



REPUBLIC OF THE PHILIPPINES
Sandiganbayan
Quezon City

THIRD DIVISION

PEOPLE OF THE PHILIPPINES, **SB-10-CRM-0141**
Plaintiff, **For: Violation of Section 3(e)**
of R.A. 3019

Present

- versus -

CABOTAJE-TANG, P.J.,
Chairperson
FERNANDEZ, SJ, J. and
FERNANDEZ, B,* J.

MELCHOR G. MADERAZO,
ET AL.

Accused.

Promulgated:

JUNE 29, 2017

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DECISION

FERNANDEZ, SJ, J.:

Accused Melchor G. Maderazo (Mayor), Dionesio R. Veruen, Jr. (designated Budget Officer) and Orlando R. Salentes, Jr. (designated Accountant), all, of the Municipality of Caibiran, Biliran, are charged with violation of Sec. 3(e) of Republic Act No. 3019 (R.A. No. 3019),¹ for allegedly causing the release of ₱305,481.06 representing accused Maderazo's salaries for the period when he was serving suspension, *i.e.*, from September 2002 to September 2003.

* J. Martires was a member of the 3rd Division at the time the present case was submitted for decision. In view of his appointment as Associate Justice in the Supreme Court on March 2, 2017, J. Fernandez, B., the junior member of the 3rd Division, participated in the decision in the present case. (*Revised Internal Rules of the Sandiganbayan*. Rule XII, Sec. 3)

¹ Anti-Graft and Corrupt Practices Act

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The accusatory portion of the Information reads:

That on or about 16 September 2003 or sometime prior or subsequent thereto, in the municipality of Caibiran, province of Biliran, Philippines, and within the jurisdiction of this Honorable Court, abovenamed accused **Melchor G. Maderazo**, a public officer, being the Municipal Mayor of Caibiran, while in the performance of his official duty, committing the offense in relation thereto and [with] abuse of the same, connive and confederate with accused **Dionisio Veruen Jr.**, and accused **Orlando Salentes Jr.**, by designating said accused as Municipal Budget Officer and Municipal Accountant, respectively, of Caibiran, and through evident bad faith, manifest partiality and gross inexcusable negligence, all of the said accused did then and there willfully, unlawfully and criminally cause undue injury to the local government of Caibiran, when accused Maderazo requests [sic] payment of his salaries and representation and transportation allowance as Municipal Mayor from the period of September 2002 up to September 2003, amounting to three hundred five thousand four hundred eighty one pesos and six centavos (Php305,481.06), said accused knowing fully well that he is not entitled to said emoluments due to the series of suspension impose to [sic] him during the said period, payment of which was approved by accused Veruen Jr. and accused Salentes Jr. by preparing and signing the requisite documents in their respective capacity [sic] as designate[d] Municipal Budget Officer and Muncipal Accountant of Caibiran, despite both accused [sic] knowledge of accused Maderazo's non entitlement to his request due to the series of suspensions impose to [sic] him during the stated period, thereby giving unwarranted benefit to accused Maderazo, who received the said amount, to the damage and prejudice of the municipal government of Caibiran, in the amount of three hundred five thousand four hundred eighty one pesos and six centavos (Php 305,481.06).

CONTRARY TO LAW.

(underscoring supplied)

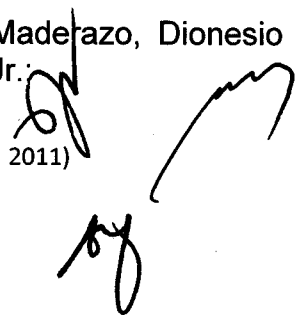
When arraigned, accused, assisted by counsel, entered separate pleas of "Not Guilty" to the offense charged.²

During the pre-trial,³ the parties stipulated:

1. The identities of accused Melchor G. Maderazo, Dionisio R. Veuen [sic] Jr. and Orlando R. Salentes Jr.:

² pp. 111-113, Record; pp. 116-117, Record (Order dated March 24, 2011)

³ pp. 140-148, Record (Pre-trial Order dated July 20, 2011)



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2. Whenever referred to orally or in writing by the Honorable Court and the prosecution and/or its witnesses, they admit that they are the same Melchor G. Maderazo, Dionesio R. Veruen Jr. and Orlando R. Salentes Jr., accused in the case;
3. At the time relevant and material to the allegations of the case, specifically in the years 2002-2003, accused Melchor G. Maderazo held the position of Municipal Mayor of Caibiran; accused Dionesio R. Veruen Jr. was a Revenue Collection Clerk II; and accused Orlando R. Salentes Jr. was a Revenue Collection Clerk; and
4. Accused Melchor G. Maderazo was suspended from office from October 6, 2002 to September 4, 2003.⁴

The parties also agreed that the sole issue to be resolved is "WHETHER OR NOT ACCUSED MADERAZO, VERUEN JR. AND SALENTES JR. ARE LIABLE FOR VIOLATION OF SECTION 3(e) OF REPUBLIC ACT 3019."⁵

