



REPUBLIC OF THE PHILIPPINES

*Sandiganbayan*

Quezon City

SIXTH DIVISION

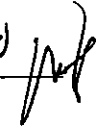
PEOPLE OF THE PHILIPPINES, **SB-18-CRM-0101**  
Plaintiff, For: Violation of Section 3(h)  
of R.A. 3019

*Present*

- versus -

ANTONIO R. FLOIRENDO, JR., **FERNANDEZ, SJ, J.,**  
Chairperson  
Accused. **MIRANDA, J. and**  
**VIVERO, J.**  
**GOMEZ-ESTOESTA,\* J.**  
**MORENO,\* J.**

*Promulgated:*

August 26, 2020 

X-----X

### DECISION

**FERNANDEZ, SJ, J.**

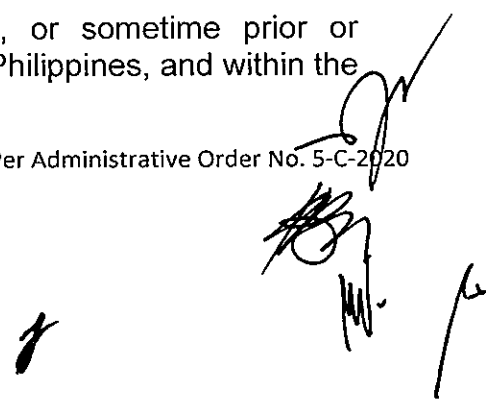
Accused Antonio R. Floirendo, Jr., then the Representative of the 2<sup>nd</sup> District of Davao del Norte, is charged with Violation of Sec. 3(h) of Republic Act No. 3019<sup>1</sup> (R.A. No. 3019) for allegedly having direct and/or indirect financial interest in the May 21, 2003 Agreement between the Bureau of Corrections (BuCor) and Tagum Agricultural Development Company, Inc. (TADECO), wherein he owned seventy-five thousand (75,000) shares of stock, during his term as the Representative of the 2<sup>nd</sup> District of Davao del Norte, despite being prohibited under Sec. 14, Art VI of the Constitution.

The accusatory portion of the Information reads:

That on or about 21 May 2003, or sometime prior or subsequent thereto, in the City of Manila, Philippines, and within the

\* Designated as Special Member of the Special Division of Five (Per Administrative Order No. 5-C-2020 dated February 26, 2020)

<sup>1</sup> Anti-Graft and Corrupt Practices Act



DECISION  
*People vs. Floirendo*  
SB-18-CRM-0101

Page 2 of 19

x -----x

jurisdiction of this Honorable Court, accused **ANTONIO DEL ROSARIO FLOIRENDO, JR.**, a high-ranking public officer, being then the Representative of the 2<sup>nd</sup> District of Davao del Norte, in such capacity, committing the crime in relation to office, did then and there willfully, unlawfully and criminally have direct and/or indirect financial interest in the 21 May 2003 Agreement between the Bureau of Corrections and Tagum Agricultural Development Company, Inc. (TADECO), in which company he then owned seventy-five thousand shares of stocks worth Seven Million and Five Hundred Thousand Pesos, and which company's (TADECO) majority stocks were in turn owned by and under the control of accused's family through Anflo Management and Investment Corporation, despite being prohibited by Article VI, Section 14 of the 1987 Constitution from having such financial interest.

CONTRARY TO LAW.

When arraigned, the accused entered his plea of "Not Guilty".<sup>2</sup>

During the Pre-trial,<sup>3</sup> the parties stipulated as follows:<sup>4</sup>

In their Joint Stipulation of Facts, the prosecution and accused Antonio R. Floirendo, Jr. stipulated on the following:

1. Accused Rep. Antonio Del Rosario Floirendo, Jr. is the same person named and charged in the Information docketed as SB-18-CRM-0101;
2. The Honorable Sandiganbayan has jurisdiction to try the above-entitled case;
3. At the time material to the allegations in the Information, accused Rep. Antonio Del Rosario, Jr. [sic] was a public officer being then a member of the Twelfth (12<sup>th</sup>) [2001 to 2004] and Thirteenth (13<sup>th</sup>) [2004-2007] Congresses of the House of Representatives (salary Grade 31)/Representative of the Second (2<sup>nd</sup>) District of Davao del Norte; and
4. On 26 September 1979, the Bureau of Corrections (BUCOR) and Tagum Agricultural Development Company, Inc. (TADECO) executed a Joint Venture Agreement.

The parties agreed that the issue to be resolved is whether or not the accused violated Sec. 3(h) of R.A. No. 3019, as amended:<sup>5</sup>

<sup>2</sup> Record, Vol. 2, pp. 39-42

<sup>3</sup> Pre-Trial Order dated September 11, 2018; Record, Vol. 3, pp. 260-273

<sup>4</sup> Pre-Trial Order dated September 11, 2018, pp. 1-2; Record, Vol. 3, pp. 260-261

<sup>5</sup> Pre-Trial Order dated September 11, 2018, p. 2; Record, Vol. 3, p. 261



DECISION

People vs. Floirendo  
SB-18-CRM-0101

Page 3 of 19

X -----X

EVIDENCE FOR THE PROSECUTION

During the hearing on September 11, 2018,<sup>6</sup> **Atty. Darwin C. Sotto**'s testimony was dispensed with after counsels for the accused agreed to admit that Atty. Sotto will be able to identify his Judicial Affidavit, his signature appearing thereon, and all attachments to said Judicial Affidavit. The parties further stipulated on the existence, genuineness and due execution of Exhibits E, F, G, H, J, O, M, W, X, Y, Z, AA, BB, CC, DD, EE, FF, GG, HH, II and JJ and their respective sub-markings, subject to the counter stipulations of facts offered by the defense, as follows:

1. That in the year 2003, accused Antonio Del Rosario Floirendo, Jr. was neither a member of the Board of Directors nor an officer of TADECO; and,
2. That the accused had stockholdings in the amount of P7,500,000.00, out of the total of P358,183,200.00, which had already been fully paid.

