



REPUBLIC OF THE PHILIPPINES

**Sandiganbayan**

Quezon City

FOURTH DIVISION

**PEOPLE OF THE PHILIPPINES,** **Criminal Case No. 25828**  
*Plaintiff,*

For: Malversation thru Falsification  
of Public Documents

- versus -

Present:

Quiroz, J., *Chairperson*  
Cruz, J.  
Jacinto, J.

**TEOFILO G. PANTALEON, JR.,**  
**JAIME F. VALLEJOS, and** Promulgated:  
**RICHEL G. RIVERA,**

*Accused.*

NOV 23 2018

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**DECISION**

**JACINTO, J:**

**TEOFILO G. PANTALEON, JR., JAIME F. VALLEJOS, and RICHEL G. RIVERA** are charged with the complex crime of Malversation of Public Funds through Falsification of Public Documents, punishable under Article 217, in relation to Arts. 48 and 171, of the Revised Penal Code (RPC) allegedly committed as follows:

That on or about 21 and 23 October 1997, or sometime prior or subsequent thereto, in the Municipality of Castillejos, Province of Zambales, Philippines, and within the jurisdiction of this Honorable Court, the accused **TEOFILO G. PANTALEON, JR.** and **JAIME F. VALLEJOS**, both public officers, then being the Municipal Mayor and Municipal Treasurer, respectively, both of the Municipality of Castillejos, Zambales who by reason of their respective office are accountable for public funds and properties, committing the complex crime charged herein while in the performance of, in relation to and/or taking advantage of their official positions and functions as such, and conspiring and confederating with one another and with accused **RICHEL RIVERA**, did then and there, willfully, unlawfully and feloniously appropriate, take or misappropriate public funds of the Municipality of Castillejos, Zambales under their charge and custody in the amount of P105,211.83, Philippine currency, under the check dated 21 October 1997 intended for the simulated disbursement and payment thereof in favor of Chellete Construction (CC) relative to the fictitious contract for the partial

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renovation and repair anew of the office of the Sangguniang Bayan (SB) of the Municipality of Castillejos, Zambales, by means of falsifying the corresponding disbursement voucher no. 101-9711-113, certificates of inspection and acceptance dated 23 October 1997, contract between CC and the Municipality of Castillejos, Zambales, purchase order, and CC official receipt, to falsely make it appear that CC entered into, undertook and completed the said contract and received the aforesaid amount as payment therefor from the Municipality of Castillejos, Zambales, when in truth and in fact, CC neither entered into, undertook and completed the aforesaid contract nor received from the Municipality of Castillejos, Zambales the said sum of money or any part thereof, to the damage and prejudice of the Municipality of Castillejos, Zambales and the public interest in the aforesaid amount.

**CONTRARY TO LAW.<sup>1</sup>**

All accused entered pleas of "Not Guilty" upon arraignment on 19 May 2000.<sup>2</sup> Thereafter, upon motion of the prosecution, accused public officials were suspended *pendente lite* per *Resolution* dated 16 August 2000.

During trial, the prosecution presented the following witnesses: (1) **Aurelio Fastidio**,<sup>3</sup> *Sangguniang Bayan* (SB) Councilor of Castillejos, Zambales, during the period complained of; (2) **Nida Naman**,<sup>4</sup> Senior Bookkeeper at the Municipality of Castillejos and designated Municipal Accountant during the period complained of; (3) **Engr. Nicolas Dela Cruz**,<sup>5</sup> Engineer III at the Office of the District Engineer of the Department of Public Works and Highways (DPWH), Iba, Zambales; and, (4) **Reynaldo Misa**,<sup>6</sup> SB Councilor of Castillejos, Zambales during the period complained of. Their testimonies may be summarized as follows:

From January to February 1997, the DPWH undertook a P500,000.00 project for the renovation of the Municipality's SB Office. The project was undertaken by Chellette Construction and was completed on schedule. Sometime in 1998, the SB created an Ad Hoc Committee to investigate the disbursement of Check No. 0108404 dated 21 October 1997 with a face value of P105,211.83 issued by accused Pantaleon, Jr. and Vallejos allegedly for the same DPWH project.<sup>7</sup> The said project did not undergo pre-audit and, in addition, Disbursement Voucher (DV) No. 101-9711-13,<sup>8</sup> which covered the subject transaction, was prepared in November 1997 - way after the

<sup>1</sup> Information dated 14 January 2000.