The prosecution presented the following witnesses: **Gerry R. Colantro,**⁶ **Floresca S. Delante,**⁷ **Russel M. Lee,**⁸ **Loreto S. Serdeña, Jr.,**⁹ **Jemelito Balila,**¹⁰ **Rosemarie V. Sevilla,**¹¹ **Cresencio J. Victoria, Jr.,**¹² and **Daisy A. Rostata.**¹³

Gerry R. Colantro testified:

- a. He was a member of the Sanggunian Bayan of Caibiran, Biliran, and was one of the complainants in the case filed against accused Maderazo before the Office of the Ombudsman (Visayas) in 2003.¹⁴
- b. He acted as Vice-Mayor when accused Mayor Maderazo was suspended from September 2002 to September 2003.¹⁵

⁴ p. 141, Record

⁵ p. 145, Record

⁶ TSN, August 9, 2011

⁷ TSN, August 9, 2011

⁸ TSN, October 4, 2011

⁹ TSN, October 5, 2011

¹⁰ TSN, November 23, 2011

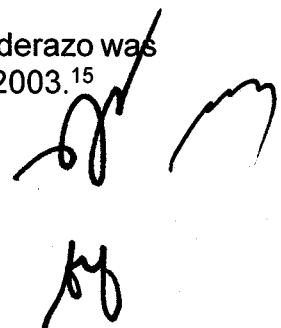
¹¹ TSN, February 21, 2012

¹² TSN, May 10, 2012

¹³ TSN, May 10, 2012

¹⁴ pp. 6, 18, TSN, August 9, 2011

¹⁵ p. 6, TSN, August 9, 2011



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- c. Accused Maderazo was not entitled to salaries from September 2002 until September 2003 because he was suspended¹⁶ at the time. He, as then Acting Vice-Mayor and Presiding Officer of the Sanggunian Bayan, was furnished a copy of said executive orders.¹⁷
- d. Officials and employees of the municipality are informed of suspension orders through posting of copies of said suspension orders in conspicuous places in the municipality.¹⁸
- e. When accused Maderazo returned to office after serving the 90-day suspension, he designated Dionesio Veruen, Jr. as Budget Officer and Orlando Salentes, Jr. as Accountant.¹⁹
- f. He was informed that the amount of ₱305,481.06 was released to accused Maderazo. As presiding officer of the Sangguniang Bayan, he invited a certain Mr. Serdeña in a regular session on October 13, 2003 (Exhibit "R"), Serdeña confirmed that the said amount was released.²⁰
- g. Thereafter, he relayed the information to then Acting Mayor Floresca Delante, and verified from the department heads if the information was correct.²¹
- h. He asked Daisy Rostata, then Budget Officer, and Rosemarie Sevilla, then designated Municipal Accountant, to verify the release of subject amount. In response, Sevilla handed him a copy of a Land Bank check with number 0000137812 issued on September 16, 2003, paid to the order of Melchor G. Maderazo for Three hundred five thousand four hundred eighty one pesos and six centavos (₱305,481.06).²²
- i. He noted that the Land Bank check was dated September 16, 2003 while the Orders implementing the designations were dated October 15, 2003.²³
- j. The release of the check requires the approval of the Budget Officer and the Accountant. When the subject check was released, the designated Budget Officer was accused

¹⁶ Exhibits K, L and M

¹⁷ pp. 8, 15, TSN, August 9, 2011

¹⁸ pp. 15-16, TSN, August 9, 2011

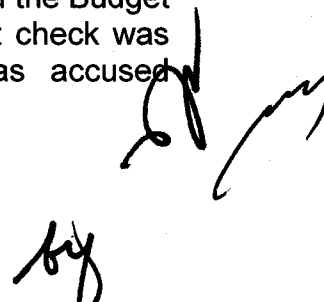
¹⁹ pp. 16-17, TSN, August 9, 2011

²⁰ p. 8, TSN, August 9, 2011

²¹ p. 11, TSN, August 9, 2011

²² pp. 11-12, TSN, August 9, 2011; Exhibit S

²³ pp. 16-17, TSN, August 9, 2011; Unnumbered Office Order dated September 15, 2003 (Exhibit H)



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Veruen, while the designated Accountant was accused Salentes.²⁴

Floresca S. Delante's testimony was dispensed with. The parties stipulated as follows:²⁵

- a. She was the Vice-Mayor of Caibiran, Biliran from 2001 to 2004. She was the acting Mayor during the suspension of accused Maderazo from September 2, 2002 to September 3, 2003.
- b. She was one of the complainants in the case before the Ombudsman, docketed as OMB-V-C-03-0768-L.