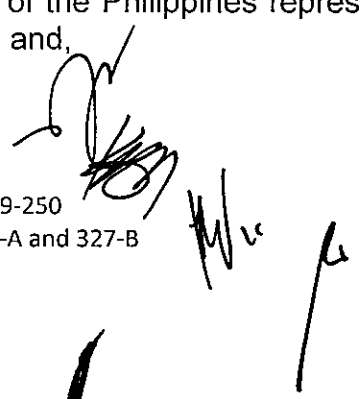
The testimony of **Jose O. Magno**, Administrative Officer V of the Planning and Management Division of the Bureau of Corrections, was dispensed with after the parties stipulated as follows:<sup>7</sup>

- (1) The authenticity, due execution and existence of:
  - (a) Joint Venture Agreement dated May 21, 2003 between the Bureau of Corrections and Tagum Agricultural Development Co., Inc.;
  - (b) Amendment to Amended (27 November 2004) Joint Venture Agreement dated July 2005;
  - (c) Contract dated July 11, 1969 between Tagum Agricultural Development Co., Inc. (TADECO) and Republic of the Philippines represented by the Bureau of Prisons;
  - (d) Amendment of Terms of Agreement dated September 1979 between Tagum Agricultural Development Co., Inc. (TADECO) and Republic of the Philippines represented by the Bureau of Prisons; and,

---

<sup>6</sup> Order dated September 11, 2018; Record, Vol. 3, pp. 249-250

<sup>7</sup> Order dated September 13, 2018; Record, Vol. 3, p. 327-A and 327-B



DECISION

People vs. Floirendo  
SB-18-CRM-0101

Page 4 of 19

x-----x

- (e) Consolidated Joint Venture Agreement between Tagum Agricultural Development Co., Inc. (TADECO) and Republic of the Philippines represented by the Bureau of Prisons notarized in 1989.
- (2) Page 3 of Exhibit LL states: "renewable for another twenty five (25) years at the option of Tagum Agricultural Development Co., Inc. (TADECO) upon the same terms and conditions, except as may be otherwise specified herein."

The testimony of **Hernel S. Gervacio** was dispensed with after the parties stipulated as follows:<sup>8</sup>

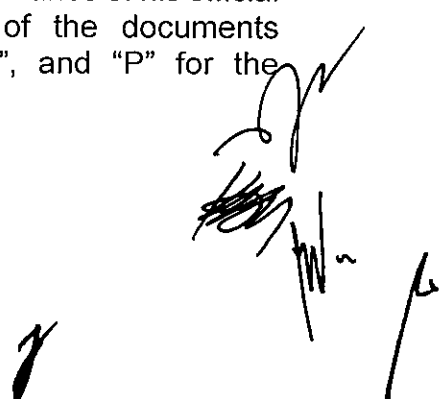
- a) Mr. Gervacio, in the performance of his functions at the Office of the Ombudsman, received an original copy of the complaint of then Speaker Pantaleon Alvarez;
- b) The complaint attached to his Judicial Affidavit dated March 13, 2017 is a faithful reproduction of the same complaint.

During the hearing on September 18, 2018,<sup>9</sup> **Arnold Joseph M. Co's** testimony was dispensed with after the parties agreed to stipulate as follows:

- 1. The identification of three documents with attachments; and
- 2. The offer of testimony/proposed stipulation of facts contained in page 2 of the Judicial Affidavit of the intended witness Dir. Arnold Joseph M. Co, from numbers 1 to 5, to wit:
  - 1. That he executed a Judicial Affidavit in connection with the present case, which shall constitute as his direct testimony;
  - 2. That he is the Acting Director IV, Officer-in-Charge, Records Management Section, Department of Justice from January 2017 up to the present, and as such, he is the custodian of all communications of the Secretary of Justice, Undersecretaries, Assistant Secretaries and other DOJ officials, and is authorized to certify documents within his custody upon the request of the proper parties or authorities;
  - 3. That in the course of the performance of his official duties, he certified copies of the documents marked as Exhibits "N", "O", and "P" for the

<sup>8</sup> *Ibid.*

<sup>9</sup> Order dated September 18, 2018; Record, Vol. 3, pp. 340-341



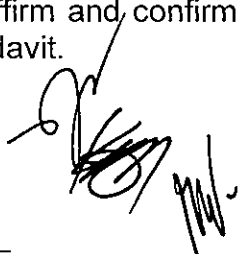
x -----x

Prosecutor as true and faithful reproduction of the duplicate originals in his custody;

4. That he can identify his Judicial Affidavit, his signature thereon, as well as the attachments thereto; and
5. That he can affirm and confirm the veracity of the contents of his Judicial Affidavit.

During the hearing on October 2, 2018,<sup>10</sup> **Atty. Gilbert U. Medrano**'s testimony was dispensed with after the parties agreed to stipulate as follows:

- 1) That he executed a judicial affidavit in connection with the present case, which shall constitute as his direct testimony;
- 2) That he is a State Solicitor II at the Office of the Solicitor General (OSG) from 2011 up to the present;
- 3) That as State Solicitor II, among his duties and responsibilities include the following: (a) draft pleadings before the Supreme Court, Court of Appeals, Court of Tax Appeals and trial courts; (b) appear before the trial courts in cases involving nullity/annulment of marriages, expropriation proceedings, and other cases under the jurisdiction of the trial cases and involving concerned client government agencies; conduct research and render legal opinion for the approval of the Solicitor General; and (d) [sic] certify documents within his custody upon the approval of the proper parties or authorities;
- 4) That in the course of the performance of his official duties, he certified a copy of the document marked as Exhibit "R" for the prosecution comprising of seven (7) pages, and the same is a true and faithful reproduction of the duplicate original in his custody;
- 5) That he can identify his judicial affidavit as well as his signature appearing on the said judicial affidavit including the authenticity of the attachment thereto which refers to the Memorandum of Solicitor General Jose C. Calida addressed to then Speaker Pantaleon D. Alvarez dated April 25, 2017 marked as R; and
- 6) That he can affirm and confirm the veracity of the contents of his judicial affidavit.



