



REPUBLIC OF THE PHILIPPINES
Sandiganbayan
Quezon City

SIXTH DIVISION

PEOPLE OF THE PHILIPPINES,
Plaintiff,

SB-17-CRM-0648
For: Violation of Section 3(e)
of Republic Act No. 3019

- versus -

ENRICO R. ECHIVERRI, ET AL.,
Accused.

X-----X

PEOPLE OF THE PHILIPPINES,
Plaintiff,

SB-17-CRM-0649
For: Falsification of Public Document

- versus -

EDNA V. CENTENO, ET AL.,
Accused.

Present
FERNANDEZ, SJ, J.,
Chairperson
MIRANDA, J. and
VIVERO, J.

X-----X

Promulgated:

April 2, 2019 [Signature]

X-----X

DECISION

FERNANDEZ, SJ, J.

Accused Enrico R. Echiverri, Edna V. Centeno and Jesusa C. Garcia, then Mayor, Accountant, and Budget Officer, respectively, of the City of Caloocan, are charged with violation of Sec. 3(e) of Republic Act No. 3019 (R.A. No. 3019) for allegedly (a) awarding the subject contract to Caana Construction Corporation (Caana) without prior authorization from the Sangguniang Panlungsod of Caloocan City; and (b) causing payment in the amount of ₱1,998,639.81 to Caana.

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Accused Centeno and Garcia are further charged with Falsification of Public Document under Art. 171, par. 4 of the Revised Penal Code (RPC) for allegedly making their respective certifications in ALOBS No. 100-11-05-2508 dated May 23, 2011 when they knew that there was no appropriation for the subject project.

The accusatory portion of the Informations read:

SB-17-CRM-0648
(Violation of Sec. 3[e] of R.A. No. 3019)

That from the period May 23, 2011 up to October 19, 2011, or sometime prior or subsequent thereto, in the City of Caloocan, Philippines, and within this Court's jurisdiction, then City Mayor **ENRICO R. ECHIVERRI**, Salary Grade 30, City Accountant **EDNA V. CENTENO**, Salary Grade 27 and City Budget Officer **JESUSA C. GARCIA**, Salary Grade 26, all public officers of the local government of Caloocan City; while in the performance of their administrative and/or official functions, conspiring with one another, acting with manifest partiality, evident bad faith and/or gross inexcusable negligence, did then and there willfully, unlawfully and criminally cause undue injury to the government and give unwarranted benefits and advantage to Caana Construction Corporation (Caana), represented by its President, Anthony V. Eugenio, in the amount of at least **ONE MILLION NINE HUNDRED NINETY EIGHT THOUSAND SIX HUNDRED THIRTY NINE PESOS (Php1,998,639.81) & 81/100 [sic]**, more or less, by awarding to Caana the contract for the Construction of Barangay Hall, Barangay 154, Caloocan City, without prior authorization from the Sangguniang Panlungsod of Caloocan City, and paying the said amount to Caana, to the damage and prejudice of the government.

CONTRARY TO LAW.

SB-17-CRM-0649
(Falsification under Art. 171, par. 4 of the RPC)

That on May 23, 2011 or sometime prior or subsequent thereto, in the City of Caloocan, Philippines, and within this Honorable Court's jurisdiction, City Accountant **EDNA V. CENTENO**, Salary Grade 27 and City Budget Officer **JESUSA C. GARCIA**, Salary Grade 26, both public officers of the local government of Caloocan City, while in the performance of their administrative and/or official functions, conspiring with one another, and taking advantage of their official positions, did then and there willfully, unlawfully and feloniously make false statements in a narration of facts, the truth of which they are legally bound to disclose, by certifying in the Allotment and Obligation Slip (ALOBS) No. 100-11-05-2508 dated May 23,

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2011 as to the existence of appropriation for, and as to obligation of allotment, for the Construction of Barangay Hall, Barangay 154, Caloocan City, in the amount of **FIVE MILLION FOUR HUNDRED THIRTY THOUSAND TWO HUNDRED PESOS (PhP5,430,200.00)**, more or less, when in truth and in fact, as the accused very well knew, there was no appropriation for the said project, to the prejudice of public interest.

CONTRARY TO LAW.

During the arraignment on October 19, 2017, the accused refused to enter their respective pleas, and the Court entered a plea of Not Guilty for them.¹

During the pre-trial,² the parties stipulated on the following:³

“ADMITTED FACTS [sic]

1. That at the time material to the allegations in the *Informations*, the following accused are public officers in Caloocan City, as follows:

Enrico R. Echiverri - Mayor of Caloocan City;
Edna V. Centeno - Caloocan City Accountant;
Jesusa C. Garcia - Caloocan City Budget Officer
2. That the Honorable Court has jurisdiction to try and decide the instant cases and over the persons of the accused;
3. The identities of the accused as the persons charged in the *Informations*;
4. That on January 11, 2010, the Caloocan City Government, represented by accused Echiverri, and the Landbank of the Philippines (LBP) entered into an Omnibus Term Loan Agreement (Exhibit “B” for the prosecution and Exhibit “26” for the accused);
5. That on July 27, 2011, the Caloocan City Government, represented by accused Echiverri, and Caana Construction Corporation entered into a Contract for the construction of barangay hall at Barangay 154, Caloocan City in the amount of PHP5,426,500.00 (Exhibit “J” for the prosecution and Exhibit “10” for accused);

¹ Record, Vol. 1, pp. 375-378

² Pre-trial Order dated July 30, 2018; Record, Vol. 2, pp. 44-54

³ Record, Vol. 2, pp. 44-45

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6. That Garcia and Centeno signed the Allotment and Obligation Slip No. 100-11-05-2508 dated May 23, 2011 (Exhibit "F" for the prosecution and Exhibit "6" for accused);
7. The parties admit the existence, authenticity and due execution of their common exhibits listed hereunder.

The parties agreed that the issues to be resolved are as follows:⁴

For Crim. Case No. SB-17-CRM-0648:

- a. Whether the factual averments in the Information constitute the offense of Violation of Section 3(e) of RA 3019; and
- b. Whether the accused violated the provisions of Section 3(e) of RA 3019.

For Crim. Case No. SB-17-CRM-0649:

- a. Whether the factual averments in the Information constitute the offense of Falsification under Art. 171(4) of the Revised Penal Code (RPC); and
- b. Whether accused Centeno and Garcia are guilty of falsification of public document penalized under Art. 171 (4) of the RPC.

