



NEWS RELEASE

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POEA denies sabotage on suspension orders against recruitment firms

POEA Administrator Rosalinda Dimapilis-Baldoz stood pat on the issuance of suspension orders against 436 recruitment agencies for failure to comply with the one million escrow deposit required by law as she rejected the idea that the suspension of the agencies was meant to sabotage the one 1M overseas job generation target of President Macapagal-Arroyo.

Baldoz emphasized that the deployment of one million overseas Filipino workers in 2006 is one of the flag-ship program of the POEA and it cannot be used by some members of the recruitment industry as a reason for not paying the escrow deposit required by the POEA Rules and Regulations which took effect on May 2002.

The agencies were duly notified of the requirement but they failed to infuse the necessary increase thus raising the question of their financial capacity to continue participating in the overseas employment program.

The POEA Rules gave existing landbased agencies until May 31, 2006 to increase their escrow deposit to P1M.

“Four years is more than sufficient time for these agencies to comply as they argued when they obtained an injunction order against an earlier POEA directive to comply with the increase through annual staggered payments from the date the rules took effect”, Baldoz said.

Baldoz said that despite the suspension, pipeline account of the agencies are still being processed so as not to prejudice the deployment of the workers.

“The escrow deposit requirement is there for the protection of the OFWs”, Baldoz stressed.

The bonds and escrow required from the licensed agencies are meant to answer for all valid and legal claims against the agencies arising from the violations of the condition of licenses, and/or accreditation and contracts of employment. It also guarantee compliance with the provisions of the Labor code and its implementing rules and regulations relating to recruitment and placement, the POEA rules and relevant issuances of the labor department and all liabilities which the POEA may impose against the agencies.

Baldoz said that more than granting these agencies with licenses in order that they could legally recruit workers for overseas employment, the paramount consideration is still the welfare and protection of the OFWs and the POEA shall continue to monitor agencies not complying with its rules and shall impose the necessary penalties.

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