Russel M. Lee testified:

- a. She has held the position of Administrative Officer IV or Human Resource Management Officer (HRMO) II for five (5) years (at the time of her testimony). She was the HRMO I of the Municipality of Caibiran, Biliran from 1999 to 2006.²⁶
- b. Her responsibilities as HRMO II include keeping the original service records, and other such documents, of all municipal employees. She also issues certified true copies of certain documents available in her office.²⁷
- c. In September 2003, accused Veruen performed the functions of a Revenue Collection Clerk. He was likewise designated by accused Maderazo as Municipal Budget Officer for the period September 15-30, 2003.²⁸
- d. Accused Maderazo designated accused Salentes as Municipal Accountant sometime in September 2003.²⁹

Loreto S. Serdeña, Jr. testified:

- a. He is the Municipal Treasurer of Caibiran, Biliran. Prior to being the permanent Municipal Treasurer, he was designated as OIC Municipal Treasurer of Caibiran from 2003 to 2005.³⁰

²⁴ pp. 17-18, TSN, August 9, 2011

²⁵ p. 26, TSN, August 9, 2011

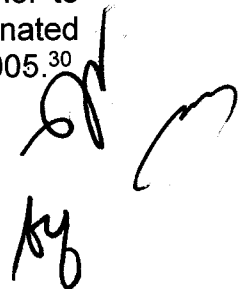
²⁶ p. 5, TSN, October 4, 2011

²⁷ p. 6, TSN, October 4, 2011

²⁸ pp. 13-14, TSN, October 4, 2011

²⁹ pp. 13-14, TSN, October 4, 2011.

³⁰ pp. 4-5, TSN, October 5, 2011



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- b. Among his duties and responsibilities as Municipal Treasurer was to ensure that there are sufficient funds to cover the expenditures of the LGU.³¹
- c. A Disbursement Voucher (Exhibit "X") and an Allotment and Obligation Slip (ALOBS) (Exhibit "Y") pertaining to accused Maderazo's request for payment of back salaries for the period September 2002 to September 2003 were presented to him sometime in December 2003.³²
- d. A request for payment originates from the requesting official. The request is then forwarded to the Budget Office for appropriation. Thereafter, it goes to the Accounting Office for determination of supporting documents. After the Accountant's signature is affixed, the voucher goes to the Municipal Treasurer's office for the determination of availability of funds.³³
- e. After determining that there are sufficient funds, he affixes his signature on the voucher and forwards the same to the Mayor's office for approval of payment.³⁴
- f. Upon seeing the disbursement voucher, he noticed that Boxes A, B and D were already signed.³⁵
- g. Box A of the disbursement voucher was signed by the requesting official – accused Maderazo. Box B was signed by the Accountant, accused Salentes, signifying the completeness and propriety of the supporting documents. Box D was signed by accused Maderazo, signifying that he approved of the same as Municipal Mayor.³⁶
- h. When he saw the ALOBS, the three boxes were already signed.³⁷
- i. The three signatories to the ALOBS were (1) accused Maderazo, the requesting official and department head, (2) accused Veruen, Budget Officer, who certified the existence of the appropriation, and (3) accused Salentes, Municipal Accountant Designate.³⁸



³¹ p. 5, TSN, October 5, 2011

³² Witness Serdeña signed the disbursement voucher which authorized the release of the check dated September 16, 2003; pp. 5-6, TSN, October 5, 2011

³³ p. 6, TSN, October 5, 2011

³⁴ p. 6, TSN, October 5, 2011

³⁵ p. 7, TSN, October 5, 2011

³⁶ pp. 7-8, TSN, October 5, 2011

³⁷ p. 7, TSN, October 5, 2011

³⁸ pp. 8-9, TSN, October 5, 2011

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- j. Prior to accused Veruen's designation as Budget Officer, a certain Daisy Rostata performed the functions of the position. On the other hand, a certain Rosemarie Sevilla performed the functions of the Municipal Accountant prior to the designation of accused Salentes to the position.³⁹
- k. After examining the disbursement voucher and the ALOBS, he verified the existence of cash. Upon determining that there was sufficient cash, he referred the documents to the Chief Accountant.⁴⁰
- l. He prepared a check in the amount of three hundred five thousand four hundred eighty-one pesos and six centavos (P305,481.06). He and accused Maderazo signed said check.⁴¹
- m. He asked the Accounting Office to look for the check but the same could not be found. He was instead given a bank statement showing that Check No. 137812 was encashed on September 17, 2003.⁴²
- n. Accused Maderazo signed Box E of the disbursement voucher, signifying that he received payment.⁴³
- o. Sometime thereafter, the Sangguniang Bayan, during the regular session, requested him to provide them a copy of the disbursement voucher. He was not able to comply with the request because they wanted the document immediately but he could not find the said document due to the large number of documents in his office.⁴⁴

The testimonies of the following witnesses were dispensed with after the parties stipulated as follows:

Jemelito Balila⁴⁵

- a. He holds the position of State Auditor III and is the Team Leader of Audit Team III, Audit Group G, Biliran Province.

³⁹ pp. 10-11, TSN, October 5, 2011

⁴⁰ p. 11, TSN, October 5, 2011

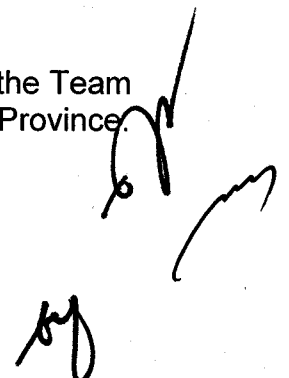
⁴¹ pp. 12-16, TSN, October 5, 2011

⁴² p. 13, TSN, October 5, 2011

⁴³ p. 15, TSN, October 5, 2011

⁴⁴ p. 18, TSN, October 5, 2011

⁴⁵ pp. 5-8, TSN, November 23, 2011



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- b. He brought to Court the certified true copies of documents on the disallowance by COA of the subject amount.⁴⁶
- c. Balila had nothing to do with the preparation of said documents.

