



REPUBLIC OF THE PHILIPPINES  
Sandiganbayan  
Quezon City

SEVENTH DIVISION

PEOPLE OF THE PHILIPPINES,  
*Plaintiff-Appellee,*

SB-17-A/R-0026-0030

**For:**

Violation of Sec. 3 (e) R.A. 3019  
and Malversation of Public  
Funds through Falsification of  
Official Documents

**-versus-**

**Present:**

Gomez-Estoesta, J., *Chairperson*  
Trespeses, J.,  
Jacinto, J.

LARA MAE A. REYES  
STEPHANIE BELLE MAÑO,  
*Accused-Appellants.*

Promulgated on:

APRIL 16, 2018

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**DECISION**

***Jacinto, J.:***

This is an appeal from the *Decision*<sup>1</sup> of the Regional Trial Court (Branch 25, Manila) in Criminal Cases Nos. 11-281355 to 59 entitled "*People of the Philippines, Plaintiff versus Lara Mae A. Reyes and Stephanie Belle Maño, Accused,*" finding both accused guilty of four counts of Malversation through Falsification of Official Documents under Article 217, in relation to Art. 171 of the Revised Penal Code (RPC) and one count of Violation of Section 3(e) of Republic Act (R.A.) 3019.<sup>2</sup>

Accused-appellants Reyes and Maño (appellants) were charged with Malversation through Falsification of Official Documents in four Informations, to wit:

CRIM. CASE NO. 11-281356

That for the period January to March 2004, or sometime prior or subsequent thereto, in the City of Manila, Philippines, and within the jurisdiction of this Honorable Court, the above named accused LARA

<sup>1</sup> *Rollo*, vol. 4, pp. 240-265.

<sup>2</sup> Anti-Graft and Corrupt Practices Act.

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MAE A. REYES and STEPHANIE BELLE MAÑO, both low ranking public officers, being barangay chairman and barangay treasurer, respectively, of Barangay 748, Zone 81, District V, Manila, and as such accountable for public funds received and/or entrusted to them by reason of their office, acting in relation to their office and taking advantage of the same, conspiring and confederating with each other, did then and there, willfully, unlawfully and feloniously take, misappropriate and convert to their personal use and benefit the amount of Two Thousand Five Hundred Pesos (Php2,500) out of the funds for which they are accountable, as reimbursement for the gasoline consumption of the barangay vehicle with plate number SFY 827 for the first quarter of 2004, to the damage and prejudice of the government in the said amount, by making it appear that accused Maño is entitled for reimbursement, that said vehicle was functional or in working condition, used in daily patrol of the barangay, and incurred gasoline expenses for the said quarter, when in truth and in fact, and as the accused knew fully well, accused Maño is not entitled for reimbursement as said vehicle was not used and no longer operational in 2004.

CONTRARY TO LAW.

The pertinent allegations in the Informations pertaining to Criminal Cases Nos. 11-281357 to 11-281359 are similarly worded with that of Criminal Case No. 11-281356, varying only as to the dates of the commission of the offenses, periods covered by the reimbursement vouchers and the person allegedly entitled to such reimbursement:

CASE NUMBER	DATE OF COMMISSION	PERIOD COVERED	PERSON ENTITLED
11-281357	April to June 2004 or sometime prior or subsequent thereto	Second Quarter of 2004	Lara Mae A. Reyes
11-281358	July to September 2004 or sometime prior or subsequent thereto	Third Quarter of 2004	Stephanie Belle Maño
11-281359	October to December 2004 or sometime prior or subsequent thereto	Fourth Quarter of 2004	Lara Mae A. Reyes

The Information in Criminal Case No. 11-281355 for Violation of Section 3(e) of R.A. 3019, on the other hand, reads:

That in 2004, or sometime prior or subsequent thereto, in the City of Manila, Philippines, and within the jurisdiction of this Honorable Court, the abovenamed accused LARA MAE A. REYES and STEPHANIE BELLE MAÑO, both low ranking public officers, being barangay chairman and barangay treasurer, respectively, of Barangay 748, Zone 81, District V, Manila, conspiring and confederating with one another, while

87.8

discharging administrative functions and in relation to office, did then and there, willfully, unlawfully and feloniously cause undue injury to the government and give unwarranted benefits to themselves when the accused, through evident bad faith, take from the barangay funds which are public funds, the amount of Two Thousand Five Hundred Pesos (Php2,500) for each quarter of 2004, or a total amount of Ten Thousand Pesos (Php10,000), as their reimbursements of (sic) gasoline expenses incurred by the barangay vehicle with plate number SFY 827, notwithstanding the fact that the accused are not entitled thereto as said vehicle was not used and no longer operational in 2004, and to the damage and prejudice of the government in the aforestated amount.

