

SECOND DIVISION

[G.R. No. 173590, December 09, 2013]

PHILIPPINE POSTAL CORPORATION, PETITIONER, VS. COURT OF APPEALS AND CRISANTO G. DE GUZMAN, RESPONDENTS.

DECISION

PERLAS-BERNABE, J.:

Assailed in this petition for review on *certiorari*^[1] are the Decision^[2] dated April 4, 2006 and Resolution^[3] dated July 19, 2006 of the Court of Appeals (CA) in CA-G.R. SP No. 88891 which reversed and set aside the Resolutions dated November 23, 2004^[4] and January 6, 2005^[5] of petitioner Philippine Postal Corporation (PPC), through its then Postmaster General and Chief Executive Officer (CEO) Dario C. Rama (PG Rama), finding that the latter gravely abused its discretion when it revived the administrative charges against respondent Crisanto G. De Guzman (De Guzman) despite their previous dismissal.

The Facts

Sometime in 1988, De Guzman, then a Postal Inspector at the Postal Services Office,^[6] was investigated by Regional Postal Inspector Atty. Raul Q. Buensalida (Atty. Buensalida) in view of an anonymous complaint charging him of dishonesty and conduct grossly prejudicial to the best interest of the service.^[7] As a result thereof, Atty. Buensalida recommended^[8] that De Guzman be formally charged with twelve (12) counts of the same offenses and eventually be relieved from his post to protect the employees and witnesses from harassment.

Since the Postal Services Office was then a line-agency of the Department of Transportation and Communication (DOTC), Atty. Buensalida's investigation report was forwarded to the said department's Investigation Security and Law Enforcement Staff (ISLES) for further evaluation and approval. Contrary to the findings of Atty. Buensalida, however, the ISLES, through a Memorandum^[9] dated February 26, 1990 prepared by Director Antonio V. Reyes (Dir. Reyes), recommended that De Guzman be exonerated from the charges against him due to lack of merit. The said recommendation was later approved by DOTC Assistant Secretary Tagumpay R. Jardiniano (Asec. Jardiniano) in a Memorandum^[10] dated **May 15, 1990**.

On February 6, 1992, Republic Act No. (RA) 7354,^[11] otherwise known as the "Postal Service Act of 1992," was passed. Pursuant to this law, the Postal Services Office under the DOTC was abolished, and all its powers, duties, and rights were transferred to the PPC.^[12] Likewise, officials and employees of the Postal Services Office were absorbed by the PPC.^[13]

Subsequently, or on July 16, 1993, De Guzman, who had by then become Chief Postal Service Officer, was formally charged^[14] by the PPC, through Postmaster General Eduardo P. Pilapil (PG Pilapil), for the same acts of "dishonesty, gross violation of regulations, and conduct grossly prejudicial to the best interest of the service, and the Anti-graft law, committed as follows":

Investigation disclosed that while you were designated as Acting District Postal Inspector with assignment at South Cotabato District, Postal Region XI, Davao City, you personally made unauthorized deductions and/or cuttings from the ten (10%) percent salary differential for the months of January-March, 1988, when you paid each of the employees of the post office at Surallah, South Cotabato, on the last week of April 1988, and you intentionally failed to give to Postmaster Juanito D. Dimaup, of the said post office his differential amounting to P453.91, Philippine currency; that you demanded and required Letter Carrier Benjamin Salero, of the aforesaid post office to give fifty (P50.00) pesos out of the aforesaid differential; that you personally demanded, take away and encashed the salary differential check No. 008695317 in the total amount of P1,585.67, Philippine currency, of Postmaster Benjamin C. Charlon, of the post office at Lake Cebu, South Cotabato, for your own personal gain and benefit to the damage and prejudice of the said postmaster; that you personally demanded, required and received from Postmaster Peniculita B. Ledesma, of the post office of Sto. Niño, South Cotabato, the amount of P300.00, P200.00 and P100.00 for hazard pay, COLA differential and contribution to the affair "Araw ng Kartero and Christmas Party," respectively; that you personally demanded and required Letter Carrier Feliciano Bayubay, of the post office at General Santos City to give money in the amount of P1,000.00, Philippine Currency, as a condition precedent for his employment in this Corporation, and you again demanded and personally received from the said letter carrier the amount of P300.00 Philippine currency, as gift to the employees of the Civil Service Commission, Davao City to facilitate the release of Bayubay's appointment; that you demanded and forced Postmaster Felipe Collamar, Jr., of the post office at Maitum, South Cotabato to contribute and/or produce one (1) whole Bariles fish for shesami (sic), and you also required and received from the aforesaid postmaster the amount of P500.00 Philippine currency; that you demanded and required Postmaster Diosdado B. Delfin to give imported wine and/or

