



Republic of the Philippines  
**Sandiganbayan**  
Quezon City

**SIXTH DIVISION**

**PEOPLE OF THE PHILIPPINES,**  
*Plaintiff,*

**SB-15-CRM-0284 to 0285**

For: Violation of Sections 3(e) and 3(g)  
of Republic Act No. 3019, as  
amended

- versus -

**CELESTINO ASAS MARTINEZ III,  
CRESENCIO PILAPIL VERDIDA,  
RHETT E. MINGUEZ,  
MARY LOU B. URSAL, and  
JULIO S. URSONAL, JR.**

*Accused.*

*Present*

**FERNANDEZ, SJ, J.**

*Chairperson*

**MIRANDA, J. and**

**VIVERO, J.**

*Promulgated:*

**JUN 06 2022**

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**RESOLUTION**

**VIVERO, J.:**

It's not unpatriotic to denounce an injustice  
committed on our behalf, perhaps it's the most  
patriotic thing we can do.

**E.A. Bucchianeri, Brushstrokes of a Gadfly,**

This resolves the following incidents, *scilicet*:

- (1) *Motion for Reconsideration (Re: Decision dated 28  
February 2022), which was filed by accused Celestino  
A. Martinez III via electronic mail on March 14, 2022;*

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- (2) *Motion for Reconsideration (of the Decision dated 28 February 2022)* which was filed by accused Crescencio P. Verdida via electronic mail on March 15, 2022;
- (3) *Motion for Reconsideration for Accused Julio S. Ursonal, Jr.*, which said accused filed via electronic mail on March 15, 2022; and
- (4) *Consolidated Opposition (Re: Motions for Reconsideration of Accused Celestino A. Martinez III dated March 14, 2022; Motion for Reconsideration of Accused Crescencio P. Verdida dated March 14, 2022; and Motion for Reconsideration of Accused Julio S. Ursonal, Jr. dated March 15, 2022)* which was filed by the Prosecution via electronic mail on April 4, 2022.

Meanwhile, accused Minguez filed his Notice of Appeal on March 11, 2022.

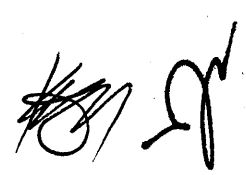
Accused **Martinez III** chalked up the following reversible errors on the Court:

1. The Honorable Court seriously erred in considering that accused Martinez did not file his Memorandum at the appointed time;
2. The Honorable Court gravely erred in finding that accused Martinez violated Section 3(e) of RA 3019; and
3. The Honorable Court gravely erred in holding that accused Martinez violated Section 3(g) of RA 3019.<sup>1</sup>

For his part, accused **Verdida** cites the following grounds, to wit:

1. Accused Verdida[’s] mere act of obtaining a salary loan offered by BMEMPC and eventually paying it does not prove conspiracy with the other accused;

<sup>1</sup> Motion for Reconsideration (Re: Decision dated 28 February 2022) dated March 14, 2022, of C. A. Martinez III, pp. 2 – 16.



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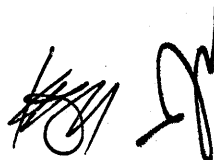
2. Accused Verdida signed the disbursement vouchers in the performance of his duty as Accountant when he found the DVs and its supporting documents regular; thus, it does not amount to manifest partiality and gross inexcusable negligence amounting to bad faith; and
3. Verdida was not part of any conspiracy.<sup>2</sup>

The arguments of accused **Ursonal, Jr.** hinged on the following grounds:

1. The alleged conspiracy involving Ursonal had not been proven beyond reasonable doubt because the:
  - 1.1 Information failed to adequately define the kind and nature [of the] conspiracy as well as the role of Ursonal.
  - 1.2 Information failed to allege that on 12 February 2007, when Ursonal signed the MOA in behalf of the Coop, he know (sic) the fund source of the Bogo LGU Grant.
  - 1.3 Information failed to identify the main suspect or mastermind in the Information thereby violating the rights of the accused to be adequately informed of and defend against the charge.
2. Since conspiracy was not proven, Ursonal is liable *only* of (sic) his specific acts;
3. If the same set of facts are susceptible of two (2) interpretations, one consistent with accused's innocence and the other with his guilt, the court must acquit.

