



REPUBLIC OF THE PHILIPPINES

Sandiganbayan

Quezon City

SIXTH DIVISION

PEOPLE OF THE PHILIPPINES, **SB-15-CRM-0120**
Plaintiff, For: Violation of Section 3(e)
of R.A. 3019


Present

- versus -

WILFREDO S. BALAIS, ET AL.
Accused.

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

Promulgated:

November 19, 2019 

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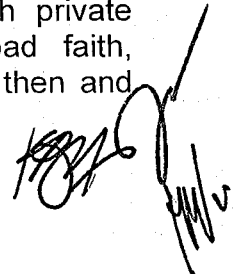
DECISION

FERNANDEZ, SJ, J.

Accused Wilfredo S. Balais and Virgilio J. Go, Mayor and Vice Mayor, respectively, of the Municipality of Labason, Zamboanga del Norte, are charged with violation of Section 3(e) of Republic Act No. 3019 (R.A. No. 3019) for allegedly causing the purchase by the Municipality of Labason of a Nissan Patrol Wagon without the required public bidding, and despite fully knowing that the subject vehicle was previously sold by accused Balais to the seller, Eduardo A. Ayunting, at a considerably lower price.

The accusatory portion of the Information reads:

On 28 January 2011, or thereabout, in Cagayan de Oro, Philippines, and within this Honorable Court's jurisdiction, accused **WILFREDO S. BALAIS** and **VIRGILIO J. GO**, public officers being then the Mayor and Vice Mayor, respectively, of the Municipality of Labason, Zamboanga del Norte, while in the performance of their official functions, conspiring with one another and with private individual **EDUARDO A. AYUNTING**, with evident bad faith, manifest partiality, or gross inexcusable negligence, did then and



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there willfully, unlawfully, and criminally give unwarranted benefit, advantage, or preference to accused Ayunting by causing the purchase by the local government of Labason, Zamboanga del Norte of a Nissan Patrol Wagon Model 2001 with Plate No. KCL 533, Engine No. ZD30-057279A and Chassis No. TWSSLFFY61-Y00506 from said Ayunting in the amount of P960,000.00 without the required public bidding and despite fully knowing that the subject vehicle was previously sold by accused Balais to accused Ayunting for only P500,000.00, to the damage and prejudice of the local government of Labason, Zamboanga del Norte.

CONTRARY TO LAW.

During their arraignment on September 2, 2015, the accused entered their pleas of "Not Guilty".¹

Eduardo A. Ayunting was subsequently discharged from the case to serve as state witness.²

During the pre-trial,³ the parties stipulated as follows:⁴

- a) Jurisdiction of this Court;
- b) Identity of the accused;
- c) Accused Wilfredo S. Balais, at the time material to the Information was a public official, being the Municipal Mayor of LGU Labason, Zamboanga del Norte;
- d) Accused Virgilio J. Go, at the time material to the Information was a public official, being the Vice-Mayor of LGU Labason, Zamboanga del Norte;
- e) Accused Eduardo A. Ayunting, at the time material to the Information was a private individual;
- f) On or around 01 August, 2011, [sic] the Sangguniang Bayan passed Resolution No. 117, series of 2011, authorizing accused Balais to negotiate and enter into a contract for the rescission of the Deed of Sale between Ayunting and the LGU Labason; and
- g) On or around 03 August, 2011, [sic] an Agreement for Rescission Contract [sic] was executed between LGU Labason, represented by accused Balais and Ayunting.

The parties submitted that the following are the issues to be resolved:⁵

For the prosecution:

¹ Record, Vol. 1, pp. 333-335, 338

² Record, Vol. 2, pp. 146-147

³ Pre-Trial Order dated January 9, 2017; Record, Vol. 3, pp. 9-22

⁴ *Ibid.*, p. 9

⁵ *Ibid.*, p. 10

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1. Whether or not accused Balais and Go acted with manifest partiality, evident bad faith or grossly [sic] inexcusable negligence in the purchase of LGU Labason from accused Ayunting;
2. Whether accused Balais and Go gave unwarranted benefits, advantage or preference to accused Ayunting in the questioned transaction; and
3. Whether LGU Labason, Zamboanga del Norte suffered undue damage, injury or prejudice as a result of the transaction.

For accused Wilfredo S. Balais and Virgilio J. Go:

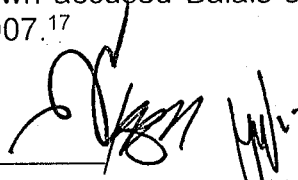
1. Whether accused Balais and Go are liable for the charges filed against them.

