

FIRST DIVISION

[G.R. NO. 163797, April 24, 2007]

**WILSON CHUA, RENITA CHUA, THE SECRETARY OF JUSTICE AND
THE CITY PROSECUTOR OF LUCENA CITY, PETITIONERS, VS.
RODRIGO PADILLO AND MARIETTA PADILLO, RESPONDENTS.**

D E C I S I O N

SANDOVAL-GUTIERREZ, J.:

For our resolution is the instant Petition for Review on *Certiorari* assailing the Amended Decision^[1] of the Court of Appeals dated May 15, 2003 reversing its Decision^[2] dated January 24, 2001 in CA-G.R. SP No. 62401, entitled "*Rodrigo Padillo and Marietta Padillo, Complainants-Petitioners, versus The Secretary of Justice, et al., Respondents.*"

The facts as found by the Court of Appeals are:

Rodrigo Padillo and Marietta Padillo, respondents, are the owners of Padillo Lending Investor engaged in the money lending business in Lucena City. Their niece, Marissa Padillo-Chua, served as the firm's manager. Marissa is married to Wilson Chua, brother of Renita Chua, herein petitioners.

One of Marissa's functions was to evaluate and recommend loan applications for approval by respondents. Once a loan application had been approved, respondents would authorize the release of a check signed by them or their authorized signatory, a certain Mila Manalo.

Sometime in September 1999, a post-audit was conducted. It was found that Marissa was engaged in illegal activities. Some of the borrowers whose loan applications she recommended for approval were fictitious and their signatures on the checks were spurious. Marissa's *modus operandi* was to alter the name of the payee appearing on the check by adding another name as an alternative payee. This alternative payee would then personally encash the check with the drawee bank. The cash amounts received were turned over to Marissa or her husband Wilson for deposit in their personal accounts. To facilitate encashment, Marissa would sign the check to signify to the bank that she personally knew the alternative payee. The alternative payees included employees of Wilson or his friends. The total amount embezzled reached P7 million.

Respondents filed complaints against petitioners and several others with the National Bureau of Investigation (NBI) in Lucena City. In turn, the NBI forwarded their complaints to the Office of the City Prosecutor, same city, for preliminary investigation, docketed as I.S. Nos. 98-1487, 98-1621, 98-1629, and 98-1605.

In a Resolution dated March 18, 1999, Lucena City Prosecutor Romeo A. Datu (now retired), disposed of the complaints as follows:

WHEREFORE, after preliminary investigation, finding sufficient evidence to warrant a finding of a *prima facie* case of Estafa Thru Falsification of Commercial Documents, let an Information be filed against Marissa Padillo-Chua, Wilson Chua, Renita Chua, and several John Does, the same to be filed with the Regional Trial Court.

The case against the other respondents, namely, Perla Correa, Giovani Guia, Emmanuel Garcia, Zenaida Nantes, Cherrylyn Mendoza, Rosalie Mazo, Fernando Loreto, Cesar Salamat, Antonio Bana, Isidro Manalo, Jr., Ramon Villanueva, Alexander Asiado, Peter Tan, Jun Tan, Flaviano Evaso, Edgar Sebastian, Crisencio Asi, Roberto Ong and Gregorio Flancia is provisionally dismissed.

Forthwith, the City Prosecutor filed an Information for *estafa* against Marissa, Wilson, and Renita with the Regional Trial Court of Lucena City, docketed therein as Criminal Cse No. 99-182. It was raffled of to Branch 59.

Believing that a more serious offense should have been charged against petitioners, respondents interposed an appeal to the Secretary of Justice who issued a Resolution dated January 3, 2000, the dispositive portion of which reads:

WHEREFORE, the appealed resolution is modified. The City Prosecution Office of Lucena City is hereby directed to file the Information of the complex crime of *estafa* through falsification of commercial documents defined and penalized under Article 315 par. 1(b) in relation to Articles 171 and 172 (58 counts) against respondent Marissa Padillo-Chua and to cause the withdrawal of the Information of *estafa* through falsification of commercial documents against respondents Wilson Chua and Renita Chua. Report to us the action taken within ten (10) days from receipt hereof.

The Secretary of Justice found that the participation of Wilson Chua in the commission of the crime was not clearly established by the evidence. There was no showing that he abused the trust and confidence of respondents when two (2) of the questioned checks were deposited in his bank account. As to Renita Chua, the Secretary of Justice found no proof of conspiracy between her and Marissa.

Respondents filed a motion for reconsideration, but it was denied with finality by the Secretary of Justice on November 6, 2000.

Respondents then filed a Petition for Certiorari with the Court of Appeals, docketed as CA-G.R. SP No. 62401. They alleged that in issuing the Resolution dated January 3, 2000 directing the Prosecutor's Office of Lucena City to file the corresponding Information only against Marissa, the Secretary of Justice committed grave abuse of discretion. They prayed that the Court of Appeals order the Lucena City Prosecutor to withdraw the Information in Criminal Case No. 99-182 and instead, file several Informations against petitioners.

On January 24, 2001, the Court of Appeals rendered its Decision dismissing the petition, holding that there was no conspiracy among the petitioners.