

SECOND DIVISION

[G.R. No. 246451, February 03, 2021]

**STEWART G. LEONARDO, PETITIONER, VS. PEOPLE OF THE
PHILIPPINES, RESPONDENT.**

D E C I S I O N

LAZARO-JAVIER, J.:

The Case

This petition for review on *certiorari*^[1] seeks to reverse the following dispositions of the Sandiganbayan in Crim. Case No. SB-16-CRM-0325, entitled "*People of the Philippines v. Stewart Guadalquiver Leonardo*:"

1. Decision^[2] dated November 23, 2018, finding petitioner Stewart Guadalquiver Leonardo GUILTY beyond reasonable doubt of violation of Section 3(e) of Republic Act No. 3019^[3] (RA 3019); and
2. Resolution^[4] dated March 1, 2019, denying reconsideration.

Antecedents

On February 11, 2010, the *Sangguniang Bayan* of Quezon, Bukidnon issued Resolution No. 10th SB 2010-27^[5] authorizing then Municipal Mayor petitioner to cause the procurement of trucks and heavy equipment in behalf of the Municipality of Quezon (Quezon).

In May 2010, Quezon, through petitioner, joined the auction conducted by United Auctioneers, Inc. (UAI) in Subic, Olongapo City. It paid the bid deposit of P100,000.00,^[6] to be deducted from the purchase price in case of a successful bid. Petitioner personally attended the auction.^[7] Using the bid book and bid deposit of Quezon, petitioner bid for five (5) trucks in the total amount of P6,387,500.00 in behalf of Quezon. He also bid for two (2) small equipment (hydraulic excavator and front cut unit cabin) amounting to a total of P1,670,000.00, for himself.^[8] Quezon was eventually declared the winning bidder of all seven (7) equipment. UAI issued Quezon a single statement of account.^[9] As for the receipts,^[10] UAI issued two (2), both in the name of Quezon, *i.e.*, one for P6,387,500.00^[11] and another for P1,570,000.00.^[12] As regards the P100,000.00 bid deposit, it appeared to have been deducted not from the purchase price for the five (5) equipment bought by Quezon but from the purchase price for the two (2) equipment bought by petitioner for his personal use. As a result, the balance price for the two items was reduced from P1,670,000.00 to P1,570,000.00. The deeds of sale of the seven (7) purchased items were all placed in the name of LGU Quezon as vendee.^[13] The equipment

purchased by both Quezon and petitioner were transported together.^[14]

On January 14, 2011, Gregorio Lloren Gue and Noel Goopio filed with the Office of the Ombudsman (OMB) a complaint^[15] against petitioner for violation of Section 3(e), RA 3019 or the Anti-Graft and Corrupt Practices Act relative to the aforesaid transaction. Petitioner filed his counter-affidavit on May 30, 2011.^[16]

By Resolution^[17] dated January 15, 2015, the OMB found probable cause against petitioner. His subsequent motion for partial reconsideration was denied under Order dated June 15, 2015.^[18]

On June 1, 2016, the corresponding Information^[19] was filed against petitioner before the Sandiganbayan for violation of Section 3(e) of RA 3019, specifically his act of appropriating the bid deposit of Quezon and making sure that the equipment he bought for his personal use be transported alongside the five (5) equipment bought by Quezon so he need not incur transport expenses from his own pocket.^[20] The Information reads:

This UNDERSIGNED Ombudsman Prosecutor of the Office of the Ombudsman in Mindanao, hereby accuses STEWART G. LEONARDO, of violating Section 3(e) of Republic Act No. 3019, committed as follows:

