



Republic of the Philippines
SANDIGANBAYAN
Quezon City

SIXTH DIVISION

PEOPLE OF THE
PHILIPPINES,

Plaintiff,

SB-17-CRM-1764¹

For: Violation of Section 3 (e) of
Republic Act (R.A.) No. 3019

-versus-

ENRICO R. ECHIVERRI,
EDNA V. CENTENO and
JESUSA C. GARCIA

Accused,

X-----X

PEOPLE OF THE
PHILIPPINES,

Plaintiff,

SB-17-CRM-1765

For: Falsification of Public
Documents under Article 171 (4) of
the Revised Penal Code (R.P.C.)

-versus-

EDNA V. CENTENO and
JESUSA C. GARCIA

Accused,

PRESENT:

FERNANDEZ, SJ, *J. Chairperson*
MIRANDA, &
VIVERO, JJ.

Promulgated:

August 11, 2022 *mf*

¹ On July 17, 2019, the Court granted the Demurrer to Evidence filed by the Defense and dismissed the case for Violation of Section 3 (e) of R.A. No. 3019 filed against Enrico R. Echiverri, Edna V. Centeno and Jesusa C. Garcia, Resolution dated July 17, 2019, pp. 480-512, Voi. 4, Records.

[Handwritten signatures]

DECISION

MIRANDA, J.:

Accused **EDNA V. CENTENO** (Centeno) and **JESUSA C. GARCIA** (Garcia) were charged with **Falsification of Public Documents** under Article 171 (4) of the R.P.C., per Information dated July 17, 2017, as follows:

That from October 20, 2011 or sometime prior to or subsequent thereto, in the City of Caloocan, Philippines, and within the Honorable Court's jurisdiction, City Accountant EDNA V. CENTENO and City Budget Officer JESUSA CRUZ GARCIA, both high-ranking public officers of the local government of Caloocan City, committing the offense in relation to office and while in the performance of their administrative and/or official functions, and taking advantage of their positions, conspiring with each other, did then and there willfully, unlawfully and feloniously make false statements in a narration of facts, the truth of which they are legally bound to disclose, by respectively certifying in the Allotment and Obligation Slip (ALOPS) No. 100-11-10-5649 dated October 20, 2011 as to the existence of appropriation and the obligation of allotment in the amount of FIVE MILLION FOUR HUNDRED THIRTY THOUSAND TWO HUNDRED PESOS (Php5,430,200.00), more or less, for the project Proposed Multi-Purpose Hall at Urduja, Barangay 172, Caloocan City when, in truth and in fact, there was neither a specific nor itemized appropriation for said project in said amount nor a prior approval or authorization from the Sangguniang Panlungsod, to the damage and prejudice of the government.

CONTRARY TO LAW.

On October 2, 2017, the Court found probable cause against accused Centeno and Garcia², and issued a warrant of arrest and hold departure order against them.³



² Minutes of the Proceedings dated October 2, 2017, p. 166, Vol. 1, Records.

³ Minutes of the Proceedings dated October 2, 2017, p. 165, Vol. 1, Records.




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On October 6, 2017, accused Centeno and Garcia posted a reduced cash bail bond for their provisional liberty.⁴

On November 3, 2017, accused Centeno and Garcia sought the quashal of the Information on the ground that the facts alleged therein do not constitute an offense.⁵ It was denied by the Court on December 4, 2017.⁶

On January 26, 2018, accused Centeno and Garcia were arraigned with the assistance of *counsel de parte*.⁷ Both refused to enter their respective pleas.⁸ Pursuant to Section 1(c), Rule 116 of the Rules on Criminal Procedure, the Court entered a plea of “not guilty” for them.⁹

On May 30, 2018, the Prosecution and the Defense submitted to the Court their Joint Stipulations of Facts dated May 15, 2018.¹⁰ The parties admitted the following facts:

- 1) Positions of accused Centeno and Garcia as City Accountant and City Budget Officer of Caloocan City, respectively;
- 2) Jurisdiction of the Court over this case and persons of the accused;
- 3) Identities of accused Centeno and Garcia as the persons charged in the Information;
- 4) On December 15, 2010, then City Mayor Enrico R. Echiverri (Echiverri) approved Ordinance No. 0468 s. of 2010 providing for the annual budget of the City in the amount of Three Billion Three Hundred Million Pesos (Php3,300,000,000.00) for fiscal year 2011;
- 5) On August 8, 2011, the Sangguniang Panlungsod (SP) of Caloocan City enacted Ordinance No. 0474 s. of 2011 providing for the Supplemental Budget No. 1 of the City in the amount of Fifty-Three Million One Hundred Twelve Thousand and Thirty Pesos (Php53,112,030.00) for fiscal year 2011. The supplemental budget was funded by the increase in the Internal Revenue Allotment (IRA) share of the City from January to June 2011;

⁴ Minutes of the Proceedings dated October 6, 2017, p. 181, Vol.1, Records.

⁵ Urgent Motion dated November 2, 2017, pp. 207-243, Vol. 1, Records.

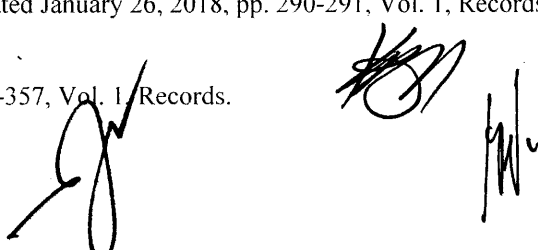
⁶ Resolution dated December 4, 2017, pp. 264-273, Vol. 1, Records.

⁷ Order dated January 26, 2018, pp. 290-291, Vol. 1, Records.

⁸ *Ibid.*

⁹ *Id.*

¹⁰ pp. 353-357, Vol. 1, Records.



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- 6) On December 26, 2011, the Caloocan City, through Mayor Echiverri, entered into a contract with C.B. Tampengco Construction and Supply (CBTCS) for the Construction of the Proposed Multi-Purpose Hall at Urduja, Barangay 172, Caloocan City (Project); and
- 7) Accused Centeno and Garcia signed the Allotment and Obligation Slip (ALOBS) No. 100-11-10-5649 dated October 20, 2011 in the performance of their respective functions as City Accountant and City Budget Officer, respectively.

The parties likewise stipulated on the existence, authenticity and due execution of the following documents as their common exhibits:

MARKINGS		DESCRIPTION
PROSECUTION	DEFENSE	
A and sub-marking	1	Annual Budget CY 2011 of Caloocan City and page 292 thereof
B	2	Ordinance No. 0468 s. of 2010
C	3	Ordinance No. 0474 s. of 2011
D and sub-markings	5	ALOBS No. 100-11-5649 dated October 20, 2011, and the names and signatures of accused Centeno and Garcia
E	6	Bids and Awards Committee (BAC) Resolution No. 204 dated December 12, 2011
F	7	Notice of Award dated December 16, 2011, and the name and signature of City Mayor Echiverri
G and sub-marking	8	Contract dated December 26, 2011, and the name and signature of City Mayor Echiverri
H and sub-marking	9	Notice to Proceed dated December 18, 2011, and the name and signature of City Mayor Echiverri
I and sub-marking	10	DV No. 100-12-01-0149 dated January 20, 2012, and the name and signature of accused Centeno
K and sub-marking	11	DV No. 100-12-03-1234 dated March 19, 2012, and the name and signature of accused Centeno

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M and sub-marking	12	DV No. 100-12-06-4200 dated June 25, 2012, and the name and signature of accused Centeno
O	4	Audit Observation Memorandum (AOM) No. 2012-14 dated February 24, 2012
P and sub-marking	14	Notice of Disallowance No. 13-002-100- (11 to 13) 20%DF2011 dated November 12, 2013, and the portion pertaining to the Construction of the Multi-Purpose Hall at Urduja, Brgy. 172
Q	16	Commission on Audit (COA) Decision dated April 24, 2015 in NCR-LGS Decision No. 2015-002
R	17	SP Resolution No. 1985 s. of 2012
U and sub-marking ¹¹		Service Record and Personal Data Sheet of accused Garcia
V and sub-marking ¹²		Service Record and Personal Data Sheet of accused Centeno

On July 9, 2018, the Prosecution sought the admission of additional documents as part of pre-trial order.¹³ In the higher interest of substantial justice, the Court granted the inclusion of the following exhibits in the pre-trial order:

- 1) Exhibit T – Annual Investment Plan (AIP) for 2010;
- 2) Exhibit U – AIP for 2011;
- 3) Exhibit V – AIP for 2012;
- 4) Exhibit W – Individual Program of Work for the Proposed Multi-Purpose Hall at Urduja, Brgy. 172; and
- 5) Exhibit X – *Katitikan ng Natatanging Pulong Blg. 12 ng Sangguniang Panlungsod na ginanap noong ika-14 ng Mayo 2012 sa Gusali ng Pamahalaang Lungsod ng Caloocan.*¹⁴

On August 22, 2018, the Court issued the pre-trial order,¹⁵ containing the joint stipulations of facts of the parties¹⁶, and the additional documents

¹¹ Stipulated as to accused Garcia only.

