



Republic of the Philippines  
**Department of Environment and Natural Resources**  
MIMAROPA Region

PROVINCIAL ENVIRONMENT AND NATURAL RESOURCES OFFICE

Bgy. Sta. Monica, Puerto Princesa City, Palawan

Telfax No. (048) 434 - 8791

Email Add: [penropalawan@denr.gov.ph](mailto:penropalawan@denr.gov.ph)

June 06, 2022

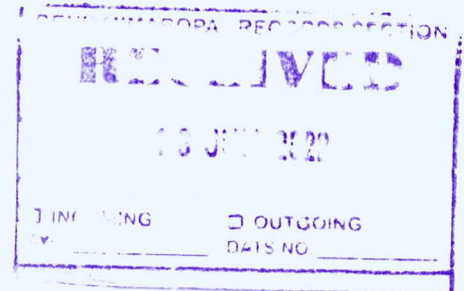
**MEMORANDUM**

**FOR :** The Regional Executive Director  
DENR MIMAROPA Region  
1515 L&S Bldg., Roxas Blvd.  
Ermita, Manila

**:** The Regional Director  
MGB –MIMAROPA Region  
1515 L&S Bldg., Roxas Blvd.  
Ermita, Manila

**FROM :** Provincial Environment and  
Natural Resources Officer


**SUBJECT :** **REPORT REGARDING THE FOLLOW-UP MONITORING ON  
SAND AND GRAVEL EXTRACTION IN BRGY. GUADALUPE  
AND BRGY. SAN JOSE BASED ON THE ISSUED CEASE AND  
DESIST ORDER TO MR. CASTRO AND BCT  
CONSTRUCTION**



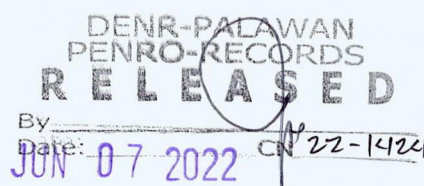
Forwarded is the Memorandum dated 25 May 2022 of CENRO Coron endorsing the appended report of MGB Embedded Personnel Cassandra Lynda Jalac and Forest Ranger Julius Sorreda of CENRO Coron regarding the above subject.

For your information and record.

For the PENRO:

  
**JOHNNY R. LILANG**  
Chief TSD/Supervising ECOMS  
In-Charge Office of the PENRO

Copy Furnished:  
The Provincial Mining Regulatory Board (PMRB)  
Puerto Princesa City  
RGT/EMU Doc. No. 2022-4446





Republic of the Philippines  
**Department of Environment and Natural Resources**  
Community Environment and Natural Resources Office  
Barangay 5, Calamianes Island, Coron, Palawan  
Telephone No. +63 917 504 2633

E-mail: cenrocoron@denr.gov.ph Website: www.denr.gov.ph

25 May 2022

**MEMORANDUM**

**FOR :** **The OIC-Regional Executive Director**  
1515 L & S Bldg., Roxas Blvd.  
Ermita, Manila

**The OIC-Regional Director**  
Mines and Geosciences Bureau-MIMAROPA  
DENR Building, Roxas Blvd., Ermita, Manila

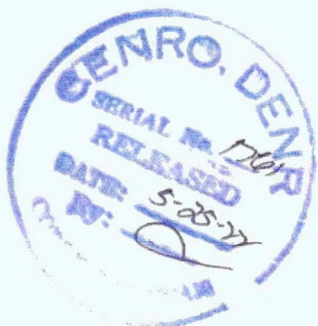
**THRU :** **Provincial Environment and  
Natural Resources Officer**  
Sta. Monica, Puerto Princesa City

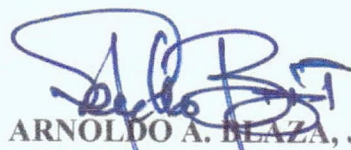
**FROM :** **The Community Environment and  
Natural Resources Officer**  
Coron, Palawan

**SUBJECT :** **REPORT REGARDING THE FOLLOW-UP MONITORING ON  
SAND AND GRAVEL EXTRACTION IN BRGY. GUADALUPE  
AND BRGY. SAN JOSE BASED ON THE ISSUED CEASE-AND-  
DESIST ORDER TO MR. CASTRO AND BCT CONSTRUCTION  
INC.**


Respectfully endorsing is the report of the MGB Embedded Personnel Casandra Lynda Jalac and Forest Ranger Julius Sorreda of CENRO – Coron dated 20 May 2022 pertaining to the follow-up monitoring of sand and gravel extraction in Brgy. San Jose and Brgy. San Nicolas, Coron after the released CDOs to the following proponents.

