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DEPARTMENT ADMINISTRATIVE ORDER NO. 1
Series of 1990

SUBJECT: Creation of Special Task Forces and Guidelines on the implementation of National Emergency Memorandum Order No. 7, entitled "directing emergency measures to protect the people from hoarding, profiteering, injurious speculations, manipulation of prices and other pernicious practices affecting the supply of palay and rice".

Pursuant to the provisions of Republic Act No. 6826, Proclamation No. 503, National Emergency Memorandum Order No. 7, Series of 1990, Executive Order No. 384, Series of 1989, and Executive Order No. 913, Series of 1983, the following guidelines are hereby promulgated for the compliance, guidance and information of all concerned:

SECTION 1. Definition of Terms. -

a) "Price ceiling" shall mean the maximum retail price at which rice can be sold, as set by National Emergency Memorandum Order No. 7, or as may hereinafter be set by the Secretary of the DTI and approved by the President;

b) "Hoarding" shall refer to one or more of the following specific acts:

(1) undue accumulation of rice/palay beyond normal inventory levels;

(2) the unjustified refusal of millers/wholesalers/retailers of rice/palay to dispose of, sell, or distribute the same;

(3) storing, collecting or keeping of rice/palay resulting in their undue

accumulation in warehouses and storage facilities, or taking them out of the channels of trade and commerce;

(4) insidious hiding of palay/rice or taking them out of the normal channels of trade for profit;

c) "Overpricing" shall mean the selling or offering for sale of rice at a price above the price ceiling;

d) "Price manipulation" shall mean the artificial advancing or depressing of the price of palay/rice in the market;

e) "Injurious speculation" shall mean engaging in business out of the ordinary, or dealing with a view of making profit from conjectural fluctuations in the price rather than from earnings out of the ordinary profit of trade;

f) "DTI" shall refer to the Department of Trade and industry;

g) "NFA" shall refer to the National Food Authority;

h) "Task Force" shall refer to the Special Joint Task Forces created under this Order.

SECTION 2. Prohibited Acts. - The following acts affecting the supply and availability of palay/rice are prohibited:

- a) hoarding;
- b) overpricing;
- c) price manipulation;
- d) injurious speculation; and
- e) other pernicious practices.

SECTION 3. Proof of Violation. - Any one of the following shall be deemed sufficient proof of violation of pertinent provisions of this Order:

- a) price tag placed on rice, which reflects a price above the price ceiling;
- b) receipt, or any proof of purchase, showing the sale of rice above the price ceiling;

c) in the absence of a price tag, or if the violator refuses to issue a receipt, affidavit of one or more persons attesting to the fact of overpricing, hoarding, price manipulation, etc.

SECTION 4. Special Joint Task Forces. - The Special Joint Task Forces created under the November 21, 1989 Circular are hereby reconstituted with the addition of the Department of Local Government. As reconstituted, the composition of the Task Forces are as follows:

Regional level:

- Chairman - NFA Regional Director or his representative
- Co-Chairman - DTI Regional Director or his representative
- Members - A representative each from DA, DLG, and from the private sector coming from food and consumer organizations, Regional Agricultural Food Council (RAFC), and the PEC.

Provincial level:

- Chairman - NFA Provincial Manager or his representative
- Co-Chairman - DTI Provincial Director or his representative
- Members - The provincial governor or his representative, a representative each from DA, DLG, DOJ and from the private sector coming from food and consumer organizations, Provincial Food Council and the PEC

Municipal level:

- Chairman - Municipal Mayor
- Co-Chairman - Municipal Agricultural Officer
- Member - A representative each from the DTI, Municipal Agricultural Food Council, and PEC

SECTION 5. Powers and Functions of the Task Force. -
The concerned Task Force shall have the following powers and functions:

a) Primarily, to implement and enforce the price ceilings of P9.00 per kilo for well-milled rice (WMR), P8.00 per kilo for regular-milled rice (RMR), and P7.00 per kilo for NFA rice set by National Emergency Memorandum Order No. 7;

b) to monitor the agreed prices between the leaders of the various associations of millers, wholesalers and retailers on the one hand, and the government on the other hand, as to the suggested price from the miller to the wholesaler and from the wholesaler to the retailer;

c) to harness the support of the private sector and various non-governmental organizations (NGOs) for the effective implementation of this Order;

d) to submit weekly reports to their respective central offices;

e) to receive complaints and act on the same in accordance with provisions of Executive Order No. 913, Series of 1983, and this Order;

f) to exercise the following visitorial powers:

(1) to require any person concerned, to submit periodically or otherwise, any pertinent report, data, information, document or paper;

(2) to enter any pertinent establishment, office, factory, plant, mill, store, warehouse, including any pertinent means of transportation used as a store/office/storage area, and the like and to conduct one or more of the following visitorial activities:

(a) inspect any pertinent book of account, record, document, paper, and the like;

(b) inspect any pertinent inventory, stock, equipment, finished/unfinished product, container, packaging, wrapping, and the like;

(c) inspect any pertinent work/activity being undertaken thereat;

(d) take pictures/video recordings of any of the real or personal properties, and of the work/activity mentioned in (2) (c) above;

(e) secure copies of the things mentioned in (2) (a) above;

(f) take a reasonable quantity of rice/palay for verification of variety and quality;

(g) seize evidence of the offense, to be used in the administrative and/or criminal cases that will be commenced against the violator; and

(h) interview any person who may be found at the premises entered.