Trial ensued and the prosecution presented as its witnesses, **Mary Ann DG. Caro**,⁵ **Recem N. Macarandan**,⁶ **Lorenzo O. Sunga, Jr.**,⁷ and **Nomer Q. Marmolejo**.⁸

In her Judicial Affidavit, **Mary Ann DG. Caro**, State Auditor IV of the Commission on Audit, identified COA NCR-LGS Decision No. 2015-00 dated June 19, 2015 (Exhibit S). On cross-examination, she further testified:

1. The document appended to her Judicial Affidavit (Exhibit S) had been reversed.⁹
2. She was furnished a copy of Decision No. 2017-159 dated June 15, 2017 (Exhibit 24), which reversed Exhibit S and lifted the notice of disallowance of the subject project.¹⁰

⁴ Record, Vol. 2, pp. 46-47

⁵ TSN, September 4, 2018; *Judicial Affidavit* dated July 19, 2018 (Record, Vol. 1, pp. 476-492)

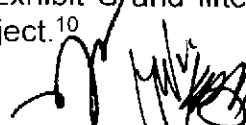
⁶ TSN, September 10, 2018; *Judicial Affidavit* dated August 31, 2018 (Record, Vol. 2, pp. 29-43)

⁷ TSN, September 11, 2018; *Judicial Affidavit* dated July 23, 2018 (Record, Vol. 1, pp. 493-520)

⁸ TSN, September 24, 2018; *Judicial Affidavit* dated September 14, 2018 (Record, Vol. 2, pp. 68-248)

⁹ TSN September 4, 2018, p. 8

¹⁰ TSN September 4, 2018, pp. 9-10



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3. As far as she knows, there was no motion for reconsideration or reversal of Decision No. 2017-159.¹¹

In her Judicial Affidavit, **Recem N. Macarandan**, Head of the LBP Caloocan Extension Office, identified certain documents,¹² and declared that after Check No. 0000046044 was issued to Caana Construction Corporation, the amount stated therein was debited from the account of the City Government of Caloocan, as reflected in the ninth entry on the second page of the pertinent Bank Statement.¹³ On cross-examination, she testified that she had no participation in the Omnibus Term Loan Agreement in 2010, and has no personal knowledge of the facts relating to the subject transaction.¹⁴

In his Judicial Affidavit, **Lorenzo O. Sunga, Jr.**, Secretary of the Sangguniang Panlungsod of Caloocan City, identified certain documents¹⁵ and declared:

1. His office received the Certification dated February 27, 2012 and the list of projects under the LBP loan, both of which were attached to Resolution 1980 s. 2012 (Exhibit E), only on March 5, 2012.¹⁶
2. Said list of projects was then included in the agenda in discussing proposed Resolution 4363, which later became Resolution No. 1980 s. 2012.¹⁷
3. In the regular course of procedure, the list of projects is submitted to the Sangguniang Panlungsod before the deliberations on the proposed ordinance because such list would serve as basis for the enactment of the appropriation ordinance.¹⁸
4. Based on the records of the Sangguniang Panlungsod, there is no appropriation ordinance specifically authorizing the implementation of the project for the construction of Barangay Hall, Barangay 154, Caloocan City.¹⁹

¹¹ TSN, September 4, 2018, p. 12

¹² Exhibits B, M, N and Q

¹³ *Judicial Affidavit* dated August 31, 2018, p. 4 (Record, Vol. 2, p. 32)

¹⁴ TSN, September 10, 2018, 2018, p. 9

¹⁵ Exhibits D, E, E-1 to E-4, P, P-1 to P-12

¹⁶ *Judicial Affidavit* dated July 23, 2018, p. 4 (Record, Vol. 1, p. 496)

¹⁷ *Ibid.*

¹⁸ *Ibid.*

¹⁹ *Judicial Affidavit* dated July 23, 2018, p. 6 (Record, Vol. 1, p. 498)

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5. Likewise, there is no Sangguniang Panlungsod Resolution authorizing Mayor Echiverri to enter into a contract with Caana Construction Corporation for said project.²⁰

He further testified:

1. He is not aware of any court order nullifying Resolution No. 1980.²¹
2. The subject project appears as item 13 under the heading "Other Public Infrastructures" in the list of projects attached to Resolution No. 1980.²²

In his Judicial Affidavit, **Nomer Q. Marmolejo**, Budget Officer of Caloocan City, identified the Annual Investment Plans for the years 2009 and 2010 (Exhibits X and Y), and declared:

1. The Budget Officer signs the ALOBS to certify as to the existence of an appropriation, as required under P.D. No. 1445.²³
2. Before certifying as to the existence of an appropriation, he checks if a particular project has a specific appropriation in the appropriation ordinance for the relevant year, and if it is included in the Annual Investment Plan (AIP).²⁴
3. An appropriation is specific if the programs, projects and activities (PPA) are itemized and particularized as to their titles, addresses or location, estimated amounts and sources of funding.²⁵
4. If the PPA is not included in the AIP, then it is also not included in the appropriation ordinance. In such case, the appropriation should not be certified because no money shall be paid out of government funds except in pursuance of an appropriation ordinance or law.²⁶
5. The appropriation ordinance is based on the executive budget submitted by the City Mayor. Said executive budget, in turn, is

²⁰ *Ibid.*

²¹ TSN, September 11, 2018, p. 8

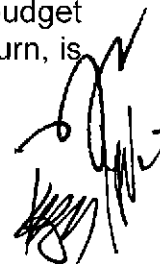
²² TSN, September 11, 2018, p. 11

²³ *Judicial Affidavit* dated September 14, 2018, p. 3 (Record, Vol. 2, p. 70)

²⁴ *Ibid.*

²⁵ *Ibid.*

²⁶ *Judicial Affidavit* dated September 14, 2018, pp. 3-4 (Record, Vol. 2, pp. 70-71)



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based on the budget proposal, which allocates funds for each and every PPA as described in the AIP.²⁷

- 6. There was no Supplemental AIP before the enactment of Ordinance 0464 s. 2010.²⁸
- 7. The project for the construction of Barangay Hall, Barangay 154, Calocan City was not included in the AIP for 2010.²⁹
- 8. Based on the records, the City Engineering Office did not submit a list of PPAs in connection with the utilization of the ₱1.42 billion loan under the Omnibus Term Loan Agreement.³⁰
- 9. Likewise, based on the records, the City Engineering Office did not submit a list of PPAs in connection with the utilization of the annual budget for 2011 in the amount of ₱3.3 billion.³¹

He further testified:

- 1. The subject project was not included in the 2011 AIP.³²
- 2. The copy of the 2011 AIP shown to him by Atty. Fortun was not the same as the one they submitted to the prosecution. The latter has no attachment, and ends at the page where the Budget Officer, Planning Officer and Mayor affix their respective signatures.³³
- 3. He did not prepare the 2011 AIP. He has no personal knowledge as to whether or not the document presented to him by Atty. Fortun actually exists in the City Planning and Development Office.³⁴

The following exhibits offered by the prosecution were admitted³⁵ in evidence:

Exhibit	Document
A	Resolution No. 1883 s. 2009
B	Omnibus Term Loan Agreement dated January 11, 2010
C	Resolution No. 1922 s. 2010

²⁷ Judicial Affidavit dated September 14, 2018, p. 4 (Record, Vol. 2, p. 71)

²⁸ Judicial Affidavit dated September 14, 2018, p. 6 (Record, Vol. 2, p. 73)

²⁹ Ibid.