<sup>2</sup> Records, Vol. II, 68-73.

<sup>3</sup> TSNs, 3, 11, and 18 August 2000.

<sup>4</sup> TSNs, 25 August 2000 and 9 November 2000.

<sup>5</sup> TSNs, 4 January 2001 and 16 March 2001.

<sup>6</sup> TSN, 5 January 2001.

<sup>7</sup> Exh. E-7.


<sup>8</sup> Exh. E.

check had already been issued in October 1997. The DV was likewise not signed by Municipal Accountant Nida Naman, and had no supporting documents, such as the Bid Form submitted by the contractor, Certificate of Fund Released, and Abstract of Bids, among others.

On 21 March 2002, the prosecution rested its case with the filing of its Formal Offer of Exhibits.<sup>9</sup> In a *Resolution* dated 6 May 2009,<sup>10</sup> the Court admitted Exhibits "A" to "V-2."

In their defense, the following accused testified: **Jaime Vallejos**,<sup>11</sup> **Teofilo Pantaleon, Jr.**,<sup>12</sup> and **Richel Rivera**. In addition, they presented the testimonies of the following witnesses: **Alfredo Guiang**,<sup>13</sup> Secretary of the SB of Castillejos, and **Cynthia Dullas**,<sup>14</sup> State Auditor, Commission on Audit (COA), Zambales. Their testimonies may be summarized as follows:

The DPWH undertook the renovation of the SB Office of Castillejos. Work thereon commenced in January 1997 and ended in February 1997. However, before the project could be completed, accused Pantaleon requested accused Rivera, as the Operations Manager of Chellette Construction, to undertake additional work on the SB Office. Accused Pantaleon's request was upon the behest of some SB councilors.




Accused Rivera told accused Pantaleon, Jr. and the SB councilors that Chellette Construction was willing to undertake the additional work if the Municipality was willing to appropriate the needed funds. As it turned out, the SB of Castillejos failed to pass a Resolution appropriating funds for such purpose. Nevertheless, Chellette Construction proceeded with the additional work consisting of the following: changing of the panel door to an aluminum door; installation of two air-conditioning units instead of the allotted tables and chairs; construction of a separate toilet for the SB Office; and, replacement of the jalousie windows to fixed glass windows with wooden frames. Also, rather than the agreed-upon construction of the grills for the windows in the Vice Mayor's Office, accused Rivera instead did the painting and electrical works thereat.

Accused Vallejos then proceeded to process the documents for payment but the Municipal Accountant, who was critical of accused

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<sup>9</sup> Records, Vol. I, pp. 228-251.

<sup>10</sup> *Id.*, p. 261.

<sup>11</sup> TSN, 8 October 2002. 

<sup>12</sup> TSN, 15 April 2004.

<sup>13</sup> TSN, 29 July 2004.

<sup>14</sup> *Id.*




Pantaleon, Jr., was uncooperative and refused to sign the DV and other relevant documents.

Accused Rivera, for his part, claims that after Chellette Construction completed the additional work on the project, the Municipality did not want to pay the company. He signed the DV and check representing payment despite the fact that he did not receive the sum indicated therein because accused Vallejos told him that his signature was needed for the processing of the payment to Chellette Construction. For the same reason, he also signed several undated and antedated documents. As of the time of his testimony, he claims that the Municipality has only paid P70,000.00 out of the P105,211.83 due to Chellette, and that the payments were made in installments.

The defense also presented Cynthia Dullas, reviewing State Auditor. She testified that she recommended the disallowance of the disbursement for the said project given the infirmities in the supporting documents as transmitted by the Municipal Accountant. However, she admitted that it appears that no Notice of Disallowance had been sent to the Municipality.

Accused Pantaleon, Jr. thereafter filed a partial Formal Offer of Exhibits<sup>15</sup> but failed to submit copies of Exhibits "2" and "3". The Court, thus resolved to admit only Exhibits "1" "4" to "4-J," and "5" to "5-J."<sup>16</sup> Accused Vallejos and Rivera, on the other hand, did not file their Formal Offer of Exhibits.


