

FIRST DIVISION

[G.R. Nos. 219681-82, March 18, 2021]

**RANULFO C. FELICIANO, PETITIONER, VS. PEOPLE OF THE
PHILIPPINES, RESPONDENT.**

[G.R. No. 219747, March 18, 2021]

**DR. CESAR A. AQUITANIA, PETITIONER, VS. PEOPLE OF THE
PHILIPPINES, RESPONDENT.**

D E C I S I O N

GAERLAN, J.:

Before this Court are two consolidated Petitions for Review on *Certiorari*^[1] filed by petitioners Dr. Cesar A. Aquitania (Dr. Aquitania) and Ranulfo C. Feliciano (Feliciano) under Rule 45 of the 1997 Rules of Civil Procedure seeking to annul and set aside the Decision^[2] dated January 27, 2015 and the Resolution^[3] dated August 4, 2015 of the *Sandiganbayan* in Criminal Case Nos. 28179 and 28180. The assailed rulings adjudged the petitioners guilty beyond reasonable doubt of violating Section 3(e) of Republic Act (R.A.) No. 3019, as amended, otherwise known as the Anti-Graft and Corrupt Practices Act. It also found petitioner Feliciano guilty of the crime of malversation under Article 217 of the Revised Penal Code (RPC).

On the basis of an Information^[4] dated October 25, 2004, the Office of the Ombudsman charged the petitioners, along with four others, for violation of Section 3(e) of R.A. No. 3019, allegedly committed as follows:

That on or about the 6th day of November 1998, or for sometime prior or subsequent thereto, at the City of Tacloban, Province of Leyte, Philippines, and within the jurisdiction of this Honorable Court, accused HONORIO F. GEREZ, CESAR A. AQUITANIA, CONCEPCION G. MEDALLA, VIRGINA P. FLORES, and FRANKLIN A. SICOY, public officers being the Chairman, Vice-Chairman, and Members, respectively, of the Board of Directors of the Leyte Metropolitan Water District (LMWD), Tacloban City, and as such officers had the authority to fix the compensation of the officers and employees of LMWD pursuant to the provisions of Presidential Decree No. 198, otherwise known as the Provincial Water Utilities Act of 1973, in such capacity and committing the offense in relation to office, conniving and confederating together and mutually helping with each other, and with accused RANULFO C. FELICIANO, likewise a public officer being the General Manager of LMWD, with deliberate intent, with grave abuse of authority with intent of giving respondent RANULFO C. FELICIANO excessive monetary benefits in office, did then and there willfully, unlawfully and feloniously enact and approve Resolution No. 98-33 entitled "A RESOLUTION ADJUSTING THE

SALARY OF THE GENERAL MANAGER OF THE LEYTE METROPOLITAN WATER DISTRICT (LMWD)," by means of which the salary of accused RANULFO C. FELICIANO, as General Manager of LMWD with salary grade twenty-five (25), was increased to Fifty-Seven Thousand One Hundred Forty Six Pesos (P57,146.00), Philippine Currency, per month, in total disregard of the Plantilla of Personnel verified by the Department of Budget and Management, which specifies that the position of General Manager occupied by accused RANULFO C. FELICIANO, carries the salary grade of Twenty-Five (25) at the rate of only Eighteen Thousand Seven Hundred Forty-Nine Pesos (P18,749.00), Philippine Currency, per month, thereby giving accused RANULFO C. FELICIANO unwarranted benefit and advantage in the discharge of their administrative functions through manifest partiality.

CONTRARY TO LAW.^[5]

In another Information^[6] of even date, petitioner Feliciano and two others, were charged with the crime of malversation of public funds, the accusatory portion of which reads:

That on or about the 1st day of January 1999, or for sometime prior or subsequent thereto, at the City of Tacloban, Province of Leyte, Philippines, and within the jurisdiction of this Honorable Court, accused RANULFO C. FELICIANO, ERLINDA S. CALO, and VIRGINIA JOP ABAYATA, public officers being then the General Manager, Department Manager C, and Accounting Section Head, respectively, of the Leyte Metropolitan Water District (LMWD), Tacloban City, and as such officers had in their custody LMWD funds in the amount of FIVE HUNDRED SIX THOUSAND TWO HUNDRED FORTY-SIX PESOS AND 26 CENTAVOS (P506,246.26), Philippine Currency, for which they were accountable by reason of their office, in such capacity and committing the offense in relation to office, conniving and confederating together and mutually helping with each other, with deliberate intent, with intent to gain, did then and there willfully, unlawfully and feloniously appropriate, take, misappropriate, embezzle and convert to their own personal use the said amount of FIVE HUNDRED SIX THOUSAND TWO HUNDRED FORTY-SIX PESOS AND 26 CENTAVOS (P506,246.26), Philippine Currency, by: signing, favorably endorsing, and approving LMWD Disbursement Voucher No. 01-019-99 dated 01 January 1999, by means of which herein accused RANULFO C. FELICIANO was paid the said amount of FIVE HUNDRED SIX THOUSAND TWO HUNDRED FORTY-SIX PESOS AND 26 CENTAVOS (P506,246.26), Philippine Currency, representing salaries and various allowances purportedly payable to accused RANULFO C. FELICIANO as General Manager for the period from January 1998 to 26 September 1998, despite the utter lack of basis for such payment considering that accused RANULFO C. FELICIANO assumed his position as General Manager only on 27 September 1998 and not any earlier, to the damage and prejudice of the government particularly LMWD.