---

<sup>10</sup> Order dated October 2, 2018; Record, Vol. 3, pp. 389-A and 389-B



x -----x

During the hearing on October 9, 2018,<sup>11</sup> **Josefina M. Gonzales's** testimony was dispensed with after the parties agreed to stipulate as follows:

x x x that the witness (Josefina M. Gonzales) can identify her Judicial Affidavit and her signature appearing thereon including the Audit Observation Memorandum No. 2017-013 which is marked as Exhibit Q including the attachments thereto, namely:

- Q-1 - Name and signature of Josefina M. Gonzales found on Exhibit Q;
- Q-2 - Letter dated June 15, 2017 from Atty. Benjamin C. Delos Santos, General Director of the Bureau of Corrections for Flordeliza A. Ares, the Supervising Auditor;
- Q-3 - Letter dated April 18, 2017 of Atty. Benjamin C. Delos Santos to Ricardo V. Paras III;
- Q-4 - Letter dated May 5, 2017 of Gerardo F. Padilla to Director General of the Bureau of Corrections;
- Q-5 - Letter dated May 4, 2017 of Celso S. Bravo to Josefina M. Gonzales;
- Q-6 - Letter dated May 2, 2017 of Edgardo D. Virtudazo to Atty. Benjamin C. Delos Santos;
- Q-7 - Letter dated May 4, 2017 of Estrelina Caraos for Atty. Benjamin C. Delos Santos;
- Q-8 - Letter, dated May 4, 2017 of Rey M. Raagas to Atty. Benjamin C. Delos Santos
- Q-9 - 1<sup>st</sup> Indorsement dated May 18, 2017 of Atty. Benjamin C. Delos Santos;
- Q-10 - Letter dated June 15, 2017 of Josefina M. Gonzales to Atty. Benjamin C. Delos Santos; and
- Q-11 - Name and signature of Auditor Josefina M. Gonzales found on Exhibit Q-10

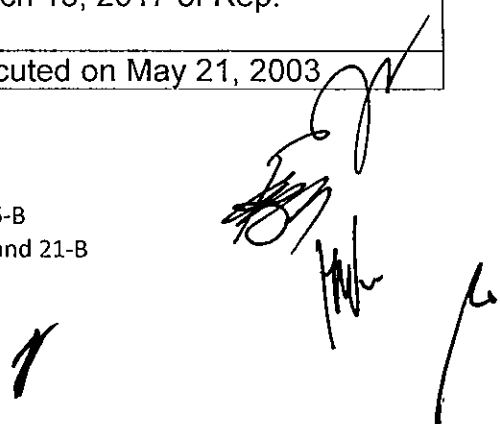
The defense further admitted the genuineness and due execution of the above enumerated documents.

The following exhibits offered by the prosecution were admitted in evidence:<sup>12</sup>

Exhibit	Document
A	Complaint-Affidavit dated March 13, 2017 of Rep. Pantaleon D. Alvarez
B	Joint Venture Agreement executed on May 21, 2003

<sup>11</sup> Order dated October 9, 2018; Record, Vol. 3, pp. 436-A and 436-B

<sup>12</sup> Resolution dated December 14, 2018; Record, Vol. 5, pp. 21-A and 21-B



DECISION

People vs. Floirendo  
SB-18-CRM-0101

Page 7 of 19

x-----x

C	Amendment to Amended (27 Nov. 2004) Joint Venture Agreement dated July 2005
E to E-4	General Information Sheet of Tagum Agricultural Development Company, Inc. for the year 2002
F to F-7	General Information Sheet of Tagum Agricultural Development Company, Inc. for the year 2003
G to G-8	General Information Sheet of Tagum Agricultural Development Company, Inc. for the year 2004
H to H-8	General Information Sheet of Tagum Agricultural Development Company, Inc. for the year 2005
J to J-8	General Information Sheet of Anflo Management & Investment Corporation for the year 2002
K to K-8	General Information Sheet of Anflo Management & Investment Corporation for the year 2003
L to L-8	General Information Sheet of Anflo Management & Investment Corporation for the year 2004
M to M-8	General Information Sheet of Anflo Management & Investment Corporation for the year 2005
N	Letter dated April 27, 2017 of Undersecretary Raymund L. Mecate
N-1	Fact Finding Investigation Report on the BuCor-TADECO JVA
O	Memorandum dated May 26, 2017 (Subject: Investigation Report on the BuCor-TADECO Joint Venture Agreement)
P	Letter dated May 29, 2017 of Secretary of Justice Vitaliano N. Aguirre II
Q	Audit Observation Memorandum No. 2017-013 dated April 25, 2017
Q-2	Letter dated June 15, 2017 of Atty. Benjamin C. De Los Santos
Q-3	Letter dated April 18, 2017 of Atty. Benjamin C. De Los Santos
Q-4	Memorandum dated May 5, 2017 of PIS Gerardo F. Padilla, MPA
Q-5	Memorandum dated May 4, 2017 of P/Supt. I Celso S. Bravo
Q-6	Letter dated May 2, 2017 of Edgardo D. Virtudazo and Maria Cielo O. Monsalud
Q-7	Memorandum dated May 4, 2017 of Esterlina M. Caraos
Q-8	Memorandum dated May 4, 2017 of Rey M. Raagas
Q-9	1 <sup>st</sup> Indorsement dated May 8, 2017 of Atty. Benjamin C. De Los Santos
Q-10	Letter dated June 15, 2017 of Josefina M. Gonzales
R	Memorandum dated April 25, 2017 of Solicitor General Jose C. Calida
V	Certification dated March 8, 2017 issued by Dir. Antonio M. Chan, Jr.
W	Certification of Corporate Filing/Information dated April 16, 2018 (Anflo Mgt. & Inv. Corp.)

1

X -----X

X	Certification of Corporate Filing/Information dated April 16, 2018 (Tagum Agricultural Dev't. Co. Inc.)
Y	Certificate of Incorporation dated December 20, 1950 of Tagum Agricultural Development Company, Inc. with attached Articles of Incorporation
Y-1	Certificate of Filing of Amended Articles of Incorporation dated October 10, 2016
Z	Certificate of Filing of Amended Articles of Incorporation dated October 3, 2014
AA to AA-24	Financial Statements of Tagum Agricultural Development Company, Inc. for the year ending December 31, 2001
BB to BB-27	Financial Statements of Tagum Agricultural Development Company, Inc. for the year ending December 31, 2002
CC to CC-21	Financial Statements of Tagum Agricultural Development Company, Inc. for the year ending December 31, 2003
DD to DD-22	Financial Statements of Tagum Agricultural Development Company, Inc. for the year ending December 31, 2004
EE to EE-39	Financial Statements of Tagum Agricultural Development Company, Inc. for the year ending December 31, 2005
FF to FF-21	Financial Statements of Anflo Management & Investment Corporation for the year ending December 31, 2001
GG to GG-40	Financial Statements of Anflo Management & Investment Corporation for the year ending December 31, 2002
HH to HH-18	Financial Statements of Anflo Management & Investment Corporation for the year ending December 31, 2003
II to II-21	Financial Statements of Anflo Management & Investment Corporation for the year ending December 31, 2004
JJ to JJ-35	Financial Statements of Anflo Management & Investment Corporation for the year ending December 31, 2005
KK	Contract executed on July 11, 1969
LL	Amendment of Terms of Agreements dated September 1979
MM	Consolidated Joint Venture Agreement

The Court denied the accused' *Motion for Leave to File Demurrer to Evidence*,<sup>13</sup> as well his *Motion for Reconsideration*.<sup>14</sup> The accused did not file his demurrer to evidence without leave of court.

