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FOR IMMEDIATE RELEASE

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Ombudsman junks case vs 12 COA auditors for lack of evidence

Ombudsman Conchita Carpio Morales dismissed criminal charges against the 12 Commission on Audit (COA) auditors in connection with the Priority Development Assistance Fund (PDAF) releases through the National Agri-Business Corporation (NABCOR) and Technology Resource Center (TRC) that went to questionable non-governmental organizations (NGOs) between 2007 to 2009.

In a 62-page Resolution signed last June 22, 2015, Ombudsman Morales dismissed the complaints and all criminal charges against State Auditors Jerry A. Calayan, and Sylvia P. Montes (retired) who were assigned at the TRC, as well as State Auditors Annie L. Recabo, Rebecca B. Aquino, Diana E. Casado, Bella G. Tesorero, Susan D. Guardian, Elizabeth M. Savella, Merle M. Valentin, Aida S. Villania, Laarni Lyn E. Torres, and Herminia SD. Aquino (retired) who were assigned at NABCOR.

The Ombudsman found no sufficient evidence to hold respondents either administratively or criminally liable. "There is no probable cause to prosecute the COA officials. The evidence do not suggest that respondent-auditors conspired with their co-respondents in the misuse of former Representative of 2nd District, South Cotabato Arthur Y. Pingoy's PDAF," the Ombudsman said.

"On Calayan's part, there was no showing that he was negligent in the conduct of his audit. In his 2007 audit findings, he revealed that PSDFI [Philippine Social Development Foundation Inc.] was one of the 28 NGOs which did not submit its corporate papers. He likewise indicated that two releases of Pingoy's PDAF in 2007 for P10M and P5M remain unliquidated," the Ombudsman said.

As for Montes, "she was able to satisfactorily show that she did not participate in the audit of TRC's transactions. A perusal of her list of tasks to different government agencies from 2007 up to the time of her retirement does not indicate that she was assigned as Supervising Auditor of TRC at any given time."

The Ombudsman ruled that COA auditors assigned at NABCOR did not appear to have conspired with their co-respondents in the misappropriation or misuse of Pingoy's PDAF nor found to have been negligent in the performance of their duties.

"Said auditors were able to refute complainants' allegation of negligence as the records show that the audit of NABCOR's operation for 2008 was conducted only on September to December

2009. As for the 2009 transactions of NABCOR, their audit started only in October 2010. It was further shown at that time in the course of their audit, 20 audit observation, and 13 Audit Observation Memos (AOMs) were issued by them for 2007, 54 AOMs for 2008, and 13 AOMs for 2009, all of which have been included in the Annual Audit Report,” the Ombudsman said.

The case against the auditors stemmed from separate complaints filed by the National Bureau of Investigation (NBI) and Atty. Levito Baligod in connection with the PDAF scam. The auditors’ reporting of the deficiencies and violations concerning NABCOR’s transactions including that of Pingoy’s PDAF convinced the Ombudsman that they neither conspired with their-co-respondents nor been negligent in the conduct of their audit.

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