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<sup>2</sup> Motion for Reconsideration (of the *Decision* dated 28 February 2022) dated March 14, 2022, of C. P. Verdida, pp. 2 – 12.



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4. Ursonal's signing of the 12 February 2007 MOA, as Coop representative, is not illegal or a crime *per se*. It is susceptible to interpretation consistent with his innocence.
5. Coop member's loan applications, as Coop representative, is not illegal or a crime *per se*. It is also susceptible to interpretation consistent with his innocence.
6. Administrative exculpation of Ursonal from similar set of facts and evidence renders criminal prosecution on [the] same set of facts and evidence untrue.<sup>3</sup>

*A sensu contrario*, the **Prosecution** contends that the law and applicable jurisprudence undergirds the Court's verdict. In particular, the Prosecution avers:

A. For Violation of Sec. 3(e) of RA 3019:

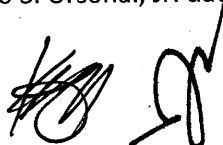
1. The Honorable Court correctly found that accused Martinez, Verdida and Ursonal acted with manifest partiality, evident bad faith and gross inexcusable negligence towards BMEMPC.
2. The Honorable Court is correct in considering that the act of accused Martinez, Verdida and Ursonal caused not only undue injury to the government but it also give (sic) unwarranted benefit to the said accused.
3. The conspiracy was sufficiently established by the Prosecution.

B. For Violation of Sec. 3(g) of RA 3019:

1. The Honorable Court did not err in holding accused Martinez and Ursonal guilty for violation of Sec. 3(g) of Republic Act 3019.

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<sup>3</sup> Motion for Reconsideration for Accused Julio S. Ursonal, Jr. dated March 14, 2022, pp. 19 – 20.



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- C. The Honorable Court did not commit an error in not considering the Memorandum filed by accused Martinez
- D. Accused Ursonal is barred from attacking the alleged defects in the Informations and used (sic) the same as a ground in seeking reconsideration.<sup>4</sup>

The assailed judgment of conviction is embodied in the Court's Decision dated February 28, 2022. The *fallo* thereof is quoted below, viz:

**"WHEREFORE,** premises considered, the Court hereby finds and so holds as follows:

**A. Criminal Case No. SB-15-CRM-0284:**

Accused **CELESTINO ASAS MARTINEZ III, CRESCENCIO PILAPIL VERDIDA, RHETT E. MINGUEZ and JULIO S. URSONAL, JR.** are ***GUILTY*** beyond reasonable doubt for conspiring in the commission of acts violative of **Section 3(e) of Republic Act No. 3019, as amended.**

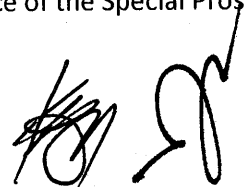
Accordingly, accused **Martinez III, Verdida, Minguez and Ursonal** are sentenced to suffer the indeterminate penalty of six (6) years and one (1) month, as ***minimum***, to ten (10) years and one (1) day, as ***maximum***.

In addition, accused **Martinez III, Verdida, Minguez and Ursonal** shall suffer perpetual disqualification from holding any public office and loss of all retirement and gratuity benefits under any law.

The case against **MARY LOU URSAL** shall, pending her arrest, remain **ARCHIVED.**

**B. Criminal Case No. SB-15-CRM-0285:**

<sup>4</sup> Consolidated Opposition (Re: Motions for Reconsideration of Accused Celestino A. Martinez III Dated March 14, 2022; Motion for Reconsideration of Accused Crescencio P. Verdida Dated March 14, 2022; and Motion for Reconsideration of Accused Julio S. Ursonal, Jr. Dated March 15, 2022) dated April 4, 2022, of the Office of the Special Prosecutor, pp. 4 -28.