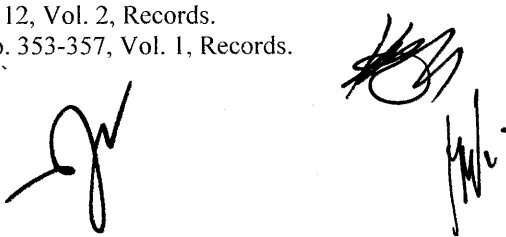
¹² Stipulated as to accused Centeno only.

¹³ Motion to Admit Attached Final Pre-Trial Brief dated July 6, 2018, pp. 372-380, Vol. 1, Records.

¹⁴ Minutes of the Proceedings dated August 2, 2018, pp. 393-394, Vol. 1, Records.

¹⁵ pp. 300-312, Vol. 2, Records.

¹⁶ *Supra*, pp. 353-357, Vol. 1, Records.



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marked by the Prosecution.¹⁷ It also includes the names of the witnesses to be presented by the parties.¹⁸

EVIDENCE FOR THE PROSECUTION

The Prosecution presented five witnesses: 1) Noemi J. Garcia (Garcia); 2) Lorenzo O. Sunga, Jr. (Sunga); 3) Mary Ann DC. Caro (Caro); 4) Edwin A. Gonzales (Gonzales); and 5) Nomer Q. Marmolejo (Marmolejo).

GARCIA

The testimony of Garcia was dispensed with after the parties stipulated that:¹⁹

- 1) She is the Budget Officer IV at the City Budget Department of Caloocan City;
- 2) She issued a certified true copy of the Annual Budget CY 2011 of Caloocan City;
- 3) She can identify her signature on each of the pages of the certified true copy of the said annual budget; and
- 4) She can identify her Judicial Affidavit dated July 10, 2018 and its attachments, and her signature thereto²⁰.

On cross-examination, Garcia testified:

- 1) She has been with the City Budget Department of Caloocan City for 43 years;²¹ and
- 2) She has no personal knowledge of the contents of the Annual Budget CY 2011 of Caloocan City.²²

Upon clarification by the Court, Garcia said that her functions pertain to the issuance of certified true copy of documents or records held in custody by the City Budget Department only.²³



¹⁷ *Supra*, pp. 372-380, Vol. 1, Records.

¹⁸ Pre-trial Order dated August 22, 2018, pp. 300-312, Vol. 2, Records.

¹⁹ Order dated August 22, 2018, pp. 233A to 233B, Vol. 2, Records.

²⁰ pp. 396-501 (Vol. 1) and pp. 1-203 (Vol. 2), Records.

²¹ p. 12, TSN dated August 22, 2018.

²² p. 20, *Ibid*.

²³ pp. 21-22, *Id*.



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SUNGA

Sunga testified through his Judicial Affidavit dated August 17, 2018.²⁴
He alleged:

- 1) He has been the Secretary to the SP of Caloocan City since November 1999;
- 2) In the course of his duties, he issued a certified true copy of Ordinance No. 0468 s. of 2010²⁵, Ordinance No. 0474 s. of 2011²⁶, SP Resolution No. 1985 s. of 2012²⁷, and *Katitikan ng Natatanging Pulong Blg. 12 ng Sangguniang Panlungsod*;²⁸
- 3) The list of projects to be implemented by the city should be submitted to the SP before enactment of an ordinance appropriating funds for the projects;
- 4) No list of projects was submitted to the SP prior to the deliberation and enactment of Ordinance No. 0468 s. of 2010;
- 5) Per records of their office, there was no specific or itemized appropriation ordinance enacted by the SP of Caloocan for the Project; and
- 6) There was likewise no approval or authorization given by the SP to then City Mayor Echiverri to enter into a contract with CBTCS for the Project.

On cross-examination, Sunga testified:

- 1) The list of projects that he was referring to in his testimony does not pertain to the copy of the Annual Budget CY 2011 consisting of 292 pages;²⁹
- 2) Their office did not receive a copy of the Annual Budget CY 2011;³⁰ and
- 3) He does not have a written proof that he followed up the submission of the copy of Annual Budget CY 2011 with the Committee on Finance and Appropriation.³¹

²⁴ pp.204-229, Vol. 2, Records.

²⁵ Exhibit B.

²⁶ Exhibit C.

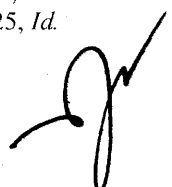
²⁷ Exhibit R.

²⁸ Exhibit X.

²⁹ pp.21-22, TSN dated August 23, 2018.

³⁰ p.23, *Ibid*.

³¹ p. 25, *Id*.

CARO

Caro testified thru her Judicial Affidavit dated August 22, 2018.³² She alleged:

- 1) She has been State Auditor IV at the COA-Caloocan City since July 1, 2017;
- 2) In the course of her duties, she issued a certified true copy of the Individual Program of Work for the Construction of the Multi-Purpose Hall at Urduja, Brgy. 172, Caloocan City;³³ and
- 3) She identified her signature on each page of the said document.

GONZALES

Gonzales testified through his Judicial Affidavit dated August 31, 2018.³⁴ He alleged:

- 1) He has been the Service Head of Veterans Bank, Gagalangin, Tondo Branch since February 2014;
- 2) In the course of his duties, he issued a certified true copy of the Certification dated August 29, 2018³⁵, Statement of Account of Account No. 0005-00826-001/00501-000001-0 in the name of the City Government of Caloocan for the month of January 2012³⁶, for the period of March 30, 2012 to April 20, 2012³⁷, and for the period of June 29, 2012 to July 31, 2012³⁸; and
- 3) He identified his and Cayetano U. Perez, Jr.'s signatures on the said documents.

MARMOLEJO

Marmolejo testified through his Judicial Affidavit dated September 14, 2018.³⁹ He alleged:

- 1) He is the Budget Officer of Caloocan City;
- 2) As City Budget Officer, his duties involved: a) the preparation of forms, orders, and circulars embodying instructions on budgetary and appropriation matters; b) review and consolidation of budget

³² pp.236-241, Vol. 2, Records.

³³ Exhibit W.

³⁴ pp. 76-105, Vol. 2, Records.

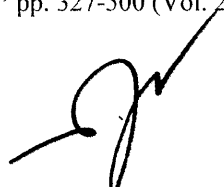
³⁵ Exhibit BB.

³⁶ Exhibit J-1.

³⁷ Exhibit L-1.

³⁸ Exhibit N-1.

³⁹ pp. 327-500 (Vol. 2) and pp.1- 129 (Vol. 3), Records.