### **The Court's Ruling**




The accused are charged with the complex crime of Malversation through Falsification under Art. 217, in relation to Art. 171, of the RPC. Art. 217 reads as follows:

ARTICLE 217. Malversation of Public Funds or Property —  
Presumption of Malversation. — Any public officer who, by reason of the duties of his office, is accountable for public funds or property, shall appropriate the same, or shall take or misappropriate or shall consent, or through abandonment or negligence, shall permit any other person to take such public funds or property, wholly or partially, or shall otherwise be guilty of the misappropriation or malversation of such funds or property, shall suffer: x x x x

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<sup>15</sup> Records, Vol. II, pp. 276-280. 

<sup>16</sup> *Id.*, p. 337.



Art. 171, on the other hand, reads in part:


ARTICLE 171. Falsification by Public Officer, Employee or Notary or Ecclesiastic Minister. — The penalty of *prisión mayor* and a fine not to exceed 5,000 pesos shall be imposed upon any public officer, employee, or notary who, taking advantage of his official position, shall falsify a document by committing any of the following acts:

1. Counterfeiting or imitating any handwriting, signature or rubric;
2. Causing it to appear that persons have participated in any act or proceeding when they did not in fact so participate;
3. Attributing to persons who have participated in an act or proceeding statements other than those in fact made by them;
4. Making untruthful statements in a narration of facts;
5. Altering true dates;
6. Making any alteration or intercalation in a genuine document which changes its meaning;
7. Issuing in authenticated form a document purporting to be a copy of an original document when no such original exists, or including in such copy a statement contrary to, or different from, that of the genuine original; or
8. Intercalating any instrument or note relative to the issuance thereof in a protocol, registry, or official book.

x x x x x

x x x x x

x x x x x



The elements common to all acts of Malversation under Art. 217 are as follows:

1. The offender is a public officer;
2. He had the custody or control of funds or property by reason of the duties of his office;
3. Those funds or property were public funds or property for which he was accountable; and,

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4. He appropriated, took, misappropriated, or consented, or, through abandonment or negligence, permitted another person to take them.<sup>17</sup>


Accused are Public Officers:

Accused Pantaleon, Jr. and Vallejos were the Municipal Mayor and Treasurer, respectively, of Castillejos, Zambales at the time the offense took place. Thus, they were public officers within the coverage of Art. 217. While accused Rivera is a private individual, he is accused of having acted in conspiracy with accused public officials. It is well-settled that a private individual may be held liable for malversation if he/she conspires with an accountable officer to commit malversation.<sup>18</sup>

Accused had custody and control of the funds by reason of the duties of their office:

As a standard procedure, the signatures of, among others, the mayor and the treasurer are needed before public funds can be disbursed. No checks can be prepared and no payment can be effected without their signatures on a disbursement voucher and the corresponding check. In other words, any disbursement and release of public funds require their approval.<sup>19</sup> Accused Pantaleon, Jr. and Vallejos, therefore, had control and responsibility over the funds of Castillejos in their respective capacities as mayor and treasurer.<sup>20</sup>

Accused Pantaleon Jr. and Vallejos were accountable for said public funds:




The fund subject of the present case was sourced from the Development Fund of the municipality allocated for its Capital Outlay.<sup>21</sup> As such, it was necessarily under the collective custody of the municipal officials who were duty bound to disburse said funds only for their intended use. And, as earlier pointed out, accused Pantaleon, Jr. and Vallejos, being the mayor and treasurer, were accountable for such funds. As held in *People v. Pantaleon, Jr.*:<sup>22</sup>

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<sup>17</sup> *Cantos v. People*, G.R. No. 184908, 3 July 2013.


<sup>18</sup> *People v. Pajaro, etc.*, G.R. No. 167860-65, 17 June 2008.

<sup>19</sup> *Zoleta v. Sandiganbayan*, G.R. No. 185224, 29 July 2015.

<sup>20</sup> See also *People v. Pantaleon, Jr.*, G.R. Nos. 158694-96, 13 March 2009. 

<sup>21</sup> Testimony of accused Pantaleon, Jr., TSN, 15 April 2004, p. 30.

<sup>22</sup> *Supra*, note 20.



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The funds for which malversation the appellants stand charged were sourced from the development fund of the municipality. They were funds belonging to the municipality, for use by the municipality, and were under the collective custody of the municipality's officials who had to act together to disburse the funds for their intended municipal use. The funds were therefore public funds for which the appellants as mayor and municipal treasurer were accountable.


