

FIRST DIVISION

[G.R. No. 220700, July 10, 2017]

**OFFICE OF THE DEPUTY OMBUDSMAN FOR LUZON, PETITIONER,
VS. EUFROCINA CARLOS DIONISIO AND WINIFREDO SALCEDO
MOLINA, RESPONDENTS.**

D E C I S I O N

PERLAS-BERNABE, J.:

Assailed in this petition for review on *certiorari*^[1] filed by petitioner Office of the Deputy Ombudsman for Luzon (Ombudsman) are the Decision^[2] dated April 7, 2015 and the Resolution^[3] dated September 23, 2015 of the Court of Appeals (CA) in CA-G.R. SP No. 135918, which reinstated the Decision^[4] dated October 23, 2012 of the Ombudsman in OMB-L-A-10-0538-H finding respondents Eufrocina Carlos Dionisio (Dionisio) and Winifredo Salcedo Molina (Molina; collectively, respondents) guilty of Simple Misconduct only and, accordingly, imposed on them the penalty of three (3) months suspension without pay.

The Facts

The case arose from the Complaint-Affidavit^[5] dated July 30, 2010 filed by spouses Editha and Eduardo Ponce (complainants) before the Ombudsman against herein respondents and six (6) others for criminal and administrative violations of Section 3 (e) of Republic Act No. (RA) 3019,^[6] or the Anti-Graft and Corrupt Practices Act, Rule X, Section 1 (f) of the Implementing Rules and Regulations (IRR) of RA 6713,^[7] or the Code of Conduct and Ethical Standards for Public Officials and Employees, and money laundering.^[8]

Complainants averred that they are the owners of *Sariling Atin* Drug Store, while Dionisio and Molina were the School Principal of Barasoain Memorial Elementary School (the school) and President of its Teacher's Association, respectively. In January 2009, upon seeing a drug store near the gate of the school,^[9] complainants inquired with Dionisio if they could lease a portion of the school grounds to open a drug store thereon. Dionisio replied that she would study the matter as it might take a long and complicated procedure if they follow the rules of the Department of Education (DepEd). Upon Dionisio's advise, complainants submitted a formal letter^[10] offering a monthly rent of P10,000.00, or P120,000.00 per year. Dionisio purportedly confirmed that she could facilitate the lease agreement, provided that instead of the P120,000.00 annual rent, only P36,000.00 will be recorded and the same should be in the guise of a donation. Dionisio allegedly did not want the school's Parents-Teachers' Association (PTA) and the Barangay Council to know the exact amount involved, but committed that she and the Teachers' Association will handle the excess money. She also told complainants that she wants an additional

P24,000.00 in funds per year without the Teacher's Association, the PTA, or the Barangay Council knowing about it.^[11]

In March 2009, Dionisio allegedly advanced P20,000.00 from the P24,000.00 so that she could go to Manila and confirm the legality of the lease with DepEd. She also conveyed to complainants that the monthly rent for five (5) years amounting to P600,000.00 should be paid in advance, and that complainants should donate P700,000.00 to the Teachers' Association. Thereafter, in May 2009, Dionisio summoned complainants to a meeting where she asked them to add P200,000.00 more to the donation to the Teachers' Association. However, considering that they could also spend money for the construction of the drugstore, complainants declined. Complainants also asked for a copy of the Memorandum of Agreement (MOA) so that they could study it but Dionisio allegedly refused, telling them that it would be better for them to see the MOA on the date of signing itself.^[12]

On May 24, 2009, complainants went to Dionisio's house where they signed the MOA, at which point they brought to her attention the one-sided nature of the MOA. However, Dionisio assured them that it would not be a problem because she would still be in active service for the term of the MOA. Dionisio also brought up the additional P200,000.00 donation which could buy the complainants exclusivity, but complainants emphasized that it would be difficult for them to recoup their investment if they make such additional donation. Dionisio assured them that even without the P200,000.00, complainants will still get exclusivity in the sense that they will be the only drug store in that part of the school grounds for the next two (2) to three (3) years to allow them to recover their investment.^[13]

Thus, on May 28, 2009, complainants met with Dionisio at Security Bank, Malolos Branch where complainants withdrew P1,000,000.00 from their bank account and gave it to Dionisio, together with the P280,000.00 which they already had with them. Dionisio then gave them a notarized copy of the MOA^[14] bearing the signature of Molina as President of the Teachers' Association.^[15]