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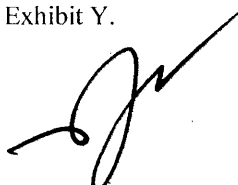
proposals from different departments and offices of the city; c) assistance in the preparation of the executive budget; d) study and evaluation of proposed legislation and its budgetary implications; e) submission of budgetary reports to the Department of Budget and Management; f) coordination with the treasurer, accountant, and the planning and development officer for budgeting purposes; g) assistance in the review of approved budgets; h) coordination with the City Planning and Development Office in the formulation of development plan of the city; i) signature of documents related to the programs, projects and activities (PPAs) of the city; and j) other tasks incidental or necessary in the performance of his duties as Budget Officer.

- 3) As Budget Officer, he signs Obligation Requests referred to as ALOBS and DVs;
- 4) In signing ALOBS and DVs, he certifies as to the existence of appropriation for the PPA concerned;
- 5) Before signing, he has to check if the particular PPA is covered by an appropriation ordinance, and if it is included in the AIP of the City;
- 6) The existence of a specific appropriation means that PPAs are itemized and particularized as to their titles, addresses or location, estimated amounts and sources of funding;
- 7) The AIP serves as the city's guide in the implementation of PPAs. If the PPA is not included in the AIP, it is most probable that it is not also included in an appropriation ordinance;
- 8) The process on how a budget is allocated for a certain infrastructure project is as follows: a) the Engineering Office provides for the individual program of work for its intended project; b) the individual program of work will be submitted to the City Planning and Development Office for the purpose of including the project in the AIP; c) the AIP will be submitted to the City Development Council (CDC) and to the SP for approval; d) the offices and departments will submit their respective proposals for the allocation of funds for each PPA based on the AIP; e) the city mayor will prepare the executive budget after receipt of the budget proposals from the different offices and departments of the city; and f) the executive budget will be submitted to the SP for the enactment of the appropriation ordinance;
- 9) He submitted to the Office of the Special Prosecutor a copy of the AIP of Caloocan City for the years 2009⁴⁰, 2010⁴¹ and 2011⁴².

⁴⁰ Exhibit W.

⁴¹ Exhibit X.

⁴² Exhibit Y.



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- 10) The Project was not included in the Annual Budget CY 2011 of Caloocan City that was incorporated in the appropriation ordinance of the City for the same year;
- 11) The Project cannot be implemented because it was not included in the City's annual budget and in the appropriation ordinance for 2011;
- 12) The appropriation ordinance of the City is the basis for the issuance of ALOBS for all PPAs; and
- 13) No list of PPAs was submitted by the City Engineering Office to the City Budget Department in 2011.

On cross-examination, Marmolejo testified:

- 1) He has no actual participation in the preparation of the Annual Budget CY 2010 and 2011 of Caloocan City as he was assigned to another department that time;⁴³ and
- 2) He also had no actual participation in the implementation of the Project.⁴⁴

The Prosecution offered the following documentary exhibits⁴⁵ which were admitted by the Court:⁴⁶

Exhibit	Description
A and sub-marking	certified copy of the Annual Budget CY 2011 of Caloocan City for year 2011 and page 292 thereof
B	certified copy of Ordinance No. 0468 s. of 2010
C	certified copy of Ordinance No. 0474 s. of 2011
D and sub-markings	certified copy of ALOBS No. 100-11-5649 dated October 20, 2011
E	certified copy of BAC Resolution No. 204 dated December 12, 2011
F	certified copy of Notice of Award dated December 16, 2011
G and sub-marking	certified copy of Contract dated December 26, 2011
H and sub-marking	certified copy of Notice to Proceed dated December 18, 2011
I and sub-marking	certified copy of DV No. 100-12-01-0149 dated January 20, 2012
J-1	certified copy of Veterans Bank Statement of Account of Account No. 0005-00826-001/00501-000001-0 in

⁴³ p. 13, TSN dated October 8, 2018.

⁴⁴ *Ibid.*

⁴⁵ Formal Offer of Evidence dated October 22, 2018, pp. 158 (Vol.3) - 334 (Vol.4), Records.

⁴⁶ Resolution dated November 8, 2018, pp. 346-347, Vol.4, Records.

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	the name of the City Government of Caloocan for the month of January 2012
K and sub-marking	certified copy of DV No. 100-12-03-1234 dated March 19, 2012
L-1	certified copy of Veterans Bank Statement of Account of Account No. 0005-00826-001/00501-000001-0 in the name of the City Government of Caloocan for the period of March 30, 2012 to April 20, 2012
M and sub-marking	certified copy of DV No. 100-12-06-4200 dated June 25, 2012
N-1	certified copy of Veterans Bank Statement of Account of Account No. 0005-00826-001/00501-000001-0 in the name of the City Government of Caloocan for the period of June 29, 2012 to July 31, 2012
O	certified copy of AOM No. 2012-14 dated February 24, 2012
P and sub-marking	certified copy of Notice of Disallowance No. 13-002-100- (11 to 13) 20%DF2011 dated November 12, 2013
Q	certified copy of COA Decision dated April 24, 2015 in NCR-LGS Decision No. 2015-002
R	certified copy of SP Resolution No. 1985 s. of 2012
W	certified copy of AIP for 2009 of Caloocan City
X	certified copy of AIP for 2010 of Caloocan City
Y	certified copy of AIP for 2011 of Caloocan City
AA	certified copy of <i>Katitikan ng Natatanging Pulong Blg. 12 ng Sangguniang Panlungsod na ginanap noong ika-14 ng Mayo 2012 sa Gusali ng Pamahalaang Lungsod ng Caloocan</i>

On November 26, 2018, the Defense sought leave of court to file demurrer to evidence.⁴⁷ Over the opposition from the Prosecution⁴⁸, the Court granted leave on December 14, 2018.⁴⁹

On January 15, 2019, the Defense sought the dismissal of these cases on the ground of insufficiency of evidence presented by the Prosecution.⁵⁰ On July 17, 2019, the Court dismissed the case for Violation of Section 3 (e) of R.A. No. 3019 (**SB-17-CRM-1764**) for failure of the Prosecution to present sufficient evidence that unwarranted benefit, advantage or preference was given to CBTCs or undue injury or damage was caused to the Government in the implementation of the Project.⁵¹ The Court, however, denied demurrer to

⁴⁷Motion for Leave of Court to File Demurrer to Evidence dated November 26, 2018, pp. 351-372, Vol.4, Records.

⁴⁸ Opposition dated December 4, 2018, pp. 373-383, Vol. 4, Records.

⁴⁹ Minutes of the Proceedings dated December 14, 2018, p. 386, Vol. 4, Records.

⁵⁰ Demurrer to Evidence dated January 15, 2019, pp. 392-439, Vol. 4, Records.

⁵¹ Resolution dated July 17, 2019, pp. 480-512, Vol. 4, Records.

evidence filed in **SB-17-CRM-1765** for Falsification of Public Documents under Article 171 (4) of the R.P.C.⁵²

On July 23, 2019, the Defense sought a partial reconsideration of the order denying demurrer to evidence.⁵³ It was denied by the Court on September 2, 2019.⁵⁴

Trial for Falsification of Public Documents against accused Centeno and Garcia thereafter ensued.

EVIDENCE FOR THE DEFENSE

Both accused Garcia and Centeno testified to present evidence and refute the allegations against them. The Defense also presented two additional witnesses: 1) Rolando D. Eduria (Eduria); and 2) Severino B. Adriano, Jr. (Adriano).

GARCIA

Accused Garcia testified thru her Amended Judicial Affidavit dated March 12, 2020.⁵⁵ She alleged:

- 1) She certified the existence of appropriation for the Project in ALOBS No. 100-11-5649 dated October 20, 2011 pursuant to her function as City Budget Officer, and in accordance with COA Circular No. 2003-001 dated June 17, 2003;
- 2) The appropriation for the Project was sourced from: a) Ordinance No. 0468 s. of 2010 approving the Annual Budget CY 2011 in the amount of Php3,300,000,000.00; and b) CDC Resolution No. CM-RECOM 11-001 allocating and itemizing the lumpsum appropriation of the 20% IRA for development projects of the City;
- 3) It was then City Engineer Eduria who prepared and submitted ALOBS No. 100-11-5649 dated October 20, 2011 to the City Budget Department for funding and certification of the existence of appropriation;
- 4) On October 20, 2011; Ma. Alelie Delos Santos-Balansay (Delos Santos-Balansay), the technical officer assigned to certify ALOBS, checked and verified the supporting documents in the Project, and completed the entries in the *pro forma* ALOBS submitted by City Engineer Eduria;

⁵² *Ibid.*

⁵³ Partial Motion for Reconsideration dated July 22, 2019, pp. 517-524, Vol. 4, Records.

