

Based on the voluminous records and various decided cases by no more than the Supreme Court, among others, the Marcos Family was proven to possess ill-gotten wealth within the bounds of the law. The ill-gotten wealth of the Marcoses amounted to billions of dollars' worth of assets, real properties, and personal properties, such as paintings, jewelries, and securities, not only within the Philippine territory but all over the world. These riches were only those that were found by the Government through the Presidential Commission on Good Government (PCGG). As to those still hidden and remains to be rumors, only the future holds what awaits them.

Voluminous pleadings, numerous boxes of pieces of evidence points to the ill-gotten wealth of the Marcoses, from numerous bank accounts and transfers, deeds and titles in the name of known cronies held in trust for them, compromise agreements of known cronies, investments in the form of securities in their name, name of their nominees or cronies to testimonial evidence of their known associates and cronies stating their involvement and that of the Marcoses in gathering, scheming and hiding these so-called ill-gotten wealth.

**I. PRESUMPTION OF ILL-GOTTEN WEALTH:**

At the forefront of the wealth of the Marcoses is the so-called presumption of ill-gotten wealth under Republic Act No. 1379 or *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*. The law and the presumption was applied to the wealth of the Marcoses in the case of *Marcos Jr. vs Republic, G.R. 189434*. The Supreme Court ruled that:

*R.A. 1379 provides that whenever any public officer or employee has acquired during his incumbency an amount of property manifestly out of proportion to his salary as such public officer and to his other lawful income, said property shall be presumed prima facie to have been unlawfully acquired.[35] The elements that must concur for this prima facie presumption to apply are the following: (1) the offender is a public officer or employee; (2) he must have acquired a considerable amount of money or property during his incumbency; and (3) said amount is manifestly out of proportion to his salary as such public officer or employee and to his other lawful income and income from legitimately acquired property.*

*Thus, in determining whether the presumption of ill-gotten wealth should be applied, the relevant period is incumbency, or the period in which the public officer served in that position. The amount of the public officer's salary and lawful income is compared against any property or amount acquired for that same period. In the Swiss Deposits Decision, the Court ruled that petitioner Republic was able to establish the prima facie presumption that the assets and properties acquired by the Marcoses "were manifestly and patently disproportionate to their aggregate salaries as public officials."*

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*The Solicitor General made a very thorough presentation of its case for forfeiture:*

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*4. Respondent Ferdinand E. Marcos (now deceased and represented by his Estate/Heirs) was a public officer for several decades continuously and without interruption as Congressman, Senator, Senate President and President of the Republic of the Philippines from December 31, 1965 up to his ouster by direct action of the people of EDSA on February 22-25, 1986.*

*5. Respondent Imelda Romualdez Marcos (Imelda, for short) the former First Lady who ruled with FM (Ferdinand Marcos) during the 14-year martial law regime, occupied the position of Minister of Human Settlements from June 1976 up to the peaceful revolution in February 22-25, 1986. She likewise served once as a member of the Interim Batasang Pambansa during the early years of martial law from 1978 to 1984 and as Metro Manila Governor in concurrent capacity as Minister of Human Settlements.*

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*11. At the outset, however, it must be pointed out that based on the Official Report of the Minister of Budget, the total salaries of former President Marcos as President from 1966 to 1976 was P60,000 a year and from 1977 to 1985, P100,000 a year; while that of the former First Lady, Imelda R. Marcos, as Minister of Human Settlements from June 1976 to February 22-25, 1986 was P75,000 a year.[38]*

*The Sandiganbayan found that neither the late Ferdinand Marcos nor petitioner Imelda Marcos filed any Statement of Assets and Liabilities, as required by law, from which their net worth could be determined. Coupled with the fact that the Answer consisted of general denials and a standard plea of “lack of knowledge or information sufficient to form a belief as to the truth of the allegations” – what the Court characterized as “foxy replies” and mere pretense – fairness dictates that what must be considered as lawful income should only be the accumulated salaries of the spouses and what are shown in the public documents they submitted, such as their Income Tax Return (ITR) and their Balance Sheets. The amounts representing the combined salaries of the spouses were admitted by petitioner Imelda Marcos in paragraph 10 of her Answer, and reflected in the Certification dated May 27, 1986 issued by then Minister of Budget and Management Alberto Romulo:*

*Ferdinand E. Marcos, as President*

<i>1966-1976</i>	<i>at P60,000/year</i>	<i>P660,000</i>
<i>1977-1984</i>	<i>at P100,000/year</i>	<i>800,000</i>
<i>1985</i>	<i>at P110,000/year</i>	<i>110,000</i>
		<i>P1,570,000</i>

*Imelda R. Marcos, as Minister  
June 1976-1985*

*at P75,000/year*

*P718,000*

*In addition to their accumulated salaries from 1966 to 1985 are the Marcos couple's combined salaries from January to February 1986 in the amount of P30,833.33. Hence, their total accumulated salaries amounted to P2,319,583.33. Converted to U.S. dollars on the basis of the corresponding peso-dollar exchange rates prevailing during the applicable period when said salaries were received, the total amount had an equivalent value of \$304,372.43.[39]*

*The data contained in the ITRs and Balance Sheets filed by the Marcoses are summarized in Schedules A to D submitted as evidence by the Republic. Schedule A showed that from 1965 to 1984, the Marcoses reported Php 16,408,442.00 or USD 2,414,484.91 in total income, comprised of:*