Vallejos, as municipal treasurer, was an accountable officer pursuant to Section 101(1) of P.D. No. 1445 which defines an accountable officer to be "every officer of any government agency whose duties permit or require the possession or custody of government funds or property shall be accountable therefor and for the safekeeping thereof in conformity with law." Among the duties of Vallejos as treasurer under Section 470(d)(2) of Republic Act No. 7160 is "to take custody and exercise proper management of the funds of the local government unit concerned."

Pantaleon, as municipal mayor, was also accountable for the public funds by virtue of Section 340 of the Local Government, which reads:

Section 340. *Persons Accountable for Local Government Funds.* — Any officer of the local government unit whose duty permits or requires the possession or custody of local government funds shall be accountable and responsible for the safekeeping thereof in conformity with the provisions of this title. Other local officials, though not accountable by the nature of their duties, may likewise be similarly held accountable and responsible for local government funds through their participation in the use or application thereof.

In addition, municipal mayors, pursuant to the Local Government Code, are chief executives of their respective municipalities. Under Section 102 of the Government Auditing Code of the Philippines, he is responsible for all government funds pertaining to the municipality:

Section 102. *Primary and secondary responsibility.*  
—(1) The head of any agency of the government is **immediately and primarily responsible for all government funds and property pertaining to his agency.**



Accused appropriated, took, misappropriated, or consented, or, through abandonment or negligence, permitted another person to take the public funds:

The Information alleges that the accused misappropriated the amount of P105,211.83 "intended for the simulated disbursement and payment

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thereof in favor of Chellete (sic) Construction (CC) relative to the fictitious contract for the partial renovation and repair anew of the office of the Sangguniang Bayan (SB) of the Municipality of Castillejos, Zambales.”

Contrary to the prosecution’s theory, there is sufficient evidence to prove accused’s claim that Chellette Construction performed additional work on the SB office on top of the work covered by the DPWH-funded project. On cross-examination, prosecution witness Engr. Dela Cruz testified as follows:<sup>23</sup>

AJ Ferrer:

I think the question of the counsel was, is the painting included in the Program of Work?

A. Yes, your Honor.

xxxxx                      xxxxxx                      xxxxxx

Q. It is included in the Program of Works, but it was deleted Mr. Witness, in the final Statement of Work Accomplished?

A. Yes, Sir.

Q. Mr. Witness, when you conducted the ocular examination, did you find the said Sangguniang Bayan duly painted?

A. Yes, Sir.

Q. How about the electrical, did you find the said Sangguniang Bayan fully furnished with such electrical feature?

A. Yes, Sir.

AJ Ferrer:

Would you say then that the electrical fixtures of the Sangguniang Bayan building needed no renovation that is why you did not include it in the Program of Work?

A. No, your Honor.

AJ Ferrer:

There is no need to renovate the electrical fixtures?

A. I think there is no need, your Honor.

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<sup>23</sup> TSN, 4 July 2001, pp. 72-76.

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AJ Ferrer:

XXXXX                  XXXXX                  XXXXX

Q. How can you say that the electrical fixture need not be renovated considering that the said building was renovated, Mr. Witness?

A. No, I mean is that the electrical work is not included in the Program of Work because the funding was consumed in other items, Sir.

XXXXX                  XXXXX                  XXXXX

AJ Ferrer:

Do I understand then that the original Five Hundred Thousand (P500,000.00) Pesos would not be enough if the electrical features were also to be ...

A. Yes, your Honor.

AJ Ferrer:

Q. Mr. Witness, did you conduct an ocular inspection before you prepared this Statement of Work Accomplished?

A. Yes, Sir.

Q. Based on your ocular inspection, Mr. Witness, you found out that all the description of work as stated in your Statement of Work Accomplished was 100% completed and satisfied by the Contractor, Chellette Construction, Mr. Witness?

A. Yes, Sir.

Q. And despite of that Mr. Witness, you also noticed some additional features in the renovated Sangguniang Bayan Office, which were not included in the said Statement of Work Accomplished?

A. When I went to inspect the Project, Sir, I have noticed that the front door of the Sangguniang Bayan was made by aluminum glass door when in fact in the Program of Work it was a panel door.

Q. Panel door?

A. Yes, Sir.

Q. When you said panel door, what is it made, of Mr. Witness, in your Program of Work.

A. It is made of wood, Sir.

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Q. When you conducted your ocular inspection, what did you find, Mr. Witness?

