

## EN BANC

**[ A.M. No. 12-6-18-SC, August 07, 2018 ]**

**RE: CONTRACTS WITH ARTES INTERNATIONAL, INC.**

### RESOLUTION

**BERSAMIN, J.:**

We hereby consider and resolve the issues pertaining to the matters covered by the Report of the Office of the Chief Attorney dated June 20, 2012 (Report) on the Court's several contracts with Artes International, Inc. (Artes) that Ms. Evelyn Toledo-Dumdum (Ms. Dumdum) entered into as the Administrator of the Court's Program Management Office (PMO) relative to the following events and activities, namely:

1. National Forum on Liberty and Prosperity (National Forum) held on August 24-25, 2006 at the Manila Hotel;
2. Global Forum on Liberty and Prosperity (Global Forum) undertaken on October 18-20, 2006 at the Makati Shangri-La Hotel, Makati City; and
3. Other activities relative to the retirement of Chief Justice Artemio V. Panganiban (Chief Justice Panganiban) consisting of: (a) Musical Interlude at the Cultural Center of the Philippines on November 30, 2006; (b) Commemorative Program on December 6, 2006 at the Fiesta Pavillon, Manila Hotel; (c) Retirement ceremonies on December 6, 2006 at the Supreme Court Hall; and (d) the Celebration of the Life, Love & Achievements of Chief Justice Panganiban Event at the Pan Pacific Hotel on December 7, 2006.

The Office of the Chief Attorney submitted the Report in compliance with the instruction of the Court's Management Committee for the Judicial Reform Support Project (JRSP) at its April 24, 2012 meeting in Baguio City to "summarize [the] facts on the circumstances with Artes International, Inc. (Artes)."<sup>[1]</sup> The Report was based on the files submitted by the PMO to the Management Committee in said meeting, as well as on the twin studies the OCA had previously conducted on the Artes matter.<sup>[2]</sup>

### Antecedents

On December 21, 2005, or shortly after his assumption of office, Chief Justice Panganiban announced his "judicial philosophy of safeguarding the liberty and nurturing the prosperity of the people under the rule of law."<sup>[3]</sup> Conformably with his philosophy, the National Forum and the Global Forum were conceptualized and launched.

In planning for the National Forum and the Global Forum, Ad Hoc Committees whose memberships consisted of officers and employees of the Court's various offices were

created. It appears, however, that the PMO further engaged an event organizer to assist the Ad Hoc Committees. Ms. Dumdum expressly confirmed so Memorandum PMO JRPAO 09-14-2007:

**2.2 To assist the Ad Hoc Committees, specifically by addressing the creative, logistical, physical and technical requirements** of the Forum, the services of an event specialists (sic), namely, Artes International, Inc. was engaged **based on the lowest responsive canvass** made by this Office. Artes was the same events specialist engaged during the conduct of the International Conference and Showcase on Judicial Reforms (ICSJR) held last November 2005.<sup>[4]</sup>

The following matters were further spelled out in the certification dated November 23, 2006 issued by the PMO, signed by Dennis Russel D. Baldago, Chief Judicial Staff Officer of the PMO and Vice-Chairperson of the Forum Secretariat; and Dennis T. Velasco, Logistics Management Officer V of the PMO; and noted by Ms. Dumdum, as follows:

This is in relation to the services rendered by Artes International, Inc. for the Global Forum on Liberty and Prosperity held last October 18- 20, 2006 at the Makati Shangri-La Hotel, Philippines.

The evolving ***requirements for the creative, physical and technical aspects of the Global Forum were finalized only after the conduct of the Academic and National Forum on Liberty and Prosperity last July 20 and August 24-25, 2006*** respectively, barely eight (8) weeks or two (2) months to prepare for an international conference which will be participated (sic) by Chief Justices and Judges from ninety five (95) countries, delegates from the executive and the legislative departments of government, international development agencies, members of the diplomatic corps, judicial institutes, leaders of the foreign academe, international bar associations, foreign business chambers and civil society.

Thereafter, the ***PMO solicited three (3) canvasses***, requested authorization from the Chief Justice to fund various activities during the Global Forum, and prepared the necessary Job Order to address the abovementioned requirements. The service provider with the lowest responsive proposal was also the same service provider during the International Conference and Showcase on Judicial Reforms held last November 28-30, 2005 at the Makati Shangri-La Hotel.

This is to further certify that there are limited providers for the abovementioned requirements of the Global Forum.

This Certification is issued at the request of Mrs. Adoracion Yulo, SC Chief Judicial Staff Officer, Finance Division and Ms. Lilianne E. Ulgado, Chief Accountant, Accounting Division.<sup>[5]</sup>

The services of Artes were extended to other activities related to the retirement of Chief Justice Panganiban on December 6, 2007.

## 1.

### The National Forum and the Global Forum

The PMO first engaged the services of Artes for the International Conference and Showcase for Judicial Reform (ICSJR) in 2005. Based on the records, the OCA found that Ms. Dumdum as the Administrator of the PMO entered into the following contracts with Artes, represented by its Executive Producer Helen R. Dabao (Ms. Dabao), and directly took part in authorizing several disbursements, as follows:

(1) The **letter-contract** signed on July 18, 2006 by Ms. Dumdum and Ms. Dabao for two logo designs at the total cost of P53,200.00, inclusive of VAT of P5,700.00. The disbursement voucher showed that the VAT was increased to P9,500.00. Check No. 24690, which was eventually issued to Artes on September 25, 2006, indicated only the amount of P43,700.00, which was charged to the **SC-JRSP WB LOAN**.