CONTRARY TO LAW.

Appellants were arraigned on 10 May 2011 and entered "Not Guilty" pleas.<sup>3</sup> Thereafter, trial ensued.

The prosecution presented three witnesses, namely: (1) Atty. Catherine G. Pascua-Castro, Graft Investigation and Prosecution Officer in the Office of the Special Prosecutor; (2) Ramelo O. Recella, former Barangay Kagawad of Barangay 748; and, (3) Atty. Gabriel Espina, State Auditor V of the Commission on Audit. In essence, the prosecution's evidence may be summarized as follows:

In 2004, appellants Reyes and Maño, as Punong Barangay and Treasurer, respectively, claimed reimbursements of P2,500.00 per quarter or a total of P10,000.00 for the whole year for gasoline expenses purportedly incurred for the patrol and emergency service of a barangay vehicle with Plate No. SFY-827. The said vehicle, however, was no longer in service since 2003 and could not have been used by said officials. The extent of appellant's participation, as culled from the testimony of prosecution witness Atty. Catherine G. Pascua-Castro, has been summarized by the trial court as follows:

Their testimonies may be summarized as follows:

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Accused Reyes, in her capacity as Punong Barangay, prepared and approved summaries of gasoline expenses; signed disbursement vouchers; signed justifications/certifications that a vehicle with plate number SFY827 was used for patrolling duties and emergencies in the barangay; and accepted reimbursements of the gasoline expenses. On the other hand, accused Maño, as Barangay Treasurer, signed disbursement vouchers, gasoline expenses for an aggregate amount of P10,000.00,

<sup>3</sup> Rollo, vol. II, p. 240.

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which were purportedly incurred from the use of a barangay service vehicle with (sic) plate number SFY827; certified that said (sic) expenses were incurred under her direct supervision; and accepted reimbursements in the gasoline expenses.

Four (4) reimbursements were made for gasoline expenses incurred in 2004. As proof, witness presented the following documents:

1. Disbursement Voucher No. 04-04-07 (Exhibit "E") for the amount of P2,500.00 of gasoline expenses incurred in the first quarter of 2004
2. Summary of Gasoline Receipts dated March 31, 2004 (Exhibit "F")
3. Disbursement Voucher No. 04-06-35 (Exhibit "G")
4. Summary of Gasoline Receipts (Exhibit "H") dated June 6, 2004, for gasoline expenses in the amount of P2,500.00 referred to in Disbursement Voucher No. 04-06-35
5. Disbursement Voucher No. 04-09-43 (Exhibit "I") for gasoline expenses incurred in the third quarter of 2004
6. Summary of Gasoline Receipts (Exhibit "J") covering the third quarter of 2004 in the amount of P2,500.00
7. Disbursement Voucher No. 04-12-57 (Exhibit "K") for gasoline expenses incurred in the fourth quarter of 2004
8. Summary of Gasoline Receipts dated March 31, 2004 (Exhibit "F"), for the amount of P2,500.00 (sic)

The defense on the other hand presented seven witnesses, namely: (1) Liberty M. Valido, elected *Kagawad* of Barangay 747; (2) Mar Victor A. Amor, resident of Barangay 748; (3) Andresito Q. Manzo, Barangay *Kagawad* of Barangay 748 from 1997 to 2010; (4) Edward Orense, *Kagawad* of Barangay 748 from 2002 to 2007; (5) Accused-appellant Stephanie Belle Maño, appointed treasurer of Barangay 748 during the period in question; (6) Accused-appellant Lara Mae A. Reyes, Barangay Captain of Barangay 748 during the period in question; and, (7) Oscar Ongray, assigned auditor who conducted the special audit in accordance with the Order of the OMB.

In essence, appellants claim that the service vehicle with Plate No. SFY-827 was still being used by the barangay in 2003-2004 for its patrol, emergency, and other civil activities. The same vehicle was even borrowed by its neighboring barangay in April 2004. Thus, their claims for

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reimbursement of gasoline expenses for the use of said vehicle were legitimate.

