

FIRST DIVISION

[G.R. No. 140519, August 21, 2001]

**PHILIPPINE RETIREMENT AUTHORITY, PETITIONER, VS.
THELMA RUPA, RESPONDENT.**

D E C I S I O N

PUNO, J.:

Petitioner **PHILIPPINE RETIREMENT AUTHORITY** (PRA) is a government-owned and controlled corporation under the Office of the President. It was created to oversee an unconventional program designed to meet the tight foreign exchange situation in the country. Its objective is to promote and develop the Philippines as a retirement destination for foreign nationals and former Filipino citizens. To become a PRA member, a retiree must maintain a minimum U.S. dollar time deposit account with a PRA-accredited bank. The PRA then converts this account into active investment. In return, the foreign retiree is extended benefits and incentives, such as grants of certain tax exemptions, resident status, *balikbayan* privileges, etc. The qualified retiree is also given a multiple entry Special Resident Retiree's Visa (SRRV). Should he decide to withdraw his dollar account, he shall surrender his passport to the PRA for cancellation of the SRRV by the Commission on Immigration and Deportation (CID). The PRA shall then issue the retiree's withdrawal clearance to the bank where he has a deposit. Only then shall the bank concerned return the dollar deposit to the retiree.

The case at bar stems from a complaint filed with the Civil Service Commission (CSC) by **ATTY. VERNETTE UMALI-PACO**, Chief Executive Officer and General Manager of petitioner PRA against her subordinate, respondent **THELMA RUPA**, PRA Human Resource Management Officer III, for four (4) offenses: Insubordination, Gross Misconduct, Conduct Prejudicial to the Service and Neglect of Duty.

Respondent's alleged misdemeanors started in January 1991. Respondent was then with the PRA Administrative Servicing Group under complainant Atty. Paco. She was tasked to convert retirees' deposits into investments. From March-May, 1991, she also processed and evaluated requests of retirees to withdraw their deposits and has issued clearances for the purpose.

On April 30, 1991, respondent allegedly refused to prepare the withdrawal clearances of two (2) Indian retirees, Mrs. Mirani and Chatlani, when requested by Mr. Edwinador Racho, Retiree Assistance Office II. Days later, when Mr. Racho made a follow-up of the clearances, the respondent allegedly replied: "*Hee, marami pa akong pre-noprocess.*" Mr. Racho was constrained to refer the matter to CEO and General Manager Atty. Paco who issued a Memorandum directing the respondent to render overtime service to finish processing the clearances. It was only then that respondent completed the requested task.

The second incident occurred in October, 1991. Under the program, a PRA retiree is granted a Special Resident Retiree Visa (SRRV) which is attached to his passport. Before a retiree can terminate his membership and claim his deposit, he must first surrender his SRRV to the PRA which shall then forward his passport to the CID for cancellation. Only then shall the PRA issue the retiree's withdrawal clearance to the bank allowing the retiree to withdraw his deposits. In October, 1991, the respondent released the withdrawal clearance directly to retiree Jess Roberts although his visa has not yet been cancelled.

Subsequently, the respondent's office table became the object of discord. On August 27, 1993, Atty. Paco noticed that the respondent was using three (3) tables and one (1) computer table. To save space and reduce their office space rentals, she ordered the respondent to choose only one side table. Instead of complying, the respondent allegedly defied the order and scribbled her comment on the written directive, thus: *"Give me one good reason why I should do so."*

The office quarrels continued to rage. On November 12, 1993, Mr. Roberto Navera, a PRA employee, requested the respondent to process the papers of retirees Mr. and Mrs. Berthram Pereira who wanted to withdraw their money and terminate their PRA membership. Respondent allegedly refused and remarked: *"Hindi pwede sa akin ang rush no! At least 3 to 5 days ang processing niyan upon receipt."*