EVIDENCE FOR THE PROSECUTION

The prosecution presented as witnesses **Eduardo A. Ayunting**,⁶ **Simeon De Castro Gorra**,⁷ **Nurdini G. Laja**,⁸ **Paz G. Tawi**,⁹ **Gloria Q. Vallinas**,¹⁰ **Cipriano G. Andalop**,¹¹ **William B. Nuñez**,¹² **Elvin V. Saguing**,¹³ **Senen C. Bael**,¹⁴ **Madeline V. Mopon**,¹⁵ and **Vivian B. Sabugaa**.¹⁶

In his Judicial Affidavit dated September 7, 2016, **Eduardo A. Ayunting** declared:

1. He came to know accused Balais and Go because he used to be a resident of the Municipality of Labason, wherein accused Balais was the Mayor, and accused Go, the Vice Mayor. He had known accused Balais since the 1990s, and accused Go since 2007.¹⁷



⁶ TSN, February 14, 2017; *Judicial Affidavit* dated September 7, 2016 (Record, Vol. 2, pp. 363-404)

⁷ TSN, March 8, 2017; *Judicial Affidavit* dated September 15, 2016 (Record, Vol. 2, pp. 501-512)

⁸ TSN, March 8, 2017; *Judicial Affidavit* dated September 16, 2016 (Record, Vol. 2, pp. 450-462)

⁹ TSN, March 23, 2017; *Judicial Affidavit* dated September 8, 2016 (Record, Vol. 2, pp. 463-484)

¹⁰ TSN, April 5, 2017; *Judicial Affidavit* dated October 14, 2016 (Record, Vol. 2, pp. 409-449)

¹¹ TSN, April 6, 2017; *Judicial Affidavit* dated September 21, 2016 (Record, Vol. 2, pp. 356-362)

¹² TSN, June 6, 2017; *Judicial Affidavit* dated August 30, 2016 (Record, Vol. 2, pp. 519-526)

¹³ TSN, June 6, 2017; *Judicial Affidavit* dated October 14, 2016 (Record, Vol. 2, pp. 405-408)

¹⁴ TSN, June 7, 2017; *Judicial Affidavit* dated September 22, 2016 (Record, Vol. 2, pp. 485-500)

¹⁵ TSN, August 24, 2017; *Judicial Affidavit* dated September 9, 2016 (Record, Vol. 2, pp. 444-449)

¹⁶ TSN, November 16, 2017; *Judicial Affidavit* dated September 28, 2016 (Record, Vol. 2, pp. 513-518)

¹⁷ *Judicial Affidavit* dated September 7, 2016, p. 2 (Record, Vol. 2, p. 364)

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2. He became friends with accused Balais after they both co-sponsored the wedding of a common friend.¹⁸
3. Sometime in November 2010, accused Balais phoned him, asking for his help in selling his (accused Balais) Nissan Patrol with plate number KCL533. The Official Receipt and Certificate of Registration (Exhibit B) of said vehicle was in the name of accused Balais.¹⁹
4. At the time, he was in his office in El Salvador City, managing a crafts and toys business.²⁰ Accused Balais knew that he (witness Ayunting) was the general manager of said business, and as such, had friends who may be able to help in the disposal of said vehicle.²¹
5. Being unaware of accused Balais' intentions, and having been given the opportunity to help a close friend, he decided to help accused Balais.²²
6. On November 26, 2010, they executed a Deed of Sale of Motor Vehicle (Exhibit L), with him as the buyer of the 2001 Nissan Patrol with Plate No. KCL533. They had an understanding that it was only an "accommodation" transaction, meaning that the Deed of Sale was executed to facilitate the transfer of the vehicle to prospective buyers.²³
7. They agreed that the title and registration would be transferred to his name but actual ownership remained with accused Balais.²⁴
8. No money was involved in said "accommodation" transaction. He did not expect any commission or remuneration from the transaction.²⁵
9. After the execution of the Deed of Sale, accused Balais deposited the subject Nissan Patrol at the Nissan Display Center in Cagayan de Oro City. Accused Balais told him that he (accused Balais) purchased a new unit of Nissan Patrol and he was given the opportunity to display the old vehicle so that it can be sold to prospective buyers.²⁶

¹⁸ *Ibid.*

¹⁹ *Ibid.*

²⁰ *Judicial Affidavit* dated September 7, 2016, p. 3 (Record, Vol. 2, p. 365)

²¹ *Ibid.*

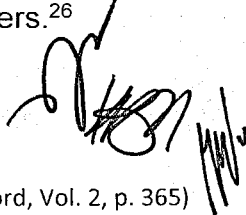
²² *Ibid.*

²³ *Judicial Affidavit* dated September 7, 2016, pp. 3-4 (Record, Vol. 2, pp. 365-366)

²⁴ *Ibid.*

²⁵ *Ibid.*

²⁶ *Judicial Affidavit* dated September 7, 2016, p. 5 (Record, Vol. 2, p. 367)