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Accused **CELESTINO ASAS MARTINEZ III and JULIO S. URSONAL, JR.** are **GUILTY** beyond reasonable doubt for conspiring in the commission of acts violative of **Section 3(g) of Republic Act No. 3019, as amended.**

Accordingly, accused **Martinez III** and **Ursonal** are sentenced to suffer the indeterminate penalty of six (6) years and one (1) month, as **minimum**, to ten (10) years and one (1) day, as **maximum.**

In addition, accused **Martinez III** and **Ursonal** shall suffer perpetual disqualification from holding any public office, and loss of all retirement and gratuity benefits under any law.

**C. CIVIL LIABILITY:**

Accused **Martinez III, Verdida, Minguez** and **Ursonal** are ordered to indemnify **jointly and severally** the National Government the amount of **Twenty Million Pesos, Philippine Currency (P20,000,000.00).** The indemnity shall be paid immediately by said accused to the Bureau of the Treasury.

**SO ORDERED."** <sup>5</sup>

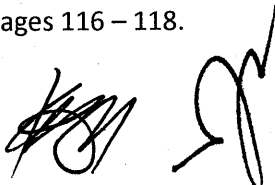
Collectively, accused-movant's impugment of the Court's Decision is two-pronged. Procedural and substantive matters were called into question.

Accused Ursonal, Jr. takes issue with defects in the Informations. Lamentably, his argument is too little, too late. Rule 117 of the Rules of Court provides:

**Section 9. Failure to move to quash or to allege any ground therefor.** — The failure of the accused to assert any ground of a motion to quash before he pleads to the complaint or information, either because he did not file a motion to quash or failed to allege the same in said motion, shall be **DEEMED A WAIVER** of any objections based on the grounds provided for in paragraphs (a), (b), (g), and (i) of section 3 of this Rule. (Emphasis and Capitalization Supplied.)



<sup>5</sup> Decision dated February 28, 2022, pages 116 – 118.



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Accused Martinez III belabors the “undeserved prejudice”<sup>6</sup> he has suffered due to the Court’s failure to wade through his memorandum. Yet, this hardly matters. He should be minded that the Court adheres unflinchingly to the axiom: ***judicis est judicare secumdem allegata et probata.***<sup>7</sup> Ultimately, the verdict is based on the totality of the evidence, not the memoranda.

The Court now shifts to substantive matters. There is no gainsaying that the crimes charged against the accused, including the conspiracy angle, have been proven beyond reasonable doubt. That is the bottom line.

Making a big fuss about the niceties of “explicit”, “implied”, “wheel or chain conspiracy”<sup>8</sup> deserve scant consideration. Nitpicking on these will get accused Ursonal, Jr. nowhere. Both Informations expressly allege that accused were “conspiring”. Perhaps, more importantly, the Court has explained the fact of conspiracy at length. The Court’s succinct declaration runs thus:

Without buy-in from fiscal administrators of LGU-BOGO, release of the subject funds pursuant to the MOA signed by accused Martinez would not have materialized. Elsewise stated, sans either certification and approval, said monies could not have been disbursed.<sup>9</sup> **Martinez III**, as Mayor, initiated the request for obligation of allotments and certified and approved the disbursement vouchers.<sup>10</sup> **Verdida**, as Municipal Accountant, obligated the allotments. **Minguez**, the Municipal Treasurer, certified to the availability of funds and released the money to BMEMPC even though he knew beforehand that it should have been used ***directly, exclusively and strictly*** for agriculture related projects of native farmers and fisherfolks.<sup>11</sup> Their interconnected acts lead to the inescapable conclusion that they were dead set on perpetrating their kleptocracy.<sup>12</sup>

Accused Verdida bemoans that he was dragged into this mess because of his obtention of a salary loan,<sup>13</sup> and his *imprimatur*, as

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<sup>6</sup> Supra, Note 1 at p. 3.