A. Aluminum glass door, Sir.

Q. Which is more of higher price than the panel wood as stated in your Program of Work, am I correct?

A. The aluminum glass door is much higher than the panel door, Sir.

Q. So, is it correct to say that the Construction company spent more than it was supposed to be in the Program of Work by changing the panel door from wood to glass, am I correct?

A. Maybe, Sir.

xxxxx

xxxxx

xxxxx

Accused Rivera, Operations Manager of Chellette Construction, also testified that he had a verbal agreement with accused Pantaleon, Jr. and other SB Councilors to perform additional work on the SB Office, and that said work was not covered by the original DPWH-funded project. The foregoing circumstances are enough to create doubt on the prosecution's case. In other words, the prosecution failed to prove beyond reasonable doubt that there was no additional work done on the SB Office for which the Municipality had to pay P105,211.83. Conversely, the testimony of its own witness supports the claim of accused that Chellette Construction indeed carried out additional work outside of DPWH's funding.

However, accused are still liable for malversation since the evidence on record shows that, as far as accused public officials are concerned, they disbursed Check No. 0108404 dated 21 October 1997 with a face value of P105,211.83 despite the fact that they had no official authority from the SB to do so. In addition, the said disbursement was made without the relevant supporting documents, such as the DV, and what is worse is that the check was not actually paid to Chellette Construction, as it was intended to be.

As testified to by accused Rivera,<sup>24</sup> Chellette Construction was not paid after it completed the additional work on the SB office despite the fact that the Municipality had already disbursed the check intended for its payment. Instead, the company was paid in installments and that, up to the time of his testimony, the Municipality still had a balance of around P30,000.00. This only shows that accused Pantaleon, Jr. and Vallejos misappropriated the amount covered by the Check No. 0108404 and used

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<sup>24</sup> TSN 16 March 2006, pp. 26-27 and 52.

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the proceeds thereof for some other purpose. The moment they took the check but failed to give it to Chellette Construction as payment, the malversation was completed and consummated.

As to accused Rivera, the Court notes that he had no participation in the preparation of the check, its release, and subsequent disbursement. Thus, although he is charged to have acted in conspiracy with the other two accused, the evidence suggests otherwise. There is conspiracy when two or more persons come to an agreement concerning the commission of a felony and decide to commit it. It may be inferred from the accused's conduct before, during, and after the commission of the crime that is indicative of a joint purpose, concerted action, and concurrence of sentiments.<sup>25</sup>

In this case, the evidence shows that malversation was accomplished or done by the two accused public officers. As to accused Rivera, as stated above, there is insufficient evidence of his participation in the preparation of Check No. 0108404 dated 21 October 1997, or its eventual disbursement. Likewise, as discussed earlier, there is evidence to show that Chellette Construction actually performed additional work on the SB office that was not part of the DPWH-funded project and for which it was entitled to payment. If at all, accused Rivera's participation was limited to signing the DV and Receipt, purportedly acknowledging payment to Chellette Construction, though at that time the malversation had already been consummated by accused Pantaleon, Jr. and Vallejos.

Considering that additional work independent of the DPWH project was actually carried out by Chellette Construction, the documents subsequently executed by the accused could be construed as an attempt on the part of accused public officials to complete the required documentation - albeit such was done belatedly and in an irregular manner. Nonetheless, it is clear that the subsequent execution of said documents was not necessary to commit the malversation, since the misappropriation of the P105,211.83 had already been consummated.

Neither can it be said with absolute certainty that the actions of accused Rivera, particularly the issuance of an official receipt, signing the undated Contract, and signing several acknowledgments, had an underlying malicious intent and were done for the purpose of concealing any wrongdoing on the part of the accused public officers. As he claimed, he signed said documents upon accused Vallejos's representation that they were required so that his company would get paid. Moreover, he testified that

<sup>25</sup> *Zoleta v. Sandiganbayan*, *supra* at Note 19.

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partial payments have been made to Chellette Construction. This gives rise to the possibility that – in the absence of conclusive evidence to prove otherwise - at the time he signed the DV and Receipt, his intent was to reflect the partial payments, or payments to be made in full, to his company.