⁵⁴ Resolution dated September 2, 2019, pp. 27-32, Vol. 5, Records.

⁵⁵ pp. 13-289, Vol. 7, Records.

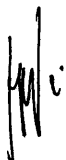
- 5) Delos Santos-Balansay affixed her initials “yeng” on ALOBS No. 100-11-5649 dated October 20, 2011 to confirm that she reviewed it before submission to Garcia for final signature and approval;
- 6) Circular No. 2003-001 dated June 17, 2003 was issued by the COA to simplify government accounting and to implement the Computerized New Government Accounting System (NGAS);
- 7) In Annex A of COA Circular No. 2003-001 dated June 17, 2003, the Account Code “260” covers “Other Public Infrastructure Projects, which do not fall under any of the following categories: roads, highways, and bridges, parks, plazas, and monuments, ports, lighthouses, and harbors, artesian wells, reservoirs, pumping stations, and conduits, irrigation, canals and laterals, flood controls, waterways, aqueducts, seawalls, river walls, and others, all of which have corresponding expenditure account codes;
- 8) Account Code “260” is the correct expenditure account because the Project was not one of the specific projects enumerated;
- 9) The appropriation for the Project was sourced from the City’s 20% share from IRA supplementing Ordinance No. 0468 s. of 2010;
- 10) In Annex A of COA Circular No. 2003-001 dated June 17, 2003, the Account Code “665” pertains to the IRA;
- 11) Account Code “665” was not used in ALOBS No. 100-11-5649 dated October 20, 2011 because it is an “income account”. Since the funding for the Project pertained to an “expense account”, the correct account code should be “260” in accordance with page 5, Annex A of COA Circular No. 2003-001 dated June 17, 2003;
- 12) CDC Resolution No. CM-RECOM 11-001 formed part of the AIP for 2011 of Caloocan City; and
- 13) Page 4 of AIP for 2011 showed that the Project was programmed for funding by the SP.

On cross-examination, accused Garcia testified:

- 1) Before she signed ALOBS No. 100-11-5649 dated October 20, 2011, she verified that the Project was covered by Ordinance No. 0468 s. of 2010, CDC Resolution No. CM-RECOM 11-001, and the AIP for 2011;⁵⁶
- 2) The AIP for 2011 is not, however, an appropriation ordinance;⁵⁷

⁵⁶ pp. 25-26, TSN dated May 17, 2021.

⁵⁷ p. 26, *Ibid.*



- 3) Although CDC Resolution No. CM-RECOM 11-001 did not specifically mention the Project, it covered the improvement of “multi-purpose halls” in general;⁵⁸
- 4) The code that should be written in the ALOBs is an expense code, which in this case should be, Account Code “665”;⁵⁹
- 5) The 2011 Priority Projects attached in the AIP for 2011 was the list that she considered when she signed ALOBS No. 100-11-5649 dated October 20, 2011;⁶⁰ and
- 6) The Annual Budget CY 2011 did not specifically mention the Project.⁶¹

On re-direct examination, accused Garcia testified:

- 1) The AIP for 2011 supports the annual budget because it specifies the PPAs of each department and office of the city;⁶²
- 2) The Project is found on Item No. 77, page 4 of the attached list of 2011 Priority Projects in the AIP for 2011;⁶³
- 3) Although not all projects listed in the 2011 Priority Projects will be funded by the 20% IRA, the Project was covered by CDC Resolution No. CM-RECOM 11-001;⁶⁴
- 4) Based on COA Circular No. 2003-001 dated June 17, 2003, Account Code “260” is the proper code for ALOBS because the transaction pertained to release of funds;⁶⁵
- 5) She did not use Account Code “251” pertaining to the category of “Public Infrastructures” because the construction of a multi-purpose hall is not included in the public infrastructures enumerated;⁶⁶ and
- 6) She instead used Account Code “260” as this refers to “Other Public Infrastructures”, which includes a multi-purpose hall.⁶⁷

Upon clarification by the Court, accused Garcia answered:

- 1) Considering that there is no specific provision in COA Circular No. 2003-001 dated June 17, 2003 that “all other buildings used by the public” should fall under Account Code “260”, the City Budget Department exercised its discretion to use the said code and not any number;⁶⁸ and

⁵⁸ p. 28, *Id.*

⁵⁹ p. 30, *Id.*

⁶⁰ p. 41, *Id.*

⁶¹ p. 46, *Id.*

⁶² p. 48, *Id.*

⁶³ p. 49, *Id.*

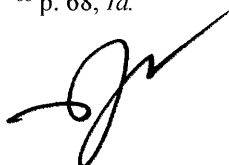
⁶⁴ p. 56, *Id.*

⁶⁵ p. 62, *Id.*

⁶⁶ p. 63, *Id.*

⁶⁷ *Ibid.*

⁶⁸ p. 68, *Id.*



- 2) It cannot readily be identified by merely looking at the list of 2011 Priority Projects whether a particular project is to be funded by the 20% IRA because there is still a need to check if the project is covered by the list of projects attached to CDC Resolution No. CM-RECOM.⁶⁹

EDURIA

Eduria testified thru his Amended Judicial Affidavit dated May 24, 2021.⁷⁰ He alleged:

- 1) He was the City Engineer of Caloocan City when the Project was planned and implemented;
- 2) The Office of the City Engineer prepared the Program of Works for the Project;
- 3) The Project was included in the list of 2011 Priority Projects and the list of 2011 Development Projects to be funded out of the 20% IRA;
- 4) The list of 2011 Priority Projects was submitted to the City Planning and Development Office for the preparation of the AIP for 2011. The list of 2011 Development Projects, on the other hand, was jointly prepared and submitted by the Office of the City Engineer and City Budget Department to the SP;
- 5) The lists of Priority Projects and Development Projects were the supporting documents in the preparation and approval of Annual Budget CY 2011;
- 6) CDC Resolution No. CM-RECOM 11-00 allocated and itemized the 20% IRA into the development projects for a) economic development; and b) environmental development. The Project was categorized under social development, sub-item (b) for "construction/improvement of school buildings, multi-purpose halls, health center and other facilities"; and
- 7) The Project underwent the required public bidding.

On cross-examination, Eduria testified:

- 1) The list of 2011 Development Projects came from the Office of the City Engineer;⁷¹
- 2) The projects included in the AIP for 2011 may or may not be implemented by the City;⁷²
- 3) A copy of CDC Resolution No. CM-RECOM 11-00 should be submitted to the SP, and to the Department of Interior and Local

⁶⁹ pp. 76-78, *Id.*

⁷⁰ pp. 318-458, Vol. 7, Records.

⁷¹ p. 30, TSN dated May 27, 2021.