EVIDENCE FOR THE DEFENSE

Accused **Antonio R. Floirendo, Jr.**<sup>15</sup> was the sole witness for the defense. In his Judicial Affidavit dated May 28, 2019, he declared:

<sup>13</sup> Resolution dated March 4, 2019; Record, Vol. 5, pp. 93-94

<sup>14</sup> Resolution dated April 10, 2019; Record, Vol. 5, pp. 155-A and 155-B

<sup>15</sup> TSNs, June 3, 2019 and June 17, 2019; *Judicial Affidavit of Antonio R. Floirendo, Jr.* dated May 28, 2019 (Record, Vol. 5, pp. 179-186)

1

6



DECISION

People vs. Floirendo  
SB-18-CRM-0101

Page 9 of 19

x -----x

1. He is not an incorporator of Tagum Agricultural Development Company (TADECO). It was incorporated on December 20, 1950, before he was born.<sup>16</sup>
2. He read the Joint Venture Agreement (JVA) between TADECO and the Bureau of Corrections (BuCor) dated May 21, 2003 (Exhibit 18) only after the Complaint was filed. He has not read the JVA between the same parties dated September 26, 1979.<sup>17</sup>
3. He owns about 0.89% of the total outstanding shares of stock of TADECO (Exhibit 21). He acquired said shares on various dates from 1977 to 1996.<sup>18</sup>
4. He had no involvement in the negotiation and execution of the 2003 JVA.<sup>19</sup>
5. He was neither a director nor an officer of TADECO. He never attended any board or business meeting in relation to the JVAs. His father, Antonio O. Floirendo, Sr., ran the company practically by himself until 2012. His mother and his siblings also had no participation in running TADECO. Even after his father passed away, he did not participate in running the affairs of the company.<sup>20</sup>
6. The House of Representatives had no participation in the review or approval of the 2003 JVA.<sup>21</sup>

He further testified:

1. His shareholdings of 75,000 shares in TADECO were gifts from his father.<sup>22</sup>
2. He was already a shareholder of TADECO when he assumed office as the Representative of the 2<sup>nd</sup> District of Davao del Norte in 2001.<sup>23</sup>
3. From 2002 to 2005, he owned 537,950 shares of ANFLOCOR, which constitute around 9.7% of the total capital stock of said corporation.<sup>24</sup>

---

<sup>16</sup> Judicial Affidavit of Antonio R. Floirendo, Jr. dated May 28, 2019, p. 3 (Record, Vol. 5, p. 181)

<sup>17</sup> Judicial Affidavit of Antonio R. Floirendo, Jr. dated May 28, 2019, p. 4 (Record, Vol. 5, p. 182)

<sup>18</sup> *Ibid.*

<sup>19</sup> *Ibid.*

<sup>20</sup> Judicial Affidavit of Antonio R. Floirendo, Jr. dated May 28, 2019, p. 5 (Record, Vol. 5, p. 183)

<sup>21</sup> Judicial Affidavit of Antonio R. Floirendo, Jr. dated May 28, 2019, p. 7 (Record, Vol. 5, p. 185)

<sup>22</sup> TSN, June 3, 2019, p. 19

<sup>23</sup> TSN, June 3, 2019, p. 20

<sup>24</sup> TSN, June 3, 2019, p. 22

DECISION  
*People vs. Floirendo*  
SB-18-CRM-0101

Page 10 of 19

x-----x

4. His father performed all the actions necessary for his (the accused) acquisition of the shares in ANFLOCOR.<sup>25</sup>
5. ANFLOCOR is a family corporation owned by the Floirendos.<sup>26</sup>
6. His father asked him to sign commercial documents.<sup>27</sup>
7. He knows that TADECO did not apply for, does not have, or does not require, a license or franchise from Congress because he reviewed the Joint Venture Agreement when a case was filed against him with regard to the 2003 Joint Venture.<sup>28</sup>
8. ANFLOCOR was solely owned by his father, who just asked them to sign documents.<sup>29</sup>
9. As stock corporations, TADECO and ANFLOCOR were created primarily to earn profit.<sup>30</sup>
10. When TADECO entered into the 2003 JVA with BuCor, its intent was to expand its business and to earn profit.<sup>31</sup>
11. When TADECO earns profit from its transaction with BuCor, the stockholders ultimately earn through dividends.<sup>32</sup>
12. The two corporations are now being run by the Board of Directors under his siblings.<sup>33</sup>
13. He is a member of the Board of ANFLOCOR, but not of TADECO.<sup>34</sup>
14. He ceased to be a member of the Board of TADECO when he ran for Congress in 1998.<sup>35</sup>

The following exhibits offered by the defense were admitted in evidence:<sup>36</sup>

  
\_\_\_\_\_  
<sup>25</sup> *Ibid.*

<sup>26</sup> TSN, June 3, 2019, p. 24

<sup>27</sup> TSN, June 17, 2019, p. 6

<sup>28</sup> TSN, June 17, 2019, pp. 7-8

<sup>29</sup> TSN, June 17, 2019, p. 9

<sup>30</sup> *Ibid.*

<sup>31</sup> TSN, June 17, 2019, p. 11


<sup>32</sup> *Ibid.*

<sup>33</sup> *Ibid.*

<sup>34</sup> TSN, June 17, 2019, pp. 11-12

<sup>35</sup> TSN, June 17, 2019, p. 13

<sup>36</sup> Resolution dated August 20, 2019; Record, Vol. 5, p. 339



X -----X

Exhibit	Document
1	Courter-Affidavit dated May 10, 2017 of Antonio R. Floirendo, Jr.
2	Office of the Ombudsman's Resolution dated September 4, 2017 in OMB-C-C-17-0148
4	Contract executed on May 16, 1956
5	Supplementary Agreement executed on June 2, 1956
6	Supplementary Contract executed on May 16, 1957
7	Contract executed on May 2, 1961
8	Contract executed on July 11, 1969
10	Agreed Implementing Arrangements dated July 10, 1973
11	Amendment to the Amended Contract Dated December 26, 1969 dated February 7, 1975
12	Supplemental Contract executed in March 1975
13	Addendum to Contracts executed in July 1978
14	Addendum to Contracts
15	Amendment of Terms of Agreements executed on September 26, 1979
16	Consolidated Joint Venture Agreement
17	Addendum to the Consolidated Joint Venture Agreement entered into in 1995
18	Joint Venture Agreement executed on May 21, 2003
19	Amendment to Joint Venture Agreement dated November 27, 2004