P700.00, Philippine currency, for gift to the outgoing Regional Director Escalada; and that you failed to liquidate and return the substantial amount of excess contributions on April, 1987, June, 1987 and December, 1987, for Postal Convention at MSU, arrival of Postmaster General Banayo and Araw ng Kartero and Christmas Party, respectively, for your own personal gain and benefit to the damage and prejudice of all the employees assigned at the aforementioned district.

In a Decision^[15] dated **August 15, 1994**, De Guzman was found guilty as charged and was dismissed from the service. Pertinently, its dispositive reads that "[i]n the interest of the service, it is directed that this decision be implemented immediately."

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It appears, however, that the afore-stated decision was not implemented until five (5) years later when Regional Director Mama S. Lalanto (Dir. Lalanto) issued a Memorandum^[17] dated August 17, 1999 for this purpose. De Guzman lost no time in filing a motion for reconsideration,^[18] claiming that: (a) the decision sought to be implemented was recalled on August 29, 1994 by PG Pilapil himself; and (b) since the decision had been dormant for more than five (5) years, it may not be revived without filing another formal charge.

The motion was, however, denied in a Resolution^[19] dated **May 14, 2003**, pointing out that De Guzman failed to produce a copy of the alleged recall order even if he had been directed to do so.

Undaunted, De Guzman filed a second motion for reconsideration, which was resolved^[20] on June 2, 2003 in his favor in that: (a) the Resolution dated May 14, 2003 denying De Guzman's first motion for Reconsideration was recalled; and (b) a formal hearing of the case was ordered to be conducted as soon as possible.

After due hearing, the PPC, through PG Rama, issued a Resolution^[21] dated **November 23, 2004**, finding De Guzman guilty of the charges against him and consequently dismissing him from the service. It was emphasized therein that when De Guzman was formally charged on July 16, 1993, the complainant was the PPC, which had its own charter and was no longer under the DOTC. Thus, the ISLES Memorandum dated February 26, 1990 prepared by Dir. Reyes which endorsed the exoneration of De Guzman and the dismissal of the complaints against him was merely recommendatory. As such, the filing of the formal charge on July 16, 1993 was an obvious rejection of said recommendation.^[22]

De Guzman's motion for reconsideration was denied initially in a Resolution^[23] dated **January 6, 2005**, but the motion was, at the same time, considered as an appeal to the PPC Board of Directors (Board).^[24] The Board, however, required PG Rama to rule on the motion. Thus, in a Resolution^[25] dated **May 10, 2005**, PG Rama pointed out that, being the third motion for reconsideration filed by De Guzman, the same was in gross violation of the rules of procedure recognized by the PPC, as well as of the Civil Service Commission (CSC), which both allowed only one (1) such motion to be entertained.^[26] It was further held that *res judicata* was unavailing as the decision exonerating De Guzman was "only a ruling after a fact-finding investigation." Hence, the same could not be considered as a dismissal on the merits but rather, a dismissal made by an investigative body which was not clothed with judicial or quasi-judicial power.^[27]

Meanwhile, before the issuance of the Resolution dated May 10, 2005, De Guzman elevated his case on **March 12, 2005**^[28] to the CA *via* a special civil action for *certiorari* and *mandamus*,^[29] docketed as CA-G.R. SP No. 88891, imputing grave abuse of discretion amounting to lack or excess of jurisdiction in that: (a) the case against him was a mere rehash of the previous complaint already dismissed by the DOTC, and therefore, a clear violation of the rule on *res judicata*; (b) the assailed PPC Resolutions did not consider the evidences submitted by De Guzman; (c) the uncorroborated, unsubstantiated and contradictory statements contained in the

affidavits presented became the bases of the assailed Resolutions; (d) the Resolution dated November 23, 2004 affirmed a non-existent decision; (e) Atty. Buensalida was not a credible witness and his testimony bore no probative value; and (f) the motion for reconsideration filed by De Guzman of the Resolution dated November 23, 2004 is not the third motion for reconsideration filed by him.