⁷² p. 37, *Ibid.*





Government, and Department of Budget and Management for reference;⁷³ and

- 4) There was no SP ordinance specifically covering the Project;⁷⁴
- 5) The funding for the Project, however, came from the Annual Budget CY 2011.⁷⁵

On re-direct examination, Eduria testified:

- 1) A copy of the list of 2011 Priority Projects was also given to the City Budget Department;⁷⁶ and
- 2) The Project was completed and is now being used by the residents.⁷⁷

CENTENO

Accused Centeno testified thru her Judicial Affidavit dated May 26, 2021.⁷⁸ She alleged:

- 1) She certified to the obligation of allotment in ALOBS No. 100-11-5649 dated October 20, 2011 and to the completeness and propriety of the supporting documents in the related DVs consistent with her functions as City Accountant, and in accordance with COA Circular No. 2003-001 dated June 17, 2003;
- 2) In certifying to the availability of funds for the Project, she was certain that the appropriation for the Project came from: a) Ordinance No. 0468 s. of 2010; and b) CDC Resolution No. CM-RECOM;
- 3) Ordinance No. 0468 s. of 2010 approved the Annual Budget CY 2011. It authorized appropriations for payment of Statutory and Contractual Obligations amounting to Php760,597,778.00. The amount of Php288,186,498.00 was earmarked for the mandatory allotment of 20% IRA for local development projects;
- 4) The Project was listed in the 2011 Priority Projects, CDC Resolution No. CM-RECOM, and list of 2011 Development Projects to be funded out of the 20% IRA;
- 5) Account Code "260" was correctly used in ALOBS No. 100-11-5649 dated October 20, 2011 as it pertained to the expense code for "Other Infrastructure Projects";

⁷³ p.40, *Id.*

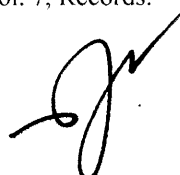
⁷⁴ p. 42, *Id.*

⁷⁵ p. 45, *Id.*

⁷⁶ p.47, *Id.*

⁷⁷ *Ibid.*

⁷⁸ pp. 461-640, Vol. 7, Records.

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- 6) Account Code “665” cannot be used in the ALOBS because it pertained to the income code for funds received by the local government from IRA; and
- 7) The DVs and its supporting documents related to the Project were complete and proper.

On cross-examination, accused Centeno testified:

- 1) She was the City Accountant of Caloocan City from December 26, 1994 until June 2015;⁷⁹
- 2) It was CDC that approved the AIP for 2011, not the SP of Caloocan City;⁸⁰
- 3) She confirmed that CDC Resolution No. CM-RECOM is not an appropriation law;⁸¹ and
- 4) Ordinance No. 0468 s. of 2010 was the only appropriation law that she considered when she certified ALOBS No. 100-11-5649 dated October 20, 2011.⁸²

On re-direct examination, accused Centeno testified:

- 1) She used the provisions of Ordinance No. 0468 and CDC Resolution No. CM-RECOM as guide in verifying the existence of an appropriation for the Project;⁸³
- 2) Although the use of Account Code “665” was not expressly prohibited by COA under COA Circular No. 2003-001 dated June 17, 2003, the said code cannot be used in the Project because it is an income code; and
- 3) An income account code is used and recorded when the local government unit receives money from taxpayers and other persons.⁸⁴

ADRIANO

Adriano testified thru his Judicial Affidavit dated May 28, 2021.⁸⁵ He alleged:

- 1) He is the State Auditor IV at the COA;

⁷⁹ p. 22, TSN dated June 3, 2021.

⁸⁰ p. 25, *Ibid.*


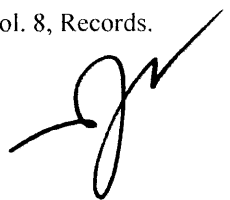
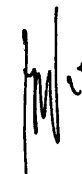
⁸¹ p. 29, *Id.*

⁸² p. 33, *Id.*

⁸³ p. 35, *Id.*

⁸⁴ p. 39, *Id.*

⁸⁵ pp. 8-357, Vol. 8, Records.

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- 2) He was the Audit Team Leader for Disbursement/Expense Accounts at the Office of the City Auditor of Caloocan City at the time of the implementation of the Project;
- 3) His duties include: a) the conduct of audit of the financial transactions of the city; b) preparation and issuance of Certificate of Settlement, Balances, Notice of Suspension, Notice of Allowance, Notice of Charge, Credit Notice, and Audit Observation Memorandum, whenever necessary; c) assistance in the preparation of the Annual Audit Report; and d) performance of other tasks given by his superior;
- 4) He audited the payments made by the City for the Project;
- 5) In the conduct of the post-audit examination for the Project, he checked the AIP for 2011, budget ordinance, ALOBS and vouchers, among others, of the city;
- 6) He issued Notice of Disallowance No. 13-002-100- (11 to 13) 20%DF2011 dated November 12, 2013;
- 7) The notice of disallowance was subsequently reversed by the COA *en banc* lifting the disallowance on payments for various projects implemented under the 20% IRA for 2011;
- 8) When he examined ALOBS No. 100-11-5649 dated October 20, 201, he found no irregularity in the use of Account Code "260" for the Project; and
- 9) Income codes encompassing Account Code "550 to 665" cannot be properly used in ALOBS.

On cross-examination, Adriano testified:

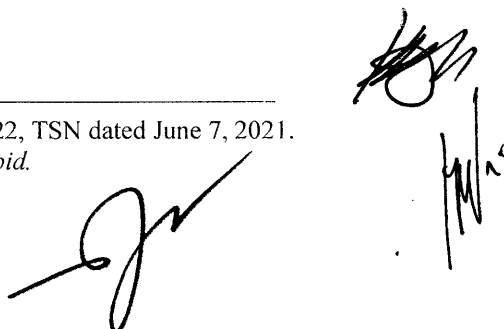
- 1) Despite having checked the List of 2011 Priority Projects attached in the AIP for 2011 and Ordinance No. 0468 s. of 2010, he still issued Notice of Disallowance No. 13-002-100- (11 to 13) 20%DF2011 dated November 12, 2013;⁸⁶ and
- 2) The basis for the issuance of the notice of disallowance was the lack of authorization from the SP of Caloocan, not the lack of specific allotment for the projects disallowed.⁸⁷

On re-direct examination, Adriano testified:

- 1) Although the post-audit investigation found that that SP issued no prior authorization to then City Mayor Echiverri to enter into

⁸⁶ pp. 17-22, TSN dated June 7, 2021.

⁸⁷ p. 23, *Ibid*.

The block contains two handwritten signatures. The signature on the left is a stylized, cursive signature, likely of the court. The signature on the right is a more formal, blocky signature, likely of one of the parties.

contracts with the winning bidders, there were sufficient funds for the projects subject of the notice of disallowance;⁸⁸ and

- 2) The post-audit team was furnished a copy of SP Resolution No. 1985 s. of 2012 ratifying and confirming all the contracts entered into by then City Mayor Echiverri.⁸⁹

On re-cross examination, Adriano clarified that the post-audit investigation looked into the existence of prior authorization by the SP to City Mayor Echiverro, not on the existence of funds for the projects involved.⁹⁰

Upon clarification by the Court, Adriano answered that:

- 1) A subsequent resolution issued by the SP ratifying and confirming the contracts entered by then City Mayor Echiverri did not cure the defect of lack of prior authorization;⁹¹
- 2) Said prior authorization may be embodied in a resolution or ordinance by the SP;⁹²
- 3) The post-audit team was certain about the existence of funds for the projects involved because they were able to check the ALOBS of each project;⁹³ and
- 4) There was no prior authorization issued by the SP for the Project.⁹⁴

The Defense offered the following documentary exhibits⁹⁵ which were admitted by the Court:⁹⁶

Exhibit	Description
1 and sub-marking ⁹⁷	photocopy of Annual Budget CY 2011 of Caloocan City and page 292 thereof
2 and sub-markings ⁹⁸	photocopy of Ordinance No. 0468 s. of 2010
4 ⁹⁹	photocopy of AOM No. 2012-14 dated February 24, 2012
5 and sub-markings ¹⁰⁰	photocopy of ALOBS No. 100-11-5649 dated October 20, 2011

⁸⁸ p. 27, *Id.*

⁸⁹ p. 31, *Id.*

⁹⁰ p. 34, *Id.*

⁹¹ p. 36, *Id.*

⁹² pp. 37-38, *Id.*

⁹³ p. 40, *Id.*

⁹⁴ p. 42, *Id.*

⁹⁵ Offer of Exhibits with Motion dated July 6, 2021, pp. 373-702, Vol. 8, Records.