<sup>7</sup> This Latin maxim means: A judge ought to decide according to the allegations and proof.

<sup>8</sup> Supra, Note 3 at p. 20.

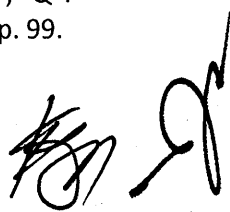
<sup>9</sup> *People v. Pajaro, et. al.*, G.R. Ncs. 167860-65, June 17, 2008, 554 SCRA 572.

<sup>10</sup> EXHIBITS “M”, “R”, “R-1”.

<sup>11</sup> EXHIBITS “J”, “K”, “L”, “M”, “N” “O”, “Q”.

<sup>12</sup> Decision dated February 28, 2022, p. 99.

<sup>13</sup> Supra, Note 2 at pp. 2 – 7.



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Municipal Accountant, to the disbursement voucher.<sup>14</sup> Such oversimplification is flawed. Conspiracy was inferred from acts that clearly manifest a common intent or design to commit a crime.<sup>15</sup> The chain of circumstances prove this, to wit:

Accused Minguez and Verdida willingly went along with the knavish scheme which accused Martinez III spearheaded by lending a semblance of legitimacy to an otherwise irregular diversion of public funds. To the point of being repetitive, certifying, approving and signing the disbursement voucher,<sup>16</sup> obligation request,<sup>17</sup> check<sup>18</sup> and attachments<sup>19</sup> were not perfunctory, ministerial tasks. These demanded the exercise of sound judgment. They acted *ex cathedra*; hence, it behooved them to observe utmost circumspection. Discretion had been narrowly tailored by the textual basis of the law. By failing to act surefootedly, they shared equal guilt with the Mayor for which they should be held answerable. *Ergo*, the "**overt act**" in pursuance of the conspiracy, as required in *Bahilidad v. People*,<sup>20</sup> was shown clearly through weighty and probative evidence. Besides, "**moral assistance**" to their co-principal, accused Martinez III, which element was considered crucial in *Pecho v. People and Sandiganbayan*,<sup>21</sup> was extant herein.<sup>22</sup>

Further, accused Martinez III faults the Court for ruling "that only farmers whose primary or main source of income is farming can be the beneficiaries of AFMA."<sup>23</sup> Yet, he harps on a latitudinarian interpretation of R.A. No. 8435<sup>24</sup> to make up the leeway for BMEMPC as a qualified beneficiary under said statute.<sup>25</sup>

<sup>14</sup> Id. at pp. 14 – 16.

<sup>15</sup> *People v Sandiganbayan*, (2<sup>nd</sup> Division), *Saludaga, et. al.*, G.R. No. 1 979 53, August 5, 2015; *De Jesus, Sr., Apigo and Ang v. Sandiganbayan – Fourth Division*, G.R. Nos. 1 82539 – 40, February 23, 2011.

<sup>16</sup> EXHIBITS "P", "P-1", "P-2", "P-3", "P-4".

<sup>17</sup> EXHIBITS "R", "R-1".

<sup>18</sup> EXHIBITS "S", "S-1", "S-2".

<sup>19</sup> EXHIBITS "L", "Q".

<sup>20</sup> G.R. No. 185195, March 17, 2010 (615 SCRA 597, 604); Ramon C. Aquino, *THE REVISED PENAL CODE*, Vol. 1 [1987], 497.

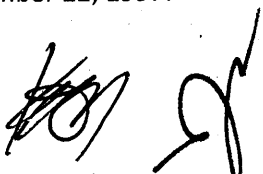
<sup>21</sup> G.R. No. 111399, September 27, 1996 (262 SCRA 518, 530-531), citing *People vs. De Roxas*, G.R. No. 106783, February 15, 1995 (241 SCRA 369)

<sup>22</sup> Decision dated February 28, 2022, p. 102.