The parties filed their respective memoranda on September 23, 2019.<sup>37</sup>

### THE FINDINGS OF FACT

On May 21, 2003, the Bureau of Corrections (BuCor) and Tagum Agricultural Development Co., Inc. (TADECO), a corporation engaged in the production and exportation of bananas,<sup>38</sup> executed the Joint Venture Agreement<sup>39</sup> (2003 JVA) to renew the previous agreement(s) between said parties. The 2003 JVA was a continuation of the Contract between TADECO and the Bureau of Prisons,<sup>40</sup> executed as early as 1956,<sup>41</sup> involving the decortication of abaca, and which had

<sup>37</sup> Memorandum for the Accused dated September 23, 2019 (Record, Vol. 5, pp. 343-355); Memorandum for the Plaintiff dated September 23, 2019 (Record, Vol. 5, pp. 358-390)

<sup>38</sup> Exhibits AA-7, BB-7, CC-7, DD-7 and EE-9

<sup>39</sup> Exhibits B/18

<sup>40</sup> The predecessor of the Bureau of Corrections (Please see E.O. No. 292, Book IV, Title III, Chapter 8, Sec. 26)

<sup>41</sup> Exhibit 4

Handwritten signatures and marks, including a large signature and a checkmark-like mark.

DECISION

People vs. Floirendo  
SB-18-CRM-0101

Page 12 of 19

x -----x

been amended, supplemented and renewed several times since its execution.<sup>42</sup>

Under the 2003 JVA, BuCor allowed TADECO to utilize specific areas within the Davao Prison and Penal Farm to develop said areas into a banana plantation, and to utilize as laborers inmates whom the BuCor may recommend.<sup>43</sup> In return, BuCor would receive a guaranteed annual production share, and a share in TADECO's profits based on the annual export volume.<sup>44</sup>

At the time of the execution of the 2003 JVA, accused Antonio R. Floirendo, Jr., a Member of the House of Representatives from 2001 to 2004,<sup>45</sup> owned 75,000 shares of common stock in TADECO,<sup>46</sup> and 537,950 shares of common stock in ANFLOCOR,<sup>47</sup> a corporation owned by the Floirendos,<sup>48</sup> engaged in investing in and managing the operations of the Anflo Group of Companies,<sup>49</sup> including TADECO, wherein it (ANFLOCOR) owned 56% of the shares of stock.<sup>50</sup> The accused acquired said shares from 1977 to 1996, prior to being elected as a Member of the House of Representatives.<sup>51</sup>

On March 13, 2017, Rep. Pantaleon D. Alvarez, then Speaker of the House of Representatives, filed a Complaint-Affidavit dated March 13, 2017, against the accused.<sup>52</sup> This led to the filing of the Information in the present case.

DISCUSSION

Sec. 3(h) 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,

<sup>42</sup> Exhibits 5, 6, 7, 8/KK, 10, 11, 12, 13, 14, 15/LL, 16/MM (Consolidated Joint Venture Agreement executed in 1989, signed by the accused, then Executive Vice-President of TADECO), 17

<sup>43</sup> Exhibit B, p. 2

<sup>44</sup> Exhibit B, pp. 3-4

<sup>45</sup> Pre-Trial Order dated September 11, 2018, p. 1; Record, Vol. 3, p. 260

<sup>46</sup> Exhibits E-2, F-2, G-4 and H-4

<sup>47</sup> Exhibits J-3, K-5, L-4 and M-4

<sup>48</sup> TSN, June 3, 2019, p. 24

<sup>49</sup> Exhibits FF-6, GG-7, HH-7, II-7 and JJ-7

<sup>50</sup> Exhibits AA-7-a, BB-7-a, CC-7-a, DD-7-a and EE-9-a

<sup>51</sup> *Judicial Affidavit of Antonio R. Floirendo, Jr.* dated May 28, 2019, p. 4 (Record, Vol. 5, p. 182)

<sup>52</sup> Exhibit A

DECISION

People vs. Floirendo  
SB-18-CRM-0101

Page 13 of 19

x -----x

the following shall constitute corrupt practices of any public officer and are hereby declared to be unlawful:

x x x

(h) Directly or indirectly having financial or pecuniary interest in any business, contract or transaction in connection with which he intervenes or takes part in his official capacity, or in which he is prohibited by the Constitution or by any law from having any interest.

In *Domingo v. Sandiganbayan*,<sup>53</sup> the Supreme Court held that the essential elements of the offense, and the modes by which it is committed are as follows:

The essential elements of the violation of said provision are as follows: 1) The accused is a public officer; 2) he has a direct or indirect financial or pecuniary interest in any business, contract or transaction; 3) he either: a) intervenes or takes part in his official capacity in connection with such interest, or b) is prohibited from having such interest by the Constitution or by law.

In other words, there are two modes by which a public officer who has a direct or indirect financial or pecuniary interest in any business, contract, or transaction may violate Section 3(h) of R.A. 3019. The first mode is when the public officer intervenes or takes part in his official capacity in connection with his financial or pecuniary interest in any business, contract or transaction. The second mode is when he is prohibited from having such an interest by the Constitution or by law.

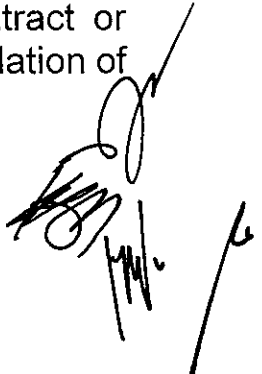
*First element*

The first element of Violation of Sec. 3(h) of R.A. No. 3019 is present. During the pre-trial, the parties stipulated that the accused was a public officer during the time material to the present case, being then a Member of the House of Representatives, representing the 2<sup>nd</sup> District of Davao del Norte.

*Second and third elements*

The second element is present if the accused has a direct or indirect financial or pecuniary interest in any business, contract or transaction. On the other hand, under the second mode of Violation of

<sup>53</sup> G.R. Nos. 149175 and 149406, October 25, 2005

1 

DECISION

People vs. Floirendo  
SB-18-CRM-0101

Page 14 of 19

x-----x

Sec. 3(h) of R.A. No. 3019, the third element is present if the accused is prohibited from having such interest by the Constitution or by law.