That on or about 21 May 2010 or sometime prior or subsequent thereto, in the Municipality of Quezon, Bukidnon, and within the jurisdiction of this Honorable Court, the accused, **STEWART G. LEONARDO**, Municipal Mayor of the Quezon, Bukidnon, a high ranking public employee, committing the offense in relation to office, and taking advantage of his position with manifest partiality and evident bad faith, did then and there willfully, unlawfully, and criminally secured for himself, in his private capacity, unwarranted benefit and advantage, that while representing the Local Government of the Municipality of Quezon (LGU Quezon) in the auction conducted by the United Auctioneers, Inc. in Olongapo City, for the procurement of the LGU Quezon equipment, he also bid and bought his personal equipment, and thereby made use of the bid deposit in the amount of One Hundred Thousand Pesos (PhP100,000.00) paid for by the LGU Quezon for his personal bid, and applied the same, which was supposed to be deducted from the total purchase price of the LGU Quezon, to the total purchase price of his personal equipment; and that he made sure that his personal equipment will be transported alongside the LGU Quezon equipment in order to avoid incurring expenses for himself in the form of toll fees, shipment costs, and other incidental expenses.

CONTRARY TO LAW.^[21]

On arraignment, petitioner pleaded not guilty.^[22] Trial ensued.

In his defense, petitioner averred that when he learned that the bid deposit was credited to his personal purchase, he reimbursed the amount to Quezon, *i.e.*, P70,000.00^[23] and P30,000.00^[24] on October 8 and 18, 2010, respectively. He also paid the auctioneer P1,570,000.00 for his two (2) equipment. He did not act with manifest partiality and evident bad faith since he made full reimbursement before the criminal case was filed. Quezon did not suffer any undue injury since he returned the bid deposit upon the demand of Municipal Accountant Mirafior Divinasflores.^[25]

The Sandiganbayan Ruling

By Decision^[26] dated November 23, 2018, the Sandiganbayan found petitioner guilty as charged. It sentenced him to imprisonment of six (6) years and one (1) month as minimum to ten (10) years as maximum, with perpetual disqualification from holding public office; and further ordered him to reimburse Quezon P8,134.80 representing the transportation costs for his two (2) equipment. Thus:

WHEREFORE, premises considered, the Court finds accused Stewart Guadalquiver Leonardo **GUILTY** beyond reasonable doubt of violation of Section 3(e) of R.A. No. 3019 and hereby imposes on him an indeterminate penalty of imprisonment of six (6) years and one (1) month as minimum to ten (10) years as maximum with perpetual disqualification from holding public office. He is ordered to reimburse the amount of P8,134.80 to the Municipality of Quezon, Bukidnon as transportation costs for the equipment that he purchased in the auction.

SO ORDERED.

Petitioner's motion for reconsideration was denied under Resolution^[27] dated March 1, 2019.

The Present Petition

Petitioner now seeks anew a verdict of acquittal on these grounds: **First**, there was no sufficient evidence to sustain his conviction; **second**, he reimbursed Quezon the full amount of the bid deposit and transportation cost for his two (2) equipment; and **third**, there was inordinate delay in resolving the preliminary investigation. Petitioner argues that he placed a bid on the two (2) equipment in his private capacity and paid the purchase price to Wilfredo Toledo (Toledo), Chairman of the Bids and Awards Committee (BAC) of Quezon. Toledo was the one who placed the bid deposit of P100,000.00 and paid for all the vehicles bought at the auction. He had no participation in the deduction of the P100,000.00 bid deposit from his personal purchases, neither was he aware as to who made such deduction. Quezon did not suffer undue injury as he reimbursed the amount that was credited to his account before any audit was conducted by the Commission on Audit (COA) or any case was filed against him. Neither did he receive any benefit, advantage, or preference in his favor. The case should have been dismissed for violating his right to speedy disposition of the case due to the OMB's inordinate delay in resolving the preliminary investigation and in the filing of the case with the Sandiganbayan.^[28]

In its Comment,^[29] the OMB defended the verdict of conviction. It riposted that the

Sandiganbayan correctly found petitioner guilty of violation of Section 3(e) of RA 3019 as all the elements of the crime had been sufficiently established. The petition should be dismissed as it raises questions of fact. Too, the belated assertion of the alleged violation of petitioner's right to speedy disposition of the case contravenes the prosecution's right to due process.

Issue

Did the Sandiganbayan correctly convict petitioner of violation of Section 3(e) of RA 3019?

Ruling

The petition lacks merit.