Considering the foregoing, the most that the prosecution's evidence can show is that that the crime committed by the accused public officers is simple Malversation, rather than the complex crime of Malversation through Falsification. In this regard, *People v. Sendaydiego*,<sup>26</sup> instructs that when Falsification is committed not as means of carrying out the felony of Malversation, but instead done to conceal it, the accused are not guilty of the complex crime of Malversation through Falsification, but are to be held guilty for the commission of the two crimes as separate offenses:

The crimes committed in these three cases are not complex. Separate crimes of falsification and malversation were committed. These are not cases where the execution of a single act constitutes two grave or less grave felonies or where the falsification was used as a means to commit malversation.

In the six vouchers the falsification was used to *conceal* the malversation. It is settled that if the falsification was resorted to for the purpose of hiding the malversation, the falsification and malversation are separate offenses (*People vs. Cid*, 66 Phil. 354; *People vs. Villanueva*, 58 Phil. 671; *People vs. Garalde*, 52 Phil. 1000; *People vs. Regis*, 67 Phil. 43).

Considering all the facts on record and the laws and jurisprudence applicable to the present controversy, the Court finds that there is insufficient evidence to prove that accused Rivera conspired with accused Pantaleon, Jr. and accused Vallejos to commit the crime of Malversation.

Finally, the Court finds that the accused could not be held liable for Falsification with respect to: DV No. 101-9711-113, Certificate of Acceptance dated 23 October 1997, the Construction Agreement between Chellette Construction and the Municipality of Castillejos, Zambales, Purchase Order, and Chellette Construction's Official Receipt. Although said documents were prepared after Check No. 0108404 dated 21 October 1997 was prepared and disbursed, it does not mean that the entries therein were false or perjured in view of the Court's earlier finding that there was indeed additional work done on the SB Office by Chellette Construction. As to the Receipt signed by accused Rivera acknowledging payment from the Municipality, there is insufficient evidence of its total falsity, since he

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<sup>26</sup> G.R. Nos. L-33252-54, 20 January 1978.

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acknowledged having already received partial payments for the company. To reiterate, the documentation subsequently submitted by the accused public officials were mere attempts to belatedly comply with the documentation requirements of the COA. That they were belatedly prepared and submitted, however, does not automatically translate to their falsity. This is especially considering that in this case there were in fact services rendered for the Municipality that required payment. Whatever liability said public officials may have for their failure to observe the required processes, however, is not an issue in this case.

However, while the prosecution's evidence proves, beyond reasonable doubt, the guilt of accused for the simple crime of Malversation - not the complex crime of Malversation through Falsification - the Court is constrained to dismiss the case as against accused Vallejos in view of the prosecution's *Manifestation with Submission* dated 18 October 2018 confirming the earlier report of the Bureau of Corrections<sup>27</sup> that accused Vallejos had passed away on 10 May 2010. Attached to the Manifestation is a certified copy of the death certificate issued by the City Civil Registrar of Muntinlupa City.

### **Imposable Penalty**

During the pendency of the instant case, Republic Act (R.A.) No. 10951<sup>28</sup> was enacted which lowered the imposable penalties for violation of Art. 217 of the RPC:

SECTION 40. Article 217 of the same Act, as amended by Republic Act No. 1060, is hereby further amended to read as follows:

"ART. 217. *Malversation of public funds or property. — Presumption of malversation.* — Any public officer who, by reason of the duties of his office, is accountable for public funds or property, shall appropriate the same, or shall take or misappropriate or shall consent, through abandonment or negligence, shall permit any other person to take such public funds or property, wholly or partially, or shall otherwise be guilty of the misappropriation or malversation of such funds or property, shall suffer:

"1. The penalty of *prisión correccional* in its medium and maximum periods, if the amount

<sup>27</sup> Letter dated 21 May 2010.

<sup>28</sup> Entitled: "An Act Adjusting the Amount or the Value of Property and Damage on Which a Penalty is Based, and the Fines Imposed Under the Revised Penal Code, Amending for the Purpose Act No. 3815, otherwise known as 'The Revised Penal Code,' as Amended."

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involved in the misappropriation or malversation does not exceed Forty thousand pesos (P40,000).

"2. The penalty of *prisión mayor* in its minimum and medium periods, if the amount involved is more than Forty thousand pesos (P40,000) but does not exceed One million two hundred thousand pesos (P1,200,000).

"3. The penalty of *prisión mayor* in its maximum period to *reclusion temporal* in its minimum period, if the amount involved is more than One million two hundred thousand pesos (P1,200,000) but does not exceed Two million four hundred thousand pesos (P2,400,000).