The above visitorial activities shall be conducted in the following manner:

a. The visitorial activities shall be conducted in the presence of the owner or person who has charge of the property visited at the time entrance is to be made, or any occupant thereof, or their representative;

b. The visitorial activities shall be conducted with reasonable promptness and in a professional manner;

c. Receipts shall be issued for copies, samples, and evidence taken, and shall state specifically the group or stock from which the same were taken, and describe briefly the samples and evidence taken.

i) after due notice and hearing, and upon a finding of shortage of rice in the market as reflected in price ceiling violations, to order the milling of the entire, or a portion of the, existing palay inventory accumulated in warehouses and storage facilities, under terms and conditions set by NFA.

SECTION 6. Administrative Procedure under Executive Order No. 913. -

a) Complaint. Filing of administrative complaint, duly notarized (or subscribed and sworn to before any member of the concerned Task Force) before the provincial/municipal Task Force, stating the name and address of the complainant and the respondent, and the details of the complaint;

This is without prejudice to the commencement by the provincial/municipal Task Force of administrative proceedings, motu proprio, in case of anonymous reports/complaints, and apprehensions;

b) Mediation. The Mediation Officer designated by the provincial/municipal Task Force shall call the parties to a conference within forty-eight (48) hours from apprehension, or receipt by the provincial/municipal Task Force of a sworn complaint, through a written notice to determine whether respondent admits or not the offense charged against him;

c) Formal Hearing. In the event that mediation fails, the Mediation Officer shall elevate the case to the Hearing Officer designated by the Regional Director for trial on the merits;

d) Decision. The Regional Director shall, within thirty (30) working days from the termination of the administrative proceedings, render the decision on the case.

e) Appeals and Execution. These and other matters not herein specifically provided shall be governed by existing DTI orders.

f) The Chairman and members of the Provincial/Municipal Task Force as well the said Mediation Officers are authorized to administer oaths for purposes of this Administrative Order.

SECTION 7. Administrative Penalties. -

The penalties of administrative fine and/or closure shall be imposed on violators of this Order, in accordance with the following schedule:

A. First Violation

PERCENTAGE INCREASE TO CEILING PRICE	WET MARKET/ SARI-SARI STORES (₱)	GROCERIES (₱)	SUPERMARKETS (₱)
Below 5%	1,000 - 1,500 2-day closure	2,000 - 3,000 2-day closure	25,000 - 50,000 2-day closure
>5 - 10%	>1,500 - 2,000 3-day closure	>3,000 - 5,000 3-day closure	>50,000 - 100,000 3-day closure
>10%	>2,000 - 2,500 5-day closure	>5,000 - 10,000 5-day closure	>100,000 - 150,000 5-day closure

B. Succeeding Violations - A second violation will be imposed penalties double the penalties mentioned in (A) hereof, provided the administrative fine will not exceed ₱150,000.00. A third violation will merit the penalty of permanent closure.

SECTION 8. Criminal Penalties. - For any violation of this Order, the court may, at its discretion, per Republic Act No. 6826, impose one or both of the following penalties:

- a) Fine of ₱50,000.00 to ₱500,000.00;
- b) Imprisonment of not less than five (5) years but not more than ten (10) years.

Provided, however, That if the offender is a corporation, association, partnership or any other juridical person, the penalty shall be imposed upon the president, directors, managers, managing partners, as the case may be, who participated in the commission of the offense, or who shall have knowingly permitted or failed to prevent the commission of the same; Provided, further, That if the offender is an alien, he shall, in addition to the penalties herein prescribed, be deported without further proceedings; Provided, finally, That if the offender is a public official or employee, he shall, in addition to the penalties prescribed herein, suffer perpetual or temporary absolute disqualification from office, as the case may be.

SECTION 9. Other Sanctions.- The administrative and criminal penalties mentioned in Sections 7 and 8 hereof, respectively, shall be without prejudice to other sanctions imposed by Executive Order No. 913 and other existing laws and/or municipal ordinances.

SECTION 10. DTI's Powers under Executive Order No. 913 and its visitorial powers. - Notwithstanding the above delegation of power to the Task Force where DTI is duly represented, in cases when the Task Force has failed, or is unable to act, the DTI regional and provincial offices shall continue to exercise their respective powers under Executive Order No. 913, Department Order Nos. 4 and 25, Series of 1988, and their visitorial powers, for the effective implementation of National Emergency Memorandum Order No. 7 and this Order.

SECTION 11. Non-coverage of certain government agencies. - It is understood that official acts of NFA and other pertinent government agencies, as well as deputized NGOs and private persons, which affect the supply and availability of palay/rice are not covered by the prohibitions stated in Section 2 hereof.

SECTION 12. Effectivity. - This Department Administrative Order which is hereby denominated as "urgent" shall take effect two (2) days after publication, in English and Filipino, in two national newspapers of general circulation.

Makati, Metro Manila, 12 February 1990.


JOSE S. CONCEPCION, JR.
Secretary

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