On **June 10, 2005**, De Guzman appealed^[30] the Resolution dated May 10, 2005 before the PPC Board, which resolution was allegedly received by De Guzman on May 26, 2005. Almost a year later, the Board issued a Resolution^[31] dated **May 25, 2006**, denying the appeal and affirming with finality the Decision dated **August 15, 1994** and the Resolution dated **May 14, 2003**. The motion for reconsideration subsequently filed by De Guzman was likewise denied in a Resolution^[32] dated **June 29, 2006**.

On April 4, 2006, the CA rendered a Decision^[33] in CA-G.R. SP No. 88891, reversing the PPC Resolutions dated **November 23, 2004** and **January 6, 2005**, respectively. It held that the revival of the case against De Guzman constituted grave abuse of discretion considering the clear and unequivocal content of the Memorandum dated **May 15, 1990** duly signed by Asec. Jardiniano that the complaint against De Guzman was already dismissed.

Aggrieved, PPC moved for reconsideration which was, however, denied in a Resolution^[34] dated July 19, 2006, hence, the instant petition.

Meanwhile, on July 26, 2006, De Guzman filed an appeal of the PPC Board's Resolutions dated **May 25, 2006** and **June 29, 2006** with the CSC^[35] which was, however, dismissed in Resolution No. 080815^[36] dated May 6, 2008. The CSC equally denied De Guzman's motion for reconsideration therefrom in Resolution No. 090077^[37] dated January 14, 2009.

The Issues Before the Court

The essential issues for the Court's resolution are whether: (a) De Guzman unjustifiably failed to exhaust the administrative remedies available to him; (b) De Guzman engaged in forum-shopping; and (c) the investigation conducted by the DOTC, through the ISLES, bars the filing of the subsequent charges by PPC.

The Court's Ruling

The petition is meritorious.

A. Exhaustion of administrative remedies.

The thrust of the rule on exhaustion of administrative remedies is that the courts must allow the administrative agencies to carry out their functions and discharge their responsibilities within the specialized areas of their respective competence. It is presumed that an administrative agency, if afforded an opportunity to pass upon a matter, will decide the same correctly, or correct any previous error committed in its forum. Furthermore, reasons of law, comity and convenience prevent the courts from entertaining cases proper for determination by administrative agencies. Hence,

premature resort to the courts necessarily becomes fatal to the cause of action of the petitioner.^[38]

PPC claims that De Guzman failed to subscribe to the rule on exhaustion of administrative remedies since he opted to file a premature *certiorari* case before the CA instead of filing an appeal with the PPC Board, or of an appeal to the CSC, which are adequate remedies under the law.^[39]

The Court agrees with PPC's submission.

Under Section 21(d) of RA 7354, the removal by the Postmaster General of PPC officials and employees below the rank of Assistant Postmaster General may be appealed to the Board of the PPC, *viz.*:

Sec. 21. Powers and Functions of the Postmaster General. — as the Chief Executive Officer, the Postmaster General shall have the following powers and functions:

x x x x

(d) to appoint, promote, assign, reassign, transfer and remove personnel below the ranks of Assistant Postmaster General: Provided, That in the case of removal of officials and employees, the same may be appealed to the Board;

x x x x

This remedy of appeal to the Board is reiterated in Section 2(a), Rule II of the Disciplinary Rules and Procedures of the PPC, which provides further that the decision of the Board is, in turn, appealable to the CSC, *viz.*:

Section 2. DISCIPLINARY JURISDICTION. – (a) The Board of Directors shall decide upon appeal the decision of the Postmaster General removing officials and employees from the service. (R.A. 7354, Sec. 21 (d)). The decision of the Board of Directors is appealable to the Civil Service Commission.

It is well-established that the CSC has jurisdiction over all employees of government branches, subdivisions, instrumentalities, and agencies, including government-owned or controlled corporations with original charters, and, as such, is the sole arbiter of controversies relating to the civil service.^[40] The PPC, created under RA 7354, is a government-owned and controlled corporation with an original charter. **Thus, being an employee of the PPC, De Guzman should have, after availing of the remedy of appeal before the PPC Board, sought further recourse before the CSC.**

Records, however, disclose that while De Guzman filed on June 10, 2005 a notice of appeal^[41] to the PPC Board and subsequently appealed the latter's ruling to the CSC on July 26, 2006, these were all after he challenged the PPC Resolution dated November 23, 2004 (wherein he was adjudged guilty of the charges against him and consequently dismissed from the service) in a petition for *certiorari* and mandamus before the CA (docketed as CA-G.R. SP No. 88891). That the subject of De