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10. The subject vehicle was still unsold after two (2) months. Sometime in January 2011, accused Balais called, and informed him that the Sangguniang Bayan of Labason was interested in buying the vehicle. At that time, accused Balais was the Municipal Mayor of Labason.²⁷
11. He did not object to the decision to sell the vehicle to the Local Government Unit (LGU) of Labason because accused Balais was still the owner of the vehicle.²⁸
12. Thereafter, he met accused Balais and Go, and some members of the Sangguniang Bayan at the Nissan Display Center in Cagayan de Oro City.²⁹
13. There, accused Balais reiterated that the Municipality of Labason would buy the subject Nissan Patrol, and that accused Go was authorized to sign the Deed of Sale in behalf of the Sangguniang Bayan of Labason.³⁰
14. He executed the Deed of Sale dated January 28, 2011 (Exhibit M) in favor of the LGU of Labason. Although the document states that he sold the subject vehicle to the LGU of Labason, the truth is that the transaction was only an "accommodation" made in favor of the real owner, accused Balais.³¹
15. He never received the purchase price of the subject vehicle in the amount of ₱960,000.00 because he was never the owner of the vehicle.³²
16. At that time, he was no longer a resident of Labason. He moved out and settled at El Salvador City, Misamis Oriental.³³
17. After executing the Deed of Sale dated January 28, 2011, the aforementioned officials of the LGU of Labason took the subject Nissan Patrol. That was the last time he saw said vehicle.³⁴
18. Sometime after the transaction, accused Balais informed him that the municipality's purchase of the vehicle was disallowed by the Commission on Audit (COA), and thus, there was a need to cancel the sale. Accused Balais showed him Resolution No. 117 (Exhibit N), authorizing the Mayor to negotiate and enter

²⁷ *Judicial Affidavit* dated September 7, 2016, p. 6 (Record, Vol. 2, p. 368)

²⁸ *Ibid.*

²⁹ *Ibid.*

³⁰ *Judicial Affidavit* dated September 7, 2016, p. 7 (Record, Vol. 2, p. 369)

³¹ *Ibid.*

³² *Judicial Affidavit* dated September 7, 2016, pp. 7-8 (Record, Vol. 2, pp. 369-370)

³³ *Judicial Affidavit* dated September 7, 2016, p. 8 (Record, Vol. 2, p. 370)

³⁴ *Judicial Affidavit* dated September 7, 2016, p. 9 (Record, Vol. 2, p. 371)

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into a contract for the rescission of the Deed of Sale dated January 28, 2011.³⁵

19. Believing in good faith that it was only an accommodation, he agreed to execute and sign the Agreement for Rescission of Contract (Exhibit O).³⁶
20. The Nissan Patrol was returned to accused Balais. He did not return the ₱960,000.00 purchase price to the LGU because he never received it.³⁷
21. Around the last week of August 2011, accused Balais asked him to execute a Deed of Sale of the Nissan Patrol Vehicle with Plate No. KCL533 in favor of a certain Richell A. Balais. He never met Richell Balais. He assumed that the person was related to accused Balais because they have the same last name.³⁸
22. Believing that the transaction was merely an accommodation, he agreed to execute the Deed of Sale dated August 25, 2011. He never received payment in the amount of ₱900,000.00 stated in said Deed of Sale (Exhibit YY).³⁹
23. Towards the end of August 2011, accused Balais informed him that a complaint against them was filed with the Office of the Ombudsman, with regard to the sale of the subject Nissan Patrol.⁴⁰
24. Accused Balais told him not to worry about the case because he (accused Balais) and his lawyer were attending to it.⁴¹
25. After he learned of the Ombudsman's Resolution, he told accused Balais that he will file a separate Motion for Reconsideration with the Office of the Ombudsman, and demanded that he be provided with all the necessary documents (Exhibits P, Q, R, S, U, V, W, X, Y, Z, AA, DD, CCC).⁴²
26. In the Official Receipt (Exhibit DD), it is stated that the amount of ₱960,000.00 was refunded by "Oro Cars Display Center/Eduardo Ayunting" to the LGU of Labason. In truth, he

³⁵ *Ibid.*

³⁶ *Ibid.*

³⁷ *Judicial Affidavit* dated September 7, 2016, p. 12 (Record, Vol. 2, p. 374)

³⁸ *Ibid.*

³⁹ *Judicial Affidavit* dated September 7, 2016, pp. 12-13 (Record, Vol. 2, pp. 374-375)

⁴⁰ *Judicial Affidavit* dated September 7, 2016, p. 13 (Record, Vol. 2, p. 375)

⁴¹ *Judicial Affidavit* dated September 7, 2016, p. 14 (Record, Vol. 2, p. 376)

⁴² *Ibid.*

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did not refund such amount. Neither did he authorize anyone to refund the amount.⁴³

27. After the denial of his Motion for Reconsideration, he applied to become a state witness because he wanted to clear his name and reputation.⁴⁴
28. As the Mayor, accused Balais was prohibited from entering into any business transaction with the Municipality of Labason. Accused Balais used him (witness Ayunting) to make it appear that he was the owner of the subject Nissan Patrol.⁴⁵

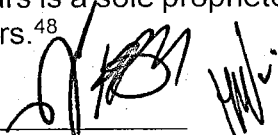
In his Judicial Affidavit dated September 15, 2016, **Simeon De Castro Gorra**, District Chief of the Land Transportation Office (LTO) of the Cagayan de Oro District Office, identified Exhibits B, C, F, G, I, J, UU and VV, and declared:

1. The Motor Vehicle Transaction Inquiry (Exhibit UU) is a printout of the history of the motor vehicle from the LTO computer system. It shows the owners of the vehicle subject of the inquiry at certain points in time.⁴⁶
2. The subject vehicle with Plate Number KCL533 was originally privately owned. After the ownership thereof was transferred to the LGU of Labason, Zamboanga del Norte, the plate number was changed to SJJ613. The ownership of the vehicle was subsequently transferred to a private individual. Consequently, the plate number was, again, changed to KCL533.⁴⁷

In his Judicial Affidavit dated September 16, 2016, **Nurdini G. Laja**, District Chief of the LTO Dipolog District Office, identified Exhibits I, J, YY, ZZ and AAA.