³⁰ Ibid.

³¹ Ibid.

³² TSN, September 24, 2018, p. 11

³³ TSN, September 24, 2018, pp. 21-23

³⁴ TSN, September 24, 2018, pp. 22-23

³⁵ Resolution dated October 26, 2018; Record, Vol. 3, pp. 16-17

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D	Ordinance No. 0464 s. 2010
E to E-1	Katitikan ng Natatanging Pulong ng Sangguniang Panlungsod na Ginanap Noong Ika-15 ng Enero, 2010 sa Gusali ng Sangguniang Panlungsod, Pamahalaang Lungsod ng Caloocan
E-2 to E-4	Katitikan ng Karaniwang Pulong ng Sangguniang Panlungsod na Ginanap Noong Ika-19 ng Enero, 2010 sa Gusali ng Sangguniang Panlungsod, Pamahalaang Lungsod ng Caloocan
F	Allotment and Obligation Slip No. 100-11-05-2508 dated May 23, 2011
G	Ordinance No. 0465 s. 2010
H	Bids and Awards Committee Resolution No. 106 dated July 13, 2011
I	Notice of Award dated July 18, 2011
J	Contract between Caloocan City and Caana Construction Corporation, dated July 27, 2011
K	Notice to Proceed dated July 29, 2011
L	Disbursement Voucher No. 100-11-10-6031 dated October 19, 2011
M	Landbank Check No. 0000046044 dated December 22, 2011
N	Landbank Statement of Account for Current Account No. 2912-1004-16 for the period November 30, 2011 to December 31, 2011
O	Audit Observation Memorandum No. 2012-011 dated February 24, 2012
P	Resolution No. 1980 s. 2012
Q	Letter dated August 14, 2015 addressed to the City Administrator
R	Notice of Disallowance No. 13-001-100-(11 to 13) (8750/OTL) dated October 25, 2013 with attached Report on the Utilization of Omnibus Term Loan Releases from LBP (SB#1 – OTL)
S	Commission on Audit NCR-LGS Decision No. 2015-00 dated June 19, 2015
X	Caloocan City Annual Investment Plan for 2009
Y	Caloocan City Annual Investment Plan for 2010

This Court granted the accused' motion for leave to file their demurrer to evidence.³⁶

In their *Demurrer to Evidence*,³⁷ the accused prayed that their demurrer to evidence be granted for lack of evidence to sustain their conviction. They argued:

1. Under par. 2, Sec. 14, Art. III of the Constitution, an accused shall be presumed innocent until the contrary is proved.

³⁶ Resolution dated November 27, 2018 (Record, Vol. 3, p. 61); Resolution dated January 14, 2019 (Record, Vol. 3, pp. 146-147)

³⁷ Dated December 17, 2018; Record, Vol. 3, pp. 72-133

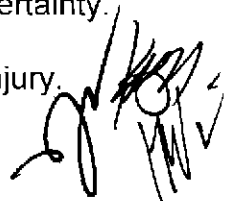
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2. To sustain a conviction, the prosecution must not only prove all the elements of the crimes charged with the required quantum of proof. It must also overcome the presumption of regularity in the performance of their official functions in favor of the accused. If the prosecution fails to discharge its burden, the accused must be acquitted.
3. The prosecution's evidence established that there was prior approval and appropriation for the subject project from the Sangguniang Panlungsod.
 - a. The Sangguniang Panlungsod, through Resolution No. 1883 s. 2009, authorized accused Echiverri to enter into a contract of loan with the LBP in an amount not exceeding ₱1.42 billion for the purpose of financing city development projects.
 - b. After accused Echiverri represented the City Government of Caloocan in the Omnibus Term Loan Agreement, the Sangguniang Panlungsod passed Resolution No. 1922 s. 2010 ratifying said loan contract.
 - c. The Sangguniang Panlungsod then enacted Ordinance No. 0464 s. 2010, which was later amended by Ordinance No. 0465 s. 2010. The construction of barangay halls was particularly identified as one of the objects of expenditure in said ordinances.
 - d. The subject project was included in the List of Specific Projects Funded Out of the LBP Loan attached to Resolution No. 1980 s. 2012. Witness Sunga confirmed that said project was indeed among those confirmed by the Sangguniang Panlungsod under said Resolution.
4. There being an appropriation for the subject project, the certifications in the subject ALOBS and DV were not proven to be absolutely false.
5. The charges in the Informations are further negated by witness Caro's testimony that the Notice of Disallowance and the COA NCR-LGS Decision affirming the same had already been reversed by the COA En Banc on appeal.
6. The prosecution failed to prove undue injury.
 - a. Undue injury cannot be presumed. It must be proved as one of the elements of the offense, and must be specified, quantified and proven to the point of moral certainty.
 - b. No evidence was adduced to prove undue injury.



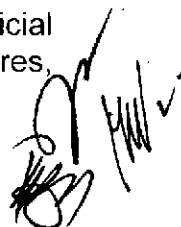
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- c. The Ombudsman's finding that public funds were indeed spent for the specific purpose for which they were allocated further negates undue injury.
 - d. The subject project was completed. The constituents of Caloocan City as well as the City Government benefited from the subject contract.
7. The prosecution failed to prove manifest partiality.
- a. The contract for the subject project was awarded to Caana, which offered the lowest bid during the public bidding.
 - b. The Bids and Awards Committee (BAC) recommended the award to Caana, as it was the most advantageous to the government.
 - c. There is no proof the accused violated any procurement laws or the pertinent implementing rules and regulations.
 - d. The subject project went through the regular procedure for the disbursement of public funds.
8. There is no proof of evident bad faith.
- a. There is no proof of dishonest or fraudulent purpose in implementing the subject contract and disbursement.
 - b. The Sangguniang Panlungsod gave its prior approval for the implementation of the subject project.
 - c. They caused the disbursement of funds for the subject project merely to fulfill the city's obligation to pay the contractor for the completed works. Doing otherwise would have exposed the city government to costly suits and prolonged litigation.
9. There was no gross inexcusable negligence.
- a. There is gross inexcusable negligence only when the breach of duty is flagrant and devious.
 - b. The contract for the subject project underwent public bidding before it was awarded to Caana.
 - c. The disbursements were all covered by official documents, contracts, receipts, authorizing signatures,



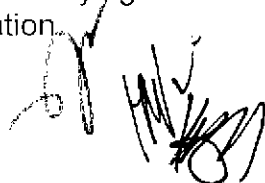
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- and done in accordance with the pertinent procurement laws.
- d. The subject contract was confirmed and ratified by the Sangguniang Panlungsod.
 - e. They did not deviate from what the law required them to do.
10. There is no proof of unwarranted benefits, advantage or preference given to Caana.
- a. The BAC observed the appropriate procurement procedures and determined that awarding the subject contract to Caana would be the most advantageous to the government.
 - b. Accused Echiverri could not have given unwarranted benefits, advantage or preference to Caana by merely approving the BAC's recommendation.
 - c. The subject project was completed. There is no allegation of any defect in the implementation of the subject project.
11. Considering the foregoing, accused Centeno and Garcia likewise cannot be held responsible for Falsification under Art. 171, par. 4 of the Revised Penal Code.
- a. The fact that the subject project was among those specified and identified in the list of projects attached to Resolution No. 1980 s. 2012 negates the existence of the element of absolute falsehood.
 - b. The Sangguniang Panlungsod itself clarified in Resolution No. 1980 s. 2012 that the list of specific projects funded out of the LBP loan was inadvertently not included in the documents submitted to it.
 - c. Inadvertence does not amount to the inexistence of an appropriation for the subject project.
12. The law does not require prior approval of the Sangguniang Panlungsod for disbursements of local funds.
13. Accused Centeno and Garcia merely applied and observed the standard procedure in certifying the existence of appropriation and allotment of obligation.