<sup>23</sup> *Supra*, Note 1 at pp. 11, 14.

<sup>24</sup> **AN ACT PRESCRIBING URGENT RELATED MEASURES TO MODERNIZE THE AGRICULTURE AND FISHERIES SECTORS OF THE COUNTRY IN ORDER TO ENHANCE THEIR PROFITABILITY, AND PREPARE SAID SECTORS FOR THE CHALLENGES OF THE GLOBALIZATION THROUGH AN ADEQUATE, FOCUSED AND RATIONAL DELIVERY OF NECESSARY SUPPORT SERVICES, APPROPRIATING FUNDS THEREFOR AND FOR OTHER PURPOSES**, was approved by the Tenth Congress of the Philippines on December 22, 1997.

<sup>25</sup> *Supra*, Note 1 at pp. 5 – 6.





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***Curiosa et captiosa interpretation in lege reprobatur*** (A curious and captious interpretation is to be reprobated.). Squeezing in BMEMPC, a credit and savings cooperative whose members are employees of the Municipality of Bogo,<sup>26</sup> as a qualified beneficiary under the AFMA will subvert the policy<sup>27</sup> objectives of R.A. No. 8435. This Court, as the vanguard of justice, will never allow a whited sepulchre to capitalize on the helplessness of have-nots who are "***nasa laylayan ng lipunan***"<sup>28</sup> like marginalized farmers and subsistence fisherfolk and make a killing at their expense.

More.

Accused Ursonal, Jr. invokes the doctrine of *pro reo*<sup>29</sup> to serve as a springboard for exoneration.<sup>30</sup> Correlatively, he clings obstinately to the ruling of the Regional Trial Court (RTC), Branch 61, Bogo City<sup>31</sup> to nullify the Commission on Audit's disallowance of the subject transactions.<sup>32</sup> Also, he claims that the "Ombudsman's administrative exculpation" *propio vigore* clears him of criminal liability under Section 3(e) of the Anti-Graft and Corrupt Practices Act.<sup>33</sup>

This is plain sophistry. The RTC ruling is not, by a long shot, the law of the case. Neither does absolution of accused Ursonal, Jr. in an administrative case before the Office of the Ombudsman *ipso jure* extinguish criminal liability. Generally, these cases are mutually exclusive.<sup>34</sup>

<sup>26</sup> EXHIBIT "VV-3".

<sup>27</sup> Section 2 of R.A. No. 8435.

<sup>28</sup> Michael L. Tan, "Last, Least, Lost," Philippine Daily Inquirer, April 12, 2022; <https://opinion.inquirer.net/152023>

<sup>29</sup> The principle of *in Dubio Pro Reo* was defined, to wit: "When in doubt, rule for the accused. This is in consonance with the constitutional guarantee that the accused ought to be presumed innocent.

<sup>30</sup> Supra, Note 3, pp. 25 – 29.

<sup>31</sup> Decision dated November 19, 2015, of the Regional Trial Court (RTC), Branch 61, Bogo, Cebu, in "*Celestino Martinez III, the Bogo Municipal Employees Multi-Purpose Cooperative (BMEMPC), represented by Julio S. Ursonal, Jr., et. al. vs. Commission on Audit (COA), et. al.*," Civil Case No. BOGO-02972 (for Declaratory Relief), which ruled that the Cooperative is one of the lawful beneficiaries of the DA program under Republic Act No. 8435; EXHIBIT "14-Martinez".

<sup>32</sup> Supra, Note 3, pp. 25 – 26.

<sup>33</sup> Id. at pp. 31 – 32.

<sup>34</sup> *Ligtas v. People*, G.R. No. 200751, August 17, 2015; *People v. Sandiganbayan, First Division and Basco*, G.R. No. 164557, July 5, 2010, 637 Phil. 147; *Paredes v. Sandiganbayan*, G.R. No. 108251, January 31, 1996.