In her Judicial Affidavit dated September 8, 2016, **Paz G. Tawi** identified Exhibits KK and LL, and declared:

1. She is the proprietor of Oro Cars Display Center (Oro Cars), located at National Highway, Bulua, Cagayan de Oro City. Oro Cars is a sole proprietorship engaged in buying and selling used cars.⁴⁸



⁴³ Judicial Affidavit dated September 7, 2016, p. 18 (Record, Vol. 2, p. 380)

⁴⁴ Judicial Affidavit dated September 7, 2016, p. 19 (Record, Vol. 2, p. 381)

⁴⁵ Ibid.

⁴⁶ Judicial Affidavit dated September 15, 2016, p. 2 (Record, Vol. 2, p. 502)

⁴⁷ Judicial Affidavit dated September 15, 2016, p. 5 (Record, Vol. 2, p. 505)

⁴⁸ Judicial Affidavit dated September 8, 2016, p. 1 (Record, Vol. 2, p. 463)

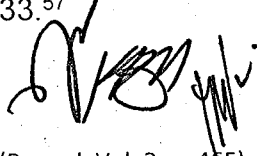
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2. Oro Cars or any of its authorized representatives did not send any price quotation for a Nissan Patrol (Exhibit S) to the LGU of Labason or to any of its officials.⁴⁹ Although the document bears Oro Cars' letterhead, phone numbers and her signature above her name, she knows that it was not issued by Oro Cars.⁵⁰
 - a. As a matter of practice, she leaves signed blank price quotations with her secretary and other employees for their use in case she is not available or if she is not in the office.⁵¹
 - b. The price quotation submitted to the LGU was typewritten. Those issued by Oro Cars are handwritten.⁵²
3. James Galon, a close friend of hers, used the blank Oro Cars price quotation, and sold the Nissan Patrol to accused Balais. James Galon was not an authorized representative of Oro Cars.⁵³
4. James Galon is also engaged in the business of buying and selling used cars. He used her display center to sell his own inventory because he did not have his own display center at that time. Galon paid Oro Cars ₱10,000.00 for every displayed car sold.⁵⁴
5. The subject Nissan Patrol was not displayed at the Oro Cars display center. It was a private transaction between James Galon and Balais.⁵⁵
6. Sometime in early 2011, James Galon asked for a blank price quotation because he had a buyer who was asking for a price quotation for a vehicle.⁵⁶
7. On October 27, 2015, Galon asked her to sign a prepared Affidavit of Undertaking, which states, among others, that sometime in 2011, Wilfredo S. Balais purchased a 2001 Nissan Patrol with Plate No. KCL533.⁵⁷



⁴⁹ *Judicial Affidavit* dated September 8, 2016, p. 3 (Record, Vol. 2, p. 465)

⁵⁰ *Judicial Affidavit* dated September 8, 2016, pp. 3-4 (Record, Vol. 2, pp. 465-466)

⁵¹ *Judicial Affidavit* dated September 8, 2016, p. 4 (Record, Vol. 2, p. 466)

⁵² *Ibid.*

⁵³ *Ibid.*

⁵⁴ *Ibid.*

⁵⁵ *Ibid.*

⁵⁶ *Judicial Affidavit* dated September 8, 2016, p. 5 (Record, Vol. 2, p. 467)

⁵⁷ *Ibid.*

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8. She did not sell the subject 2001 Nissan Patrol to Balais. She keeps copies of documents such as the Deed of Sale, OR/CR, Oro Cars Official Receipt, macro etching and PNP clearance, as proof of the transactions involving the pertinent vehicles. Their office does not have documents pertaining to the subject 2001 Nissan Patrol.⁵⁸
9. Oro Cars Official Receipt No. 0820 (Exhibit CC) indicates that on January 28, 2011, Oro Cars received from the LGU of Labason the amount of ₱908,571.43. However, in truth, Oro Cars did not receive such amount because they did not enter into any transaction with the Municipality of Labason.⁵⁹
10. James Galon, through his wife, asked her to sign said Official Receipt and indicate therein the date and amount. She did so after James Galon's wife assured her that it would be used only for show, not for any legal purpose, and that everything was above-board.⁶⁰
11. She signed the Affidavit of Undertaking (Exhibit MM) because James Galon was a close friend and he also assured her that it was only for show and not intended for any legal purpose.⁶¹
12. She affirms that she is the owner of Oro Cars, the personal circumstances, and the address indicated in said affidavit. However, she denies that Wilfredo S. Balais purchased from her a 2001 Nissan Patrol with Plate No. KCL533.⁶²
13. She did not read the contents of the Affidavit of Undertaking before she signed it. At that time, she was recently discharged from the hospital due to stress caused by the subpoena, as well as calls from the Office of the Ombudsman.⁶³
14. She realized that she should not have signed said affidavit after her lawyer explained that the Affidavit indicates that she and Balais entered into a contract with respect to the Nissan Patrol.⁶⁴
15. She did not receive any monetary consideration from James Galon as a result of signing the Affidavit of Undertaking.⁶⁵
16. Aside from the Affidavit of Undertaking, James Galon and his wife also asked her to sign other documents including the Notice