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14. In *Germar v. Legaspi*, it was held that the line-item "Consultancy Services" found in the Maintenance and Other Operating Expenses (MOOE) along with other line-items such as travelling expenses, training expenses, representation expenses, and intelligence expenses, is a specific allocation for a specific purpose for the specific MOOE of a specific office, and is thus, deemed sufficiently specific, that an authorization from the Sanggunian is not warranted.
15. Here, not only did the appropriation ordinances include specific line-items covering the subject project. The Sangguniang Panlungsod also confirmed that the subject project was particularly and specifically included in the list of priority projects attached to Resolution No. 1980 as one of the development projects intended to be implemented from the proceeds of the OTL.
16. The prosecution failed to prove conspiracy.
 - a. They merely performed their respective duties in accordance with their mandate.
 - b. The mere fact that they affixed their signatures in the pertinent documents pursuant to the performance of their official functions is not in itself indicative, much less, proof, of conspiracy.

In its *Opposition (Re: Accused's Demurrer to Evidence)*,³⁸ the prosecution countered:

1. In *Bautista v. Sarmiento*,³⁹ it can be inferred that sufficient evidence to prevent a demurrer to evidence does not mean proof beyond reasonable doubt, but only a *prima facie* case, which is that amount of evidence which would be sufficient to counter-balance the general presumption of innocence, and warrant a conviction, if not encountered and controlled by evidence tending to contradict it, render it improbable, or to prove other facts inconsistent with it.
2. The prosecution convincingly proved the existence of sufficient and competent evidence to sustain the Information and to support a guilty verdict.
3. The first element of violation of Sec. 3(e) of R.A. No. 3019 is present. Accused Echiverri, Centeno and Garcia were public officers at the time material to the case, being then the Mayor

³⁸ Dated and filed on December 21, 2017; Record, Vol. 2, pp. 205-209

³⁹ G.R. L-45137, September 23, 1985

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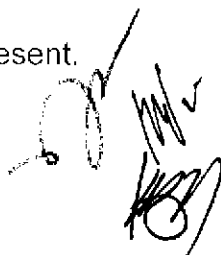
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Accountant and Budget Officer, respectively, of the City of Caloocan.

4. The second element is likewise present.
 - a. There was no specific appropriation for the subject project.
 - i. Resolution No. 1883 s. 2009 and the Omnibus Term Loan Agreement do not specify the projects sought to be funded by the proceeds of the loan from the LBP.
 - ii. Resolution No. 1922 s. 2010 shows that the Sangguniang Panlungsod ratified the contract entered into by accused Echiverri and the LBP, and not the contract for the construction of the barangay hall at Barangay 154, Caloocan City.
 - iii. Ordinance No. 464 s. 2010 provides for additional appropriations for various infrastructure projects which are not specified. The subject project was not included or specified therein.
 - iv. Ordinance No. 465 s. 2010 also does not enumerate the specific projects. It provided for a lump sum appropriation without containing the details of the projects to be undertaken.
 - v. The list of projects was submitted to the Sangguniang Panlungsod on March 5, 2012, as shown in the Certification dated February 27, 2012. In the 5th whereas clause of Resolution No. 1980 s. 2012, it was stated that said list was inadvertently not included in the documents submitted to the Sangguniang Panlungsod. The inclusion of the list was not intended to rectify the deficiencies in the previously enacted appropriation ordinances, but was done to comply with Land Bank's requirements.
 - vi. The timing of the issuance of Resolution No. 1980 s. 2012 would suggest that it was a mere afterthought, and was done to evade the COA's adverse findings.
 - b. Absent said specific prior authorization, accused Echiverri may enter into the contract for the subject project only upon prior approval of the Sangguniang Panlungsod.
5. The third element is present.



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- a. Unwarranted benefits or privileges refer to accommodations, gains or perquisites granted to private parties without proper authorization or reasonable justification.
 - b. The award of the contract and the payment to Caana constitute unwarranted benefits, advantage or privilege.
 - c. The undue injury is in the amount of at least ₱1,998,639.81 paid to Caana.
 - d. Without the prior authority from the Sangguniang Panlungsod, accused Echiverri's acts are *ultra vires*. The Sangguniang Panlungsod, and not accused Echiverri, has the authority to appropriate funds for projects.
6. The accused' reliance on the COA's Decision lifting the Notice of Disallowance is misplaced. Said Decision was not offered in evidence, and cannot be taken into consideration in disposing of the issues in the cases. The accused may present such document when it is their turn to present their evidence.
 7. That the project complied with the pertinent procurement laws is irrelevant. The same was not even alleged in the Information.
 8. There was conspiracy among the accused. Their acts, while separate and distinct, were indispensable to the attainment of a common purpose.
 9. Accused Centeno and Garcia committed Falsification under Art. 171, par. 4 of the Revised Penal Code.
 - a. They had the obligation to disclose the truth in the ALOBS. As Chief Accountant and Budget Officer, respectively, they should not have disregarded Sec. 344 of R.A. No. 7160.
 - b. In the absence of an appropriation law or ordinance, or authority for the Local Chief Executive to enter into a contract with contractors, they had the duty not to sign the ALOBS.
 - c. The subject project was not included in the Annual Investment Plans for 2009 and 2010.
 - d. They had already committed the crime when they signed the subject ALOBS. It cannot be cured by the subsequent enactment of Resolution No. 1980 s. 2012.

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10. *Germar v. Legaspi* does not apply to the present cases.

- a. In *Germar*, the amount of ₱900,000.00 was allocated for a single purpose, *i.e.*, consultancy contract for professional services. In contrast, the listing of projects in the present case cannot be considered a line-item.
- b. The ruling in *Germar*, an administrative case, pertains to consultancy services. Such ruling should not be applied to a criminal case involving infrastructure projects.

