

SECOND DIVISION

[G.R. No. 202097, July 03, 2019]

**DEPARTMENT OF EDUCATION,^[1] PETITIONER, VS. RIZAL
TEACHERS KILUSANG BAYAN FOR CREDIT, INC., REPRESENTED
BY TOMAS L. ODULLO, RESPONDENT.**

DECISION

LAZARO-JAVIER, J.:

The Case

May the Department of Education (DepEd) be compelled by writ of mandamus to collect, by salary deductions, the loan payments of public school teachers and remit them to the Rizal Teachers Kilusang Bayan for Credit, Inc. (RTKBCI)?

This petition for review assails the *Decision* dated May 30, 2012 of the Court of Appeals^[2] in CA-G.R. SP No. 106515 entitled "*Rizal Teachers Kilusang Bayan for Credit, Inc., represented by Tomas L. Odullo v. Department of Education, Hon. Secretary Raul S. Roco and Undersecretary Ernesto S. Pangan*" which affirmed, in the main, the *Decision*^[3] dated January 23, 2008 of the Regional Trial Court (RTC)-Branch 19, Manila in Civil Case No. 01-102346 granting the writ of mandamus prayed for therein directing DepEd and its responsible offices or divisions to release to RTKBCI the amount of P111,989,006.98 representing the loan payments of public school teachers and to continue implementing the payroll deduction scheme on RTKBCI's behalf until the loans would have been fully paid.

Antecedents

For the benefit of public school teachers, DepEd devised and implemented a payroll deduction scheme for the loans they secured from DepEd's duly accredited private lenders. RTKBCI was among DepEd's accredited private lenders which availed of the latter's payroll deduction scheme. To facilitate DepEd's collections and remittances, RTKBCI was assigned Deduction Codes 209 and 219. DepEd was also paid two percent of the total monthly deductions as administrative fees.

By Memorandum dated July 4, 2001, DepEd Undersecretary Ernesto S. Pangan directed Dr. Blanquita D. Bautista, Chief Accountant and Officer-in-Charge, Finance and Management Service to hold the remittance of the collections for February to June 2001; and suspend as well the salary deduction scheme for RTKBCI pending resolution of the teachers' numerous complaints against RTKBCI's alleged unauthorized excessive deductions and connivance with some DepEd's personnel in

charge of effecting these deductions.^[4] Some of these letters read:

"February 24, 2001

Hon. Raul Roco
Secretary, Department of Education, Culture and Sports
DECS Complex, Meralco Avenue
Pasig City

S i r:

x x x

x x x

x x x

x x x Ako at ang aking asawa ay nag utang sa nasabing kooperatiba, Ako po ang utang ko ay P10,000.00 at ang aking asawa na ang pangalan nya ay Santiago G. Gurrobat, guro din ay P15,000.00 noong 1996. Ako po noong binawasan ng P800.00 sa loob ng dalawang taon. Pagkatapos ng dalawang taon (nahinto) na ito dahil ganoon ang nakalagay sa Payroll. Masaya na po ako dahil (nahinto) na. Akala ko po bayad na ako sa P10,000.00 na utang ko sa loob ng dalawang taon. Ang halagang naibawas sa akin ay P19,200.00, di bayad na dahil P10,000.00 lamang ang inutang ko. Pero pagkaraan naman ng ilang buwan, dalawa o tatlo, binawasan na naman ako sa halagang hindi parehas. Kung minsan P2,000.00 o P3,000.00 o P6,000.00 na hindi parehas buwan-buwan. Hanggang umabot ng P41,211.00.

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x x x

x x x

Ganoon din sa asawa ko, noong ibinabawas ay mababang halaga, kung misan P800.00, P700.00 at P500.00 hanggang sa umabot ng dalawang taon dahil (iyon) ang nakalagay sa Payroll at nahinto sa sinasaad ng payroll. Akala po namin tapos na dahil kung ang ibinawas sa loob ng dalawang taon ay sobra-sobra na sa halagang inutang kasali na iyong interest. Pero sa hindi inaasahan, bumalik naman ulit pagkaraan ng dalawang buwan. Ganoon din ang ginawa ng asawa ko sumulat sa mga tao na aking nabanggit sa itaas, umaasang matulungan kami, pero hindi dahil inihinto ng dalawang buwan o tatlo at ibinalik na naman ng DECS-IBM ang bawas sa payroll at ang nakalagay sa payroll ay walang kataposan. Sa ngayon ang nakalakip sa Certificate of Deduction sa payroll ng Division of Catanduanes ay P59,074.00. Kung hindi ito (mahihinto) at hintayin ang mahabang taon ay aabot ng P100,000.00 sa halagang inutang ng asawa ko na P15,000.00.

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x x x

x x x

Ano kaya ang milagrang ibinibigay ng R.T.K.B.C, Inc. sa In Charge ng Catanduanes sa DECS-IBM kung bakit madaling maibalik ang ibinabawas sa madaling panahon, hindi na hinihintay ang (tatlong) buwan hindi na

sinusunod ang kahilingan ng guro at ang masaklap pa nito ipinahihinto ng Chief ng DECS-IBM ang mga iba pang deductions na hindi sa R.T.K.B.C, Inc.