After trial, the lower court rendered its *Decision* dated 2 February 2017<sup>4</sup> finding appellants guilty as charged. The dispositive portion of the said *Decision* reads:

**WHEREFORE**, the Court finds accused **LARA MAE A. REYES** and **STEPHANIE BELLE MAÑO GUILTY** beyond reasonable doubt of Violation of Section 3(e) of Republic Act No. 3019 and hereby sentences them to suffer the indeterminate penalty of imprisonment ranging from six (6) years and one (1) month to ten (10) years and perpetual disqualification from public office.

Likewise, finding both accused **GUILTY** of four (4) counts of Malversation of Public Funds through Falsification of Official Documents, as defined and penalized under Article 217, in relation to Article 171, of the Revised Penal Code, they are hereby sentenced to suffer for each count the indeterminate penalty of imprisonment ranging from six (6) years and one (1) day of *prision mayor* as minimum to thirteen (13) years, one (1) month and eleven (11) days of *reclusion temporal* as maximum and perpetual special disqualification. They are further ordered to pay a fine of Two Thousand Five Hundred Pesos (P2,500.00) for each count. No cost.

**SO ORDERED.**

Appellants filed a *Motion for Reconsideration*<sup>5</sup> dated 20 February 2017, which was denied by the trial court in an Order dated 11 May 2017.<sup>6</sup>

Hence, this appeal with this sole assignment of error:

**THE COURT A QUO SERIOUSLY ERRED IN HOLDING THE APPELLANTS LIABLE FOR THE OFFENSES CHARGED.**

Appellants argue that the testimonies of the witnesses for the prosecution, particularly those of Atty. Catherine G. Pascua-Castro and Ramelo O. Recella, were inaccurate, unreliable and based only on what were relayed to them through the reports submitted to them. They further claim that "there is no categorical testimony from any of the Prosecution witnesses that the subject vehicle is not actually running."<sup>7</sup> In short, appellants argue

<sup>4</sup> *Rollo*, vol. 4, p. 265.

<sup>5</sup> *Rollo*, vol. 4, pp. 281-290.

<sup>6</sup> *Rollo*, vol. 4, pp. 307-311.

<sup>7</sup> Page 9 of Appellants' Brief (1<sup>st</sup> Sentence), p. 105 of *Rollo*.

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that the prosecution failed to prove their guilt beyond reasonable doubt, and the court *a quo* erred in convicting them of the charges.

Appellee on the other hand, argues that the court *a quo* correctly relied on the testimonies of the prosecution witnesses in convicting appellants of the crimes charged. It points out that witness Recella, had personal knowledge that the barangay vehicle with Plate No. SFY 827 was no longer serviceable or was no longer in running condition in 2004 because he was a mechanic, and at that time a Barangay Kagawad, and Head of the Emergency and Disaster Committee.

### RULING

The essential elements common to all acts of malversation under Art. 217 of the RPC are the following:<sup>8</sup>

- (a) that the offender be a public officer;
- (b) that he had the *custody* or *control* of funds or property *by reason of the duties of his office*;
- (c) that those funds or property were public funds or property *for which he was accountable*;
- (d) that he appropriated, took, misappropriated or consented or, through abandonment or negligence, permitted another person to take them.

On the other hand, the essential elements of Falsification by making untruthful statements in a narration of facts under Art. 171 (4) of the RPC are as follows:<sup>9</sup>

- (a) the offender makes in a public document untruthful statements in a narration of facts;
- (b) he has a legal obligation to discuss the truth of the facts narrated by him; and
- (c) the facts narrated by him are absolutely false;

<sup>8</sup> People of the Philippines v. Pantaleon, Jr. and Vallejos, G.R. Nos. 158694-96, 13 March 2009.

<sup>9</sup> Fullero v. People, G.R. No. 170583, September 12, 2007

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- (d) the public officer or employee had taken advantage of his official position in making the falsification.

