

**[ ADMINISTRATIVE ORDER NO. 39, September 11, 2002 ]**

**DIRECTING THE PRESIDENTIAL ANTI-GRAFT COMMISSION TO CONDUCT A FORMAL INVESTIGATION AGAINST LUNG CENTER OF THE PHILIPPINES (LCP) EXECUTIVE DIRECTOR FERNANDO A. MELENDRES, M.D., ORDERING HIS PREVENTIVE SUSPENSION FOR NINETY (90) DAYS PENDING THE FORMAL INVESTIGATION, AND AUTHORIZING THE SECRETARY OF HEALTH TO APPOINT AN INTERIM OFFICER-IN-CHARGE OF THE LCP**

Respondent Executive Director Fernando A. Melendres, M.D., of the Lung Center of the Philippines (LCP) is the subject of a complaint filed by the members and non-members of the medical staff of the LCP for procurement of presentation banner without public bidding complexed with falsification of documents; falsification of documents in the hiring of an architectural consultant; violation of auditing rules on the drawing of petty cash advances to circumvent the law on public bidding of infrastructure projects; and unauthorized implementation of the reorganization plan unapproved by the Board of Trustees. The fact-finding committee created by the LCP's Board of Trustees submitted a report finding a prima facie case against respondent Executive Director Melendres and recommending the filing of formal charges against him. The said Board of Trustees approved the finding and recommendation of the fact-finding committee, transmitted the report and the records of the case to this Office, and further recommended the placing of Executive Director Melendres under preventive suspension during the pendency of the investigation against him.

In view of the foregoing and pursuant to Executive Order (E. O.) No. 12 dated April 16, 2001, the Presidential Anti-Graft Commission (PAGC) is hereby ordered to conduct a formal inquiry against respondent Executive Director Melendres for the alleged commission of the aforementioned acts that if true are clearly disadvantageous to the government and violative of Civil Service laws and rules.

The PAGC shall observe the prevailing rules and procedures prescribed under existing Civil Service laws and regulations, and shall terminate the formal inquiry within ninety (90) days from receipt of this Order.

The PAGC shall, likewise, within twenty (20) days after receipt of the last pleading or evidence, if any, in case respondent Executive Director Melendres does not elect a formal investigation, or after the termination of the formal investigation, should respondent Executive Director Melendres elect one, forward to this Office the entire records of the case together with its findings and recommendations, as well as a draft decision for the approval of the President.

In the meantime, pending the formal inquiry, respondent Executive Director Melendres is hereby ordered placed under preventive suspension for a period of