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NEWS/PRESS RELEASE

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Court convicts Orient Bank top officials for P159-M estafa cases, issues hold departure order

The Regional Trial Court (RTC) National Capital Judicial Region Branch 42 Manila in a decision in November 2020 convicted two former high-ranking officials of the closed Orient Development Banking Corporation (Orient Bank) for seven cases of estafa for a total amount of P159 million.

For the commission of seven counts of "Estafa through Falsification of Commercial Documents", Presiding Judge Dinnah C. Aguila-Topacio, in her Decision, sentenced Jose C. Go, former President; and Aida dela Rosa, former Senior Vice President, to imprisonment of minimum of four years and two months to maximum of 19 years, for each of the seven criminal cases. The penalties in the seven cases should be served successively. The Court also directed Go and dela Rosa to jointly pay the Philippine Deposit Insurance Corporation (PDIC), Receiver of the closed Orient Bank, the amount of P159 million.

The accused Go and dela Rosa were found to have conspired to defraud and cause damage to Orient Bank and its depositors by taking advantage of their respective positions in the Bank to grant loans to corporations and individuals.

The Court also issued on December 12, 2020 a hold departure order (HDO) against Go and dela Rosa, in response to PDIC's urgent motion for the issuance of an HDO to ensure that Go and dela Rosa will not be able to flee the country to escape the charges against them.

In its Decision, the Trial Court found that Go and dela Rosa conspired to defraud the bank by making it appear that Orient Bank granted loans to seven entities, but in truth, these entities never applied for or received the proceeds of the supposed loans. According to the Court, the accused encashed Manager's checks and Cashier's checks in the names of the alleged borrowers and deposited the amounts, totaling P159 million, into the accounts of Go and his related companies. Hence, the Court found that the evidence proves

beyond reasonable doubt that the accused converted Orient Bank funds for their personal gain or benefit.

The seven estafa cases were part of investigations involving P4.95 billion which were funneled into Go's accounts through various means from July 1996 to December 1997.

The Monetary Board of the Bangko Sentral ng Pilipinas (BSP) ordered the closure of Orient Bank on October 14, 1998 and designated the PDIC as the bank's Receiver. Republic Act 3591, as amended, or the PDIC Charter, authorizes the PDIC as Receiver to file cases to enforce the liabilities of bank officials, employees, agents and other entities to collect, recover, and preserve all assets of closed banks including assets over which the closed bank has equitable interest.

The filing of charges against officers of the closed Orient Bank is in support of the PDIC's efforts to bring to justice parties that engage in acts that put the depositing public and the PDIC's Deposit Insurance Fund at risk. The Corporation continues to pursue legal actions against bank officials and personnel who engage in unsafe or unsound banking practices that pose grave threats to the stability of the country's banking system. The PDIC is mandated to generate, preserve, maintain faith and confidence in the country's banking system, and protect it from illegal schemes and machinations.

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The Philippine Deposit Insurance Corporation (PDIC) was established on June 22, 1963 by Republic Act 3591 to provide depositor protection and help maintain stability in the financial system by providing deposit insurance. Effective June 1, 2009, the maximum deposit insurance coverage is PhP500,000 per depositor. All deposit accounts by a depositor in a closed bank maintained in the same right and capacity shall be added together. A joint account shall be insured separately from any individually-owned deposit account.

PDIC news/press releases and other information are available at the website, www.pdic.gov.ph.

Corporate Communications Dept.
Tel: (02) 8841-4636 to 39
Trunkline: (02) 8841-4000
Website: www.pdic.gov.ph
Email: ccd@pdic.gov.ph
Facebook: www.facebook.com/OfficialPDIC
Twitter: [@OfficialPDIC](https://twitter.com/OfficialPDIC)