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The Court brought to the fore the crucial role of accused Ursonal, Jr. in his fellow accused's furtive scheme, viz:

"x x x The gravamen of the malfeasance imputed against him (and his co-conspirators) pertains to deliberate breach of contract (MOA) following the release of the P20 Million fund to BMEMPC to the prejudice of Bogo's farmers and fisherfolks. By signing, for and on behalf of BMEMPC, the members' loan applications<sup>35</sup> and the corresponding MOA,<sup>36</sup> entitlement of Bogo's agricultural workers to the P20 Million fund has become kaput. In fact, it defeats the MOA's<sup>37</sup> intent of *"implementing programs that generate livelihood opportunities to such marginalized sectors."*<sup>38</sup>

x x x

. . . accused Ursonal is an interloper who acted with manifest partiality in according unwarranted preference to BMEMPC's members despite the risk, as the COA discovered, that *"[the] members/borrowers' salary is not capable of paying the monthly amortization."*<sup>39</sup> Parenthetically, records<sup>40</sup> of the Cooperative Development Authority show that BMEMPC did not declare receipt of the P20 Million from the LGU-BOGO in its Financial Statement either as a loan or a donation.<sup>41</sup>

"x x x"<sup>42</sup>

Insofar as liability under Section 3(g) of R.A. No. 3019, as amended, is concerned, accused Martinez III contends that:

"x x x That BMEMPC was able to collect back the amounts loaned just goes to show the effectivity of BMEMPC as an existing machinery to promote livelihood opportunities, pursuant to the AFMA. More importantly, the MOA sought to, and did, fulfill the objectives of the AFMA because it did cover the intended beneficiaries under the AFMA. With all due respect, the COA cannot dictate and impose upon the municipality of Bogo who the intended beneficiaries of the funds should be so long as the intended beneficiaries under the MOA are included among the beneficiaries under the AFMA. Consequently, the MOA cannot be

<sup>35</sup> EXHIBITS "BB" to "BB-6", "DD" to "DD-65", "DD-104" to "DD-141", "FF", "GG" to "GG-2", "HH", "HH-1" to "HH-9", "JJ" to "JJ-2", "LL" to "LL-5", "NN" to "NN-3".

<sup>36</sup> "CC" to "CC-2", "EE", "EE-1" to "EE-3", "II" to "II-2", "KK" to "KK-2", "MM" to "MM-2".

<sup>37</sup> EXHIBIT "H".

<sup>38</sup> Id. at 2<sup>nd</sup> Whereas Clause.

<sup>39</sup> EXHIBIT "D-7" (Records, Vol. 4, p. 281).

<sup>40</sup> EXHIBITS "VV-2", "VV-2-a", "VV-2-b".

<sup>41</sup> TSN, September 11, 2018, pp. 30 – 31.

<sup>42</sup> Supra, Note 5, pp. 95, 97.

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said to be so grossly and manifestly disadvantageous upon (sic) the government so as to warrant a conviction under Section 3(g) of RA 3019. It cannot be overemphasized that all the money is fully accounted for and no funds were lost."<sup>43</sup>

The contention of accused Martinez III must fail. Good reasons negate his argument, to wit:

**“ . . . [T]he MOA between LGU-BOGO and BMEMPC is manifestly and grossly disadvantageous to the government for the following reasons:**

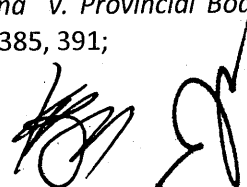
1. All interests, surcharges and fees earned in the course of the lending agreement shall accrue exclusively to the account of BMEMPC. **The MOA effectuates a disbursement of funds out of the Bogo's treasury without the corresponding appropriation, law or ordinance duly passed for the purpose.** The *Sanggunian's* resolution, which is merely declaratory of the will or opinion of a municipal corporation on a given matter,<sup>44</sup> cannot *ipso facto* insulate them from prosecution.
2. Bogo has its back against the wall of an inequitable situation because it accords BMEMPC *carte blanche* in administering the lending of the P20 Million public fund while reaping interests, and under no specific condition are said gains kept in trust for said Municipality.
3. **The subject P20 Million was used primarily to suit private ends of Municipal employees (who are also members of BMEMPC), a purpose not aligned with the *Ginintuang Agrikulturang Makamasa (GAM)* program and the MOA's target beneficiaries, poor farmers and subsistence fishermen of Bogo.** Concededly, this Machiavellian scheme is off line.

