



Republic of the Philippines
Sandiganbayan
Quezon City

FIFTH DIVISION

REPUBLIC OF THE PHILIPPINES,
Plaintiff,

Civil Case No. 0024
For: Reconveyance, Reversion,
Accounting, Damages

- versus -

PETER A. SABIDO, et al.,
Defendants.

Present:
Lagos, J., Chairperson,
Mendoza – Arcega and
Corpus - Mañalac, JJ.

Promulgated:
January 03, 2019 *Feb*

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RESOLUTION

CORPUS - MAÑALAC, J.:

Up at bench for resolution are plaintiff-intervenor Diatagon Labor Federation's (1) "*Manifestation and Motion*" filed on September 13, 2018; and (2) "*Manifestation and Submission of Documents*" filed on November 23, 2018, as well as the prosecution's *Comment* thereto filed on November 28, 2018.

The movant, Diatagon Labor Federation (DLF), prays for an order to the Presidential Commission on Good Government (PCGG) to conduct an ocular inspection and/or investigation on the information that Lianga Bay Logging Co., Inc. (LBLCI) still has properties in Diatagon, Lianga, Surigao del Sur (SDS) "*consisting of several hectares of land but were currently subdivided, distributed and/or sold by some Local Government Officials in the area.*" Furthermore, some areas allegedly are now being occupied by informal settlers. Movant DLF posits that LBLCI is under sequestration by the PCGG, thus, its assets should be preserved during the pendency of this case to protect the government's interests, and its own interests, too, as it claims to be the owner of 60% of the total assets of LBLCI. For this purpose, movant DLF through its officers, is willing to be

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appointed as caretaker of these remaining assets of LBLCI. On November 23, 2018, DLF submitted documents in support of the allegation that properties of LBLCI are being sold/disposed of by some local officials in the area, viz:

1. Photographs of the area/property known to be owned by LBLCI;
2. Acknowledgment Receipt dated April 30, 2013 signed by Merenciano M. Martizano who acknowledged receipt of P10,000.00 as partial payment of the residential lot located at St. Christine, Lianga, SDS;
3. Compromise Agreement dated September 9, 2014 between Adelina E. Miranda and Joselito G. Bahian respecting Lot and Survey Nos. 2234, Cad 980-D located at St. Christine, Lianga, SDS;
4. Notice of Application for Cancellation signed by Hernan P. Ramirez, OIC, Community Environment & Natural Resources Office (CENRO), Department of Environment and Natural Resources (DENR), bearing receipt date January 19, 2015;
5. Letter of Junar R. Arconcil to Governor Jhonny T. Pimentel with date of receipt January 18, 2016;
6. Letter of Junar R. Arconcil to the CENR Officer dated January 18, 2016;
7. Attendance Sheet of Purok St. Christine dated December 29, 2015;
8. Map of LBLCI area/property;
9. Acknowledgement Receipt dated September 1, 2015 signed by Rochel B. Raza as Vendee and Merenciano M. Martizano as Vendor in the amount of P72,000.00 as full payment of a residential lot located at St. Christine, Lianga, SDS;
10. Extrajudicial Settlement Among the Heirs of Pedro S. Martizano and Olapia M. Martizano indicating a description of portion of Lot 2147, CAD 980-D sold to Rochel B. Raza dated September 7, 2015;
11. Acknowledgement Receipt dated April 22, 2016 signed by Merenciano M. Martizano as vendor and Rochel B. Raza as vendee in the amount of P15,000.00 located at Purok-4, Barangay St. Christine, Lianga, SDS;
12. Excerpt from the Minutes of the regular Session of the Office of the Sangguniang Barangay of St. Christine, Lianga, SDS dated January 23, 2017;
13. Acknowledgement Receipt dated May 24, 2017 signed May 24, 2017 signed by Merenciano M. Martizano as vendor and Rochel B. Raza as vendee in the amount P35,000.00 as full payment of residential lot located at Purok-4, Barangay St. Christine, Lianga, SDS;
14. Letter dated May 27, 2017 from by Mamerto A. Umbania, Diatagon Labor Federation (DLF) Chairman addressed to Hon. Carlos S. Bala-an, Municipal Vice Mayor of Lianga, SDS;
15. Letter dated May 28, 2018 signed by Municipal Vice Mayor Carlos S. Bala-an addressed to Mamerto A. Umbania;
16. Letter of DLF Officers dated June 8, 2018 addressed to the Sangguniang Panlalawigan, Tandag, SDS;
17. Buhatan sa Punong Barangay dated August 23, 2018; and
18. Letter dated August 24, 2018 signed by Hon. Teresita P. Donasco, Chairman, Committee on Laws and Justice and Human Rights addressed to Mr. Mamerto A. Umbania, Mr. Manuelito A. Ravelo and Ms. Marissa T. Azarcon.