THE COURT'S RULING

After the prosecution rests its case, the Court may dismiss the action on the ground of insufficiency of evidence upon demurrer to evidence filed by the accused with or without leave of court.⁴⁰ In *People v. Go*,⁴¹ the nature of a demurrer to evidence, and what is considered sufficient evidence for frustrating a demurrer, were explained as follows:

Demurrer to the evidence is "an objection by one of the parties in an action, to the effect that the evidence which his adversary produced is insufficient in point of law, whether true or not, to make out a case or sustain the issue. The party demurring challenges the sufficiency of the whole evidence raised in a demurrer, is merely required to ascertain whether there is competent or sufficient evidence to sustain the indictment or to support a verdict of guilt. xxx Sufficient evidence for purposes of frustrating a demurrer thereto is such evidence in character, weight or amount as will legally justify the judicial or official action demanded according to the circumstances. To be considered sufficient therefore, the evidence must prove: (a) the commission of the crime, and (b) the precise degree of participation therein by the accused." Thus, when the accused files a demurrer, the court must evaluate whether the prosecution evidence is sufficient enough to warrant the conviction of the accused beyond reasonable doubt.

(underscoring supplied)

Thus, this Court will determine if the prosecution's evidence proved beyond reasonable doubt the commission of the crime charged, and the precise degree of the accused' participation therein.

⁴⁰ *Rules of Court*. Rule 119, Sec. 23

⁴¹ G.R. No. 191015, August 6, 2014



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FINDINGS OF FACT

In Resolution No. 1883 s. 2009,⁴² the Sangguniang Panlungsod of Caloocan (Sanggunian) authorized accused Enrico R. Echiverri, then City Mayor, to represent the City Government of Caloocan in entering into a loan agreement with Land Bank of the Philippines (LBP), and to perform other acts in connection with said agreement. On January 11, 2010, LBP and the City Government of Caloocan, represented by accused Echiverri, executed the Omnibus Term Loan Agreement,⁴³ wherein LBP granted the City Government a loan in the amount of ₱1.42 billion, for the purpose of financing city development projects.

On January 19, 2010, the Sanggunian enacted Ordinance No. 0464 s. 2010,⁴⁴ enacting Supplemental Budget No. 1 for fiscal year 2010, and appropriating the amount of ₱1.42 billion funded from the proceeds of the Omnibus Term Loan, for various infrastructure projects. Section 1 of the ordinance reads:

Section 1. Supplemental Appropriations – The amount of **ONE BILLION FOUR HUNDRED TWENTY MILLION PESOS (Php 1,420,000,000.00)**, which represents the proceeds of the Omnibus Term Loan Facility with Land Bank of the Philippines, and duly certified as available for appropriations by City Treasurer Evelina Garma, is hereby appropriated as follows:

Office	Object of Expenditure	Amount
City Engineer's Office	sports center, public markets, Barangay halls, city pound building, commercial building, trading center, community water system, public transport terminal, vehicle terminals, telephone system, livelihood projects, warehouse, slaughterhouse, low cost housing, school buildings, hospitals, public buildings and equipments, cemetery/crematorium, multipurpose halls, ports, asphalt batching plant, electrification project/program, machinery, light and heavy equipment, public service vehicle, ambulance, computerization of system operations, construction and improvement of city hall, health centers, day care centers, construction and/or improvement of roads, alleys, path-walks.	P 1,065,000,000.00

⁴² Exhibit A; adopted on June 22, 2009

⁴³ Exhibit B

⁴⁴ Exhibit D; Approved by the City Mayor on January 20, 2010

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bridges, rip-rap drainage system, equipments and implements, structures and signages, land acquisition and land improvements, sport facilities, setting-up and improvement of communication facilities, construction of low-cost housing, and community development, public enterprise and facilities, livelihood projects, various developments projects for public's general welfare

Statutory & Contractual Obligations	P 284,000,000.00
20% IRA Development Projects	
5% Calamity Fund	P 71,000,000.00
TOTAL SUPPLEMENTAL APPROPRIATIONS	P 1,420,000,000.00

Sec. 1 of Ordinance No. 0464 s. 2010 was then amended by Ordinance No. 0465 s. 2010.⁴⁵ The amount appropriated for the City Engineer's Office was increased from ₱1,065,000,000.00 to ₱1,420,000,000.00, and the amounts for "20% IRA, Dev't Projects" and for "5% Calamity Fund" were removed. Sec. 1 of Ordinance No. 0464 s. 2010, after amendment, reads:

Section 1. Supplemental Appropriations- The amount of ONE BILLION FOUR HUNDRED TWENTY MILLION PESOS (Php 1,420,000,000.00), which represents the proceeds of the Omnibus Term Loan Facility with Land Bank of the Philippines, and duly certified as available for appropriations by City Treasurer Evelina Garma, is hereby appropriated as follows:

Office	Object of Expenditure	Amount
City Engineer's Office	sports center, public markets, Barangay halls, city pound building, commercial building, trading center, community water system, public transport terminal, vehicle terminals, telephone system, livelihood projects, warehouse, slaughterhouse, low cost housing, school buildings, hospitals, public buildings and equipments, cemetery/crematorium, multipurpose halls, ports, asphalt batching plant, electrification project/program, machinery, light and heavy equipment, public service vehicle, ambulance, computerization of	P 1,420,000,000.00

⁴⁵ Exhibit G; enacted on March 2, 2010 and approved by the City Mayor on March 4, 2010

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system operations, construction and improvement of city hall, health centers, day care centers, construction and/or improvement of roads, alleys, path-walks, bridges, rip-rap drainage system, equipments and implements, structures and signages, land acquisition and land improvements, sport facilities, setting-up and improvement of communication facilities, construction of low-cost housing, and community development, public enterprise and facilities, livelihood projects, various developments projects for public's general welfare

**TOTAL
SUPPLEMENTAL
APPROPRIATIONS**

P 1,420,000,000.00

In Resolution No. 1922 s. 2010,⁴⁶ the Sanggunian ratified said contract of loan entered into by accused Echiverri with LBP. In Allotment and Obligation Slip (ALOBS) No. 100-11-05-2508 dated May 23, 2011,⁴⁷ accused Jesusa C. Garcia, then Budget Officer, and accused Edna V. Centeno, then City Accountant, certified as to existence of appropriation, and as to obligation of allotment, respectively, in connection with the project named "Construction of Barangay Hall, Bgy. 154, Caloocan City" (subject project), in the amount of ₱5,430,200.00.