CONTRARY TO LAW.^[7]

The first Information was docketed as Criminal Case No. 28179, whereas the second, Criminal Case No. 28180.^[8] While the case was pending, accused Honorio F. Gerez, Concepcion G. Medalla, Virginia P. Flores, Franklin A. Sicoy, and Virginia Jop Abayata died; accused Erlinda S. Calo was dropped from the charge in Criminal Case No. 28180. As a result, the petitioners were the only remaining accused in the said cases.^[9]

The petitioners were granted provisional liberty after the filing of cash bonds. On October 26, 2005, the petitioners were arraigned and, assisted by counsel, both entered a plea of "not guilty." After pre-trial, the cases were tried jointly.^[10]

The undisputed facts, as determined by the *Sandiganbayan* and established by the records, follow:

The Local Waters Utilities Administration (LWUA), created by virtue of Presidential Decree (P.D.) No. 198 or the "Provincial Waters Utilities Act of 1973" is an agency attached to the National Economic Development Authority. The LWUA is tasked to promote and oversee the development of water supply systems in areas outside Metro Manila, through the creation of standards and the grant of assistance through loans. Among those under its supervision is the Leyte Metropolitan Water District (LMWD).^[11]

At the time pertinent to this controversy, petitioner Feliciano served as the General Manager of LMWD having been appointed in 1975, while petitioner Aquitania is the Vice-Chairperson of the Board of Directors from his appointment as a Member in August 1998.^[12]

On March 5, 1990, LWUA took over LMWD on account of the latter's failure to pay its debt to the former amounting to P24,467,000.00 as of February 1990.^[13] The takeover has been the subject of legal proceedings, but the validity of this action by the LWUA was eventually affirmed by the Court in G.R. No. 96900 through a Resolution^[14] dated April 22, 1991.

From 1990 to 1996, under the direction of LWUA, LMWD was placed under the leadership of an Interim General Manager in the person of Engineer Cayo Emnas, and an interim set of Board of Directors (BOD).^[15]

Sometime during the takeover, an administrative case was filed against petitioner Feliciano before the Office of the Government Corporate Counsel (OGCC) for his "unlawful approval of the disbursement of his backwages for the period of March 6, 1990 to October 23, 1990 during which he has not rendered service to LMWD." After investigation, the OGCC recommended the dismissal of petitioner Feliciano, which the LWUA approved on November 11, 1991, in its Resolution No. 18, Series of 1991.^[16]

On July 20, 1998, the takeover of LMWD's affairs was lifted by the LWUA by virtue of its Resolution No. 138, Series of 1998.^[17] Thereafter, a new set of BOD was appointed, which includes herein petitioner Aquitania.^[18]

On September 25, 1998, the new BOD of LMWD approved Resolution No. 98-002. In the Resolution, the BOD maintained that it has the sole authority to appoint or dismiss the regular General Manager of LMWD. Thus, on motion of its members,

petitioner Feliciano was appointed as LMWD's General Manager. The Resolution was received by petitioner Feliciano on September 27, 1998.^[19]

On November 6, 1998, the LMWD BOD passed Resolution No. 98-33, which adjusted the monthly salary of petitioner Feliciano from P18,749.00 to P57,146.00, effective January 1998,^[20] viz.:

RESOLUTION No. 98-33

A RESOLUTION ADJUSTING THE SALARY OF THE GENERAL MANAGER OF THE LEYTE METROPOLITAN WATER DISTRICT (LMWD)

x x x x

WHEREAS, the basic salary/pay of the General Manager of the LMWD as provided for in the budget year of 1998 is ONLY salary grade 25, step 1 which is equivalent to P18,749.00 an amount very much smaller than the salaries of Mrs. Erlina Calo and Mrs. Lilia Riel which are both P21,430.00 per month;