⁵⁸ *Ibid.*

⁵⁹ *Judicial Affidavit* dated September 8, 2016, p. 6 (Record, Vol. 2, p. 468)

⁶⁰ *Ibid.*

⁶¹ *Ibid.*

⁶² *Judicial Affidavit* dated September 8, 2016, p. 7 (Record, Vol. 2, p. 469)

⁶³ *Ibid.*

⁶⁴ *Ibid.*

⁶⁵ *Ibid.*

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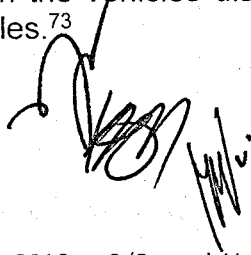
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of Award (Exhibit W), Purchase Order (Exhibit Y), Disbursement Voucher (Exhibit AA) and Land Bank check (Exhibit BB).⁶⁶

17. She signed said documents because she believed in James Galon's representation that they were only for show and not intended for any legal purpose. James Galon was a good friend and she believed that he would not put her in trouble.⁶⁷
18. She signed the check after James Galon asked her to do so, to encash said check. She relied on his representation that nothing was wrong with the transaction associated with the check, and that the Nissan Patrol sold to Balais came from him.⁶⁸
19. She met accused Balais sometime in September 2015, in Riverview Hotel, at Carmen, Cagayan de Oro City, after he called her on the phone. Her mechanic, who sometimes drove for Balais, gave the latter her phone number.⁶⁹
20. During the meeting at the Riverview Hotel, Balais asked her to admit that there was a bidding for the Nissan Patrol, if she is asked about it. She replied that she cannot make such admission because there was no transaction between Oro Cars and the LGU of Labason. It was James Galon who sold the subject vehicle to the LGU.⁷⁰

She further testified:

1. She had been operating Oro Cars since 1998, with a starting capital in the amount of ₱50,000.00.⁷¹
2. She left signed blank price quotations with her employees so that they could use them for purposes of financing, meaning that if a buyer does not have enough money, the financing institution will pay them.⁷²
3. She does not own the vehicles displayed at Oro Cars. They only display vehicles.⁷³



⁶⁶ *Ibid.*

⁶⁷ *Judicial Affidavit* dated September 8, 2016, p. 8 (Record, Vol. 2, p. 470)

⁶⁸ *Judicial Affidavit* dated September 8, 2016, p. 10 (Record, Vol. 2, p. 472)

⁶⁹ *Ibid.*

⁷⁰ *Judicial Affidavit* dated September 8, 2016, p. 11 (Record, Vol. 2, p. 473)

⁷¹ TSN, March 23, 2017, p. 10

⁷² TSN, March 23, 2017, pp. 12-13

⁷³ TSN, March 23, 2017, pp. 13-14

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4. They are paid ₱10,000.00 for every displayed vehicle sold, regardless of the value of the vehicle.⁷⁴
5. If a buyer purchases a vehicle, she does not sign the deed of sale. The owners of the vehicles usually gave them pre-signed deeds of sale.⁷⁵
6. She has known James Galon since 2006, when she started engaging in the business of displaying cars.⁷⁶
7. James Galon was involved in the initial transaction involving the 2001 Nissan Patrol.⁷⁷
8. James Galon called her and asked if she had available blank price quotation forms. She was not at the office so she asked one of her employees to give him one.⁷⁸
9. She entrusted the pre-signed price quotations to James Galon and Charles Mejia, but only for financing.⁷⁹
10. The pre-signed blank price quotations were not used exclusively for units displayed in her display center. If the buyer is in the display center and the units are located somewhere else, said buyers can be given pre-signed blank quotations for financing purposes.⁸⁰
11. When James Galon called her, asking for a price quotation form, he did not indicate the particular unit intended to be covered by the form.⁸¹
12. Everything in connection with the LGU of Labason's purchase of the 2001 Nissan Patrol was done by James Galon.⁸²
13. James Galon's wife instructed her to write in the receipt the entries and the amount of ₱908,571.43, as indicated in the check.⁸³
14. When she signed the Notice of Award, it was blank. She did not indicate the amount therein.⁸⁴