The evidence on record fully establish that: (1) appellants were public officials, being the Barangay Captain and Treasurer respectively, when the crime was allegedly committed; (2) by reason of the duties of their office, they had custody and control of public funds for which they were accountable; and that (3) they claimed reimbursement for gasoline expenses by submitting documents (Certification/Justification) stating that the gasoline was used for the barangay vehicle with Plate No. SFY 827. However, as established by the prosecution's evidence, said vehicle had not been in running condition since 2003 and was in fact, no longer registered with the Land Transportation Office. As held by the trial court:

In their capacity as Barangay Chairman and Barangay Treasurer, accused withdrew from the funds of their barangay the amount of P2,500.00 for each quarter of 2004, in the total amount of P10,000.00. Accused Stephanie Belle Maño testified that she and accused Lara Mae Reyes alternately claimed reimbursement for gasoline in 2004. This is evident in the Disbursement Vouchers, which they signed. Accused Maño stated further that they were the only ones who could claim reimbursement. Accused Lara Mae Reyes acknowledged that she, as Barangay Chairman, was accountable for the funds of their barangay.

Accused admitted that they indeed received the money, as reimbursement for the alleged gasoline expenses. However, as earlier discussed, the accused had no clear right to claim reimbursement for gasoline expenses, allegedly used by the vehicle with Plate No. SFY827. It has been shown that such vehicle was not working in 2004 when they claimed reimbursement. Moreover, such vehicle was not registered after 2001. It would be beyond logic for the accused to have used the jeep with Plate No. SFY827, which "started not to function in 2003", or even if only just "malfunctioning", was not registered and consumed more gas than the new multicab with Plate No. SGG342.<sup>10</sup>

As to the other charge for Violation of Sec. 3(e) of RA 3019, the elements of which are as follows:<sup>11</sup>

- (a) the offender is a public officer;
- (b) the act was done in the discharge of the public officer's official, administrative or judicial functions;

<sup>10</sup> Pages 25-26 of Decision, *Rollo*, pp. 58-59.

<sup>11</sup> *Sison v. People*, G.R. Nos. 170339, 170398-403, 9 March 2010.

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- (c) the act was done through manifest partiality, evident bad faith, or gross inexcusable negligence; and
- (d) the public officer caused any undue injury to any party, including the government, or gave unwarranted benefits, advantage or preference.

In this case, appellants' act of claiming the reimbursement for gasoline expenses was done with evident bad faith since they knew that the barangay vehicle with Plate No. SFY 827 was no longer serviceable as in fact, they no longer had the vehicle registered with the LTO since 2001. In claiming for reimbursement which was not due them, they gave unwarranted benefits to themselves, which, at the same time, caused undue injury to the government. As held by the trial court:

In this case, all these elements have been sufficiently proven by the prosecution.

First, there is no dispute that in 2004, accused Lara Mae A. Reyes was the Chairman while accused Stephanie Belle Maño was the Treasurer of Barangay 748, Zone 81, District V, Manila, hence, both are public officers discharging official administrative functions.

On the second element, there is likewise no doubt that the acts of the accused of disbursing and receiving the amount of P10,000.00 as reimbursement for gasoline expenses, allegedly incurred in 2004, were made in their capacities as Barangay Chairman and Barangay Treasurer. They prepared the Disbursement Vouchers and supporting documents and submitted the same in their capacities as barangay officials.

As to the third element, the Information alleges that the accused acted in evident bad faith in taking from the barangay funds the amount of Ten Thousand Pesos (P10,000.00, as their reimbursements for gasoline expenses incurred by the barangay vehicle with plate number SFY827, notwithstanding the fact that the accused are not entitled thereto as the said vehicle was not used and no longer operational in 2004.

XXXXX      XXXXX      XXXXX      XXXXX  
XXXXX      XXXXX      XXXXX      XXXXX

In the case at bar, evident bad faith on the part of the accused has been sufficiently established. It is clear from their act of claiming reimbursement for gasoline supposedly used by a barangay patrol/jeep with Plate No. SFY827 in 2004, when in fact such vehicle, was not working since 2003.<sup>12</sup>

<sup>12</sup> Pages 20-21 of Decision, *Rollo*, pp 53-54.