Sir, siguro kung hindi ito maihinto sa susunod na buwan mamamatay na kami sa gutom. Biro mo Sir, sa isang buwan ang aking take home pay ay P3,200.00 sa aking asawa ay P2,000.00, sapat na ba ito sa isang buwan na walo kaming kumakain? Ang sa aking P3,000.00 ibinabayad ko sa personal kong utang buwan-buwan dahil namatay ang Nanay ko wala po naman kaming perang panggastos sa kanyang pagkamatay noon Agosto, 2000. Ang sa kabaong hindi po naming na bayaran ng (buo). Inireklamo na po kami sa Barangay Captain namin. Ano naman ang ibabayad na ang natira ay P2,000.00. Iyon P3,000.00 na suweldo ko ibinabayad ko dahil ang utang ko ay P20,000.00 matatapos ito sa Mayo 2001.

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x x x

x x x

Very truly yours,

VIOLETA T. GURROBAT

SANTIAGO G. GURROBAT

LUCILA TAPEL"

"March 09, 2001

Hon. Raul Roco
Secretary of Education, Culture, and Sports
ULTRA, Pasig City

Sir:

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x x x

x x x

This has reference to the attached letter of complaint of Mrs. Rosario Rono against me, for having paid in part as one of two co-makers with my personal loan with the Rizal Teachers Kilusang Bayan or RTKB located at Bangbang St., Sta. Cruz, Manila.

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x x x

x x x

If you would only spare a little of your time to look into the attached Statement of Account herewith, you will maybe agree with me, Your Honor, that RTKB had done enormous injustice to the three of us, because of the exorbitant penalties and interests they charged against my loan in not so long interval from the moment I transferred station to the time they deducted my co-makers(') payments. Besides, I barely

received a net proceeds of P15,000.00 from my P22,000.00 loan through their agent. With the sum that I already paid them and the sum paid by my co-makers, it clearly appeared that my loan is already overpaid.

x x x We live on a hand-to-mouth subsistence, me being the breadwinner. I am sending my four sons to school, three of whom are in college, one in high school. I feel desperate about the situation because Mrs. Rono is asking me to pay her immediately the sum of P30,000.00 plus. I don't know where to get the money to pay her. I have barely P2,116.00 in my monthly check. I only depend on your intervention so that this big problem will be solved.

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x x x

x x x

Very truly yours,

MRS. OSMANA M. SALOMON
Teacher
Tayabas West District
Tayabas, 4327, Quezon"

"July 12, 2001

Dear Sir,

Good day. I would like to inform you about my deductions in RTKBC.

Last Jan. 6, 1997 I have a loan. My loan was P20,000.00 but the cash given me was only P16,000.00.

My payments were begun/started last Dec. 1997 amounting P334.00, then April 1998 to May 1999 P889.00, then June 1999 and July P2,224.00, Aug to March 2000 P2,524.00, then April 2000 P1,635, until now I have a deduction of P3,323.00 Jan. 2001 to July 2001, so how many all in all. It amounts of P62,316.00.

Kaya wala nang katapusan and deduction kong ito bakit kaya, may balance pa raw ako na P20,000.00. Sobra na sila sa ginagawa nila sa akin, sila na nga ang nakikinabang sa aking sahod lahat na lang sa kanila.

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x x x

x x x

Very truly yours,

NATIVIDAD B. RAMIREZ"

"March 3, 2001

Hon. Raul S. Roco
Secretary
Department of Education, Culture and Sports
2/F Rizal Building I, University of Life
Meralo (sic) Ave., Pasig City

Sir,

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x x x

x x x

Totoo po akong nakautang ng halagang P8,000.00 sa RTKB noong 1993, Agosto ngunit nabawas nilang lahat ito. (Kalakip po nito ang detalye na nakatala A.) Nagpa transfer po ako dito sa lalawigang ito mula NCR noong October 1994. Sa hindi ko po. inaasahan ay biglang may lumabas na bawas ang RTKB ng buwan ng Agosto, 1999. (Ang detalye po nito ay kalakip bilang B). Dahil nga po sa wala na akong utang, nagrequest po ako sa IBM na ihinto ang pagbabawas at nangyari po ito saloob (sic) ng limang buwan dahil sa pagdating muli ng buwan ng October, 2000 ay nagsimula na naman pong magbawas ang RTKB sa iba't-ibang halaga hanggang ngayon Pebrero, 2001 at maaaring sa mga susunod pang buwan ay magpatuloy itong walang katapusan. Napakalaki na po ang nabawas nila sa aking sahod na umaabot na po sa Forty-eight thousand one hundred seventy-nine (P48,179).

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Lubos na gumagalang,

LUZVIMINDA Z. RUENATA
Employee NO. 4618708
Div. 035 Sta. 010"

Responding to Undersecretary Pangan's directive, RTKBCI wrote^[5] the former demanding the release of the collections. By letter dated September 12, 2001, Undersecretary Pangan denied^[6] the demand. He asserted that the suspension of the salary deduction scheme was necessary to protect the concerned public school teachers.

Proceedings before the Trial Court

On November 29, 2001, RTKBCI filed with RTC-Manila the petition for mandamus^[7] to compel DepEd and then Secretary Raul Roco and Undersecretary Pangan to remit to RTKBCI the loan collections and continue with the salary deduction scheme until the loans of the public school teachers should have been fully paid. The petition was raffled to Branch 19.