In June 2009, complainants began the construction of their drug store but barely a month later, Dionisio informed them that the area beside their drug store will be leased to another drug store. Upon complainants' verification, Molina denied receiving the money on the Teachers' Association's behalf. Thus, on August 4, 2009, complainants' counsel sent a letter^[16] to Dionisio demanding that she acknowledge receipt of the P680,000.00 in donation. On August 10, 2009, Molina made a sudden turn-around and issued a Certification^[17] confirming receipt of the P680,000.00. This prompted complainants to write a letter^[18] to Dr. Rolando Magno (Dr. Magno), the School Superintendent of Malolos City, seeking confirmation of the legality of the lease and the propriety of the donation. Meanwhile, complainants requested from Molina a copy of the Secretary's Certificate of the Teachers' Association authorizing him to sign the MOA.^[19] However, what Molina provided was a document^[20] ratifying or confirming his acts, signed by six (6) other members of the Teachers' Association, namely, Joelito D. Teodoro, Corazon V. De Leon, Ferdinand C. Tenorio, Romeo DelaCruz, Nenita Manalo, and Jasmin F. Libiran (co-teachers). Thereafter, Complainant's counsel sent a final letter of demand^[21] dated August 14, 2009 to Molina.^[22]

On August 27, 2009, complainants met with the DepEd officials in Bulacan where they were informed that the MOA was illegal as it did not have the proper DepEd approval, and that the school could not enter into any commercial pursuits because it is not a registered cooperative. Complainants also later learned that the Teachers' Association is not a legal entity and, hence, could not enter into the MOA.^[23] In a Memorandum^[24] dated September 1, 2009 (September 1, 2009 Memorandum), Dr. Magno ordered Dionisio to defer the construction of the new drug store beside complainants' and to hold in abeyance the operation of complainants' drug store. Thus, complainants filed a complaint^[25] before the Ombudsman accusing respondents and their six (6) co-teachers of violating Section 3 (e) of RA 3019 for causing undue injury to them (complainants) in the discharge of their public duties through manifest bad faith. Complainants also charged respondents of violating Section 12 of RA 6713 and its IRR by soliciting money from complainants, and of money laundering for making it appear that the Teachers' Association received complainants' money when no such legal entity exists.^[26]

Pending submission of respondents' counter-affidavit, the Ombudsman issued an Order^[27] dated November 19, 2010 directing their preventive suspension. Respondents moved for reconsideration^[28] but the same was denied by the Ombudsman in its Order^[29] dated August 3, 2011, prompting respondents to file a Verified Petition with Application for Temporary Restraining Order and Injunction^[30] with the Regional Trial Court of Malolos, which was, however, denied in an Order^[31] dated October 7, 2011 for lack of jurisdiction.^[32]

In their Joint Counter-Affidavit^[33] dated March 21, 2012, respondents and their co-teachers denied any criminal and administrative liability and maintained that they did not solicit money from the complainants who offered the donation at their own instance. They averred that the donation was made to the school, and that the Teachers' Association merely ratified it, as was customary and regular. Explaining that the school is a public school with a limited budget barely enough to pay for the teachers' salaries, respondents and their co-teachers claimed that they acted in good faith and without any unlawful intent in executing the MOA which, in any case, redounded to the benefit of the school's students. Besides, the acts complained of were not done in their official capacities as teachers but as members of the Teachers' Association which was a non-government organization.^[34] In any case, there was no damage to the complainants since respondents and their co-teachers are willing to return complainants' money, albeit in an amortized scheme, and the money had already been used to purchase additional educational materials such as the Audio Visual Device, Digital Light Projectors, computers, televisions, and DVD Players.^[35] Respondents and their co-teachers further added that they are mere laymen unfamiliar with the law and whose primary concern was the welfare of their students. As such, the legal maxim that ignorance of the law excuses no one should not apply to them.^[36]

The Ombudsman's Ruling

In a Decision^[37] dated October 23, 2012, the Ombudsman, *inter alia*, found herein respondents guilty of Simple Misconduct and, accordingly, ordered them suspended from government service without pay for a period of three (3) months.^[38]

It found that respondents transgressed an established and definite rule of action when: (a) Dionisio opted not to seek authority from the DepEd or from the Provincial Government of Bulacan before allowing the lease; and (b) authorized Molina to enter into the MOA on behalf of the Teachers' Association despite the latter's lack of authority and legal personality to do so. In this regard, the Ombudsman pointed out that Dionisio not only allowed the Teachers' Association, particularly Molina, to control and disburse the money received from complainants without any sense of accountability - in violation of the rule that all moneys and property officially received by a public officer in any capacity or upon any occasion must be accounted for as government fund - he also extended to Molina the authority to procure services for the construction of the canteen and acquisition of school equipment which did not go through the procurement process required by law.^[39]