For your information and record.



  
**ARNOLDO A. BLAZA, JR.**  
CENRO - Coron  
8

**DENR PENRO  
PALAWAN RECORDS  
RECEIVED**

BY:   
DATE: 05-26-2022 22:4446





Republic of the Philippines  
Department of Environment and Natural Resources  
**COMMUNITY ENVIRONMENT AND NATURAL RESOURCES OFFICE**  
MIMAROPA Region  
Coron, Palawan

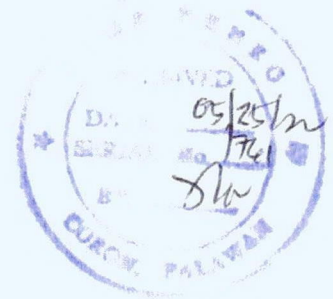
20 May 2022

**MEMORANDUM**

**FOR : The Community Environment and  
Natural Resources Officer  
Coron, Palawan**

**FROM : The Undersigned**

**SUBJECT : REPORT REGARDING THE FOLLOW-UP MONITORING ON  
SAND AND GRAVEL EXTRACTION IN BRGY. GUADALUPE  
AND BRGY. SAN JOSE BASED ON THE ISSUED CEASE-AND-  
DESIST ORDER TO MR. CASTRO AND BCT CONSTRUCTION  
INC.**



Under Travel Order No. 2022-006, the undersigned – MGB embedded personnel Casandra Lynda Jalac and Forest Ranger Julius Sorreda, conducted a follow-up monitoring last 13 May 2022. This is in relation to the issued cease-and-desist order to Mr. Jose Castro and to BCT Construction Inc. (allegedly now the One Hundred Percent Construction & Development Corp.).

**Background Information**

Last 27 April 2022, a cease-and-desist order was issued by the Mines and Geosciences Bureau MIMAROPA Region to Mr. Castro for conducting sand and gravel extraction without the necessary permits thus violating the Republic Act 7942. This letter was received by the proponent on 06 May 2022.

On 28 April 2022, BCT Construction Inc. was issued an order to cease operations by the same bureau as well as a reiteration of the previously released cease-and-desist order dated 24 March 2021 and 22 June 2021. The CDO was based on their operation without the necessary permit. On 06 May 2022, the following letters were received by the company.

**Purpose and Scope**

The fieldwork was conducted as a follow-up monitoring regarding the compliance of the proponents following the issuance of CDOs. Additionally, to check the area if there have been new movements in their respective areas. The investigation includes an ocular inspection of the site, photo documentation, verbal interview with the representative of the proponents, and apprehension of equipment if necessary.



## Findings and Observations

### *Brgy. Guadalupe*

1. The subject area is located along Labangan River, Brgy. Guadalupe. It is geographically situated at  $12^{\circ} 03' 38''$  N,  $120^{\circ} 09' 37''$  E. This is approximately 10 km away from CENRO which can be reached within a ~15-minute motorcycle drive (Figure 1).



**Figure 1.** Location map of the investigated sand and gravel quarry of Mr. Castro in Brgy. Guadalupe and BCT Construction Inc. in Brgy. San Jose. The white lines denote the boundary of both barangays. The image is excerpted from Google Earth.

2. Prior to the on-site investigation, a courtesy visit was paid to the owner of the area to discuss the objectives of the investigation and have a brief interview regarding his site. As per his statement, they complied with the issued order by the MGB.
3. Upon arrival at the area, no ongoing sand and gravel operation was observed (*see Photo Documentation 01*). The same physical features of the site on the previous visit were the same during the follow-up monitoring. This only shows that Mr. Castro indeed conformed to the released order.

### *Brgy. San Jose*

1. The area is situated in Sitio Baboy and Sitio Kawayan, Brgy. San Jose (GPS:  $12^{\circ} 09' 47''$  N,  $120^{\circ} 01' 42''$  E and  $12^{\circ} 09' 22''$  N,  $120^{\circ} 01' 44''$  E, respectively). This is approximately 32 km away from CENRO which can be reached within a ~1-hour car drive (Figure 1).
2. Prior to visiting the subject area, the undersigned was able to observe a stockpile/dumping area in Sitio Tulbuan, Brgy. Decalachao (GPS:  $12^{\circ} 07' 08''$  N,  $120^{\circ}$



06° 11" E) (*see Photo Documentation 02*). One empty dump truck was observed going to the quarry area. Additionally, a payloader was spotted unloading aggregates to a salandra. The timekeeper in the area, a certain John Paul, was briefly interviewed by the undersigned. Based on his statement, the source of the sand and gravel here in Sitio Tulbuan is from Sitio Kawayan in Brgy. San Jose. He further mentioned that approximately five trucks were dumped in the area. When asked what project these aggregates are for, he stated that this is for the ongoing DPWH road widening project and the airport extension project in Brgy. Decalachao.