Rosemarie V. Sevilla⁴⁷

- a. She has been the Accountant-Designate of the Local Government of Caibiran since November 16, 2011.
- b. She did not find in the records of the Accounting Office covering the period from 2005 to February 2012 any document showing the settlement or return by accused Maderazo of the Php 266,292.19 subject of the Notice of Disallowance dated October 11, 2006 (Exhibit "BB").

Daisy A. Rostata⁴⁸

- a. She has been the the Municipal Budget Officer of the Local Government Unit of Caibiran since 1999.
- b. From September 2002 to August 2003, she was actively performing her functions as Municipal Budget Officer. She never received any verbal or written request. Neither did she encounter any ALOBS requesting for the payment of salaries and representation and transportation allowances of accused Maderazo covering the period September 2002 up to September 2003.
- c. From September 1 to 30, 2003 she was on vacation leave.
- d. During the time that she was on leave, accused Maderazo was able to claim the subject back salaries in the amount of Php305,481.06.⁴⁹

Cresencio J. Victoria, Jr.'s⁵⁰ direct examination was dispensed with after the parties stipulated:

- a. He has been the Secretary of the Sangguniang Panlalawigan

⁴⁶ Exhibit BB (Notice of Disallowance dated October 11, 2006); Exhibit CC (Audit Observation Memorandum dated December 1, 2005); Exhibit DD (Letter dated February 14, 2006 of Melchor G. Maderazo); Exhibit EE (8th Indorsement dated March 15, 2006); Exhibit FF (1st Tracer dated February 15, 2006); Exhibit GG (2nd Tracer dated February 22, 2006); and Exhibit HH (7th Indorsement dated January 13, 2006)

⁴⁷ pp. 4-7, TSN, February 21, 2012

⁴⁸ pp. 4-13, TSN, May 10, 2012

⁴⁹ p. 10, TSN, May 10, 2012

⁵⁰ pp. 9-11, 13-14, TSN, May 10, 2012

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of Biliran since 1999.

- b. In connection with his position, he submitted to the Office of the Special Prosecutor the following documents:
- i. Local Executive Order No. 2002-015 dated September 24, 2002 (Exhibit "K")
 - ii. Local Executive Order No. 2000-018 dated December 5, 2002 (Exhibit "L")
 - iii. Local Executive Order No. 2002-003 dated June 4, 2003 (Exhibit "M")

All the documentary exhibits offered by the prosecution were admitted in evidence.⁵¹

Exhibit	Document
A	Personal Data Sheet of Melchor G. Maderazo
B	Service Record of Melchor G. Maderazo
C	Personal Data Sheet of Dionesio R. Veruen, Jr.
D	Service Record of Dionesio R. Veruen, Jr.
E	Unnumbered Office Order dated September 15, 2003 (Subject: Substitute as Budget Officer)
F	Personal Data Sheet of Orlando R. Salentes, Jr.
G	Service Record of Orlando R. Salentes, Jr.
H	Unnumbered Office Order dated September 15, 2003 (Subject: Designation)
K	Local Executive Order No. 2002-015 dated September 24, 2002
L	Local Executive Order No. 2000-018 dated December 5, 2002
M	Local Executive Order No. 2002-003 dated June 4, 2003
R	Minutes of the Regular Session of the Sanggunian Bayan, Municipality of Caibiran, Province of Biliran Held on October 13, 2003 at the Municipal Session Hall
S and S-1	Land Bank Check No. 0000137812 dated September 16, 2003 and its dorsal portion
S-2	Duplicate Original copy of Check No. 0000137812 dated September 16, 2003
X	Disbursement Voucher No. 101-03-09-665
Y	Allotment and Obligation Slip dated September 4, 2003
AA	Land Bank-Naval bank statement for the period August 31, 2002 to September 30, 2003
AA-1	Page 5 of Land Bank-Naval bank statement with reference to Check No. 137812
BB	Notice of Disallowance dated October 11, 2006
DD	Letter dated February 14, 2006 of Melchor G. Maderazo, addressed to Helen T. Pepito
EE	8 th Indorsement dated March 15, 2006

⁵¹ p. 258, Record (Resolution dated August 22, 2012)

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FF	1 st Tracer dated February 15, 2006
GG	2 nd Tracer dated February 22, 2006
HH	7 th Indorsement dated January 13, 2006

EVIDENCE FOR THE DEFENSE

The defense presented the following witnesses: accused **Melchor G. Maderazo**,⁵² accused **Dionesio R. Veruen, Jr.**,⁵³ **Amadel D. Sevilla**,⁵⁴ and accused **Orlando R. Salentes, Jr.**⁵⁵

Accused Melchor G. Maderazo testified:

- a. He was preventively suspended for 90 days in connection with Criminal Case No. 25756. He was acquitted in the Decision dated August 24, 2006.⁵⁶
- b. He re-assumed his position as Municipal Mayor after being suspended for almost one (1) year. Upon his return, he designated accused Salentes as Municipal Accountant because a certain Sevilla, the previously designated Accountant, was on leave for 30 days. The absence of a Municipal Accountant would adversely affect the processing of the transactions of the municipality.⁵⁷
- c. Sevilla, a Bookkeeper, was designated as Municipal Accountant by Acting Mayor Luis Hernandez.⁵⁸
- d. He designated accused Veruen as Municipal Budget Officer because Daisy Rostata, the Budget Officer, was on leave for 30 days at the time. The absence of a Budget Officer for a prolonged period would adversely affect the processing of transactions of the municipality.⁵⁹
- e. After Daisy Rostata re-assumed her position as Budget Officer, accused Veruen went back to his (accused Veruen) office as campaign clerk⁶⁰ of the municipality.⁶¹

⁵² TSN, July 23, 2013

⁵³ TSN, July 24, 2013

⁵⁴ TSN, February 5, 2014

⁵⁵ TSN, May 7, 2015

⁵⁶ Exhibit 9; p. 5, TSN, July 23, 2013

⁵⁷ pp. 6-7, TSN, July 23, 2013

⁵⁸ p. 8, TSN, July 23, 2013

⁵⁹ pp. 7-8, TSN, July 23, 2013

⁶⁰ Accused Veruen held the position of Revenue Collection Clerk (Exhibit D)

⁶¹ p. 9, TSN, July 23, 2013

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- f. He received the check for his salaries for the period September 2002 to September 2003 in the amount of Php305,481.06.⁶²
- g. He was entitled only to his salaries pertaining to the 90-day preventive suspension he served for Crim. Case No. 25756. Such amount would not be equivalent to ₱305,481.06.⁶³
- h. He did not take any action on the decision of the Sangguniang Panlalawigan and the same became final.⁶⁴
- i. The suspension order did not state that the 6-months suspension was without pay.⁶⁵
- j. He did not report for work when he was suspended.⁶⁶
- k. Gerry Colantro, Floresca Delante, Amadel Sevilla, Arthur Ong, Fernan Ryan Rostata and Aida Ong executed a Joint Affidavit dated November 26, 2003 and filed an administrative case against him for his receipt of his salaries covering the period of his suspension.⁶⁷
- l. He and the complainants belonged to the same political party. The governor who suspended him belonged to a different political party and supported Floresca Delante, one of the complainants.⁶⁸
- m. Said complaint was dismissed after the complainants filed a Manifestation of Withdrawal dated November 27, 2003 (Exhibit "11"). The dismissal was contained in *Resolution No. 23 (series of 2004)* (Exhibit "12") issued by the Province of Biliran.⁶⁹
- n. He filed a Petition for Certiorari before the RTC which issued a Temporary Restraining Order against the implementation by the Sangguniang Panlalawigan of the suspension. In its April 1, 2004 Decision, the RTC declared the following void:

- i. Resolution No. 200, Series of 2003

- ii. Local Executive Order No. 2003-005

⁶² pp. 21 and 28, TSN, July 23, 2013

⁶³ pp. 21-22, TSN, July 23, 2013

⁶⁴ p. 24, TSN, July 23, 2013

⁶⁵ p. 24, TSN, July 23, 2013

⁶⁶ p. 26, TSN, July 23, 2013

⁶⁷ pp. 10-11, TSN, July 23, 2013

⁶⁸ pp. 18-19, TSN, July 23, 2013

⁶⁹ pp. 11-12, TSN, July 23, 2013

Handwritten signatures and initials in black ink, including a large signature and the initials 'by'.

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- iii. The Decision in Administrative Complaint No. 2002-06.⁷⁰
- o. Local Executive Orders No. 2002-015 and 2000-18, under which he was preventively suspended for sixty (60) days, and suspended, as penalty, for six (6) months, respectively, were not among the orders declared void by the Branch 16 of the RTC.⁷¹

Accused Dionesio R. Veruen, Jr. testified:

- a. He was designated as Municipal Budget Officer effective September 15, 2003 because Ms. Rostata, the regular Budget Officer, was on leave for thirty (30) days.⁷²
- b. He acted as Budget Officer for almost fifteen (15) days. When the regular Budget Officer re-assumed her position, he went back to his former station as Revenue Collection Clerk II.⁷³
- c. Upon assuming the position of substitute Budget Officer, the first document he encountered involved the salaries of municipal employees.⁷⁴
- d. He affixed his signature on the Allotment and Obligation Slip (ALOBS) because it was his ministerial duty.⁷⁵
- e. As long as there was an appropriation for the request, it was his duty to sign the ALOBS.⁷⁶
- f. He knew that the amount requested in the ALOBS pertained to the time when accused Maderazo was under suspension. He nevertheless signed the ALOBS because he had no authority to question the soundness of the ALOBS presented to him. His duty was limited to determining the existence of an appropriation.⁷⁷
- g. The disbursement voucher was attached to the ALOBS. He cannot remember the other documents attached to the ALOBS.⁷⁸