"X X X." (Emphasis Supplied.)



<sup>43</sup> Supra, Note 1, p. 16.

<sup>44</sup> 62 C.J.S. 786-7, cited in *Mascuñana v. Provincial Board of Negros Occidental*, G.R. No. L-27013, October 18, 1977, 169 Phil. 385, 391;



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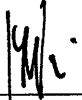
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Inasmuch as the Court's findings were, in the main, based on COA findings, these are entitled to respect and finality.<sup>45</sup> The Supreme Court's *dictum* in ***Delos Santos, et al. v. Commission on Audit (COA)***<sup>46</sup> is apropos, viz:

" . . . [T]he COA is endowed with enough latitude to determine, prevent, and disallow irregular, unnecessary, excessive, extravagant or unconscionable expenditures of government funds. It is tasked to be vigilant and conscientious in safeguarding the proper use of the government's, and ultimately the people's, property. The exercise of its general audit power is among the constitutional mechanisms that gives life to the check and balance system inherent in our form of government.<sup>47</sup>

Corollary thereto, **it is the general policy of the Court to sustain the decisions of administrative authorities, especially one which is constitutionally-created, such as the COA, not only on the basis of the doctrine of SEPARATION OF POWERS but also for their PRESUMED EXPERTISE in the laws they are entrusted to enforce.** Findings of administrative agencies are accorded not only respect but also finality when the decision and order are not tainted with unfairness or arbitrariness that would amount to grave abuse of discretion. It is only when the COA has acted without or in excess of jurisdiction, or with grave abuse of discretion amounting to lack or excess of jurisdiction, that this Court entertains a petition questioning its rulings. X X X."<sup>48</sup> (Emphasis and Capitalization Supplied.)

Accused Martinez III is liable because concrete proof shows that, as the local chief executive, he is directly responsible in approving the transaction, not merely initialing and witnessing it.<sup>49</sup> Invoking the *Arias*<sup>50</sup> doctrine,<sup>51</sup> which is not an absolute rule,<sup>52</sup> will do no good.



<sup>45</sup> *Nava v. Palattad*, G.R. No. 160211, August 28, 2006, 499 SCRA 745; *Fernandez v. Commission on Audit*, G.R. No. 205389, November 19, 2019.

<sup>46</sup> G.R. No. 198457, August 13, 2013 [Per J. Perlas-Bernabe, En Banc], 716 Phil. 322 (2013).

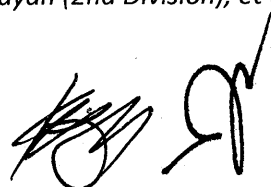
<sup>47</sup> *Veloso v. Commission on Audit*, G. R. No. 193677, September 6, 2011, 656 SCRA 767, 776.

<sup>48</sup> *Supra*, Note 45 at pp. 332 - 333.

<sup>49</sup> *Madera v. Commission on Audit*, G.R. No. 244128, September 8, 2020 [Per J. Caguioa, En Banc]; *Abellanosa v. Commission on Audit*, G.R. No. 185806, November 17, 2020 [Per J. Perlas-Bernabe, En Banc]; *Catu-Lopez v. Commission on Audit*, G.R. No. 217997, November 12, 2019.

<sup>50</sup> *Arias v. Sandiganbayan*, 259 Phil. 794, 805 (1989).

<sup>51</sup> Under the *Arias* doctrine, all heads of offices have to rely to a reasonable extent on their subordinates and on the good faith of those who prepare bids, purchase supplies, or enter into negotiations. (*People v. Sandiganbayan (2nd Division), et al.*, 765 Phil. 845, 853 [2015]).