WHEREAS, to avoid salary/pay distortions and preclude demoralization and demotivating effects upon the General Manager resulting in inefficiency and ineffectiveness which may bring about adverse or devastating effects upon the LMWD organization, besides Engr. Ranulfo C. Feliciano is an old LMWD Officer and as such should be covered by the PAWD Compensation or pay structure/or scheme; and in the interest of justice, equity and fair play, there is a dire/indubitable need to adjust the salary of the General Manager using a ratio (divisor) from a minimum of 0.349 to a maximum 0.40, but preferably using the median/average ratio (divisor) of $(0.349 + 0.40)/2 = 0.3745$ say 0.375;

WHEREAS, using the said average/median ratio (divisor) of 0.375, effective January 1, 1998 when the salaries of Mrs. Calo and Mrs. Riel are both P21,430.00 per month each, as provided for in the 1998 budget, the salary of the General Manager will be equal $P21,430.00/0.375 = 57,146.66$ or say 57,146.00 per month;

NOW, THEREFORE, on motion of Director Franklin A. Sicoy and duly seconded by Director Concepcion G. Medalla be it RESOLVED, as it is hereby RESOLVED, to adjust the salary of the General Manager, Engr. Ranulfo C. Feliciano to P57,146.00 per month effective January 1998;

RESOLVED FURTHER, to appropriate the corresponding amount therefor;

x x x x

Approved this 6th day of November 1998.^[21]

On January 7, 1999, petitioner Feliciano claimed and received from LMWD the amount of P506,246.26, representing the increase in his salary as approved by the BOD.^[22] The payment is evidenced by Disbursement Voucher No. 01-019-99^[23] dated January 7, 1998, stating following the particulars of payment:

Salary, PERA, and ACA, and rice allowance, differential of GM Feliciano for the period January 1998 to September 26, 1998 per attached approved payroll.^[24]

On post-audit, the Commission on Audit (COA) disallowed, among others, the payment of increased salary in favor of petitioner Feliciano.^[25] On this basis, the aforementioned Informations were filed against the petitioners.

After the parties rested, the *Sandiganbayan* rendered the herein assailed Decision^[26] dated January 27, 2015, the dispositive portion of which reads:

WHEREFORE, premises considered, judgment is hereby rendered, as follows:

a) In Criminal Case Nos. 28179, the Court finds RANULFO C. FELICIANO and DR. CESAR A. AQUITANIA guilty beyond reasonable doubt of **Violation of Section 3(e) of Republic Act No. (R.A.) No. 3019**, as amended, as charged in the **Information** dated October 25, 2004. Pursuant to the provisions of the **Indeterminate Sentence Law**, they are hereby sentenced to suffer the penalty of imprisonment of six (6) years and one (1) month as minimum, to ten (10) years as maximum. They shall also suffer perpetual disqualification from public office.

-and-

b) In Criminal Case Nos. 28180, the Court finds RANULFO C. FELICIANO guilty beyond reasonable doubt of **Malversation of Public Funds under Article 217 of the Revised Penal Code**, as charged in the **Information** dated October 25, 2004. Pursuant to the provisions of the **Indeterminate Sentence Law**, he is hereby sentenced to suffer the penalty of imprisonment often (10) years and one (1) day of *prision mayor*, as minimum, to eighteen (18) years, eight (8) months and one (1) day of *reclusion temporal*, as maximum. He is also ordered to pay a fine of Five Hundred Six Thousand Two Hundred Forty-Six Pesos and Twenty-Six Centavos (P506,246.26) equivalent to the public funds misappropriated, and to suffer perpetual special disqualification.

Accused Feliciano is also ordered to indemnify the Leyte Metropolitan Water District the aforementioned amount of P506,246.26.

SO ORDERED.^[27] (Emphasis in the original)

In convicting the petitioners, the *Sandiganbayan* found all the elements of the crimes charged present. It opined that the LMWD, a local water district, is a government-owned and controlled corporation (GOCC) under the jurisdiction of the Civil Service Commission. As such, the compensation of LMWD's officers and personnel must conform to the salary schedule under R.A. No. 6758, otherwise known as the Compensation and Position Classification Act of 1989. Per approved Plantilla of Personnel of the Department of Budget and Management (DBM), the authorized salary of the General Manager of LMWD effective November 1, 1997 is only P18,318.00. Thus, the increase in the salary of petitioner Feliciano as General Manager is unlawful. In issuing the judgment of conviction under Section 3(e), R.A. No. 3019, the *Sandiganbayan* found the existence of conspiracy among the