(2) The **quotation offer** dated August 1, 2006 signed by Ms. Dabao offering the services of Artes to undertake the video coverage of the National Forum for the total amount of P180,320.00, inclusive of VAT of P19,320.00. Ms. Dumdum affixed her signature beneath the word *Conforme*. The disbursement voucher for the total amount of P180,320.00 was prepared and the amount was charged to the **SC-JRSP WB LOAN** with the recommending approval of Ms. Dumdum.

(3) The **quotation offer** dated August 1, 2006 signed by Ms. Dabao offering the services of Artes for the audio-visual presentation entitled *Blueprint for Change*, with 10 pieces of DVDs as deliverables, at the cost of P666,261.12, inclusive of VAT amounting to P71,385.00. Ms. Dumdum affixed her signature to the quotation offer beneath the word *Conforme*. Based on the disbursement voucher, the VAT was again increased to P118,975.20, such that the amount of Check No. 24691 issued on September 25, 2006 payable to Artes became only P547,285.92, which was paid to Artes on September 27, 2006. The disbursement voucher indicated that Ms. Dumdum recommended the expenditure to be charged to the **SC-JRSP WB LOAN**.

(4) The **letter-contract** between Ms. Dumdum and Ms. Dabao (for Artes) entered into on August 10, 2006 for the Conference Proper of the National Forum. The **letter-contract**, written on the stationery of Artes, provided:

10 August 2006

EVELYN TOLEDO-DUMDUM  
Program Director  
Program Management Office  
6<sup>th</sup> Floor Centennial Bldg.  
P. Faura Street, Ermita  
Manila

Dear Ms. Dumdum,

Thank you for considering us to be able to serve your event requirements for the following:

Event        National Forum on August 24 & 25, 2006  
Title:        "Prosperity & Liberty: Goals of Judicial Reforms"

Venue:        Manila Hotel, Centennial Hall

## Particulars: **Conference Proper Requirements**

### **I. Physical/Creative/Technical Management of the National Forum at Manila Hotel on August 24 & 25, 2006.**

Please be assured that Artes International, Inc. shall render the same quality work as the past ICSJR conference if not even more efficiently and professionally. We look forward to working with you again in this conference.

The following are areas that were discussed and agreed upon:

1. That Artes shall provide script for your guidance;
2. That your office shall provide all Emcees for the said events;
3. That you are requiring video coverage of the event; and
4. That Helen Dabao, Executive Director of Artes International, Inc. shall oversee the execution, coordination and supervision of the conference proper on August 24 & 25, 2006; 8am to 5pm. Our services include the following:

1. Provision of creative, production and technical staff with HELEN R. DABAO as Over-All Director and Executive Producer; other areas of concern
2. Provision of production staff to include Technical Director, Lights Director, Writers, Production Manager, Stage Managers, Production Assistants, technical crew and utility men;
3. Provision of lights & sound system, the screen/projector at the Centennial Hall and Backdrop bearing the official logo. Artes shall manage all coordination & supervision of the venue needed for the conference except booking guests and participants at the hotel.

**For and in consideration** of the above services ARTES INTERNATIONAL, INC. submits a package cost of all requirements in the Conference Proper amounting to **NINE HUNDRED NINETY EIGHT THOUSAND EIGHT HUNDRED FIFTY FOUR & 78/100 PESOS (PhP998,854.78)**

Please find attached the **Budget Breakdown** x x x of the total package cost of the project.

#### **TERMS:**

**50% downpayment** to be paid upon signing of conforme.

**50% balance** to be paid upon completion of the project.

Termination of contract after signing is subject to **50% fee of the total project cost**

Additional requirements shall be charged accordingly.

Quoted price is valid only until 18 August 2005.

Note: Please make cheque payable to **Artes International, Inc.**

We look forward to working with you. Should you have any questions and concerns, please do not hesitate to get in touch with us.

Thank you very much for giving us the opportunity to offer our services.

Again thank you and more power to you and your office.

**ARTES  
INTERNATIONAL,  
INC.**

**By:**

**SUPREME COURT OF THE  
PHILIPPINES**

**By:**

(Sgd.)  
**HELEN R. DABAO**  
**Managing &  
Creative Director**

(Sgd.)  
**EVELYN TOLEDO-DUMDUM**  
**Program Director**

The disbursement voucher shows that Ms. Dumdum recommended approval of the payment in the amount of P998,854.78 charged to the **"SC-JRSP WB LOAN."**<sup>[6]</sup>

(5) About August 12, 2006, Ms. Dabao offered to supply 350 pieces of conference bags at P450.00/piece for a total of P176,400.00, inclusive of the P18,900.00 VAT, and 900 pieces of ID holder at P95.00/piece for the total price of P95,760.00, inclusive of the P10,260.00 VAT. The disbursement voucher disclosed that the total sum of P272,160.00 for the offered articles was charged to the **SC-JRSP WB LOAN** and the **JRSP (WB)-GOP Counterpart Funds** in the respective amounts of P243,160.00 and P29,160.00. Artes issued a **"Sales Invoice"** dated August 12, 2006 for both articles.<sup>[7]</sup>

(6) The **letter-contract** written on the stationery of Artes and signed on August 14, 2006 by Ms. Dumdum constituted the contract for services for the Closing Ceremonies of the National Forum held on August 24-25, 2006. The pertinent portions of the **letter-contract** stated:

The following are areas that were discussed and agreed upon:

1. That we will provide script for your guidance;
2. That your office will provide all Emcees for the said events;
3. That you are requiring video coverage of the event; and
4. That Helen R. Dabao, Managing & Creative Director of Artes International, Inc. shall oversee the execution, coordination and supervision of the said event. Our services include the following:
  - a. Provision of production staff to include a Technical Director, Lights Director, Writers, Production Designer, Production Manager, Stage Managers, Production Assistants, technical crew;
  - b. Provision of lights and sound system for the Closing Ceremony.