⁷⁴ TSN, March 23, 2017, p. 14

⁷⁵ TSN, March 23, 2017, p. 16

⁷⁶ TSN, March 23, 2017, p. 19

⁷⁷ TSN, March 23, 2017, pp. 20-21

⁷⁸ TSN, March 23, 2017, p. 21

⁷⁹ TSN, March 23, 2017, p. 22

⁸⁰ TSN, March 23, 2017, p. 23

⁸¹ *Ibid.*

⁸² TSN, March 23, 2017, p. 24

⁸³ TSN, March 23, 2017, p. 25

⁸⁴ TSN, March 23, 2017, p. 26

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15. She stopped the practice of giving blank quotation forms after she received the subpoena.⁸⁵
16. She does not know if the signature above the name of Atty. Gil Banaag in the Affidavit of Undertaking is indeed his signature because she did not present herself to him. The document was brought to her by an employee of James Galon, who previously informed her of the same. She did not read the document before she signed it.⁸⁶
17. When she signed the Affidavit of Undertaking, there was already a signature above the name of Atty. Banaag. She knows only the name of Atty. Banaag but has not seen him.⁸⁷
18. She was confined at the hospital for three (3) days for acute rhinosinusitis. Her mental faculties were impaired because of the medicine given to her. She signed the Affidavit of Undertaking two (2) days after she was discharged from the hospital.⁸⁸
19. She does not personally know accused Wilfredo S. Balais and Virgilio Go.⁸⁹

In her Judicial Affidavit dated October 14, 2016, **Gloria Q. Vallinas**, Administrative Officer II, declared:

1. She served as a member of the Bids and Awards Committee (BAC) Secretariat of the LGU of Labason from around 2008 until July 2011.⁹⁰
2. She prepared the Purchase Request dated January 7, 2011 (Exhibit CCC), for the procurement of a motor vehicle, because Mayor Balais asked her to do so. After preparing the Purchase Request, she had it signed by Vice Mayor Go, Treasurer Chipoco and Mayor Balais.⁹¹
3. After the Purchase Request was signed, she prepared the Invitation to Apply for Eligibility and to Bid (Exhibit P).⁹² She indicated "Nissan Patrol" therein because Mayor Balais asked

⁸⁵ TSN, March 23, 2017, p. 27

⁸⁶ TSN, March 23, 2017, pp. 28-29

⁸⁷ TSN, March 23, 2017, pp. 29-30

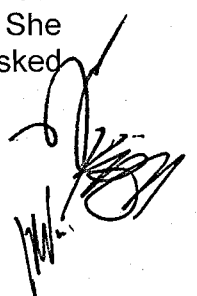
⁸⁸ TSN, March 23, 2017, p. 32

⁸⁹ *Ibid.*

⁹⁰ *Judicial Affidavit* dated October 14, 2016, p. 2 (Record, Vol. 2, p. 410)

⁹¹ *Judicial Affidavit* dated October 14, 2016, pp. 2-3 (Record, Vol. 2, pp. 410-411)

⁹² *Judicial Affidavit* dated October 14, 2016, p. 3 (Record, Vol. 2, p. 411)



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her to do so. She just followed the Mayor's orders and did not ask questions.⁹³

4. The Invitation to Apply for Eligibility and to Bid was not published, but it was posted in the municipal gym and the public market of Labason.⁹⁴
5. A few days later, accused Balais called her to his office and handed to her three (3) sealed envelopes. According to him, the envelopes contained bids or price quotations from auto suppliers from Cagayan de Oro City.⁹⁵
6. She did not ask Mayor Balais how he knew that the bidders for the Nissan Patrol were from Cagayan de Oro City. She believed in good faith that the procurement of the Nissan Patrol was proper and in order.⁹⁶
7. As Mayor Balais instructed, she delivered the sealed envelopes to the office of Mr. Chipoco, the Municipal Treasurer, and at the time, also the BAC Chairperson.⁹⁷
8. The BAC opened the sealed bids on January 19, 2011. Three bidders submitted their price quotations—EVES Display Center (Exhibit Q), Catmon Car Sales (Exhibit R), and Oro Cars Display Center (Exhibit S).⁹⁸
9. Oro Cars was declared the winner, having submitted the lowest bid in the amount of ₱960,000.00.⁹⁹ She then asked the members of the BAC and Vice Mayor Go to sign the Abstract of Bids as Read (Exhibit U). Thereafter, she brought said document and other related documents, including the Minutes of the Opening of Bids (Exhibit V) to the Office of the Mayor.¹⁰⁰
10. After bringing the documents to the Office of the Mayor, she prepared Obligation Request No. 101-01-11-00184 (Exhibit Z) per instruction of Mayor Balais.¹⁰¹
11. After the preparation of the Obligation Request, she prepared Disbursement Voucher No. 110-11-01-212 (Exhibit AA) and took the same to the Accountant, Ms. Christy C. Buganutan, and

⁹³ *Ibid.*

⁹⁴ *Judicial Affidavit* dated October 14, 2016, p. 4 (Record, Vol. 2, p. 412)

⁹⁵ *Ibid.*

⁹⁶ *Ibid.*

⁹⁷ *Ibid.*

⁹⁸ *Judicial Affidavit* dated October 14, 2016, pp. 5-6 (Record, Vol. 2, pp. 413-414)

⁹⁹ *Judicial Affidavit* dated October 14, 2016, p. 7 (Record, Vol. 2, p. 415)

¹⁰⁰ *Ibid.*

¹⁰¹ *Judicial Affidavit* dated October 14, 2016, p. 8 (Record, Vol. 2, p. 416)

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thereafter, to Mr. Chipoco, for their respective signatures.¹⁰² Subsequently, Land Bank of the Philippines (LBP) Check No. 1222857 (Exhibit BB) was issued.