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Prescinding from the foregoing, accused Martinez III and his co-accused are liable *in solidum* to return the public monies they have acquired unlawfully. This finds supports in Section 103 of the Presidential Decree No. 1445 or the Government Auditing Code of the Philippines, to wit:

**SEC. 103. General liability for unlawful expenditures.**

- Expenditures of government funds or uses of government property in violation of law or regulations shall be a personal liability of the official or employee found to be directly responsible therefor.

Considering that evident bad faith, manifest partiality and gross inexcusable negligence have been proven beyond cavil, the four (4) co-conspirators are civilly liable.<sup>53</sup> On several occasions, the Supreme Court held that officials and officers who disbursed the disallowed amounts are liable to refund: (1) when they patently disregarded existing rules in granting the benefits to be disbursed, amounting to gross negligence;<sup>54</sup> (2) when there was clearly no legal basis for the benefits or allowances;<sup>55</sup> (3) when the amount disbursed is so exorbitant that the approving officers were alerted to its validity and legality;<sup>56</sup> or (4) when they knew that they had no authority over such disbursement.<sup>57</sup>

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<sup>52</sup> In *Rivera vs. People* (749 Phil. 124 [2014]), the Supreme Court held:

To clarify, the *Arias* doctrine is not an absolute rule. It is not a magic cloak that can be used as a cover by a public officer to conceal himself in the shadows of his subordinates and necessarily escape liability. Thus, this ruling cannot be applied to exculpate the petitioners in view of the peculiar circumstances in this case which should have prompted them, as heads of offices, to exercise a higher degree of circumspection and, necessarily, go beyond what their subordinates had prepared. (Id. at pp. 151-152).

<sup>53</sup> Book I, Chapter 9, Section 38(1) of the Administrative Code reads:

**SECTION 38. Liability of Superior Officers.** – (1) A public officer shall not be civilly liable for acts done in the performance of his official duties, unless there is a clear showing of bad faith, malice or gross negligence.

<sup>54</sup> See *Casal v. Commission on Audit*, 538 Phil. 634 (2006) [Per J. Carpio Morales, En Banc] and *Sambo v. Commission on Audit*, 811 Phil. 344 (2017) [Per J. Peralta, En Banc].

<sup>55</sup> See *Manila International Airport Authority v. Commission on Audit*, 681 Phil. 644 (2012) [Per J. Reyes, En Banc] and *Oriondo v. Commission on Audit*, G.R. No. 211293, June 4, 2019, <<http://elibrary.judiciary.gov.ph/thebookshelf/showdocs/1/65254>> [Per J. Leonen, En Banc].

<sup>56</sup> See *Maritime Industry Authority v. Commission on Audit*, 750 Phil. 288 (2015) [Per J. Leonen, En Banc].

<sup>57</sup> See *Silang v. Commission on Audit*, 769 Phil. 327 (2015) [Per J. Perlas-Bernabe, En Banc].

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The well-studied Decision has covered exhaustively the fine points raised anew by accused-movants. Suffice it to say that the grounds calling for overturning the verdict are nothing but ***réchauffé***.

All told, the Court has sedulously taken a second hard look at the issue raised by accused-movants. Nonetheless, no substantial and compelling reason warrants the modification, much less the reversal, of the Court's peremptory conclusion.

**WHEREFORE**, the motions for reconsideration filed by accused **Celestino A. Martinez III, Crescencio P. Verdida, and Julio S. Ursonal, Jr.** are **DENIED** for lack of merit. Accordingly, the Court's Decision dated February 28, 2022, is hereby **AFFIRMED IN TOTO**.

**SO ORDERED.**

  
**KEVIN NARCE B. VIVERO**  
*Associate Justice*

**WE CONCUR:**

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

  
**KARL B. MIRANDA**  
*Associate Justice*