The accused is charged with committing Violation of Sec. 3(h) of R.A. No. 3019 under the second mode, in particular, by having direct or indirect financial interest in the 2003 JVA, such interest being prohibited under Sec. 14, Art. VI of the Constitution.

Sec. 14, Art. VI of the Constitution prohibits Members of the House of Representatives from having direct or indirect financial interest in contracts with the Government, any of its subdivisions, agencies or instrumentalities. The provision reads:

**Sec. 14.** No Senator or Member of the House of Representatives may personally appear as counsel before any court of justice or before the Electoral Tribunals, or quasi-judicial and other administrative bodies. Neither shall he, directly or indirectly, be interested financially in any contract with, or in any franchise or special privilege granted by the Government, or any subdivision, agency, or instrumentality thereof, including any government-owned or controlled corporation, or its subsidiary, during his term of office. He shall not intervene in any matter before any office of the Government for his pecuniary benefit or where he may be called upon to act on account of his office.

(underscoring supplied)

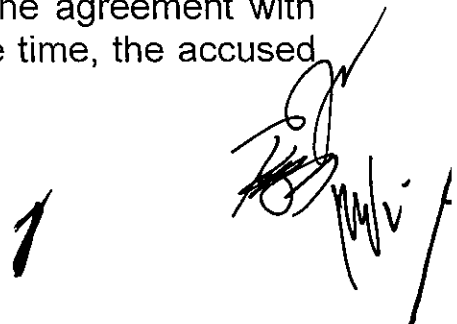
As gleaned from the second sentence of the aforementioned provision, the general rule is that Members of the House of Representatives are not prohibited from having direct or indirect financial interests *per se*. They are, however, specifically prohibited from having direct or indirect financial interest in any contract with, or in any franchise or special privilege granted by the Government, or any subdivision, agency, or instrumentality thereof, during the Representative's term of office.

Here, the prosecution proved that the accused had indirect financial interest in the 2003 JVA during his term of office as the Representative of 2<sup>nd</sup> District of Davao del Norte.

As shown by the 2003 JVA's provisions on production and profit sharing,<sup>54</sup> TADECO and the BuCor entered into the agreement with the objective of obtaining profits therefrom. At the time, the accused

---

<sup>54</sup> Exhibit B, pp. 3-4

A handwritten signature in black ink is located in the bottom right corner of the page. The signature is stylized and appears to be 'M. Floirendo'. Below the signature, there is a large, bold, handwritten number '1'.

DECISION

People vs. Floirendo  
SB-18-CRM-0101

Page 15 of 19

x-----x

owned 75,000 shares in TADECO and 537,950 shares in ANFLOCOR, which owned around 56% of TADECO. Because TADECO and ANFLOCOR have personalities separate from that of the accused, the accused' pecuniary or financial interest in the 2003 JVA is indirect.

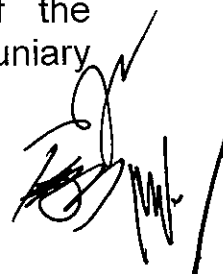
The accused never denied that he had indirect financial interest in said 2003 JVA. He merely insists that such interest does not fall within the prohibition under Sec. 14, Art. VI of the Constitution. He contends:

1. He never intervened in the negotiation and the execution of the 2003 JVA.
2. Sec. 14 prohibits having such financial interest after one has been elected as a Member of the House of Representatives. He already held the shares in TADECO even before he was elected to the position. Under R.A. No. 6713, he is required to divest himself of his shareholdings only if a conflict of interest has arisen.
3. His holdings in TADECO are insubstantial, amounting to only 0.89% of the total number of shares in TADECO.

These contentions are untenable.

First, the prohibitions specifically applying to Senators or Members of the House of Representatives under Sec. 14, Art. VI of the Constitution are as follows:

1. Personally appearing as counsel before any court of justice or before the Electoral Tribunals, or quasi-judicial and other administrative bodies;
2. Directly or indirectly being interested financially in any contract with, or in any franchise or special privilege granted by the Government, or any subdivision, agency, or instrumentality thereof, including any government-owned or controlled corporation, or its subsidiary, during the Senator or Representative's term of office; and,
3. Intervening in any matter before any office of the Government for the Senator or Representative's pecuniary



DECISION

People vs. Floirendo  
SB-18-CRM-0101

Page 16 of 19

x -----x

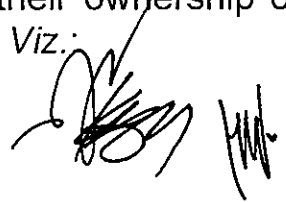
benefit or where the Senator or Representative may be called upon to act on account of his or her office.

The fact that the accused did not have any participation in the negotiation and/or execution of the 2003 JVA is of no moment. Under the second sentence of the Sec. 14, merely being directly or indirectly interested financially in a contract with the Government or any subdivision, agency, or instrumentality thereof, during the Representative's term of office, is prohibited. Actual intervention, although undoubtedly prohibited under the third sentence of the same provision, is not required under the second sentence.

Next, the accused contends that he is not required to divest himself of his shareholdings because he acquired the shares even before he was elected as a Member of the House of Representatives, and because no conflict of interest existed at the time of the execution of the 2003 JVA. This Court does not agree.

Verily, under Sec. 9<sup>55</sup> of R.A. No. 6713, a public official or employee is required to divest himself or herself of his or her shareholdings within sixty (60) days from assumption of office when a conflict of interest arises. But this is not the only situation where a public officer is required to make a divestment of shareholdings.

In *Teves v. Sandiganbayan*,<sup>56</sup> therein accused owned a cockpit since 1983, prior to the effectivity of Republic Act No. 7160 (R.A. No. 7160),<sup>57</sup> which prohibited local officials from having pecuniary interest in cockpits. However, he did not divest himself of the ownership of said cockpit upon the effectivity of said law. The Supreme Court held that the prosecution proved that the accused possessed prohibited interest, and that therein accused public official, as well as his wife, a private individual, should have divested themselves of their ownership over the cockpit upon the effectivity of R.A. No. 7160. *Viz.:*



<sup>55</sup> Sec. 9. *Divestment.* – A public official or employee shall avoid conflicts of interest at all times. When a conflict of interest arises, he shall resign from his position in any private enterprise within thirty (30) days from his assumption of office and/or divest himself of his shareholdings or interest within sixty (60) days from such assumption.