On July 13, 2011, after public bidding, the Bids and Awards Committee recommended the award of the contract for the subject project to Caana Construction Corporation (Caana), which offered the lowest bid in the amount of ₱5,426,500.00.⁴⁸ Thereafter, on July 27, 2011, accused Echiverri, representing the City of Caloocan, entered into a contract with Caana for the subject project.⁴⁹

Accused Echiverri issued the Notice to Proceed dated July 29, 2011.⁵⁰ Thereafter, LBP Check No. 0000046044⁵¹ in the amount of ₱1,998,639.81, under Disbursement Voucher No. 100-11-10-6031,⁵² was issued, as 1st partial payment, to Caana. Accused Centeno certified therein the completeness and propriety of the supporting

⁴⁶ Exhibit C; adopted on August 3, 2010

⁴⁷ Exhibit F

⁴⁸ Exhibit H

⁴⁹ Exhibit J

⁵⁰ Exhibit K

⁵¹ Exhibit M

⁵² Exhibit L

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documents, and accused Echiverri approved said disbursement voucher. The subject project was eventually completed.⁵³

On March 8, 2012, the Sanggunian adopted Resolution No. 1980 s. 2012,⁵⁴ to supplement Resolution No. 1922 s. 2010. Made an integral part of Resolution No. 1980 s. 2012 was the list of specific projects funded out of the loan from the LBP, including the subject project.⁵⁵

DISCUSSION

I. Violation of Sec. 3(e) of R.A. No. 3019

Sec. 3 (e) of R.A. No. 3019 provides:

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 of government corporations charged with the grant of licenses or permits or other concessions.

The elements of the offense are as follows:

1. That the accused must be a public officer discharging administrative, judicial, or official functions (or a private individual acting in conspiracy with such public officers);
2. That the accused acted with manifest partiality, evident bad faith, or gross inexcusable negligence; and
3. That the accused' action caused undue injury to any party, including the government, or giving any private party

⁵³ Exhibit R (attached Report on the Utilization of Omnibus Term Loan Releases From LBP (SB#1 – OTL)

⁵⁴ Exhibit P

⁵⁵ Exhibit P-10, item 13

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unwarranted benefits, advantage, or preference in the discharge of his or her functions.⁵⁶

Pertinent to the case at bar is the Supreme Court's Resolution in *People v. Sandiganbayan (First Division)*.⁵⁷ There, the Supreme Court affirmed the Sandiganbayan's (First Division) Decision dated April 16, 2018 and Resolution dated June 13, 2018 in SB-17-CRM-1389 and 1390, for failure of the People of the Philippines, represented by the Office of the Ombudsman, through the Office of the Special Prosecutor, to sufficiently show that the First Division gravely abused its discretion when it rendered the assailed Decision, acquitting therein accused—who are also the accused in the present cases—of violation of Sec. 3(e) of R.A. No. 3019 and Falsification under Art. 171, par. 4 of the RPC. It was held:

As correctly ruled by the SB, the grant of respondents' demurrer to evidence was warranted as the prosecution's evidence had shown that: (a) Echiverri, as then the Mayor of Caloocan City, was authorized by the Sangguniang Panlungsod (SP), through Ordinance No. 0464, series of 2010, enacting Supplemental Budget No. 1 for 2010 to enter into various city development projects, including the subject infrastructure project, all of which were subsequently ratified by the SP, through Resolution Nos. 1980 and 1992, series of 2012; and (b) the subject infrastructure project strictly underwent the required procurement process, thereby eliminating the possibility that it was entered into by respondents with manifest partiality or with gross inexcusable negligence, and/or that it resulted in undue injury or actual damage to the Caloocan City Local Government Unit. x x x

(underscoring supplied)

Taking its bearings from *People v. Sandiganbayan (First Division)*,⁵⁸ this Court finds that although the prosecution proved the first element of violation of Sec. 3(e) of R.A. No. 3019, it failed to prove the other elements of the offense.

It is undisputed that the first element is present. Accused Echiverri, Centeno and Garcia were Mayor, Accountant and Budget Officer, respectively, of Caloocan City.⁵⁹ The acts attributed to them were done in the discharge of their official functions.

⁵⁶ *Fuentes v. People*, G.R. No. 186421, April 17, 2017

⁵⁷ G.R. Nos. 241103-04, October 1, 2018

⁵⁸ *Ibid.*

⁵⁹ Pre-trial Order dated July 16, 2018

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The second element is present when the accused acted with manifest partiality, evident bad faith, or gross inexcusable negligence. In *Uriarte v. People*,⁶⁰ the Supreme Court defined these terms as follows:

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 Information alleges that accused Echiverri, Centeno and Garcia acted with manifest partiality, evident bad faith and/or gross inexcusable negligence when they (a) awarded the subject contract to Caana without prior authorization from the Sangguniang Panlungsod of Caloocan City; and (b) paid the amount of ₱1,998,639.81 to Caana.

Accused Echiverri's act of awarding the contract for the subject project to Caana

First, without ruling on the validity of the subject contract, the same not being an issue, this Court must point out that the lack of prior authorization from the sanggunian does not render the contract entered into by the local chief executive null and void, but only unenforceable under Art. 1403(1)⁶¹ of the Civil Code.⁶²

⁶⁰ G.R. No. 169251, December 20, 2006

⁶¹ **Art. 1403.** The following contracts are unenforceable, unless they are ratified:

(1) Those entered into in the name of another person by one who has been given no authority or legal representation, or who has acted beyond his powers; x x x

⁶² Please see *Ocampo v. People*, G.R. Nos. 156547-51 and 156384-85, February 4, 2008

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Second, the subsequent ratification of the subject contract by the Sangguniang Panlungsod has no relevance to accused Echiverri's criminal liability. The subsequent ratification of a contract only serves to cure the defect therein. It is not a ground for extinguishing criminal liability.⁶³

Violation of Sec. 3(e) of R.A. No. 3019 is consummated once undue injury is caused, or unwarranted benefits are given, as a result of a public officer's act done with manifest partiality, evident bad faith or gross inexcusable negligence. Hence, accused Echiverri may be found criminally liable if the prosecution proves beyond reasonable doubt that (1) his act of awarding the subject contract to Caana was done with manifest partiality, evident bad faith or gross inexcusable negligence, and (2) such act caused undue injury to the Government, or the giving of unwarranted benefits to Caana, regardless of whether or not the Sanggunian subsequently ratified the subject contract.

At any rate, there is nothing in the evidence on record which would show that the Sanggunian ratified the contract for the subject project. Resolution No. 1922 s. 2010 ratified the contract of loan entered into by accused Echiverri with LBP, including subsequent loan agreements, deeds of assignment, promissory notes and other relevant documents for the purpose of financing city development projects. The subject contract is not among those ratified under said resolution.

With the other matters out of the way, the Court will now resolve the issue at hand.

This Court finds no manifest partiality, evident bad faith or gross inexcusable negligence on the part of accused Echiverri when he awarded the subject contract to Caana without securing a separate authorization from the Sanggunian.

⁶³ *Revised Penal Code. Art. 89. How criminal liability is totally extinguished.* – Criminal liability is totally extinguished:

1. By the death of the convict, as to the personal penalties; and as to the pecuniary penalties, liability therefor is extinguished *only* when the death of the offender occurs before final judgment;
2. By service of the sentence;
3. By amnesty, which completely extinguishes the penalty and all its effects;
4. By absolute pardon;
5. By prescription of the crime;
6. By prescription of the penalty;
7. By the marriage of the offended woman, as provided in Article 344 of this Code.