12. After the issuance of said check, she told Mr. Chipoco that per instructions of accused Balais, she needed to get the check and the Disbursement Voucher immediately. The release of the check was evidenced by her signature in the check register book.¹⁰³
13. Accused Balais told her that he would go to Cagayan de Oro the next day to personally pay the winning bidder. When she handed the check and the Disbursement Voucher to accused Balais, she reminded accused Balais to secure the signature of Paz Tawi on the Disbursement Voucher, Notice of Award (Exhibit W) and Purchase Order (Exhibit Y), and to ask Ms. Tawi to issue an official receipt.¹⁰⁴
14. She did not ask accused Balais why he needed to personally pay the winning bidder because she believed that he would never use his position to defraud the government, and that he would not take advantage of her loyalty and dedication to him.¹⁰⁵
15. She went to Cagayan de Oro with accused Balais. There, together with other councilors, they had lunch with Mr. Eduardo Ayunting, a former resident of Labason and a good friend of Mayor Balais.¹⁰⁶
16. When she returned to Labason, accused Balais handed her the Oro Cars Display Center Official Receipt No. 0820 dated January 28, 2011 (Exhibit CC) and the Disbursement Voucher. Both were to be given to Mr. Chipoco.¹⁰⁷
17. Around the first week of August, accused Balais informed her, the Municipal Accountant and the Municipal Treasurer that Ayunting would return the money representing the purchase price of the Nissan Patrol to the LGU of Labason because the contract between Vice Mayor Go and Ayunting was rescinded (Exhibit O).¹⁰⁸
18. She initially thought that the LGU transacted directly with Oro Cars Display Center, and that Mr. Ayunting had no participation in the transaction. Later, when the contract of sale was

¹⁰² Judicial Affidavit dated October 14, 2016, p. 9 (Record, Vol. 2, p. 417)

¹⁰³ Judicial Affidavit dated October 14, 2016, p. 10 (Record, Vol. 2, p. 418)

¹⁰⁴ Judicial Affidavit dated October 14, 2016, p. 11 (Record, Vol. 2, p. 419)

¹⁰⁵ *Ibid.*

¹⁰⁶ *Ibid.*

¹⁰⁷ Judicial Affidavit dated October 14, 2016, p. 12 (Record, Vol. 2, p. 420)

¹⁰⁸ *Ibid.*

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rescinded, she found out that the Deed of Sale was executed between Mr. Ayunting and accused Go, representing the LGU of Labason with respect to the 2001 Nissan Patrol.¹⁰⁹

19. On August 5, 2011, accused Balais directed her to bring to the office of Mr. Chipoco an envelope, together with a copy of the Agreement for Rescission of Contract. Mayor Balais told her that the envelope contained money in the amount of ₱960,000.00. This was confirmed when Mr. Chipoco counted the money in her presence. Mayor Balais also instructed her to tell Mr. Chipoco that the cash constituted the refund from Oro Cars Display Center and that Mr. Chipoco needed to acknowledge receipt therefor.¹¹⁰
20. Mayor Balais told her that Mr. Chipoco should issue the O.R. (Exhibit DD), with Ayunting and Oro Cars Display Center as payor.¹¹¹
21. She has seen Mayor Balais drive the subject 2001 Nissan Patrol in the municipality numerous times.¹¹²

She further testified:

1. Only the preparation of the Invitation to Apply for Eligibility and to Bid is the customary duty of the BAC Secretariat.¹¹³
2. After she prepared the Purchase Order, she assisted in processing the payment for the delivery of the Nissan Patrol because Mayor Balais ordered her to do so, to speed up the processing.¹¹⁴
3. As a member of the BAC Secretariat, she did not assist in the processing of payments, unless instructed to do so.¹¹⁵
4. Everything she had done in connection with the processing of the documents for the procurement of the Nissan Patrol was under the supervision and control of Glenda Eslabon, the Chief of the BAC Secretariat.¹¹⁶

In his Judicial Affidavit dated September 21, 2016, **Cipriano G. Andalop**, Administrative Assistant I/HRMO Designate, identified the

¹⁰⁹ Judicial Affidavit dated October 14, 2016, p. 11 (Record, Vol. 2, p. 419)

¹¹⁰ Judicial Affidavit dated October 14, 2016, pp. 12-13 (Record, Vol. 2, pp. 420-421)

¹¹¹ Judicial Affidavit dated October 14, 2016, p. 13 (Record, Vol. 2, p. 421)

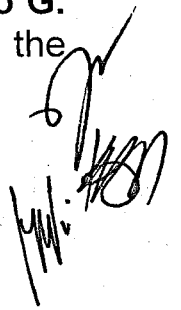
¹¹² Judicial Affidavit dated October 14, 2016, p. 12 (Record, Vol. 2, p. 420)