⁷⁰ pp. 13-17, TSN, July 23, 2013

⁷¹ pp. 22-23, TSN, July 23, 2013

⁷² pp. 4-5, TSN, July 24, 2013

⁷³ p. 5, TSN, July 24, 2013

⁷⁴ p. 11, TSN, July 24, 2013

⁷⁵ p. 5, TSN, July 24, 2013

⁷⁶ p. 6, TSN, July 24, 2013

⁷⁷ pp. 6-7, TSN, July 24, 2013

⁷⁸ p. 8, TSN, July 24, 2013

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- h. He signed the ALOBS regardless of the presence or absence of attachments. What is essential is that there was an appropriation.⁷⁹
- i. He would have signed the ALOBS regardless of the person requesting payment if there was an appropriation.⁸⁰
- j. He consulted the Accounting Department, accused Salentes in particular, with regard to the ALOBS. He was advised to allow accused Maderazo to claim payment.⁸¹

Amadel D. Sevilla testified:

- a. He was one of the complainants in the Joint Affidavit of Complaint. He was a member of the Sangguniang Bayan at the time.⁸² The other complainants were also members of the Sangguniang Bayan.⁸³
- b. The complainants were not political allies of accused Maderazo. They, as a group, went to the political party of Gov. Espina.⁸⁴
- c. The filing of administrative complaints against accused Maderazo was politically motivated but he believed that the allegations in said complaints were true.⁸⁵
- d. Because of the filing of an administrative complaint, and the consequent suspension of Mayor Maderazo, the members of his (witness Sevilla) political party became the acting mayor and acting vice mayor.⁸⁶

Accused Orlando R. Salentes, Jr. testified:

- a. He was a Revenue Collection Clerk of the Municipal Government of Caibiran from 1994 to 2004 (Exhibit "1").⁸⁷
- b. In 2003, he was designated Municipal Accountant. Among his functions as Accountant were the certification of the availability of budgetary allotment to which obligations are

⁷⁹ pp. 8-9, TSN, July 24, 2013

⁸⁰ p. 9, TSN, July 24, 2013

⁸¹ p. 10, TSN, July 24, 2013

⁸² pp. 6-7, TSN, February 5, 2014

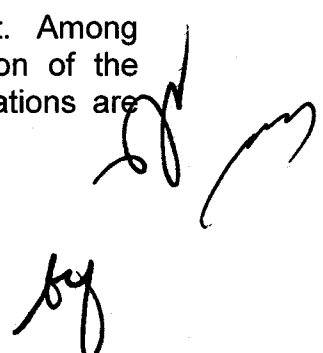
⁸³ p. 8, TSN, February 5, 2014

⁸⁴ pp. 9-10, TSN, February 5, 2014

⁸⁵ pp. 13-16, 26, 30, TSN, February 5, 2014

⁸⁶ p. 27, TSN, February 5, 2014

⁸⁷ p. 7, TSN, May 7, 2015



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charged, and the preparation of journal vouchers and liquidations.⁸⁸

- c. The Sangguniang Bayan consented to his designation as Municipal Accountant.⁸⁹
- d. He signed the disbursement voucher, attesting to the existence of an appropriation for accused Maderazo's back salaries. His basis was the annual budget of the Municipality of Caibiran.⁹⁰
- e. When he signed the disbursement voucher, accused Maderazo had already affixed his signature and accused Veruen had already signed the ALOBS (Exhibit "2").⁹¹
- f. He was the last to sign the disbursement voucher. Boxes A, C, D and E were already signed when the document was presented to him.⁹²
- g. He would not have signed the disbursement voucher if there was no prior approval by accused Maderazo.⁹³
- h. Serdeña, the Municipal Treasurer, showed him the check dated September 16, 2002.⁹⁴
- i. He signed the ALOBS after he saw the signatures of accused Maderazo and Veruen, and after determining the existence of an appropriation for 2003.⁹⁵
- j. Before he signed the ALOBS, he talked to Municipal Treasurer Loreto Serdeña who assured him that everything was in order and complete.⁹⁶
- k. He could not remember the exact date he talked to the Municipal Treasurer.⁹⁷
- l. He was aware that accused Maderazo did not discharge the functions of the local chief executive from September 2002 until September 2003.⁹⁸

⁸⁸ p. 9, TSN, May 7, 2015

⁸⁹ p. 19, TSN, May 7, 2015

⁹⁰ p. 10, TSN, May 7, 2015

⁹¹ p. 10, TSN, May 7, 2015; Exhibit 2-Salentes

⁹² pp. 38-39, TSN, May 7, 2015

⁹³ p. 38, TSN, May 7, 2015

⁹⁴ p. 15, TSN, May 7, 2015

⁹⁵ p. 33, TSN, May 7, 2015

⁹⁶ p. 12, TSN, May 7, 2015

⁹⁷ p. 30, TSN, May 7, 2015

⁹⁸ pp. 33-34, TSN, May 7, 2015

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m. After he resigned, he was elected as a member of the Sangguniang Bayan twice – the first in 2004, and the second in 2007.⁹⁹

n. He ran with the same political party as accused Maderazo's in 2004, and as an independent in 2007.¹⁰⁰