The same rule shall apply where the public official or employee is a partner in a partnership.

The requirement of divestment shall not apply to those who serve the Government in an honorary capacity nor to laborers and casual or temporary workers.

<sup>56</sup> G.R. No. 154182, December 17, 2004

<sup>57</sup> Local Government Code of 1991





DECISION

People vs. Floirendo  
SB-18-CRM-0101

Page 17 of 19

x -----x

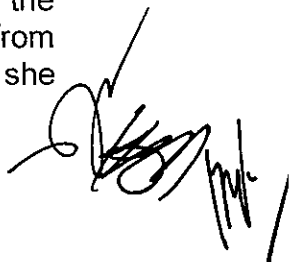
However, the evidence for the prosecution has established that petitioner Edgar Teves, then mayor of Valencia, Negros Oriental, owned the cockpit in question. In his sworn application for registration of cockpit filed on 26 September 1983 with the Philippine Gamefowl Commission, Cubao, Quezon City, as well as in his renewal application dated 6 January 1989 he stated that he is the owner and manager of the said cockpit. Absent any evidence that he divested himself of his ownership over the cockpit, his ownership thereof is rightly to be presumed because a thing once proved to exist continues as long as is usual with things of that nature. His affidavit dated 27 September 1990 declaring that effective January 1990 he "turned over the management of the cockpit to Mrs. Teresita Z. Teves for the reason that [he] could no longer devote a full time as manager of the said entity due to other work pressure" is not sufficient proof that he divested himself of his ownership over the cockpit. Only the management of the cockpit was transferred to Teresita Teves effective January 1990. Being the owner of the cockpit, his interest over it was direct.

Even if the ownership of petitioner Edgar Teves over the cockpit were transferred to his wife, still he would have a direct interest thereon because, as correctly held by respondent Sandiganbayan, they remained married to each other from 1983 up to 1992, and as such their property relation can be presumed to be that of conjugal partnership of gains in the absence of evidence to the contrary. Article 160 of the Civil Code provides that all property of the marriage is presumed to belong to the conjugal partnership unless it be proved that it pertains exclusively to the husband or to the wife. And Section 143 of the Civil Code declares all the property of the conjugal partnership of gains to be owned in common by the husband and wife. Hence, his interest in the Valencia Cockpit is direct and is, therefore, prohibited under Section 89(2) of the LGC of 1991, which reads:

x x x

As early as 1983, Edgar Teves was already the owner of the Valencia Cockpit. Since then until 31 December 1991, possession by a local official of pecuniary interest in a cockpit was not yet prohibited. It was before the effectivity of the LGC of 1991, or on January 1990, that he transferred the management of the cockpit to his wife Teresita. In accordance therewith it was Teresita who thereafter applied for the renewal of the cockpit registration. x x x

The acts of petitioner Teresita Teves can hardly pass as acts in furtherance of a conspiracy to commit the violation of the Anti-Graft Law that would render her equally liable as her husband. If ever she did those acts, it was because she herself was an owner of the cockpit. Not being a public official, she was not prohibited from holding an interest in cockpit. Prudence, however, dictates that she

1 

DECISION

People vs. Floirendo  
SB-18-CRM-0101

Page 18 of 19

x -----x

too should have divested herself of her ownership over the cockpit upon the effectivity of the LGC of 1991; otherwise, as stated earlier, considering her property relation with her husband, her ownership would result in vesting direct prohibited interest upon her husband.

Clearly, there is a need for a public officer to make a divestment of shareholdings, or any pecuniary or financial interest, once the possession of such pecuniary or financial interest becomes prohibited, regardless of whether or not a situation of conflict of interest has arisen.

Here, the accused should have divested himself of his shares in TADECO and ANFLOCOR, which owns 56% of TADECO's shares of stock, upon the execution of the 2003 JVA because the accused' holding of shares in said corporations was prohibited under Sec. 14, Art. VI of the Constitution.

Finally, the accused' contention that the prohibitions under Sec. 14, Art. VI of the Constitution and Sec. 3(h) of R.A. No. 3019 apply only to those with substantial shareholdings also fails. There is nothing in Sec. 14 and Sec. 3(h) that would suggest that the prohibitions therein apply only to substantial shareholdings.

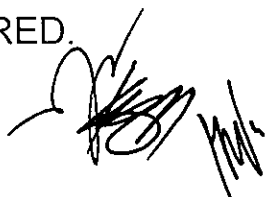
In fine, the accused' indirect pecuniary or financial interest in the 2003 JVA falls within the prohibition under Sec. 14, Art. VI of the Constitution. Considering the foregoing, this Court finds that the second and third elements of Violation of Sec. 3(h) of R.A. No. 3019 are present.

CONCLUSION

The prosecution proved beyond reasonable doubt all the elements of Violation of Sec. 3(h) of R.A. No. 3019.

**WHEREFORE**, accused ANTONIO R. FLOIRENDO, JR. is found GUILTY beyond reasonable doubt of violation of Sec. 3(h) of R.A. No. 3019, and is accordingly sentenced to suffer the indeterminate penalty of imprisonment of six (6) years and one (1) month, as minimum, to eight (8) years, as maximum, with perpetual disqualification from holding public office.

SO ORDERED.

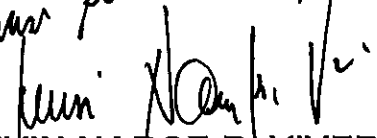



x-----x

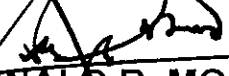
  
**SARAH JANE T. FERNANDEZ**  
Associate Justice  
Chairperson

**We Concur:**

  
**KARL B. MIRANDA**  
Associate Justice  
*With separate concurring opinion.*

*Please see dissenting opinion.*  
  
**KEVIN NARCE B. VIVERO**  
Associate Justice

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

  
**RONALD B. MORENO**  
Associate Justice

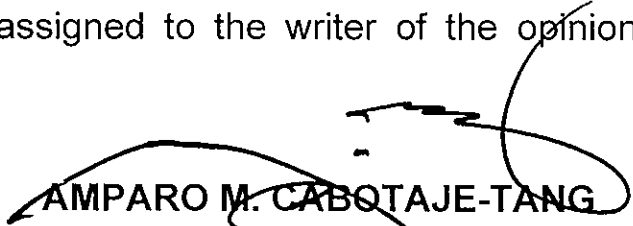
**ATTESTATION**

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. CABOTAJE-TANG**  
Presiding Justice

**SEPARATE CONCURRING OPINION**

**MIRANDA, J.:**

I respectfully concur with the Decision finding accused Antonio R. Floirendo, Jr. guilty beyond reasonable doubt of violation of Section 3(h) of Republic Act (R.A.) No. 3019.

