

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. IMELDA MARCOS CONVICTION:**

In a 70-paged decision of the Sandiganbayan on November 9, 2018 entitled *People of the Philippines vs Imelda Romualdez-Marcos* docketed as Criminal Case Nos. 17287 to 17291, 19225 and 22867 to 22870, the court convicted Ms. Imelda Romualdez-Marcos guilty beyond reasonable doubt for violation of RA No. 3019 or the Anti-Graft and Corrupt Practices Act particularly Section 3(h), viz:

*(h) Directly or indirectly having financing or pecuniary interest in any business, contract or transaction in connection with which he intervenes or takes part in his official capacity, or in which he is prohibited by the Constitution or by any law from having any interest.*

This is in relation to Section 8, Article IX of the 1973 Constitution, viz:

*Section 8. The Prime Minister and the Members of the cabinet shall be subject to the provisions of sections ten and eleven of Article Eight hereof and may not appear as counsel before any court or administrative body, or participate in the management of any business, or practice any profession.*

Ms. Marcos organized, coordinated and directed the affairs of Maler, Triniada, Rayby, Palmy, Azio-Verzo-Vibur, Avertina, and Rosalys-Aguamina Foundations, either personally or thru her designated agents, from the creation up to the end or dissolution thereof, including the transfer and disposition of their respective assets and accounts. MS. Marcos participated in the management thereof, appointing the persons to represent these foundations, transmitting instructions, and ratifying decisions and circumstances of these persons, all geared towards a particular objective. All these acts were done by Ms. Marcos during her term as governor of Metro Manila in 1975, Member of the BAtasang Pambansa and Minister of Human Settlement.

Ms. Marcos argued in her defense that what is prohibited under the constitutional provision is to "participate in the management of any business." Allegedly, according to her, the subject foundations are not in the nature of a business. This was contradicted by voluminous documents evidencing her great involvement with the administration of the said foundations through numerous documentary and testimonial evidence, from opened bank accounts and transfers to documents, among others, which points at her giving orders and administering the affairs of the said foundations, and having pecuniary interest over them.

The court was not convinced and held that:

*The first element, therefore, that the accused Ms. Marcos must be a public officer is satisfied, she being from 1976 to 1986, or until she and her husband Ferdinand Marcos who was then President of the Philippine Republic, were toppled from their respective seats in government.*

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*x x x Remarkably, the circumstances surrounding the facts of these cases are peculiar, whereby foreign accounts, individuals and entities are involved, one after another, in what is alleged to be a schematic plan or complex pattern of cover up. Though the task of unearthing evidence is inherently difficult in this situation, the prosecution endeavored to prove its case based on testimonies of witnesses who identified documents retrieved from both foreign and local sources, including those recovered from Malacanang Palace after the Marcos Family went in exile in 1986.*

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*At any rate, when the documents identified and marked were formally offered by the prosecution, the accused did not interpose any objection thereto,*

hence, the admissibility in evidence of all the documents presented was favorably ruled upon by this Court when it resolved to admit the prosecution's Consolidated Formal Offer of Documentary Evidence filed on December 3, 2015, there being no opposition from the accused.

Culled from the evidence, testimonial and documentary, hereunder is the Court's determination of the presence or absence of the element of "pecuniary interest" of Ms. Marcos, in any business, contract or transaction relating to each of the foundations and entities subject of the instant cases.

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A "business" is generally defined as the activity of making one's living or making money by producing or buying and selling goods or services. x x x On the other hand, a "foundation" is generally established and maintained for charitable, educational, religious or other benevolent purpose. In civil law system such as the Swiss regime, a foundation is normally defined "as legal entity established by the endowment of assets for a specified purpose. In theory, this purpose must be one of public interest."

The term "foundation" shall not be controlling in determining the nature of engagement of the subject Swiss entities put up by Ms. Marcos. Though named as a "foundation," the evidence shows that these entities were put up primarily for the entrepreneurial activity of opening bank accounts and deposits, transferring funds, earning interests and even profit from investment, for the private benefit of the Marcos family as beneficiaries. The purpose of setting up these entities is definitely not charitable, educational, religious, or otherwise in service of public interest. In fact, in the related case of Republic vs Sandiganbayan involving monies and Swiss accounts of the Marcoses, the Supreme Court ruled that "management of businesses, like the administration of foundations to accumulate funds, was expressly prohibited under the 1973 Constitution x x x x." Hence, Ms. Marcos predicate act of "having pecuniary interest" in these foundations, the affairs of which she is shown to have actively administered for he private gain and benefit falls within the context of the proscribed acts under Article IX, Section 8 of the 1973 Constitution.

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WHEREFORE, judgment is hereby rendered finding the accused Imelda R. Marcos:

- (a) GUILTY beyond reasonable doubt for violation of RA. No. 3019, Section 3(h) in relation to Article IX, Section 8 of the 1973 Constitution in Criminal Cases Nos. 17287, 17288, 17289, 22867, 22868, and 22869 whereby she is sentenced, in each of these cases, to suffer the indeterminate

*penalty of imprisonment from six (6) years and one (1) month as minimum to eleven (11) years as maximum, with perpetual disqualification to hold public office. As regards the civil aspect consisting of forfeiture of the assets and accounts of the foundations subject of these cases, the Court defers to the disposition thereof in the forfeiture proceedings separately instituted against the accused;*