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As is the case in *People v. Sandiganbayan (First Division)*,⁶⁴ the Sangguniang Panlungsod of Caloocan, through Ordinance No. 0464, s. 2010, appropriated the total amount of ₱1.42 billion for various projects including “barangay halls,” of which the subject project is one.

Sec. 22 (c) of Republic Act No. 7160 (R.A. No. 7160) requires prior authorization from the Sanggunian before the local chief executive may enter into a contract in behalf of the local government unit. *Viz.:*

Sec. 22. Corporate Powers. – (a) x x x

(c) Unless otherwise provided in this Code, no contract may be entered into by the local chief executive in behalf of the local government unit without prior authorization by the sanggunian concerned. A legible copy of such contract shall be posted at a conspicuous place in the provincial capitol or the city, municipal or barangay hall.

In *Quisumbing v. Garcia*,⁶⁵ the Supreme Court explained that such authorization is required as a measure of check and balance. There, it was also explained that an appropriation ordinance may be considered as the necessary prior authorization if it contains in sufficient detail the project and the cost of capital outlay. Otherwise, the local chief executive must secure a separate authorization from the Sanggunian. Later, in *Germar v. Legaspi*,⁶⁶ the Supreme Court applied by analogy the previous rulings on the nature of a line-item as used in appropriation laws to appropriation ordinances, and thereby clarified that a line-item in an appropriation ordinance may be “of sufficient detail,” such that a separate sanggunian authorization would not be required. In *People v. Sandiganbayan (First Division)*,⁶⁷ the Supreme Court agreed with the First Division’s conclusion that accused Echiverri, as Mayor of Caloocan City, was authorized by the Sangguniang Panlungsod, through Ordinance No. 0464, s. 2010, to enter into various city development projects.

Here, the same Ordinance No. 0464, s. 2010, contains an allocation in the amount of ₱1,420,000,000.00,⁶⁸ for specific infrastructure projects for the City Engineer’s Office. The item

⁶⁴ *Supra.* Note 57

⁶⁵ G.R. No. 175527, December 8, 2008

⁶⁶ G.R. No. 232532, October 1, 2018

⁶⁷ *Supra.* Note 57

⁶⁸ After being amended by Ordinance No. 0465, s. 2010

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"barangay halls" is specifically included in the enumeration under "Object of Expenditure." Clearly, the subject project named "Construction of Barangay Hall, Bgy. 154, Caloocan City" falls under said item under the appropriation ordinance. As it is in *People v. Sandiganbayan (First Division)*, said ordinance specifically covers the subject project, and it is deemed as the Sanggunian's prior authorization. Accused Echiverri, therefore, did not have to secure from the Sanggunian a separate or additional authorization before he entered into the contract with Caana.

Manifest partiality, evident bad faith or gross inexcusable negligence on the part of accused Echiverri is further negated by the fact that he entered into the subject contract with Caana only after the conduct of a public bidding, and after the Bids and Awards Committee recommended that said contract be awarded to Caana, the lowest bidder.

Accused Echiverri, Centeno and Garcia's act of disbursing the amount of ₱1,998,639.81 as payment to Caana

Likewise, this Court finds no manifest partiality, evident bad faith or gross inexcusable negligence on the part of accused Echiverri, Centeno and Garcia when they disbursed funds in the amount of ₱1,998,639.81, as 1st partial payment, to Caana.

Under the contract⁶⁹ entered into by Caloocan City and Caana Construction, Caana undertook to complete the subject project in accordance with the provisions thereof. Caloocan City, on the other hand, undertook to pay Caana the subject amount in consideration of the completion of the subject project.

It appears that as of October 6, 2011, the subject project was 45.10% complete.⁷⁰ In the absence of proof that Caana failed to comply with its contractual obligation, and was thus, not entitled to payment for the work done; or proof of any irregularity in said payment; it cannot be said that the accused, in performing their official functions by causing the disbursement of the subject funds to enable the City of

⁶⁹ Exhibit J, p. 2, paragraphs 2 and 3

⁷⁰ Exhibit R (attached Report on the Utilization of Omnibus Term Loan Releases From LBP (SB#1 – OTL)

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Caloocan to perform its contractual obligation, acted with manifest partiality, evident bad faith, or gross inexcusable negligence.

The third element of violation of Sec. 3(e) of R.A. No. 3019 is also not present.

Undue injury means actual damage. It must be established by evidence and must have been caused by the questioned conduct of the offenders. Unwarranted benefit, advantage, or preference means giving a gain of any kind without justification or adequate reasons.⁷¹

The award of the contract for the subject project to Caana was not an unwarranted benefit, advantage, or preference in its favor. Even assuming, for the sake of argument, that accused Echiverri had no prior authorization from the Sangguian, the award of the contract to Caana was not unjustified, or done without adequate reason. From the prosecution's evidence, it appears that a public bidding was conducted, and that Caana offered the lowest bid. Absent proof of any irregularity, the contract would necessarily have been awarded to Caana, the lowest bidder.

Similarly, the 1st partial payment to Caana, in the amount of ₱1,998,639.81, cannot be considered an unwarranted benefit, advantage, or preference because the City Government of Caloocan was contractually bound to pay Caana for the work done in the subject project.

Furthermore, for both the award of the contract for the subject project, and the payment of said amount, to Caana, the prosecution made no attempt to show how damage or undue injury was caused to the government, or to any party for that matter, as a result of the accused' acts.

II. Falsification of Public Document under Art. 171, par. 4 of the Revised Penal Code

Art. 171 of the Revised Penal Code (RPC) provides:

Art. 171. Falsification by public officer, employee, or notary or ecclesiastical minister. – The penalty of *prisión mayor* and a fine not to exceed 5,000 pesos shall be imposed upon any public officer,

⁷¹ *Bacasmas v. Sandiganbayan*, G.R. Nos. 189343, 189369 and 189553, July 10, 2013

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employee, or notary who, taking advantage of his official position, shall falsify a document by committing any of the following acts:

x x x

4. Making untruthful statements in a narration of facts;

x x x

In *People v. Sandiganbayan*,⁷² it was held that to be found guilty of Falsification under the aforesaid provision, the prosecution must prove the elements of the crime, and that the accused took advantage of his or her official position. *viz.:*

Reduced to its elements, a violation under this provision requires that:

- (1) The offender makes in a public document untruthful statements in a narration of facts;
- (2) He has a legal obligation to disclose the truth of the facts narrated by him; and
- (3) The facts narrated by him are absolutely false.

The prosecution must likewise prove that the public officer or employee had taken advantage of his official position in making the falsification. The offender is considered to have taken advantage of his official position when (1) he has the duty to make or prepare or otherwise to intervene in the preparation of a document; or (2) he has the official custody of the document which he falsifies.