3. Before reaching the subject area, a truck (#18) whose about to deliver the excavated aggregates to their dumping site was asked to hold. The undersigned identified themselves prior to interviewing the personnel in the truck. The driver was Mr. Ramel Wab Custodio and his helper was Mr. Teody Javier (*see Photo Documentation 02*). As per the driver and helper, the truck contains 15 cu. m. of sand and gravel, and they deliver at least two loads a day to their dumping site near the airport. The undersigned requested the driver and helper to show their delivery receipts, however, nothing was presented. The undersigned also asked if they were aware of whether the source area is permitted or not, but they have no idea regarding this. They further mentioned that their boss (a certain Mr. Hipolito 'Polly' Leoncio) might have the following documents.
4. Mr. Polly called through the phone of the driver and said that the aggregates are to be delivered to the ongoing airport project. With regard to the delivery receipt, he stated that they have no such paper. The undersigned also called Mr. Duaso, the BCT liaison officer, to check if they have the following permits. Based on Mr. Duaso, the company does not have an ECC and quarry permit for the area, however, the PMRB allows them to extract sand and gravel as these resources will be used for different government projects. Based on the list of permittees provided by the Coron-PMRB, there was no BCT nor any related to the company in the list (*see Annex-1*).
5. As mentioned by Ms. Teresa Casareno, the Coron-PMRB chair, they allow the extraction of BCT Construction Inc. as they supply to different government projects.
6. Given that no legal documents were presented to the undersigned, truck #18 was apprehended. A seizure receipt was prepared, and the Miranda Rights were read to the truck operators (*see Photo Documentation 02*). Minutes after this, a second truck arrived in the area. The vehicle's identification was a white 10-wheeler HOWO truck with the number 22 imprinted on it. The driver was Mr. Artemio Ortezo and the two helpers were Mr. Christian Grate and Mr. Anjo Magos. Similar to truck #18, there was no delivery receipt provided. Hence, it was also apprehended (*see Photo Documentation 02*). The Miranda Rights was read, and the truck details were added to the seizure receipt (*see Annex-2*).
7. The two trucks were brought to the barangay hall of San Jose in the custody of Kap. Villareal. However, Mr. Polly called the phone of the driver again and talked to Kap. Villareal. Based on their conversation, Mr. Polly wanted Kap to provide a document that states that he will be the one who shall pay for any damages to the two trucks. Mr.



Polly also spoke to the MGB personnel and mentioned that the name of the apprehender be added to the document he is asking for. Therefore, the MGB personnel and Kap. Villareal will be the ones who will take full responsibility for the apprehended trucks and if damaged, they will also be the ones who will pay for all the expenses.

8. Given the demands of Mr. Polly and for safety purposes following the recommendation from a senior official from the bureau, the undersigned released the trucks apprehended. A certification of apprehension, however, was made to confirm that the trucks were seized. This document was signed by the drivers and helpers of the vehicle and was witnessed by Kap. Villareal (*see Annex-3*). The 30 cu. m. aggregates were confiscated and were placed within the vicinity of the barangay (*see Photo Documentation 02*).
9. Apart from the information gathered above, the undersigned heard an allegation that the drivers were asked to operate during the night and hide all the heavy equipment during the day.

### **Comments and Recommendations**

*For Mr. Castro*

1. It is recommended to continue following the order released until the commercial sand and gravel permit is acquired.

*For BCT Construction Inc. or One Hundred Percent Construction & Development Corp.*

1. Based on the results of the investigation, BCT Construction Inc. did not abide by the subsequently released CDO. Hence, the caught trucks delivering aggregates were apprehended. Section 118 of DAO 2010-21 describes the basis of confiscation.