⁹⁶ Minute Resolution dated July 22, 2021, pp. 28-29, Vol. 9, Records.

⁹⁷ Joint Stipulations of Facts dated May 15, 2018, pp. 353-357, Vol. 1, Records.

⁹⁸ *Ibid.*

⁹⁹ *Id.*

¹⁰⁰ *Id.*

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6 ¹⁰¹	photocopy of BAC Resolution No. 204 dated December 12, 2011
7 ¹⁰²	photocopy of Notice of Award dated December 16, 2011
8 ¹⁰³	photocopy of Contract dated December 26, 2011
9 ¹⁰⁴	photocopy of Notice to Proceed dated December 18, 2011
10 ¹⁰⁵	photocopy of DV No. 100-12-01-0149 dated January 20, 2012
11 ¹⁰⁶	photocopy of DV No. 100-12-03-1234 dated March 19, 2012
12 ¹⁰⁷	photocopy of DV No. 100-12-06-4200 dated June 25, 2012
17 and sub-markings ¹⁰⁸	photocopy of SP Resolution No. 1985 s. of 2012
18 and sub-markings	photocopy of list of 20% IRA for Development Projects for 2011
20	photocopy of COA Decision No. 2017-160 dated June 15, 2017
29 and sub-markings	photocopy of COA Circular No. 2003-001 dated June 17, 2003
31 and sub-markings	photocopy of the AIP for 2011 of Caloocan City with attached list of Priority Projects 2011

FINDINGS OF FACTS

As found by the Court, the facts of the case are:

On October 15, 2010, then City Mayor Echiverri submitted to the SP of Caloocan City the proposed Annual Budget of the City in the amount of PHP3,300,000,000.00 ¹⁰⁹ A lump sum appropriation amounting to Php288,186,498.00 for the 20% IRA for Development Projects was included under the “Statutory and Contractual Obligations”.¹¹⁰

¹⁰¹ *Id.*

¹⁰² *Id.*

¹⁰³ *Id.*

¹⁰⁴ *Id.*

¹⁰⁵ *Id.*

¹⁰⁶ *Id.*

¹⁰⁷ *Id.*

¹⁰⁸ *Id.*

¹⁰⁹ Exhibit A for the Prosecution and I for the Defense.

¹¹⁰ *Ibid.*

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On November 30, 2010, the SP of Caloocan enacted Ordinance No. 0468 s. 2010 approving the proposed annual budget in the same amount to finance specific PPAs of the City.¹¹¹ Section 2 of the ordinance provides that the 292-page Annual Budget CY 2011 forms part thereof.¹¹² The appropriation for "Statutory and Contractual Obligations" in the lump sum amount of Php760,597,778.00 included the amount of Php288,186,498.00 that was earmarked for the 20% IRA.¹¹³

On August 9, 2011, the SP enacted Ordinance No. 0474 s. of 2011 appropriating Supplemental Budget No. 1 of the City in the amount of Php53,112,030.00.¹¹⁴ This budget is funded by the increase in the IRA share of the City from January to June 2011.¹¹⁵

On October 20, 2011, accused Garcia, then City Budget Officer, and accused Centeno, then City Accountant, certified in ALOBS No. 100-11-5649 dated October 20, 2011, as to the existence of appropriation, and as to obligation of allotment, respectively, in connection with the Project in the amount of Php5,430,200.00.

On December 12, 2011, the BAC of Caloocan City issued Resolution No. 204 dated December 12, 2011 recommending the award of the Project to CBTCS.¹¹⁶

On December 16, 2011, the Notice of Award was issued to CBTCS.¹¹⁷ On December 26, 2011, then City Mayor Echiverri entered into a Contract with CBTCS for the Project in the amount of Php5,425,171.00.¹¹⁸

On separate dates, accused Centeno certified the completeness and propriety of supporting documents under DV No. 100-12-01-0149 dated January 20, 2012¹¹⁹, DV No. 100-12-03-1234 dated March 19, 2012¹²⁰, and DV No. 100-12-06-4200 dated June 25, 2012¹²¹ in the amounts of Php2,159,301.15, Php1,063,344.56, and Php1,679,100.63, respectively. Corresponding checks were subsequently issued to CBTCS and debited from

¹¹¹ Exhibit B for the Prosecution and 2 for the Defense.

¹¹² *Ibid.*

¹¹³ *Id.*

¹¹⁴ Exhibit C for the Prosecution.

¹¹⁵ *Ibid.*

¹¹⁶ Exhibit 6 for the Defense.

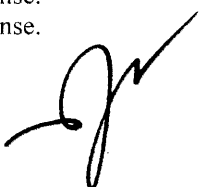
¹¹⁷ Exhibit 7 for the Defense.

¹¹⁸ Exhibit 8 for the Defense.

¹¹⁹ Exhibit 10 for the Defense.

¹²⁰ Exhibit 10 for the Defense.

¹²¹ Exhibit 10 for the Defense.



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the account of Caloocan City with Veterans Bank as installment payments for the Project.¹²²

On February 24, 2012, the COA issued AOM No. 2012-14 dated February 24, 2012 pertaining to the utilization of the 20% IRA for local development projects of the City.¹²³ The post-audit team found that projects amounting to Php81,911,268.00, including the Project, were not authorized by the SP.¹²⁴ Per AOM No. 2012-14 dated February 24, 2012, there must be a prior authorization given by the SP to then City Mayor Echiverri before execution of contracts and implementation of these projects.¹²⁵

On May 14, 2012, the SP of Caloocan City issued Resolution No. 1985 s. of 2012 clarifying, ratifying and confirming all the contracts entered into by Caloocan City for the implementation of projects sourced from the 20% IRA for local development projects.¹²⁶

On November 12, 2013, the COA issued Notice of Disallowance No. 13-002-100- (11 to 13) 20%DF2011 dated November 12, 2013 disallowing the payment for the projects sourced from the 20% IRA due to lack of specific authorization from the SP of Caloocan City.¹²⁷

On June 15, 2017, the COA *en banc* issued NCR-LGS Decision No. 2017-160 lifting Notice of Disallowance No. 13-002-100- (11 to 13) 20%DF2011 dated November 12, 2013.¹²⁸ The COA *en banc* ruled that SP Resolution No. 1985 s. of 2012 cured the defect of lack of prior authorization.¹²⁹

DISCUSSION AND RULING

After a thorough review of the documentary and testimonial evidence on record, as well as the stipulations between the Prosecution and the Defense, the Court finds accused Centeno and Garcia **NOT GUILTY** of the crime of Falsification of Public Documents under Article 171 (4) of the R.P.C. The Prosecution's evidence is INSUFFICIENT to prove beyond reasonable doubt

¹²² Exhibits J-1, L-1, and N-1 for the Prosecution.

¹²³ Exhibit 4.

¹²⁴ *Ibid.*

¹²⁵ *Id.*

¹²⁶ Exhibit 17 for the Defense.

¹²⁷ Exhibit P for the Prosecution.

¹²⁸ Exhibit 20 for the Prosecution.

¹²⁹ *Ibid.*

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the existence of the crime and that accused Centeno and Garcia are guilty of the same.

Accused Centeno and Garcia were charged with Falsification of Public Documents under Article 171 (4) of the R.P.C., which provides:

Article 171. Falsification by public officer, employee, or notary or ecclesiastical minister.-The penalty of prison mayor and a fine not to exceed Php5,000.00 shall be imposed upon any public officer, employee, or notary who, taking advantage of his official position, shall falsify a document by committing any of the following acts:

xxx

- 4) *Making untruthful statements in a narration of facts;*

xxx

The elements of this crime are:

- 1) Accused is a public officer or employee or notary public;
- 2) Accused falsifies a document by “making untruthful statements in a narration of facts;
- 3) Accused falsifies a document while taking advantage of its official position.¹³⁰

In *Layno v. People*¹³¹, the Supreme Court said that falsification by “making untruthful statements in a narration of facts” is established by the concurrence of the following requisites:

- 1) Accused makes in a document statements in a narration of facts;
- 2) Accused has a legal obligation to disclose the truth of the facts narrated by it; and
- 3) The facts narrated by the accused are absolutely false.