"4. The penalty of *reclusion temporal*, in its medium and maximum periods, if the amount involved is more than Two million four hundred thousand pesos (P2,400,000) but does not exceed Four million four hundred thousand pesos (P4,400,000).

"5. The penalty of *reclusion temporal* in its maximum period, if the amount involved is more than Four million four hundred thousand pesos (P4,400,000) but does not exceed Eight million eight hundred thousand pesos (P8,800,000). If the amount exceeds the latter, the penalty shall be *reclusion perpetua*.

"In all cases, persons guilty of malversation shall also suffer the penalty of perpetual special disqualification and a fine equal to the amount of the funds malversed or equal to the total value of the property embezzled.

"The failure of a public officer to have duly forthcoming any public funds or property with which he is chargeable, upon demand by any duly authorized officer, shall be *prima facie* evidence that he has put such missing funds or property to personal uses."

Art. 22 of the RPC and Sec. 100 of R.A. No. 10951 both provide for the law's retroactive application if doing so would be favorable to the accused.

The penalty imposable for the felony of Malversation if the amount involved is more than P40,000.00 but does not exceed P1,200,000.00 is *prisión mayor* in its Minimum [6 years and 1 day to 8 years] and Medium [8 years and 1 day to 10 years] Periods. Applying the Indeterminate Sentence

Law (ISL), the minimum imposable penalty should be “within the range of the penalty next lower” – which is *prision correccional* in its maximum period [4 years, 2 months and 1 day to 6 years]. The maximum penalty, on the other hand, in the absence of any mitigating or aggravating circumstance, shall be taken from the medium period of *prision mayor* which ranges from 8 years and 1 day to 10 years.

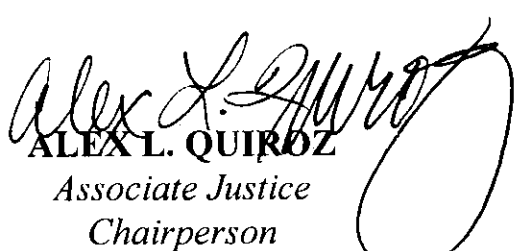
**WHEREFORE**, in view of the foregoing circumstances, judgment is hereby rendered as follows:

- (I) Accused **TEOFILO G. PANTALEON, JR.** is hereby found **GUILTY** for the crime of Malversation of Public Funds, punishable under Art. 217 of the Revised Penal Code, and is hereby sentenced to suffer the indeterminate penalty of 4 years and 2 months of *prision correccional*, as minimum, to 8 years and 1 day of *prisión mayor*, as maximum, and to pay a fine of P105,211.83. He is likewise sentenced to suffer the penalty of perpetual disqualification from holding any public office.
- (II) For failure of the prosecution to prove the culpability of accused **RICHEL G. RIVERA** beyond reasonable doubt, he is hereby **ACQUITTED** of the crime charged. The surety bond posted by accused for his provisional liberty is **CANCELLED** and the Hold Departure Order issued against him is **LIFTED**.
- (III) The case against accused **JAIME F. VALLEJOS** is **DISMISSED** by reason of his death in accordance with Art. 89 of the Revised Penal Code.

**SO ORDERED.**

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

**WE CONCUR:**

  
**ALEX L. QUIROZ**  
*Associate Justice*  
*Chairperson*

  
**REYNALDO P. CRUZ**  
*Associate Justice*

DECISION

*People of the Philippines v. Teofilo Pantaleon, Jr., et al.*

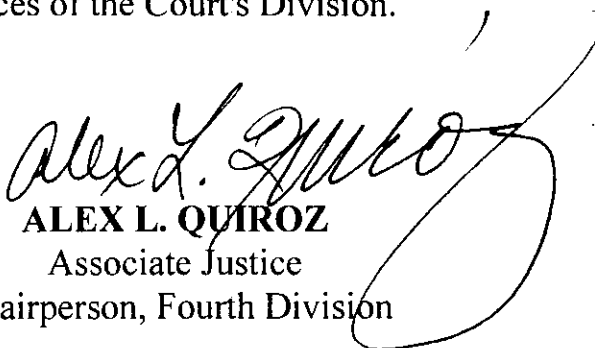
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## ATTESTATION

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

  
**ALEX L. QUIROZ**  
Associate Justice  
Chairperson, Fourth 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

