

Title: Republic of the Philippines vs. Hon. Sandiganbayan, Ferdinand E. Marcos Estate/Heirs, Imelda R. Marcos: Forfeiture of Alleged Ill-Gotten Wealth

Facts:

The Presidential Commission on Good Government (PCGG), represented by the Office of the Solicitor General (OSG), filed a petition for forfeiture before the Sandiganbayan (Civil Case No. 0141) on December 17, 1991. The petitioner sought to forfeit US\$356 million (allegedly more than US\$658 million inclusive of interest) in escrow at the Philippine National Bank (PNB), an amount previously held in Swiss bank accounts by five foundations allegedly linked to Ferdinand E. Marcos and his family.

On October 18, 1993, the Marcos heirs filed their answer denying the allegations of ill-gotten wealth. Before the pre-trial, a global compromise was presented by the Marcos children, hoping to settle the Marcos estate's assets with the PCGG. However, the PCGG filed a motion for summary judgment and/or judgment on the pleadings, which the Sandiganbayan denied as it prioritized the approval of the compromise.

Subsequently, petitions were filed by the Marcoses to approve said agreements, but before the judgment could be reached, the Marcoses stated they had no ownership or interest over the funds. Another motion for summary judgment was filed by the petitioner Republic, contending essential facts warranted judgment on the funds.

The Sandiganbayan ruled in favor of the Republic on September 19, 2000, granting the motion for summary judgment. However, upon motions for reconsideration by the Marcoses, the Sandiganbayan reversed its decision on January 31, 2002, prompting the Republic to elevate the case to the Supreme Court via certiorari, alleging grave abuse of discretion by the Sandiganbayan.

Issues:

1. Did the Sandiganbayan commit grave abuse of discretion when it reversed its September 19, 2000 decision forfeiting the Swiss deposits in favor of the Republic?
2. Is the Philippine government able to prove its case for forfeiture under RA 1379, establishing that the funds held by the Marcoses in Swiss accounts were ill-gotten and manifestly out of proportion to their lawful income?

Court's Decision:

The Supreme Court granted the certiorari, finding that the Sandiganbayan committed grave abuse of discretion. The Court ruled that the Marcoses failed to raise genuine issues of fact

and thus, summary judgment should take place. Considering the total known lawful income of the Marcoses was grossly disproportionate to the alleged Swiss deposits amounting to US\$356 million, a prima facie case for forfeiture was established.

Doctrine:

The court reaffirmed the principle of summary judgment, which is warranted when there are no genuine issues of fact requiring the presentation of evidence in a full-blown trial.

Class Notes:

1. Summary Judgment - A procedural device to promptly settle actions without trial when there are no genuine issues of material fact.
2. Judicial Admissions - Any admission made by a party during the proceedings does not require proof and is conclusive unless shown to have been made through palpable mistake.
3. Indispensable Parties - Those without whom no final determination can be had of an action, as their interests are so bound with that of other parties that their legal presence as parties to the proceeding is an absolute necessity.

Historical Background:

The case against the Marcos family concerning their alleged ill-gotten wealth is a significant part of the Philippine government's efforts to recover assets believed to have been acquired unlawfully during Ferdinand E. Marcos' presidency. The PCGG was established specifically to investigate and pursue such claims, which have been a continuing concern for the Republic since the fall of the Marcos regime in 1986.