<i>Income Source</i>	<i>Amount</i>	<i>Percentage</i>
<i>Official Salaries</i>	<i>-P2,627,581.00</i>	<i>-16.01%</i>
<i>Legal Practice</i>	<i>11,109,836.00</i>	<i>-67.71%</i>
<i>Farm Income</i>	<i>149,700.00</i>	<i>-.91%</i>
<i>Others</i>	<i>2,521,325.00</i>	<i>-15.37%</i>
<i>Total</i>	<i>P16,408,442.00</i>	<i>-100.00%</i>

*The amount reported by the Marcos couple as their combined salaries more or less coincided with the Official Report submitted by the Minister of Budget. Yet what appeared anomalous was the Php 11,109,836 representing "Legal Practice," which accounted for 67% or more than three-fourths of their reported income. Out of this anomalous amount, Php 10,649,836, or 96% thereof, represented "receivables from prior years" during the period 1967 to 1984. The Court cited the Solicitor General's findings:*

*In the guise of reporting income using the cash method under Section 38 of the National Internal Revenue Code, FM made it appear that he had an extremely profitable legal practice before he became a President (FM being barred by law from practicing his law profession during his entire presidency) and that, incredibly, he was still receiving payments almost 20 years after. The only problem is that in his Balance Sheet attached to his 1965 ITR immediately preceding his ascendancy to the presidency he did not show any Receivables from client at all, much less the P10.65-M that he decided to later recognize as income. There are no documents showing any withholding tax certificates. Likewise, there is nothing on record that will show any known Marcos client as he has no known law office. As previously stated, his net worth was a mere P120,000.00 in December, 1965. The joint income tax returns of FM and Imelda cannot, therefore, conceal the skeletons of their kleptocracy.[40]*

*In addition, the former President also reported a total of Php 2,521,325 which he referred to as “Miscellaneous Items” and “Various Corporations” under “Other Income” for 1972-1976. Spouses Marcos did not declare any income from any deposits that may be subject to a 5% withholding tax, nor did they file any capital gains tax returns from 1960 to 1965. The Bureau of Internal Revenue attested that there are no records pertaining to the tax transactions of the spouses in Baguio City, Manila, Quezon City, and Tacloban.*

*The Balance Sheet attached to the couple’s ITR for 1965 indicates an ending net worth of Php 120,000, which covered the year immediately preceding their ascendancy to the presidency. As previously mentioned, the combined salaries of the spouses for the period 1966 to 1986, or in the two decades that they stayed in power, totaled only USD 304,372.43. In stark contrast, as shown by Schedule D, computations establish the total net worth of the spouses for the years 1965 until 1984 in the total amount of USD 957,487.75, assuming that the income from legal practice is real and valid.[41] The combined salaries make up only 31.79% of the spouses’ total net worth from 1965 to 1984. This means petitioners are unable to account for or explain more than two-thirds of the total net worth of the Marcos spouses from 1965 to 1984.*

*Thus, for the final time, we soundly reiterate that the Republic was able to establish the prima facie presumption that the assets and properties acquired by the Marcoses were manifestly and patently disproportionate to their aggregate salaries as public officials. The Republic presented further evidence that they had bigger deposits beyond their lawful incomes, foremost of which were the Swiss accounts deposited in the names of five foundations spirited away by the couple to different countries. Petitioners herein thus failed to overturn this presumption when they merely presented vague denials and pleaded “lack of sufficient knowledge” in their Answer.*

## **II. SWISS BANK ACCOUNTS**

*In Republic vs Sandiganbayan and Ferdinand Marcos, et. al, (G.R. 152154) dated 15 July 2003, which pertains to the Swiss Deposit Accounts of then Former President Marcos and his spouse Imelda Romualdez-Marcos under their pseudonyms “William Saunders” and “Jane Ryan” which amounted to almost US\$658 million, in the year 2002. The said bank accounts were connected to and under the name of five (5) different foundations or corporations, purposely to hide these funds from the view of the ever-scrupulous eyes of the law. The Supreme Court held that the funds belonging to the foundations rightly belongs to the people and is declared as ill-gotten wealth of the Marcoses, viz:*

*In the various annexes to the petition for forfeiture, petitioner Republic attached sworn statements of witnesses who had personal knowledge of the Marcoses’ participation in the illegal acquisition of funds deposited in the Swiss accounts under the names of five groups or foundations. These sworn statements*

substantiated the ill-gotten nature of the Swiss bank deposits. In their answer and other subsequent pleadings, however, the Marcoses merely made general denials of the allegations against them without stating facts admissible in evidence at the hearing, thereby failing to raise any genuine issues of fact.

Under these circumstances, a trial would have served no purpose at all and would have been totally unnecessary, thus justifying a summary judgment on the petition for forfeiture. There were no opposing affidavits to contradict the sworn declarations of the witnesses of petitioner Republic, leading to the inescapable conclusion that the matters raised in the Marcoses' answer were false.

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The release of the Swiss funds held in escrow in the PNB is dependent solely on the decision of this jurisdiction that said funds belong to the petitioner Republic. What is important is our own assessment of the sufficiency of the evidence to rule in favor of either petitioner Republic or respondent Marcoses. In this instance, despite the absence of the authenticated translations of the Swiss decisions, the evidence on hand tilts convincingly in favor of petitioner Republic.

WHEREFORE, the petition is hereby GRANTED. The assailed Resolution of the Sandiganbayan dated January 31, 2002 is SET ASIDE. The Swiss deposits which were transferred to and are now deposited in escrow at the Philippine National Bank in the estimated aggregate amount of US\$658,175,373.60 as of January 31, 2002, plus interest, are hereby forfeited in favor of petitioner Republic of the Philippines.