The prosecution proved that accused Centeno and Garcia had taken advantage of their respective official positions. They made their respective certifications in ALOBS No. 100-11-05-2508 dated May 23, 2011 in connection with the performance of their official duties as Accountant and Budget Officer, respectively, of the City of Caloocan.

The prosecution likewise proved the second element. There is a legal obligation to disclose the truth of the facts narrated if there is a law that requires the disclosure of the truth of such facts.⁷³

⁷² G.R. No. 197953, August 5, 2015

⁷³ *Galeos v. People*, G.R. Nos. 174730-37, 174845-52, February 9, 2011

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The respective duties of the Budget Officer and of the Accountant, with regard to the disbursement of funds, are laid down in Sec. 344 of R.A. No. 7160, which reads:

Sec. 344. Certification, and Approval of, Vouchers. – No money shall be disbursed unless the local budget officer certifies to the existence of appropriation that has been legally made for the purpose, and the local accountant has obligated said appropriation,
x x x.

The prosecution, however, failed to prove that accused Centeno and Garcia made untruthful statements in a narration of facts in the ALOBS. There being no untruthful statement, it follows that the facts narrated cannot be absolutely false.

The respective certifications made by accused Centeno and Garcia pertain to budgetary accounts, which are composed of appropriations, allotments and obligations.⁷⁴ These were defined in Volume 1 of the *New Government Accounting System Manual for Local Government Units* (NGAS for LGUs),⁷⁵ as follows:

Sec. 07. Accounting for Appropriations. – Appropriation refers to an authorization made by ordinance, directing the payment of goods and services from local government funds under specified conditions or for specific purposes.⁷⁶

x x x

Sec. 08. Accounting for Allotments. – Allotment is the authorization issued by the Local Chief Executive (LCE) to a department/office of the LGU, which allows it to incur obligations, for specified amounts, within the appropriation ordinance. x x x

Sec. 09. Accounting for Obligations. – Obligations refer to the amounts committed to be paid by the LGU for any lawful act made by an accountable officer for and in behalf of the local government unit concerned.

x x x



⁷⁴ NGAS for LGUs, Vol. 1, Sec. 6

⁷⁵ Commission on Audit Circular No. 2002-003 dated June 20, 2002

⁷⁶ R.A. No. 7160. Sec. 306. (b) "Appropriation" refers to an authorization made by ordinance, directing the payment of goods and services from local government funds under specified conditions or for specific purposes; x x x

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Under Sec. 11 of NGAS for LGUs, Vol. 1, which summarizes the process in accounting for budgetary accounts, after the requesting office forwards the ALOBS to the Office of the Budget Officer, the Budget Officer certifies the ALOBS as to the existence of appropriation based on the appropriation ordinance, and thereafter forwards the same to the Office of the Accountant. The Accountant then certifies the ALOBS as to the obligation of allotments.

It is undisputed that in ALOBS No. 100-11-05-2508 dated May 23, 2011, accused Garcia, as Budget Officer, certified as to the existence of an appropriation, and accused Centeno, as Accountant, certified as to the obligation of allotment.

There was indeed an appropriation for the project indicated in said ALOBS, *i.e.*, Construction of Barangay Hall, Bgy. 154, Caloocan City. In Ordinance No. 0464 s. 2010, as amended by Ordinance No. 0465 s. 2010, the Sangguniang Panlungsod appropriated the amount of ₱1.42 billion for various infrastructure projects, including "barangay halls." Clearly, the subject project falls within the enumeration in the object of expenditure in Sec. 1 of Ordinance No. 0464 s. 2010. Although said ordinance was enacted in 2010, it may still be valid for the subject project—the construction of a physical structure—because such appropriation may be considered a continuing appropriation, which is defined as "an appropriation available to support obligations for a specified purpose or projects, such as those for the construction of physical structures or for the acquisition of real property or equipment, even when these obligations are incurred beyond the budget year."⁷⁷

On the other hand, the prosecution not only failed, but did not even make any attempt, to prove any irregularity in accused Centeno's act of certifying as to the obligation of allotment, which involves recording the pertinent entries in the Registry of Appropriations, Allotments and Obligations (RAAO).

CONCLUSION

The prosecution's evidence failed to prove the existence of the second and third elements of violation of Sec. 3(e) of R.A. No. 3019, and the first and third elements of Falsification under Art. 171, par. 4 of

⁷⁷ R.A. No. 7160. Sec. 306 (e)

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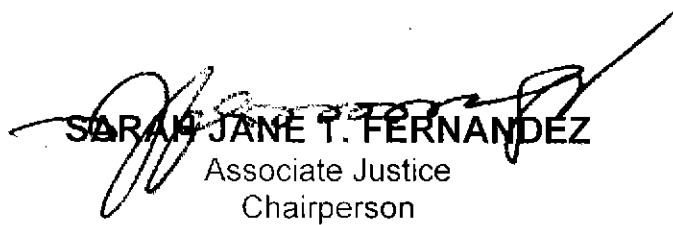
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the RPC. Such evidence is insufficient to support a verdict of guilt in both cases.

WHEREFORE, the *Demurrer to Evidence* of accused Enrico R. Echiverri, Edna V. Centeno and Jesusa C. Garcia, in SB-17-CRM-0648 and 0649 is hereby GRANTED. These cases are hereby DISMISSED for insufficiency of evidence.

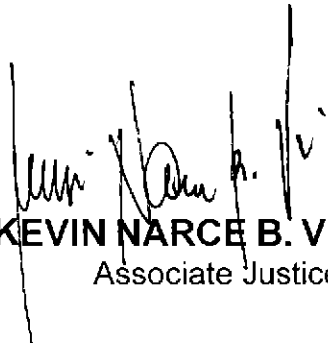
Let the hold departure order against the accused by reason of these cases be lifted and set aside, and their bonds for the present cases be released, subject to the usual accounting and auditing procedure.

SO ORDERED.


SARAH JANE T. FERNANDEZ
Associate Justice
Chairperson

We Concur:


KARL B. MIRANDA
Associate Justice


KEVIN NARCE B. VIVERO
Associate Justice

DECISION

People vs. Echiverri, et al.
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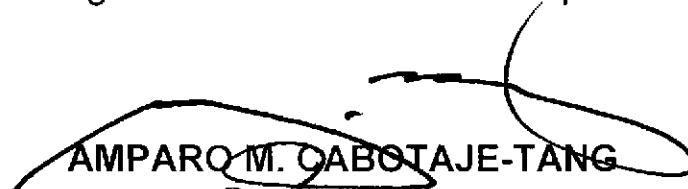
ATTESTATION

I attest that the conclusions in the above decision were reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.


SARAH JANE T. FERNANDEZ
Associate Justice
Chairperson

CERTIFICATION

Pursuant to Article VIII, Section 13, of the Constitution, and the Division Chairperson's Attestation, it is hereby certified that the conclusions in the above decision were reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.


AMPARO M. CABSTAJE-TANG
Presiding Justice