Section 3(e) of RA 3019 relevantly states:

Section 3. *Corrupt practices of public officers.* In addition to acts or omissions of public officers already penalized by existing law, the following shall constitute corrupt practices of any public officer and are hereby declared to be unlawful:

x x x x

(e) Causing any undue injury to any party, including the Government, or giving any private party any unwarranted benefits, advantage or preference in the discharge of his official administrative or judicial functions through manifest partiality, evident bad faith or gross inexcusable negligence. This provision shall apply to officers and employees of offices or government corporations charged with the grant of licenses or permits or other concessions.

The elements of the offense are: (1) the accused must be a public officer discharging administrative, judicial or official functions; (2) he or she must have acted with manifest partiality, evident bad faith or inexcusable negligence; and (3) his or her action caused injury to any party, including the government, or giving any party unwarranted benefits, advantage or preference in the discharge of his or her official functions.^[30]

The following facts are undisputed: Petitioner, then Quezon's Municipal Mayor, was expressly authorized to represent Quezon at the auction sale of trucks and heavy equipment. As it was, he did not only bid for Quezon, but also for himself. He merged the bid of Quezon and his own bid to make it appear that they all pertained to Quezon. He also rode on Quezon's bid deposit and transport arrangement for his own personal advantage.

"Manifest partiality" means clear, notorious, or plain inclination or predilection to favor one side or person rather than another. On the other hand, "evident bad faith" connotes not only bad judgment but also palpably and patently fraudulent and dishonest purpose to do moral obliquity or conscious wrongdoing for some perverse motive or ill will. It contemplates a state of mind affirmatively operating with furtive

design or with some motive or self-interest or ill will or for ulterior purposes.^[31]

Here, petitioner acted with both manifest partiality and evident bad faith when he took advantage of his public office to secure unwarranted benefits for himself, allowing Quezon's bid deposit to be credited to his personal purchase price; and causing the equipment he personally bought to be transported using the transport arrangement of Quezon without him spending anything therefor.

Petitioner knew fully well that UAI erroneously credited Quezon's bid deposit to his personal purchase which, as a result, got reduced from P1,670,000.00 to P1,570,000.00. He was informed by Toledo of UAI's Statement of Account reflecting these amounts. He cannot, therefore, feign ignorance of this fact. Besides, petitioner himself attended the auction and submitted his personal bid for the hydraulic excavator and the front cut with cabin and even paid for the same. He knew he did not make any deposit for his personal bid and purchase. As the Sandiganbayan observed:

Leonardo personally attended the auction and placed the bid on behalf of LGU Quezon and on his behalf, using the same bid deposit of P100,000.00[. He] successfully bid for five (5) trucks intended for LGU Quezon and for one (1) unit hydraulic excavator and one (1) unit front cut with cabin (truck head) as his personal purchase x x x

x x x x

x x x On the other hand, Leonardo paid the amount of P1,570,000.00 for the hydraulic excavator and truck head (Item numbers 5 and 7 in the list) instead of the total price of P1,670,000.00. The difference of P100,000.00 turned out to be the bid deposit which was deducted from the price for the equipment that Leonardo [himself] purchased instead of from the total price of the trucks that LGU Quezon bought at the auction.

x x x^[32]

Petitioner's personal participation during the auction negates his purported lack of knowledge of crediting the P100,000.00-bid deposit for the two (2) equipment bought by him. By only paying P1,570,000.00 for equipment valued at P1,670,000.00, petitioner was well aware that the P100,000.00-bid deposit (which amount is considered public funds for the account of the Municipality of Quezon) was instead, credited to him, thus resulting in unwarranted benefits. This bolsters the conclusion that he acted with evident bad faith or manifest partiality.

More, the deeds of sale of the items purchased, **including the two (2) equipment petitioner had personally purchased**, were all placed in Quezon's name as vendee.^[33] As the Sandiganbayan found:

Leonardo signed on behalf of LGU Quezon as vendee in the Deeds of Sale for the five (5) trucks the municipality purchased through auction. Deeds of Sale were also issued for the two (2) pieces of equipment that he purchased for his own use, **although the vendee indicated therein was LGU Quezon.**^[34] (Emphasis supplied)