While admitting in its *Comment* that Sequestration Orders were issued by the PCGG in 1986, the plaintiff Republic of the Philippines opposes the motion on the ground that the motion does not mention the Certificate of Title and the

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exact area and location of the property involved, or if the property indeed forms part of the assets of LBLCI. It avers that given this limited information, it would be impossible for the plaintiff to consider an ocular inspection sought for in the motion.

The Ruling of the Court

Upon consideration, the Court finds sufficient legal and factual basis to grant the motion.

The Sequestration Orders both dated April 2, 1986¹ issued by the PCGG specifically named LBLCI, among others, as one of the government sequestered companies. These Orders deputized and directed several individuals named therein (Atty. Cardema, Atty. Obusan, Jr., Mr. Alsua and Atty. Magistrado, Jr.) "to ensure the continuity of the sequestered companies" and "the care and maintenance of the assets until such time that the Office of the President through the Commission on Good government should decide otherwise." The Writ of Sequestration issued by PCGG on June 3, 1986² tasked its appointed Fiscal Agent, Mr. Aristides Escosora "to preserve and safeguard, as well as prevent the removal, concealment of records and the disposition and dissipation of assets, funds and resources."

Sequestration is defined as "the process, which may be employed as a conservatory writ whenever the right of the property is involved, **to preserve, pending litigation**, specific property subject to conflicting claims of ownership or liens and privileges."³ In *BASECO vs. PCGG*,⁴ the Supreme Court held:

X x x the power of the PCGG to *sequester property* x x x means to place or cause to be placed under its possession or control said property, or any building or office wherein any such property and any records pertaining thereto may be found, including "business enterprises and entities,"-**for the purpose of preventing the destruction, concealment or dissipation of, and otherwise conserving and preserving**, the same-until it can be determined, through appropriate judicial proceedings, whether the property was in truth ill- gotten," i.e., acquired through or as a result of improper or illegal use of or the conversion of funds belonging to the Government or any of its branches, instrumentalities, enterprises, banks or financial institutions, or by taking undue advantage of official position, authority relationship, connection or influence, resulting in unjust enrichment of the ostensible owner and grave damage and prejudice to the State. And this, too, is the sense in which the term is commonly understood in other jurisdictions. [emphasis supplied]

¹ Annexed to the Motion, Record, Vol. 55, p. 454 and 456

² Id., p. 459

³ Republic vs. Saldares, G.R. No. 111174. March 9, 2000

⁴ G.R. No. 75885 May 27

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There is, therefore, a need for the plaintiff Republic of the Philippines to secure the assets of LBLCI against damage and dissipation, considering that to date, this Petition for Reconveyance remains pending. By doing so, the plaintiff would check on the veracity of the alleged unauthorized disposal of the assets instead of just sitting aback and closing its eyes to the report, given that the plaintiff is primarily responsible to know the status of the sequestered LBLCI assets in pursuance of its mandate to safeguard and preserve them. This is more so considering that the plaintiff, and the Court as well, should be informed or updated of the general status or condition of the LBLCI assets.

The alleged dearth of data on the property involved is inconsequential.

An investigation or ocular inspection is precisely requested, at the least, to determine and establish the baseline condition of the LBLCI assets. Plaintiff may not conveniently renege on such duty to do so particularly as the movant, DTL through its officers, had expressed its willingness to cooperate in the conduct of the ocular inspection and preservation of the assets.


Thusly, the conduct of an investigation on the report of the alleged unauthorized disposal of LBLCI assets is not only necessary and proper, but timely as well.

