

SECOND DIVISION

[G.R. No. 172306, September 29, 2008]

MICHAEL V. SANTOS, PETITIONER, VS. SHING HUNG PLASTICS, CO., INC. AND NATIONAL LABOR RELATIONS COMMISSION, RESPONDENTS.

DECISION

CARPIO MORALES, J.:

Respondent Shing Hung Plastics Co., Inc. (the corporation) hired on August 2, 2000 Michael V. Santos (petitioner) as administrative assistant whose responsibilities included purchasing equipment and supplies of the corporation.

On April 3, 2002, the corporation dismissed petitioner following which or on April 4, 2002, he filed a Complaint^[1] for illegal dismissal against it, its manager Ching Chuan Chueh (Chueh), and its vice president Mu-Tsun Chan (Chan).

In his position paper,^[2] petitioner gave the following antecedent facts:

On February 18, 2002, he was, by Memorandum, asked to explain within 24 hours why, in the purchase of silkscreen and paint thinner from JPN, Inc., only acknowledgment receipts, instead of official receipts, were received and recorded by the corporation's accounting department.

By letter^[3] of February 19, 2002, he explained that the purchase of the above-stated items were urgent, and the thinner was purchased from JPN Inc., instead of the corporation's then supplier Alto Chemicals, because the former charged a lower price.

On March 11, 2002, Chueh ordered him to rent a forklift and crane to move a 26-ton machinery of the corporation, hence, he asked the firm Bormahueco for a quotation thereof. The quotation given by Bormahueco was found to be too high by Chueh who thus ordered him to get one from another firm. Roos Industrial Construction, Inc. (Roos) quoted a lower rental rate of P28,000, hence, he, on the instruction of Chan and Chueh, asked the accounting department to issue a check for the purpose.

The accounting department thus issued a check payable to the order of Roos and its Forklift Rental Manager Oscar Deiparine (Deiparine), not for P28,000 but for P27,440, a 2% rental and service tax having been debited therefrom. He thereupon delivered the check to Deiparine.

Rumors thereafter circulated that he obtained a P5,000 commission from the transaction with Roos, drawing Chueh and Chan to transfer him from the Administration Department to the Warehouse Department.

On April 2, 2002, he was informed of the termination of his employment on account of "money involvement with suppliers like JPN and Roos etc."^[4]

For its part, the corporation through Chan and Chueh claimed in its Position Paper^[5] that, *inter alia*, JPN, Inc. itself complained of "illegal sales" to the corporation which prompted it to conduct an audit of its transactions with JPN, Inc.; that acknowledgment letters^[6] bearing JPN, Inc.'s letterhead and illegible signatures, instead of official receipts, covered the questioned transactions, which letters did not even indicate control or invoice numbers; that only two transactions between the corporation and JPN, Inc. were covered by official receipts,^[7] hence, the memorandum requiring petitioner to explain the "irregularities"; and that the corporation inquired from Alto Chemicals to confirm petitioner's claim that JPN, Inc. charged lower prices and discovered that he had lied.^[8]

With regard to the transaction with Roos, the corporation and its officers presented an affidavit of Roos' Forklift Rental Manager Deiparine stating that petitioner offered the transaction to him in exchange for a commission of P5,000^[9] which petitioner, on board the corporation's Starex vehicle,^[10] collected on March 14, 2002. The corporation, in this connection, claimed that the gate pass it issued to petitioner on March 14, 2002 indicated that he was going to buy black ink and other supplies.^[11]

The corporation went on to claim as follows:

Upon investigation by Chueh, it was found out that petitioner manipulated the price of purchased items and earned commissions therefrom;^[12] that petitioner had been an employee of JPN, Inc. "but was forced to resign due to some irregularities";^[13] and that petitioner refused to sign the termination letter and to receive his salary and other benefits, and had not been reporting for work since April 3, 2002.

By Decision^[14] of January 30, 2004, the Labor Arbiter found petitioner to have been illegally dismissed. He thus ordered the corporation to reinstate petitioner and pay his full backwages, unpaid salary, moral and exemplary damages, and attorney's fees.

On appeal,^[15] the National Labor Relations Commission (NLRC), by Resolution of August 20, 2004, found petitioner's dismissal for just cause but that due process requirements were not complied with.^[16] The NLRC thus set aside the Labor Arbiter's decision but awarded petitioner "one (1) month salary as indemnity, and his unpaid salary."^[17]

His Motion for Reconsideration^[18] having been denied^[19] by the NLRC by Resolution of May 18, 2005, petitioner filed a Petition for Certiorari^[20] before the Court of Appeals. The Court of Appeals affirmed the NLRC Resolutions of August 20, 2004 and May 18, 2005 but increased the amount of indemnity to P30,000,^[21] following *Agabon v. NLRC*^[22] awarding P30,000 nominal damages to an employee who is dismissed for just cause but without compliance with due process requirements.^[23]

Hence, the present Petition for Review on Certiorari^[24] faulting the appellate court

1. . . . in reversing the Decision of the Labor Arbiter finding the dismissal illegal, despite blatant failure of private respondents to show an iota of evidence proving the allegation justifying loss of trust and confidence as basis for dismissal.
2. . . . in granting only indemnity of P30,000.00 to herein petitioner instead of the correct and appropriate award with full backwages as correctly found by the Labor Arbiter a quo.

[25] (Emphasis in the original)

The issue in the main is whether petitioner was dismissed for just cause.

Petitioner, claiming that his dismissal was based on an unsubstantiated allegation of loss of trust and confidence, [26] asserts that he was dismissed "due to job-related jealousy, which was further bolstered and aggravated upon by Mr. Oscar Deiparine's connivance with the Respondents." [27]

The petition fails.

By its evidence, the corporation duly established the acts imputed to petitioner which rendered him unworthy of the trust and confidence demanded of his position. [28]

Thus, in addition to its evidence reflected above, it presented copies of the certification-letters dated January 5, 2001, March 26, 2001, July 21, 2001, August 14, 2001 and November 19, 2001 issued by JPN, Inc. acknowledging receipt of payment of silkscreens; November 2, 2001 letter acknowledging receipt of payment for silkscreen cleaning agent; and January 8, 2002 letter acknowledging receipt of payment for mixed thinner. [29] The JPN, Inc. letters which were printed on its stationeries bear illegible signatures, and differ from JPN, Inc.'s official receipts. [30] And the signatures to the certifications-letters have varying writing strokes. Vice President and Treasurer of JPN, Inc. even confirmed that two of its employees have been engaged in illegal sales of its supplies to petitioner and that petitioner himself used to be a JPN, Inc. employee but was forced to resign due to irregularities. [31]

While petitioner did not deny having submitted the letter-certifications-acknowledgement receipts, he claimed that he purchased the silkscreen and thinner during times of urgent need when no official receipts could be issued. [32]

Petitioner further claimed that JPN, Inc. sold thinner at P500 per gallon lower than the P1,500 price of the corporation's usual supplier, Alto Chemicals. [33] The corporation controverted this claim, however, by presenting a document from Alto Chemicals quoting the price of thinner at P300 per gallon. [34]

In administrative proceedings, the law does not require proof beyond reasonable doubt. Substantial evidence suffices. [35] The Court finds that the corporation had established reasonable grounds-bases of its decision finding petitioner unworthy of the trust and confidence his position demands.