All the documentary exhibits offered by the defense were admitted in evidence.¹⁰¹

Accused Maderazo and Veruen	
Exhibit	Document
1	Counter-affidavit dated February 26, 2004 of Melchor G. Maderazo
2	Order dated October 8, 2003 of the Regional Trial Court, Branch 16 of Naval, Biliran
3	Temporary Restraining Order dated September 22, 2003 issued by Regional Trial Court, Branch 16 of Naval, Biliran
4	Writ of Preliminary Injunction dated November 18, 2003 issued by Regional Trial Court, Branch 16 of Naval, Biliran
5	Sheriff's Report dated November 20, 2003
6	Decision dated April 1, 2004 of the Regional Trial Court, Branch 16 of Naval, Biliran.
9	Decision dated August 24, 2006 of the Third Division of Sandiganbayan in Criminal Case No. 25756, acquitting accused Melchor Maderazo of violation of Section 3(e) of R.A. No. 3019
11	Manifestation of withdrawal dated November 27, 2003
12	Excerpt from the Minutes of Regular Session of Sanggunian Panlalawigan of Biliran, Held on February 13, 2004, at the Capitol Session Hall

Accused Salentes	
Exhibit	Document
1	Service Record dated April 29, 2011 of Orlando R. Salentes
2	Allotment and Obligation Slip dated September 4, 2003
3 and 3-A	Land Bank Check No. 0000137812 dated September 16, 2003

⁹⁹ pp. 21-27, TSN, May 7, 2015

¹⁰⁰ pp. 26-27, TSN, May 7, 2015

¹⁰¹ Accused Maderazo and Veruen: p. 415, Record (Resolution dated August 20, 2014); Accused Salentes: p. 491, Record (Resolution dated November 4, 2015)

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3-B	Duplicate original of Land Bank Check No. 0000137812 dated September 16, 2003
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FINDINGS OF FACT

Accused Melchor G. Maderazo (accused Maderazo) was the Municipal Mayor of Caibiran, Province of Biliran at the time material to the case. He served a series of suspensions for a total period of around eleven (11) months, from October 6, 2002 to September 4, 2003,¹⁰² as follows:

Local Executive Order	Basis	Cause	Period
No. 2002-015 dated September 24, 2002 ¹⁰³	Preventive suspension in connection with Sangguniang Panlalawigan Administrative Case No. 2002-03	For Grave Abuse of Authority and Misconduct	60 days
No. 2000-018 dated December 5, 2002 ¹⁰⁴	Accused Maderazo was found guilty of Grave Misconduct and Grave Abuse of Authority in Sangguniang Panlalawigan Administrative Case No. 2002-03. A penalty of suspension for six (6) months was imposed upon him.	For Grave Misconduct and Grave Abuse of Authority	6 Months
No. 2003-003 dated June 4, 2003 ¹⁰⁵	Preventive suspension in connection with Criminal Case No. 25756 pending before the Sandiganbayan (Third Division)	For violation of Section 3 (e), R.A. 3019 (Anti-Graft and Corrupt Practices Act)	90 days

Upon his re-assumption of office on September 4, 2003, accused Maderazo made a request for the payment of his back salaries as Municipal Mayor for the period September 2002 to September 2003 in the amount of ₱305,481.06 by preparing Disbursement Voucher No. 101-03-09-665¹⁰⁶ to which the Allotment and Obligation Slip (ALOBS) dated September 4, 2003¹⁰⁷ was attached. Accused Maderazo signed

¹⁰² p. 141, Record; Exhibit B; p. 12, TSN, October 4, 2011

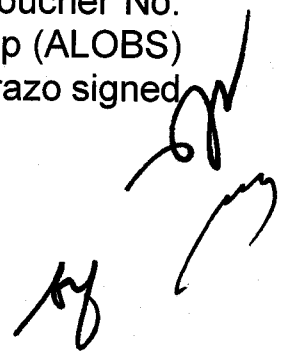
¹⁰³ Exhibit K

¹⁰⁴ Exhibit L

¹⁰⁵ Exhibit M

¹⁰⁶ Exhibit X

¹⁰⁷ Exhibit Y



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Box A of the disbursement voucher, certifying that the expense was necessary, lawful and incurred under his direct supervision.

Thereafter, on September 15, 2003, accused Maderazo designated accused Orlando R. Salentes, Jr. (accused Salentes) and Dionesio R. Veruen, Jr. (accused Veruen) as Municipal Accountant and Municipal Budget Officer, respectively.¹⁰⁷

The disbursement voucher passed through the offices of accused Veruen and accused Salentes, both of whom affixed their signatures in the ALOBS and the disbursement voucher. Accused Veruen signed the ALOBS,¹⁰⁸ certifying the existence of an appropriation for the payment of accused Maderazo's back salaries. Accused Salentes also signed the ALOBS, certifying the obligation of the allotment.