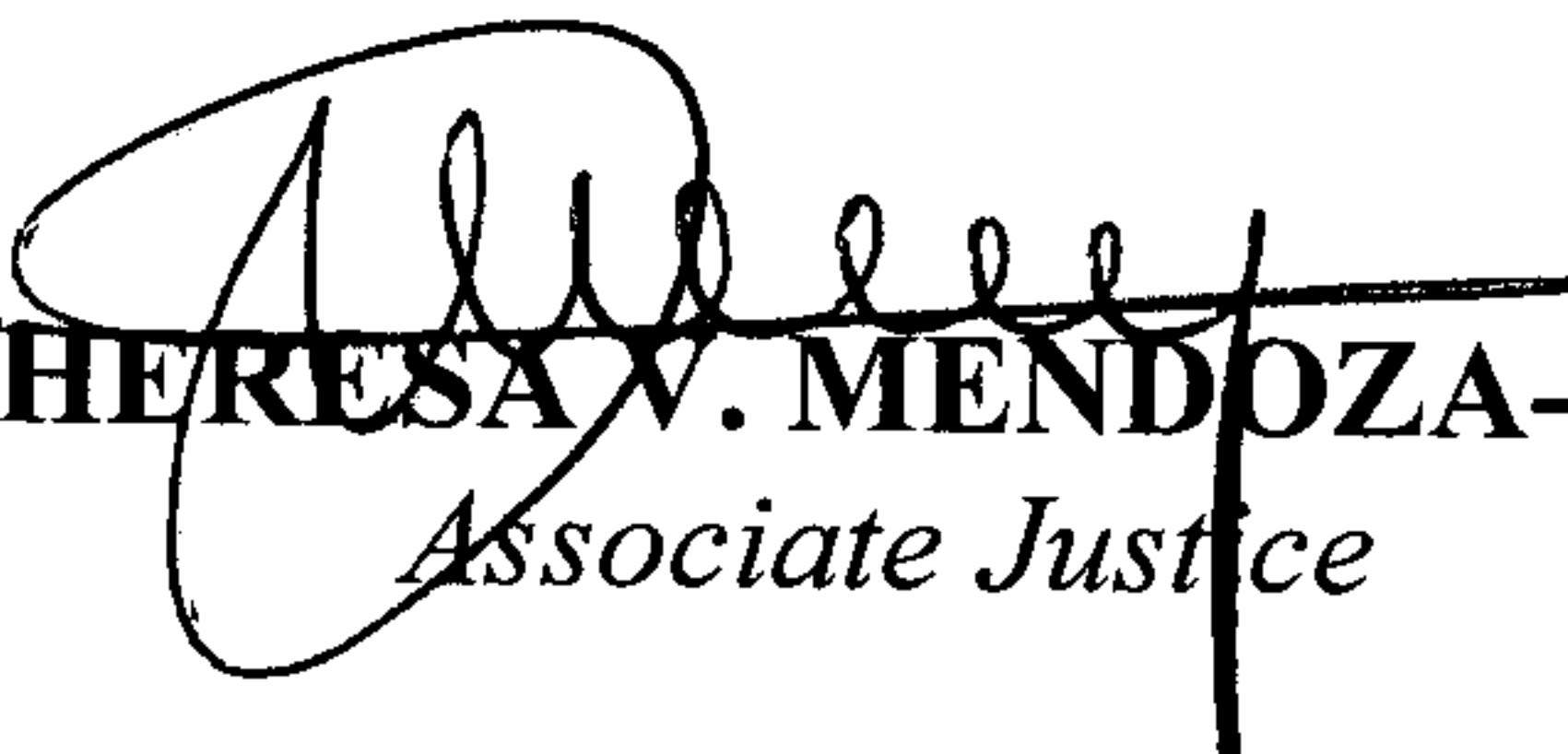
WHEREFORE, the motion is GRANTED. The plaintiff, in coordination with the movant DLF, is ordered to conduct an investigation and/or ocular inspection of the reported dissipation of named establishments located at the property of Lianga Bay located in Lianga, Surigao del Sur, immediately upon notice hereof. The plaintiff is enjoined to report any and/all findings relative thereto within thirty (30) days from the termination of the investigation or ocular inspection.

SO ORDERED.


MARYANN E. CORPUS – MAÑALAC
Associate Justice

WE CONCUR:


RAFAEL R. LAGOS
Chairperson
Associate Justice


MARIA THERESA V. MENDOZA-ARCEGA
Associate Justice