#### **Basis of Arrests and Confiscations/Seizures**

*The absence of any of the foregoing documents shall be considered prima facie evidence of illegal mining and shall cause the confiscation/seizure of the minerals/mineral products and the tools and equipment including conveyance used in the commission of the offense in favor of the Government pursuant to P.D. No. 1281, subject to further investigation. If it is found that the minerals/mineral products seized have been mined, extracted or removed without any permit or authority under existing mining laws, rules and regulations, final confiscation can be effected to be followed by the filing of the complaint for theft of minerals. The Bureau officers which include the Regional Director and other Bureau personnel, duly authorized by the Director, DENR personnel duly authorized by the Secretary, Permittee, Contractor, Permit Holder and other duly deputized personnel shall have authority to arrest offenders, and confiscate/seize illegally-sourced minerals/mineral products and the tools, equipment and conveyance used in the commission of offense.*

2. Given all the CDOs released and that these orders have not been complied with by the company, it is recommended if found necessary to file a case against BCT Construction Inc. Moreover, provided that the proponent does not have the necessary permit in the



area, this violates Section 103 of Republic Act 7942, otherwise known as the Philippine Mining Act of 1995.

*Theft of Minerals – Any person extracting minerals and disposing the same without mining agreement, lease, permit, license, or steals minerals or ores or the products thereof from mines or mills or processing plants shall, upon conviction, be imprisoned from six (6) months to six (6) years or pay a fine from ten thousand pesos (Php 10, 000.00) to twenty thousand pesos (Php 20,000.00), or both, at the discretion of the appropriate court. In addition, he shall be liable to pay damages and compensation for the minerals removed, extracted, and disposed of. XXX*

Furthermore, the extracted materials are considered to be illegally sourced mineral/mineral products. Based on Section 116 Chapter XII of DAO 2010-21,

*Illegally sourced minerals/mineral products are those which are mined, extracted, removed, and/or disposed of without the authority or permit under existing mining laws, rules and regulations.*

3. Endorse this to PMRB-Palawan for the proper evaluation of the violations and penalties. It is recommended that the proponent shall pay maximum penalties for extracting materials without the necessary permits.
4. The PMRB-Palawan/Coron is asked to further explain the case with the BCT Construction Inc. Should they implement a special exception for any proponent there should be a resolution or a memorandum that should copy furnish offices concerning mining and quarrying such as MGB. Furthermore, the same office is advised to impose the law and should promote the legal way of quarrying/extraction activity.
5. In addition to PMRB, it is noteworthy that the proponent has multiple violations of PMRB Resolution 12-2016 as to the released multiple CDOs to BCT. The said resolution provides,  
*Permittees, haulers, contractors, vehicle drivers or owners, as the case maybe, who extracted excavated, or transported sand, gravel, and other quarry materials/resources, and failed to present delivery receipt and coupon or who presented delivery receipt and coupon with incomplete, erroneous, falsified, altered or tampered entries shall be fined XXX.*
6. To CENRO-Coron, to immediately issue a Notice of Violation and communicate to the proponent to stop their operation.
7. To refer this to EMB for their evaluation of the quarry site. If seen violating their existing laws, resolutions, and other regulations proper sanctions should be imposed and shall be penalized.

8. As per DAO 2018-18, enforcement of the rules and regulations should be composed of all concerned departments. MGB, CENRO, and PMRB should always comply with the law.
9. The forward this to other relevant offices to investigate other violations and impose other proper sanctions.
10. Lastly, if BCT Construction Inc. wants to continue its operation, it is advised to apply for a Government Gratuitous Permit to Palawan PMRB under item (a) Section 73 of the DENR Administrative Order.

*Any Government entity/instrumentality in need of quarry, sand and gravel or loose/unconsolidated materials in the construction of building(s) and/or infrastructure for public use or other purposes may apply for a Government Gratuitous Permit (MGB Form No. 8-3B) with the Provincial Governor/City Mayor through the Provincial/City Mining Regulatory Board for a period coterminous with the construction stage of the project but not to exceed one (1) year in public/private land(s) covering an area of not more than two (2) hectares. The applicant shall submit a project proposal stating where the materials to be taken shall be used and the estimated volume needed.*

For your reference, record, and further instruction(s).