On the other hand, accused Salentes signed Box B of the disbursement voucher, certifying the completeness and propriety of the supporting documents. Accused Maderazo also signed Box D to approve the voucher, as well as Box E, signifying that he received LandBank Check No. 0000137812¹⁰⁹ dated September 16, 2003, issued in his favor in the amount of ₱305,481.06. The bank statement of the Municipality of Caibiran's Landbank account number 10-121C-0930-100214 shows that said check was encashed on September 17, 2003. The said amount represented his salaries and RATA for the period September 2002 to September 2003.

On December 1, 2003, Gerry R. Colantro, Floresca C. Delante, Amadel D. Sevilla, Rodito Ramirez, Arthur A. Ong and Aida, C. Tabon, all municipal officers of Caibiran, filed their *Affidavit Complaint* dated November 26, 2003 before the Office of the Ombudsman (Visayas). In the Resolution dated April 10, 2006, the Office of the Ombudsman found probable cause to charge accused Maderazo, Veruen and Salentes with violation of Sec. 3(e) of R.A. No. 3019.

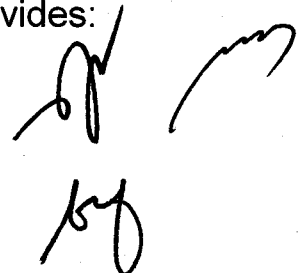
DISCUSSION

Accused Maderazo, Veruen and Salentes, are charged with violation of Sec. 3(e) of R.A. No. 3019, which provides:

¹⁰⁷ Exhibits E and H

¹⁰⁸ Exhibit Y

¹⁰⁹ Exhibit S



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Sec. 3. *Corrupt practices of public officers.* – In addition to acts or omissions of public officers already penalized by existing law, the following shall constitute corrupt practices of any public officer and are hereby declared to be unlawful:

x x x

(e) Causing any undue injury to any party, including the Government, or giving any private party any unwarranted benefits, advantage or preference in the discharge of his official, administrative or judicial functions through manifest partiality, evident bad faith or gross inexcusable negligence. This provision shall apply to officers and employees of offices or government corporations charged with the grant of licenses or permits or other concessions.

The essential elements of the offense are:

- a. The accused must be a public officer discharging administrative, judicial or official functions;
- b. He must have acted with manifest partiality, evident bad faith or gross inexcusable negligence; and
- c. His action caused any undue injury to any party, including the government, or gave any private party unwarranted benefits, advantage or preference in the discharge of his functions.¹¹⁰

First Element

It is undisputed that the first element exists. The parties stipulated that accused Maderazo, Salentes, and Veruen were public officers at the time material to the present case.¹¹¹ The acts imputed to them were done in the discharge of their official functions as Municipal Mayor, designated Municipal Accountant and designated Budget Officer, respectively.

Second Element

Violation of Sec. 3(e) of R.A. No. 3019 may be committed through evident bad faith, manifest partiality or gross inexcusable negligence. The law requires that the intent or negligence, which must attend the commission of the prohibited acts under Section 3(e) of R.A. No. 3019, should meet the gravity required by law. Thus, in construing

¹¹⁰ *Lihaylihay v. People*, G.R. No. 191219, July 31, 2013

¹¹¹ p. 141, Record

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these phrases, bad faith or partiality, on the one hand, and negligence, on the other hand, *per se*, are not enough for one to be held criminally liable under the law; that the bad faith or partiality is evident or manifest, or, that the negligent act or omission is gross and inexcusable must be shown.¹¹³ Furthermore, proof of any of the three is enough to convict.¹¹⁴

The three alternative modes of committing violation of Sec. 3(e) of R.A. No. 3019 were explained in detail in *Uriarte v. People*.¹¹⁵ To wit:

Section 3(e) of R.A. 3019 may be committed either by *dolo*, as when the accused acted with evident bad faith or manifest partiality, or by *culpa* as when the accused committed gross inexcusable negligence. There is “**manifest partiality**” when there is a clear, notorious or plain inclination or predilection to favor one side or person rather than another. “**Evident bad faith**” connotes not only bad judgment but also palpably and patently fraudulent and dishonest purpose to do moral obliquity or conscious wrongdoing for some perverse motive or ill will. It contemplates a state of mind affirmatively operating with furtive design or with some motive or self-interest or ill will or for ulterior purposes. “**Gross inexcusable negligence**” refers to negligence characterized by the want of even the slightest care, acting or omitting to act in a situation where there is a duty to act, not inadvertently but willfully and intentionally, with conscious indifference to consequences insofar as other persons may be affected.

The accused are alleged to have conspired to facilitate the release of the amount of ₱305,481.06 representing the salaries and RATA of accused Maderazo during his period of suspension notwithstanding his non-entitlement to said sum of money.

Accused Maderazo

Accused Maderazo's act of causing the disbursement of ₱305,481.06 was done with evident bad faith.

By signing Box A of the disbursement voucher, he certified that the expense was lawful. However, the facts show that his request for

¹¹³ *Jaca v. People*, G.R. No. 166967, 166974 and 167167, January 28, 2013

¹¹⁴ *Sison v. People*, G.R. Nos. 170339, 170398-403, March 9, 2010

¹¹⁵ G.R. No. 169251, December 20, 2006