rafael Mariano.

Akbayan Representative Risa Baraquel was the first to endorse the impeachment complaint filed by Salonga and 30 other civil society leaders.

In a prepared statement, the five congressmen said: "Arroyo purposely appointed Gutierrez to the post. This is her preferred choice as she is a law school classmate of Arroyo's husband, Jose Miguel, who has been linked to numerous corruption scandals, the most recent of which is the alleged rigging of bids for World Bank funded projects." ■

Joker slams President...

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or Internet have the right to reply.

The bill mandates the reply to be published in the same space or broadcast in the same program and cannot be edited, prompting media to say this was tantamount to dictating to them what to print or broadcast.

Too late

Speaker Prospero Nograles also tweeted the senators who had a change of heart on the right of reply bill.

"What's this news that senators can still withdraw their votes from right of reply bill, which they have unanimously passed on third reading and probably have transmitted already to the House? If records show that the House has received their bill, then 'sorry.' But it's too late for senators to withdraw their votes on this bill," Nograles said in a text message.

He said the House was under pressure to approve the bill after the Senate approved its version unanimously.

The House has deferred deliberations on the bill until Nograles shall have sat down with leaders of the media industry and journalists' organizations this week.

Explaining the circumstances behind the filing of the measure, Arroyo said the Senate committee on public information headed by Sen. Ramon "Bong" Revilla Jr. and the justice committee under Escudero had initially discussed the bill that seeks to decriminalize libel.

The right of reply bill came out following discussions on what recourse people would have should libel be decriminalized, he said.

It was pushed also in response or as an "offsetting factor" to the numerous killings of provincial journalists, who according to Arroyo, could have been ordered killed by people the victims had attacked in the media.

"If you decriminalize libel and you don't give the right to reply, what's the remedy of the offended party? What will happen?" he asked.

In a phone interview later, he said: "They kill. That's why provincial journalists are being killed." ■

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