Section 3(h) of R.A. No. 3019, in relation to Section 14, Article VI of the Constitution, provides that a member of the House of Representatives, shall not be directly or indirectly interested financially in any contract, franchise or special privilege granted by the Government, or any subdivision, agency, instrumentality, government-owned or controlled corporation, or its subsidiary during his term of office.

In the Pre-trial Order dated September 11, 2018,<sup>1</sup> accused Floirendo admitted that he was the Representative of the Second District of Davao del Norte during the 12<sup>th</sup> and 13<sup>th</sup> Congresses of the House of Representative from 2001 to 2007. However, the Certification dated March 8, 2017 of Antonio M. Chan, Jr., OIC Executive Director, Administrative Bureau, House of Representatives, stated that accused Floirendo was also a member of the 11<sup>th</sup> Congress which was from 1998 to 2001.<sup>2</sup> The Court admitted Exhibit "V" without any objection from accused Floirendo.<sup>3</sup>

Accused Floirendo owned about 0.89% of the outstanding shares of stock of TADECO which he acquired from 1977 to 1996.<sup>4</sup> Considering that accused Floirendo was already a member of the House of Representatives in 1998, he should have divested his shares of stock in TADECO in 1998 and not in 2001.

Respectfully submitted.

  
**KARL B. MIRANDA**  
Associate Justice

---

<sup>1</sup> Records, vol. 3, pp. 260-273.

<sup>2</sup> Exhibit "V".

<sup>3</sup> Minutes of the Proceedings dated December 14, 2018, Records, vol. 5, pp. 21A-21B.

<sup>4</sup> Judicial Affidavit dated May 28, 2019, p. 4 (Records, vol. 5, p. 182).

**Dissenting Opinion**


VIVERO, J.,

Accused Antonio R. Floirendo, Jr., stands charged in this case with violation of Section 3(h) of R.A. 3019, in relation to Section 14, Article VI of the Constitution which proscribes, among other things, any Member of the House of Representatives from ***“[D]irectly or indirectly being interested financially in any contract with, or in any franchise or special privilege granted by the government, or any subdivision, agency, or instrumentality thereof, including any government-owned or controlled corporation, or its subsidiary, during his term of office”***.

The basic facts of this case are undisputed and, thus, for purposes of this Dissenting Opinion, I hereby adopt the narration of facts set forth in the Majority Opinion, as it appears to accurately and faithfully depict the factual antecedents of this case. It is on the conclusion drawn by the majority from those basic and undisputed facts that I beg to differ and, therefore, respectfully dissent therefrom.

In particular, the accused is charged for allegedly having an indirect financial interest in the 2003 Joint Venture Agreement (JVA) between BUCOR and TADECO during his term as Representative of the Second District of Davao del Norte considering that it was shown by evidence that he owned 75,000 shares in TADECO worth Php7,500,000.00, and that the majority stocks of the aforementioned TADECO were owned by his family through ANFLO Management and Investment Corporation.

By simple mathematical computation, the 75,000 shareholdings of the accused in TADECO accounts only to a minuscule .89% of its total outstanding stock or equity. I do not believe that such insubstantial “interest” of the accused in TADECO ought to be placed within the ambit of prohibition spelled out in Article VI, Section 14 of the 1987 Constitution. It is my humble submission that considering the very insubstantial interest of accused Antonio R. Floirendo in TADECO, and there being no evidence that he exerted influence, or in any way intervened to ensure the approval of the JVA between TADECO and BUCOR, he should be acquitted of the charges levelled against him.

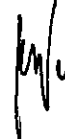


In the case of the shareholdings of accused Antonio R. Floirendo, Jr., in ANFLOCOR, I believe that his interest therein is too far removed from the subject transaction, he being a mere shareholder in ANFLOCOR, which, in turn, happens to own share in TADECO, the Joint Venture Partner of the BUCOR since 1956, which contractual relations had seen continuous renewals, and amendments long before the accused became a stockholder of both TADECO and ANFLOCOR.

There is no gainsaying that one of the avowed reason for the inclusion of Section 14, of Articles VI in the Constitution, and the passage of Section 3(h) Of R.A. 3019 is to "maintain the highest standard of morality and propriety in government service", on the one hand, and to guard against the use of influence by the members of Congress given their position of power, on the other. To my mind, the supposed "indirect financial interest" of accused Floirendo for which he is now being prosecuted can hardly be considered as inconsistent with, or in violation of, the above-stated purpose sought to be subserved by Section 14, Article VI of the Constitution, and Section 3(h) of R.A. 3019, nor may it be reasonably said that it gave occasion to the above-mentioned evil they seek to avoid. Apart from the fact that he owns only an insubstantial amount of shares in both TADECO and ANFLOCOR, it is undisputed that he acquired such shareholdings only by accident of birth. Accused Floirendo testified that TADECO, and for that matter even ANFLOCOR were founded by his father and namesake Antonio O. Floirendo, Sr. who had full and exclusive control of their operation and management until he died. That he and his siblings became shareholders of the aforementioned two (2) companies only because Don Antonio Floirendo, Sr., willed it and not because they paid for them or otherwise contributed to the coffers of the company. Accused Antonio R. Floirendo, Jr., further testified that during the period relevant to this case, he was never part of management of TADECO, nor was he member of its board nor did he ever participate in any meetings in connection with its JVA with the BUCOR. All the foregoing are equally true insofar as accused Floirendo's supposed interest in ANFLOCOR is concerned.

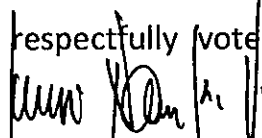
Significantly, the 2003 JVA in question was merely a renewal of previous agreements between TADECO and the BUCOR which was first entered into in 1956. Since then the said agreement was continuously renewed until the contract of 2003 in question.

All the foregoing would clearly show that there is absolutely no evidence that would suggest, much less prove, that a conflict of interest exist in this case,



nor any indication whatsoever, that accused Antonio R. Floirendo, Jr., exerted influence to consummate the JVA in question.

WHEREFORE, premises considered, I respectfully vote to acquit the accused.

  
KEVIN NARCE B. VIVERO  
Associate Justice