  
**Casandra Lynda Jalac**  
Science Research Specialist II  
MGB MIMAROPA – Embedded Personnel

  
**Julius Sorreda**  
Forest Ranger  
CENRO-Coron

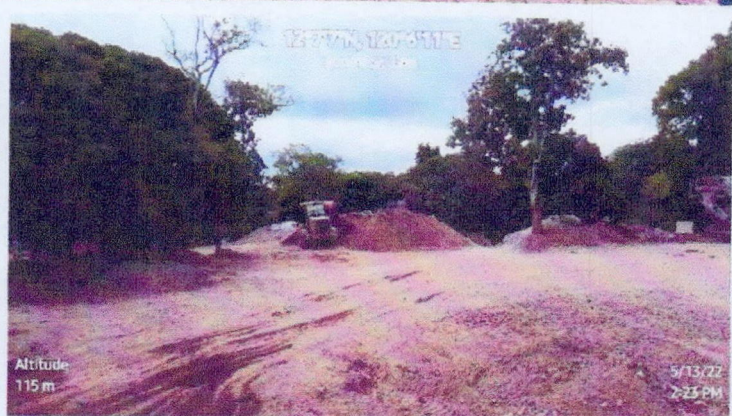


**Photo Documentation 01**  
Brgy. Guadalupe (Proponent: Mr. Castro)



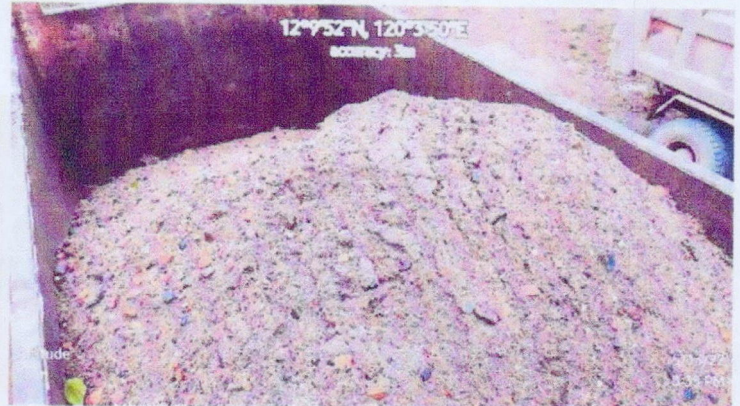
The current state of the quarry area of Mr. Castro. No recent movement was observed.

**Photo Documentation 02**  
Brgy. San Jose (Proponent: BCT Construction Inc/ One Hundred Percent Development & Construction Corp.)



The stockpile area of BCT in Sitio Tulbuan, Brgy. Decalachao. Ongoing operation was observed during the investigation.





The apprehended trucks #18 and #22. Both contain 15 cu. m. of sand gravel each which is sourced from Sitio Kawayan, Brgy. San Jose to be delivered to the ongoing airport construction.

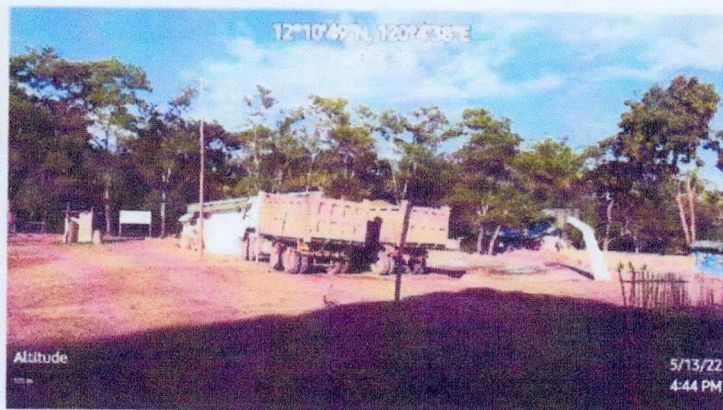


Identification of the truck drivers. The left image is the driver of truck #18 whereas the right image is the driver of truck #22.

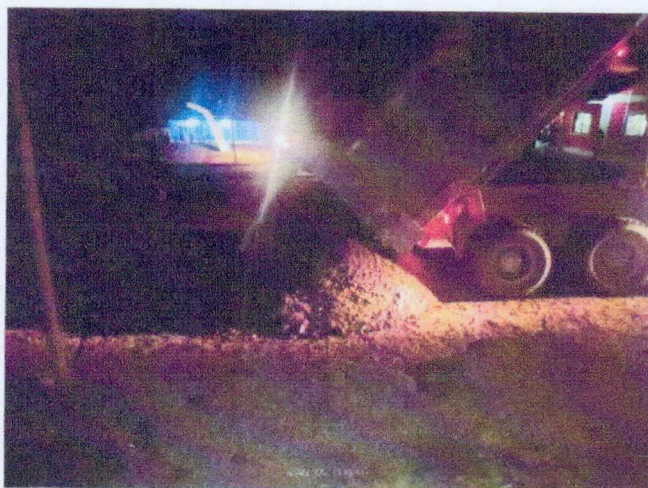




Discussion of the undersigned to the truck operators of their violations and the reading of the Miranda Rights.



