

**[ ADMINISTRATIVE ORDER NO. 78, August 10, 1967 ]**

**CONSIDERING DR. RODOLFO T. CAÑOS, UNDERSECRETARY FOR SPECIAL HEALTH SERVICES, RESIGNED FROM OFFICE**

This is an administrative case against Dr. Rodolfo T. Caños, Undersecretary for Special Health Services, filed *motu proprio* by the Secretary of Health. Respondent is charged with (1) willful neglect of duty with grave abuse of authority, (2) dishonesty and (3) conduct prejudicial to the best interests of the government, committed while he was Acting Secretary of Health during the period from September 5, 1963, to September 18, 1964, and thereabouts.

A presidential committee was constituted to investigate the above charges. Respondent, however, after repeated and persistent motions for postponement were granted him, adamantly and steadfastly refused to appear before the committee, even after he had been finally warned that no further postponement would be entertained. Thus, the committee after affording respondent all the opportunities to present his evidence was constrained to receive the evidence on the case in his absence, after which it considered the case submitted. The committee found respondent guilty of all the charges and recommended that he be considered resigned from office.

After going over the records of the case, I concur in the findings of the investigating committee. The records show that a regular program audit of the Books of Accounts and operation of the National Orthopedic Hospital for the fiscal year 1963–1964 revealed that for the period from July 1, 1963, to September 30, 1964, the hospital made purchases of supplies materials and equipment amounting to P1,351,331.32. Of this amount P918,930.76 represented purchases through emergency procurement allegedly under the provision of Section 6, Executive Order No. 302, series of 1940, grossly exceeding the monthly authority of the hospital for emergency purchases in the amount of P768,930.76 and resulting in excesses in the reimbursable fund of the National Orthopedic Hospital in the amount of P445,608.34, through manipulations in the accounting entries reflected in the emergency purchase orders. These emergency purchases cover more than 900 vouchers. Of this amount, purchases amounting to P451,006.72 were made from a few preferred and fly-by-night dealers, whose establishments were either their residences, dress shops or sari-sari stores. Only 91 of the more than 900 vouchers were made available to program auditors. These 91 vouchers represented purchases in the amount of P173,526.90; and respondent approved 72 emergency purchase orders of the aforementioned 91 vouchers. The records show that the items were highly overpriced so much so that the amount of overpricing reached an average of 48%, or an overprice of P82,554.90 for the 91 vouchers, or P441,086.76 for the total emergency purchases of P918,930.76, to the damage and prejudice of the government. The 72 emergency purchase orders approved by the respondent covered purchases of senior and junior executive desks and chairs, visitor's lounge,