¹¹³ TSN, April 5, 2017, p. 8

¹¹⁴ TSN, April 5, 2017, pp. 12-13

¹¹⁵ TSN, April 5, 2017, p. 14

¹¹⁶ TSN, April 5, 2017, pp. 14-16



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Transmittal Letter dated November 9, 2015 (Exhibit SS) and the Personal Data Sheet of accused Balais (Exhibit RR). On cross-examination, he confirmed that there is nothing in his Judicial Affidavit that would show that accused Balais is the owner of the Nissan Patrol, or that Richell Balais had a transaction with Eduardo Ayunting.¹¹⁷

In his Judicial Affidavit dated August 30, 2016, **William B. Nuñez**, the owner of Catmon Car Sales, identified his Affidavit of Denial (Exhibit NN), and declared:

1. Catmon Car Sales is engaged in the business of buying and selling used and/or surplus cars. It has been in business for about fifteen (15) years.¹¹⁸
2. He executed the Affidavit of Denial because he received a subpoena from the Office of the Ombudsman, asking him to provide a list of all Nissan Patrol vehicles in his display center for the period November 2010 to February 2011, and a list of price quotations for Nissan Patrols submitted to the Municipality of Labason, Zamboanga del Norte. He was also asked to confirm if Catmon Car Sales submitted the price quotation (Exhibit R) attached to the subpoena.¹¹⁹
3. He does not have any knowledge of, or information about, said price quotation or the transaction associated therewith. Catmon Car Sales or its representatives did not provide the price quotation to the Municipality of Labason. He does not know whose signature appears on the lower portion of said price quotation.¹²⁰
4. Catmon Car Sales has never participated in any bidding conducted by the LGU of Labason, nor had it participated in any transaction involving a Nissan Patrol with the Municipality of Labason.¹²¹

On cross-examination, he testified that he has not participated in any transaction involving the sale of used cars to government agencies.¹²²

In his Judicial Affidavit dated October 14, 2016, **Elvin V. Saguin**, former owner of EVS Cars Display Center, declared:

¹¹⁷ TSN, April 6, 2017, pp. 9-10

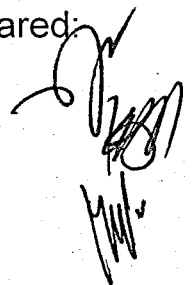
¹¹⁸ *Judicial Affidavit* dated August 30, 2016, p. 1 (Record, Vol. 2, p. 519)

¹¹⁹ *Judicial Affidavit* dated August 30, 2016, p. 2 (Record, Vol. 2, p. 520)

¹²⁰ *Ibid.*

¹²¹ *Judicial Affidavit* dated August 30, 2016, p. 3 (Record, Vol. 2, p. 521)

¹²² TSN, June 6, 2017, p. 13



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1. EVS Cars Display Center was engaged in the business of buying and selling used and/or surplus cars, and the consignment of cars.¹²³
2. Under the consignment arrangement, they allowed car owners to display their vehicles with their (EVS Cars Display Center) display center. EVS Cars Display Center was paid at least ₱10,000.00 for every displayed car sold.¹²⁴
3. EVS Cars Display Center operated only from 2007 to 2013. It stopped operating because they could no longer afford to pay the business expenses.¹²⁵
4. EVS Cars Display Center never participated in a bidding conducted by the LGU of Labason for a Nissan Patrol. It did not submit any price quotation to, or enter into any kind of contract with, the LGU of Labason.¹²⁶
5. He does not know any municipal officials from the LGU of Labason.¹²⁷

On cross-examination, he testified that he does not know the subject Nissan vehicle, and that his business was open to the general public, regardless of whether the customer was private or a local government agency.¹²⁸

In his Judicial Affidavit dated September 22, 2016, **Senen C. Bael**, Branch Manager/OIC of Banco de Oro, Dipolog-Quezon Avenue Banch, identified certain documents,¹²⁹ and declared:

1. Personal Savings Account No. 3130033658, belonging to Wilfredo Subido Balais, was opened on July 5, 2007.¹³⁰
2. The numbers "908,571.43" appearing in the Savings Account Enquiry Detail History Data represent the amount of the check deposited therein on January 31, 2011.¹³¹

¹²³ Judicial Affidavit dated October 14, 2016, p. 1 (Record, Vol. 2, p. 405)

¹²⁴ Judicial Affidavit dated October 14, 2016, p. 2 (Record, Vol. 2, p. 406)

¹²⁵ *Ibid.*

¹²⁶ *Ibid.*

¹²⁷ Judicial Affidavit dated October 14, 2016, p. 3 (Record, Vol. 2, p. 407)

¹²⁸ TSN, June 6, 2017, p. 27

¹²⁹ Exhibits GG, and II to II-4

¹³⁰ Judicial Affidavit dated September 22, 2016, p. 3 (Record, Vol. 2, p. 487)

¹³¹ Judicial Affidavit dated September 22, 2016, p. 4 (Record, Vol. 2, p. 488)