With respect to Molina, the Ombudsman observed that he shared a unity of design, intent, and purpose with Dionisio considering that he actively participated in the consultations conducted and agreed to sign the MOA even if he knew that the Teachers' Association had no legal personality or authority to do so. While Molina claimed that the money was spent honestly, he did not present a single official document which would establish where the money was spent, contrary to the provisions of the Government Auditing Code of the Philippines. The Ombudsman also noted that it was not clear why Molina took charge of procuring the services for the construction of the school canteen, as well as the procurement of the school equipment, when he was not part of the Bids and Awards Committee.^[40] Accordingly, Molina was found equally liable with Dionisio. With respect to respondents' co-teachers, however, the Ombudsman dismissed the charges against them after observing that they merely signed the Ratification and Confirmation and there was no proof of their actual participation in the questioned transactions.^[41]

Upon motion for reconsideration^[42] by complainants, the Ombudsman issued an Order^[43] dated August 2, 2013 (August 2, 2013 Order) upgrading respondents' liability to Grave Misconduct and, accordingly, meted the penalty of dismissal from the government service, together with the accessory penalties of cancellation of eligibility, forfeiture of retirement benefits, and perpetual disqualification from re-employment in the government service.^[44] The Ombudsman ruled that after a careful re-evaluation of the records at hand, there was sufficient evidence to establish corruption and respondents' flagrant disregard of established rules.^[45] In this regard, the Ombudsman noted that respondents failed to explain how the P600,000.00 in advanced rent and P680,000.00 in donation were disbursed for public purposes; thus, creating the presumption that they used the money for personal gain. Moreover, the Ombudsman pointed out that respondents flagrantly disregarded the provisions of the Government Accounting and Auditing Manual of the Philippines and the Government Procurement Act of the Philippines when they failed to issue official receipts acknowledging receipt of the money from complainants, and caused the construction of the canteen and procurement of school equipment without public bidding, respectively.^[46] Finally, the Ombudsman opined that their acts of taking undue advantage of their official position and using government property in the commission of the offense aggravated their administrative liability, thus, further justifying the imposition of the penalty of

dismissal on them.^[47]

Aggrieved, respondents moved for reconsideration,^[48] which was, however, denied in an Order^[49] dated April 4, 2014. Undaunted, respondents elevated the case to the CA.^[50]

The CA Ruling

In a Decision^[51] dated April 7, 2015, the CA granted respondents' appeal and, accordingly, reinstated the Ombudsman's initial ruling finding respondents guilty of simple misconduct only.^[52] It held that the element of corruption, which is essential to the offense of grave misconduct, was not established in this case considering that respondents acted in good faith with no material interest, as in fact, they utilized the funds for the construction of the canteen and the purchase of educational materials.^[53] According to the CA, there is no evidence that respondents unlawfully used their positions to advance their own interest or procure benefits for themselves.^[54] Moreover, respondents never concealed the donation; they even consulted the barangay captain and the president of the PTA about the lease. Further, the construction of the school canteen and the purchase of computers and educational equipment were also visible to the public. Finally, the CA stressed that the *Sangguniang Panlalawigan* of Bulacan ratified the MOA pursuant to Resolution No. 298-S'13 dated December 17, 2013, thus, clothing respondents with the authority to lease an undivided portion of a vacant lot within the school premises.^[55]

Dissatisfied, the Ombudsman moved for reconsideration,^[56] but the same was denied in a Resolution^[57] dated September 23, 2015; hence, this petition.

The Issue Before the Court

The sole issue for the Court's resolution is whether or not the CA correctly held respondents administratively liable only for Simple Misconduct.

The Court's Ruling

The petition is meritorious.

At the outset, it is settled that "findings of fact by the Office of the Ombudsman are conclusive when supported by substantial evidence"^[58] - or "such relevant evidence as a reasonable mind may accept as adequate to support a conclusion. The requirement is satisfied where there is reasonable ground to believe that the petitioner is guilty of the act or omission complained of, even if the evidence might not be overwhelming."^[59] On this note, it is well to emphasize that the Ombudsman's factual findings are generally accorded great weight and respect, if not finality by the courts, by reason of their special knowledge and expertise over matters falling under their jurisdiction.^[60]

Guided by the foregoing, the Court is convinced that the CA erred in downgrading respondents' liability from Grave Misconduct to Simple Misconduct, as will be explained hereunder.