¹³⁰ *Regidor v. People*, G.R. Nos. 166086-92, February 13, 2009.

¹³¹ G.R. No. 93842, September 7, 1992.

The Prosecution asserts that accused committed an absolute falsity in ALOBS No. 100-11-5649 dated October 20, 2011. The Prosecution claims that Centeno certified to the obligation of allotment and Garcia certified to the existence of appropriation for the Project without specific appropriation and prior authorization from the SP of Caloocan.

The Defense, on the other hand, argues that funds were appropriated by the SP for the implementation of the Project. In particular, the Defense claims that the Project was listed in 2011 Priority Projects, CDC Resolution No. CM-RECOM, and 2011 Development Projects funded by the 20% IRA. It also asserts that COA *en banc* issued a ruling that SP's ratification of the Project cured the lack of prior authorization alleged by the Prosecution.

The first element is present. Accused Centeno and Garcia were public officers at the time of issuance of ALOBS No. 100-11-5649 dated October 20, 2011.

Accused Centeno and Garcia were the City Accountant and City Budget Officer of Caloocan City, respectively, when they certified ALOBS No. 100-11-5649 dated October 20, 2011.¹³² Accused Centeno certified to the obligation of allotment while accused Garcia certified to the existence of appropriation for the Project in the discharge of their official functions.¹³³ They were public officers at the time material to this case.

The second element is absent. Accused Centeno and Garcia did not make untruthful statements in a narration of facts in ALOBS No. 100-11-5649 dated October 20, 2011.

It is undisputed that accused Centeno and Garcia made their respective certifications in ALOBS No. 100-11-5649 dated October 20, 2011. Accused Garcia certified to the existence of appropriation while accused Centeno certified to the obligation of allotment for the Project.¹³⁴ Both accused made a narration of facts pertaining to the "existence of appropriation" and "obligation of allotment" for the payment of the Project.



¹³² Pre-trial Order dated August 22, 2018, pp. 300-312, Vol. 2, Records.

¹³³ *Ibid.*

¹³⁴ Exhibit D and sub-markings for the Prosecution, and 5 and sub-markings for the Defense.



Both accused Centeno and Garcia had the legal obligation to disclose the truth in ALOBS No. 100-11-5649 dated October 20, 2011. "Legal obligation" means that there is a law requiring the disclosure of the truth of the facts narrated.¹³⁵ Section 344 of R.A. No. 7160¹³⁶ provides for the respective duties of a local budget officer and local accountant in the disbursement of local funds. The local budget officer certifies to the existence of appropriation that has been legally made for purpose, and the local accountant obligates the said appropriation¹³⁷ The provision states:

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

In certifying to the existence of an appropriation, the local budget officer signs the appropriate box in the ALOBS and assigns the ALOBS number.¹³⁸ The local accountant, on the other hand, reviews the ALOBS and certifies as to obligation of allotment by signing the appropriate box in the ALOBS.¹³⁹ Here, accused Centeno and Garcia signed ALOBS No. 100-11-5649 dated October 20, 2011 in the performance of their respective duties under the law.

Accused Centeno and Garcia **did not**, however, commit an absolute falsity in certifying to the "existence of appropriation" and "obligation of allotment" in ALOBS No. 100-11-5649 dated October 20, 2011.

On the lack of appropriation for the funding of the Project

Evidence shows that the Project was funded by an appropriation ordinance. Ordinance No. 0468 s. of 2010 appropriated the amount of Php760,597,778.00 for payment of Statutory and Contractual Obligations.¹⁴⁰ The 292-page Annual Budget CY 2011 formed part of the ordinance.¹⁴¹ Also, a lump sum appropriation amounting to Php288,186.498.00 was earmarked for 20% IRA for development projects of the City.¹⁴² This is pursuant to Section 287 of R.A. No. 7160 mandating each local government unit to appropriate in

¹³⁵ *Galeos v. People*, G.R. Nos. 174730-37, February 9, 2011.

¹³⁶ The Local Government Code of 1991.

¹³⁷ Section 344 of R.A. No. 7160.

¹³⁸ Section 9, Chapter 3, Vol. 1 of the New Government Accounting System Manual for Local Government Units.

¹³⁹ *Ibid.*

¹⁴⁰ no.39, page 8 of Ordinance No. 0468 s. 2010.

¹⁴¹ Section 2, *Ibid.*

¹⁴² Exhibit A-1 for the Prosecution and I-A for the Defense.



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its annual budget no less than 20% of its annual IRA for development projects.
The Annual Budget CY 2011 particularly provides:

PROGRAM APPROPRIATION AND OBLIGATION BY OBJECT

STATUTORY AND CONTRACTUAL OBLIGATIONS

OBJECT OF EXPENDITURES	ACCOUNT CODE	PAST YEAR 2009 ACTUAL	CURRENT YEAR 2010 ESTIMATE	BUDGET YEAR 2011 ESTIMATE
1.0 Current Operating Expenditures				
20% IRA for Development Projects	665	198,601,408.00	270,131,278.00	288,186,498.00
Aid to 188 Barangays	874	-	188,000.00	188,000.00
5% Contribution to MMDA	871	58,847,365.00	77,542,665.00	69,707,435.00
5% Calamity Fund	765	80,446,692.20	164,900,000.00	164,310,000.00
Terminal Leave Benefits and Retirement Gratuity Benefits			16,500,000.00	16,000,000.00
Long Term Liabilities				
Loans Payable – Land Bank of the Philippines	444	90,651,426.71	166,266,218.00	124,476,941.00
Philippines Veterans Bank		11,129,411.81	12,143,113.00	12,141,177.00
Interest Expenses	975			
Land Bank of the Philippines		4,629,736.14	60,465,859.00	63,725,610.00
Philippine Veterans Bank		61,412,115.74	3,005,886.00	1,862,117.00
Other Liability Accounts				
Other Payables (Various Charges and Liabilities Including Prior Years Obligations)	439	47,012,813.21	20,000.000.00	20,000.000.00
TOTAL APPROPRIATIONS		552,730,974.81	791,132,019.00	760,597,778.00

Thereafter, the SP enacted Ordinance No. 0474 s. 2011 appropriating the amount of Php53,112,030.00.¹⁴³ This amount pertained to the increase in the City’s IRA share from January to June 2011 and was to be used solely for the payment of Statutory and Contractual Obligations.¹⁴⁴

The Project was listed in the 2011 Priority Projects prepared and submitted by the Office of the City Engineer as part of the City’s AIP.¹⁴⁵ The AIP refers to the annual slice of the provincial/local development investment program constituting the total resource requirements for all PPAs, i.e., the annual capital expenditure and regular operating requirements of the local government unit. ¹⁴⁶ Article 410 of the Implementing Rules and Regulations (IRR) of R.A. No. 7160 mandates the local development council to submit to the local finance committee a copy of the local development plan and AIP

¹⁴³ Exhibit C.

¹⁴⁴ Ibid.

¹⁴⁵ Exhibit 31-C.

¹⁴⁶ Budget Operations Manual for Local Government Units, Local Budget Circular 112 dated June 10, 2016.

prepared and approved during the fiscal year before the calendar year for budget preparation. The AIP specifies the projects proposed for inclusion in the local government budget.¹⁴⁷ The local finance committee shall use the AIP to ensure that projects proposed for local funding are included in the annual budget.¹⁴⁸ Part of the functions of the provincial, city and municipal local development council, as the case may be, is to formulate annual public investment programs.¹⁴⁹ Here, the CDC of Caloocan City issued CDC Resolution No. CM-RECOM 11-001 allocating a budget for the “Construction / Improvement of School Buildings, Multi-Purpose Halls, Health Center and Other Facilities”.¹⁵⁰ Clearly then, the Project was included in the Annual Budget CY 2011 of Caloocan City and funded by SP Ordinance No. 0468 s. of 2010.