The apprehended trucks were brought to the barangay hall of San Jose. The reason for apprehension was also discussed with the punong barangay.



The seized sand and gravel (30 cu. m.). For safety purposes, the trucks were released.



## Annex-1

There are no permits set. There permits expired 2021. They are in the process of renewing their permits. All documents are submitted to Police Technical Office.

- 1. Coron - Land of Forest
- 2. John Rosta - expired permit 2020 - in the process
- 3. Jimmy Morales - expired permit 2021 - in process
- 4. Juan Carlos - expired permit 2020 - in process

Guatemala -

- 1. John C. Frutiger - 2018 - 2023 - permit holder
- 2. Michelle C. Frutiger - 2018 - 2023 -

Busuanga - CSG

- 1. Melina Jemel - expired in 2020 - in process
- 2. Samuel Fabian - expired in 2022 Jan - in process



List of previous and current permit holders in Coron and Busuanga. It can be noted that no BCT or any related person thereof has an ongoing sand and gravel permit application in Coron.



## Annex-2

### ANNEX III



Republic of the Philippines  
Department of Environment and Natural Resources  
MINES AND GEOSCIENCES BUREAU  
Regional Office No. IV - MIMAROPA  
Tel No. (02) 536-0214 • Telefax No. (02) 302-1352



### SEIZURE RECEIPT

#### RECEIPT FOR CONFISCATED/SEIZED MINERALS/MINERAL PRODUCTS, TOOLS, EQUIPMENT AND CONVEYANCES PURSUANT TO DAO 96-40

**Important:** Confiscated or seized articles found in the possession of Apprehending Officers not listed in this form shall be deemed illegally-possessed and shall subject the possessor to criminal and administrative action.

QUANTITY	UNIT	DESCRIPTION	ESTIMATED VALUE
1	TRUCK	DAVE TRUCK	₱ 2,000,000.00
1	TRUCK	DVE TRUCK	₱ 2,000,000.00
30 m <sup>3</sup>		SALO X GRAVEL	₱ 39,600

We certify that the above-cited articles were seized and/or confiscated in  
SINO KAWAYAN, BRGY. GABUSE, CORON at 8:00 PM  
(Place of Apprehension) (Time)  
on 13 MAY 2022  
(Date)

Owner's Name: BCT CONSTRUCTION INC.

Signature: [Signature]

Address: BRGY. SAN JOSE, CORON, PALAWAN

Driver: Ramel Custodio  
Truck Driver: Arkenio Ortero  
Christian Ortero  
Anjo Mayes


CRISTINA LYNN L. MAC  
Investigating/Apprehending Officer

WITNESSES:

1 EDGAR R. VILLARREAL, JR. 2 JUDITH LASTANA  
BRGY. SAN JOSE, CORON BRGY. SAN JOSE, CORON  
(Name & Address) (Name & Address)

Received the articles listed above in BARANGAY HALL OF SAN JOSE  
(Storage Place)  
on 13 MAY 2022 at 4:54 PM  
(Date) (Time)

The same, having been seized/confiscated and left in my custody, pending further investigation by the DENR, Mines and Geosciences Bureau Regional Office No. IV, I hereby pledge to faithfully keep and protect the said articles from loss or destruction in any manner to the best of my ability.

  
DOLAN B. VILLANUEVA  
Custodian/Receiving Officer

4 Batteries  
Diesel  
- DT#18 -  
- DT#22 -

DT#18	DT#22
- 2 Batteries	- 2 Batteries
- 60 L Diesel	- 180 L Diesel
- CARL PAN	- CAR KEY
- 1 CAR KEY	




Annex-3


13 May 2022

CERTIFICATION


this is to certify that Ramel Custodio, Teddy Javier, Artemio Ortezo, Christian Grate, and Anjo Magos (truck drivers and helpers of BCT) had violated Section 103 of Republic Act 7942 and other violations of the provision of this law. This extraction is under the order of BCT construction Inc.


Truck # 18


  
Ramel Custodio  
Driver

  
Teddy Javier  
Helper

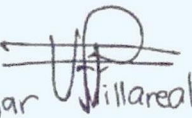
Truck # 22


  
Artemio Ortezo  
Driver

  
Christian Grate  
Helper

  
Anjo Magos  
Helper

witness

  
Edgar Villareal, Sr.  
Punong Barangay  
Brgy. San Jose

  
Casandra Jorda Jalac  
Apprehending Officer  
MGP Region 4B