The hostilities culminated on June 1, 1994 when Atty. Paco issued Office Order No. 045 reassigning the respondent to the Marketing Group allegedly due to exigency of the service.^[1] The respondent defied the Order and scribbled her comment thereon: *"If it is in the exigency of the service as you try to make it appear, modesty aside and you know it too well, I am better qualified to perform more responsible functions other than those you want me to do."*

On September 20, 1995, after a fact-finding investigation of the complaint, the CSC found a prima facie case against the respondent. It issued CSC Resolution No. 955897^[2] formally **charging respondent with three (3) offenses, viz: Insubordination, Conduct Prejudicial to the Best Interest of the Service, and Neglect of Duty.**

The formal charge reads:

"On May 7, 1991, Rupa was requested under the PRA Standard Operating Procedure (SOP) by Mr. Edwinador Racho, a bonafide PRA employee, to process the withdrawal clearance of two (2) Indian nationals namely Mesdames Kamlabai Mirani and Ishwari Chatlani who were intending to withdraw their memberships from the PRA program, so that they may withdraw their dollar deposits from the bank. Rupa, in willful violation of her duty refused to process the withdrawal clearance of the two (2) Indian National despite repeated requests;

"Rupa, in violation of PRA policy, knowingly released the Withdrawal Clearance of Mr. Jess Carl Roberts, a PRA retiree-member when he expressed his desire to withdraw his deposit from the PRA Program, despite the non-cancellation of his Special Resident Retiree Visa (SRRV);

"Rupa, in utter defiance of Office Order No. 052, refused to process the papers of Mr. and Mrs. Bertram U. Pereira, when they signified their intention to withdraw their membership from the PRA program, on the pretense that she did not entertain 'rush' assignments;

"On August 27, 1993, Rupa defied the request/order of the PRA Chief Executive Officer and General Manager Paco to choose only one (1) side table for her own use for space-saving purposes;

"Rupa defied Office Order No. 103, amending Office Order No. 101, both dated November 22, 1993, which necessitated her transfer from the 3rd floor to the 2nd floor of the PRA office building."

Of particular relevance to the case at bar is the first charge. In her answer, the respondent denied all the charges against her. On the first charge, she alleged that she refused to process the withdrawal clearance of the two (2) Indian nationals as this was not part of her job description. As early as February 25, 1991, Atty. Paco reassigned her to another department merely to answer written queries of retirees. The respondent protested as she was reduced to a mere typist preparing pro forma letters. In response to her protest, Atty. Paco issued the May 29, 1991 Memorandum where she included in respondent's duties the task of converting the retirees' deposits into investments. Respondent stressed that she processed the requested clearances pursuant to the Memorandum issued to her by Atty. Paco to render overtime service for said purpose. She did the job **without collecting overtime payment.**

The respondent claimed that the administrative complaint against her was the climax in the series of oppression and maltreatment she suffered in the hands of Atty. Paco. She added that the case was filed against her in retaliation for the Ombudsman case she brought against Atty. Paco.

The CSC found respondent guilty of the **grave offense** of Conduct **Grossly Prejudicial** to the Best Interest of the Service **solely for neglecting to promptly process the requests of the two (2) Indian retirees.** She was meted the penalty of **one (1) year suspension without pay. The CSC absolved the respondent from the other charges.**^[3]

The respondent moved for reconsideration. She contended that her neglect in the performance of her duties was not **grossly** prejudicial to the best interest of the service. In the alternative, she argued that her suspension from service for one year without pay is **excessive and harsh.** Thus, **she prayed that her suspension be reduced to one month.**

The CSC denied her motion. It upheld the penalty meted out to her, i.e., one year suspension without pay, as it is in accordance with the Schedule of Penalties provided under Section 22 (t) of the Omnibus Rules Implementing Book V of the Administrative Code of 1987.^[4]

The respondent appealed to the Court of Appeals. On July 19, 1999, the Court of Appeals **modified** the appealed CSC Resolution. It found the respondent guilty of