The use of Account Code “260” instead of “665” in ALOBS No. 100-11-5649 dated October 20, 2011 was also satisfactorily explained by the Defense. Both accused said that “260” was the correct code because the Project involved an expenditure of public funds.¹⁵¹ Annex A of Circular No. 2003-001 dated June 17, 2003 indicates that the proper expense account for “Other Public Infrastructures” is “260”.¹⁵² This includes the construction of “multi-purpose halls”, as in this case. Account Code “665” cannot be used because it is the income account code for the 20% share of IRA received by the City.¹⁵³ Income account codes are only recorded when the local government unit receives money for taxpayers or from other persons/entities.¹⁵⁴

On the lack of prior authorization from the SP of Caloocan City

This issue has been settled with finality by the COA *en banc* in its Decision No. 2017-160 dated June 15, 2017.¹⁵⁵ The COA *en banc* ruled that the lack of prior authorization from the SP in the implementation of contracts funded by the 20% IRA was cured by the passage of Resolution No. 1985 s. of 2012.¹⁵⁶

The COA *en banc*’s decision is not, however, relevant in the determination of accused Centeno and Garcia’s culpability for the crime of Falsification under Article 171 (4) of the R.P.C. Here, the Court only needs to determine if accused Centeno and Garcia made untruthful statements in the

¹⁴⁷ Article 410, IRR of R.A. No. 7160.

¹⁴⁸ *Ibid.*

¹⁴⁹ Section 109 (2) of R.A. No. 7160.

¹⁵⁰ Exhibit 31-B-1; Underscoring ours.

¹⁵¹ Amended Judicial Affidavit of Jesusa C. Garcia dated March 20, 2020; Judicial Affidavit of Edna V. Centeno dated May 26, 2021.

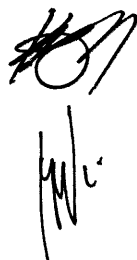

¹⁵² Exhibit 29-C.

¹⁵³ Amended Judicial Affidavit of Jesusa C. Garcia dated March 20, 2020; Judicial Affidavit of Edna V. Centeno dated May 26, 2021.

¹⁵⁴ *Ibid.*

¹⁵⁵ Exhibit 20.

¹⁵⁶ *Ibid.*




narration of facts when they made their respective certifications in ALOBS No. 100-11-5649 dated October 20, 2011. If the accused knowingly falsified the said ALOBS, meaning that they certified the existence of an appropriation when there was in fact none, then the crime was already consummated. Conversely, if they did not knowingly falsify the said document, then they did not commit the crime. The subsequent ratification of the contracts by the SP will not change the fact of the existence or inexistence of an appropriation at the time accused made their respective certifications.

The third element is absent. Accused Centeno and Garcia did not take advantage of their positions in their certifications in ALOBS No. 100-11-5649 dated October 20, 2011.

In *Garong v. People*¹⁵⁷, the Supreme Court ruled that taking advantage of official position in the crime of falsification occurs when: 1) accused has the duty to make or to prepare or otherwise to intervene in the preparation of the document; or 2) accused has the official custody of the falsified document.

Although it was established that it was accused Centeno and Garcia's duty to certify ALOBS No. 100-11-5649 dated October 20, 2011, there is no proof that they took advantage of their official positions in doing so. As a matter of fact, accused Centeno and Garcia made their respective certifications based on official documents. Both accused testified that they checked Ordinance No. 0468 s. of 2010, AIP for 2011 and the attached list of 2011 Priority Projects of the City before certifying ALOBS No. 100-11-5649 dated October 20, 2011¹⁵⁸ They claimed that the use of Account Code "260" was in accordance with COA Circular No. 2003-001 dated June 17, 2003.¹⁵⁹ There was also no finding of irregularity in the procurement of the Project. The Project was implemented and used by the residents of the barangay.¹⁶⁰

In *Siquian v. People*¹⁶¹, the Supreme Court said that the requirement of "absolute falsity" of the statement made in the document is met when there exists not even an iota of colorable truth in what is declared in the narration of facts. The word "false" or "falsely" are often used to characterize a wrongful or criminal act involving an error or untruth, intentionally or knowingly put



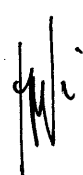
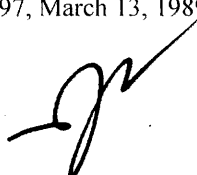
¹⁵⁷ G.R. No. 172539, November 16, 2016.

¹⁵⁸ *Ibid.*

¹⁵⁹ Amended Judicial Affidavit of Jesusa C. Garcia dated March 12, 2020, pp. 13-289, Vol. 7, Records; Judicial Affidavit of Edna V. Centeno dated May 26, 201, pp. 461-640, Vol. 7, Records.

¹⁶⁰ *Supra*, p. 47, TSN dated May 27, 2021.

¹⁶¹ G.R. No. 82197, March 13, 1989.



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forward.¹⁶⁷ A thing is called “false” when it is done, or made, with knowledge, actual or constructive, that is untrue or illegal, or is said to be done falsely.¹⁶⁸

In this case, accused Centeno and Garcia presented sufficient evidence to prove that the Project was funded by an appropriation ordinance, as required by law. Their respective certifications in ALOBS No. 100-11-5649 dated October 20, 2011 pertaining to the “existence of appropriation” and “obligation of allotment” for the Project were not “untruthful” or “absolutely false”. Although the Project was not particularly named or identified in Ordinance No. 0468 s. of 2010, evidence shows that it was included by CDC for local funding in the city’s annual budget. If the statements are not altogether false, there being some colorable truth in them, the crime of falsification is deemed not to have been committed.¹⁶⁹

WHEREFORE, premises considered, judgment is hereby rendered:

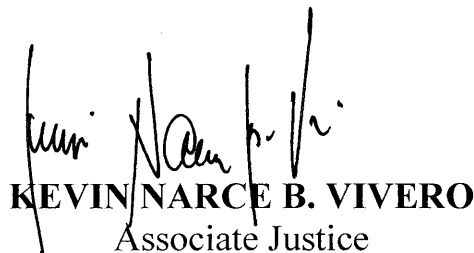
- 1) **ACQUITTING** accused **EDNA V. CENTENO** and **JESUSA C. GARCIA** of the crime of *Falsification of Public Documents under Article 171 (4) of the R.P.C.* for failure of the Prosecution to prove their guilt beyond reasonable doubt for the said offense.
- 2) The hold departure order issued against accused Centeno and Garcia by reason of this case is hereby **LIFTED** and **SET ASIDE**, and the bond posted is **RELEASED** subject to the usual accounting and auditing procedures.

SO ORDERED.


KARL B. MIRANDA
Associate Justice

WE CONCUR:


SARAH JANE T. FERNANDEZ
Associate Justice
Chairperson


KEVIN NARCE B. VIVERO
Associate Justice

¹⁶⁷ Black, H. (1968). Black’s Law Dictionary (revised 4th ed). West Publishing Co.

¹⁶⁸ *Ibid.*

¹⁶⁹ *Lecaroz v. Sandiganbayan*, G.R. No. 130872, March 25, 1999.

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ATTESTATION

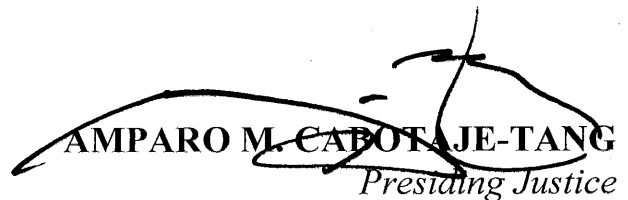
I attest that the conclusions in the above Decision were reached in consultation before the case was assigned to the writer of the opinion of the Court's division.



SARAH JANE T. FERNANDEZ
Chairperson, Sixth Division

CERTIFICATION

Pursuant to Article VII, 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