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In this connection, it is worthy to stress that the trial court's findings are entitled to weight and respect, thus:

We have held time and again that "the trial court's assessment of the credibility of a witness is entitled to great weight, sometimes even with finality." As We have reiterated in the very recent case of *People v. Jose Pepito Combate*, where there is no showing that the trial court overlooked or misinterpreted some material facts or that it gravely abused its discretion, then We do not disturb and interfere with its assessment of the facts and the credibility of the witnesses. This is clearly because the judge in the trial court was the one who personally heard the accused and the witnesses, and observed their demeanor as well as the manner in which they testified during trial. Accordingly, the trial court, or more particularly, the RTC in this case, is in a better position to assess and weigh the evidence presented during trial.<sup>13</sup>

In sum, the Court finds that the trial court did not err in finding appellants guilty of the charges against them. However, due to the effectivity of R.A. No. 10951<sup>14</sup> amending certain provisions of the RPC, there is a need to modify the penalty imposed by the trial court which, upon the application of the Indeterminate Sentence Law (ISL) would shorten the imposable penalty on appellants.

As amended, Malversation of Public Funds (Art. 217, RPC) involving amounts not exceeding P40,000.00 is penalized by *prision correccional* in its medium and maximum period.<sup>15</sup> Falsification of public documents (Art. 171, RPC), on the other hand, is penalized by a heavier penalty - *prision mayor* and a fine not to exceed P1,000,000.00.<sup>16</sup>

Thus, in accordance with Art. 48 of the RPC, the penalty of the more serious crime shall be imposed in its maximum period. In this case, the penalty for Falsification of public documents is *prision mayor* in its maximum period, which is 10 years and 1 day to 12 years. Applying further the ISL, the minimum imposable penalty should be "within the range of the penalty next lower" – which is *prision correccional* (six months and one day to six years).

**WHEREFORE**, premises considered, the *Decision* of the Regional Trial Court (Branch 25, Manila) finding appellants **LARA MAE A. REYES** and **STEPHANIE BELLE MAÑO** guilty of four counts of Malversation

<sup>13</sup> *People of the Philippines v. Bautista*, G.R. No. 191266, 6 June 2011. (citations omitted)

<sup>14</sup> Also known as "An Act Adjusting the Amount of Value of Property and Damage on which a Penalty is Based and the Fines Imposed under the RPC. Amending for the Purpose Act No. 3815 otherwise known as 'The Revised Penal Code'"

<sup>15</sup> Sec. 40, R.A. No. 10951.

<sup>16</sup> Sec. 25, R.A. No. 10951.

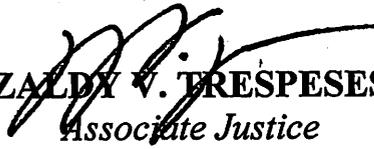
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through Falsification of Official Documents and one count of Violation of Section 3(e) of R.A. No. 3019 is **AFFIRMED with MODIFICATION** as to the penalty imposed in Criminal Cases Nos. 11-281356 to 59 (Malversation through Falsification). Appellants are hereby sentenced to suffer an indeterminate penalty of imprisonment from two (2) years, four (4) months and one (1) day of *prision correccional* as minimum to ten (10) years and one (1) day of *prision mayor* as maximum and to pay a fine of Two Thousand Five Hundred Pesos (P2,500.00) for each count. No modification is made as to the penalty in Criminal Case No. 11-281355 for Violation of Section 3(e) of R.A. 3019.

**SO ORDERED.**

  
**BAYANI H. JACINTO**  
*Associate Justice*

  
**MA. THERESA DOLORES C.  
GOMEZ-ESTOESTA**  
*Chairperson, Associate Justice*

  
**ZALDY V. TRESPESES**  
*Associate Justice*

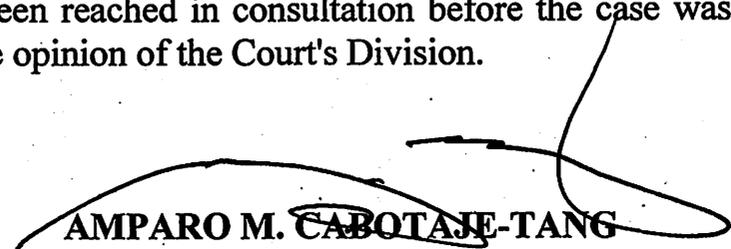
## ATTESTATION

I attest that the conclusions in the above Decision had been reached in consultation with the Justices of the Court's Division.

  
**MA. TERESA DOLORES C.  
GOMEZ-ESTOESTA**  
Associate Justice  
Chairperson, Seventh Division

## CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution, and the Division Chairperson's Attestation, I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

  
**AMPARO M. CABOTAJE-TANG**  
Presiding Justice