



REPUBLIC OF THE PHILIPPINES

Sandiganbayan
QUEZON CITY

SEVENTH DIVISION

PEOPLE OF THE PHILIPPINES,
Plaintiff,

Criminal Case No. **SB-18-CRM-0499**

-versus-

LAUREANO ARNULFO
FIDELINO MAÑALAC.

Accused.

X ----- X

PEOPLE OF THE PHILIPPINES,
Plaintiff,

Criminal Case No. **SB-18-CRM-0500**

-versus-

LAUREANO ARNULFO
FIDELINO MAÑALAC.

Accused.

X ----- X

PEOPLE OF THE PHILIPPINES,
Plaintiff,

Criminal Case No. **SB-18-CRM-0501**

-versus-

LAUREANO ARNULFO
FIDELINO MAÑALAC.

Accused.

X ----- X

PEOPLE OF THE PHILIPPINES,
Plaintiff,

Criminal Case No. **SB-18-CRM-0502**

-versus-

Present:

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LAUREANO ARNULFO
FIDELINO MAÑALAC.

Accused.

Gomez-Estoesta, J., Chairperson
Trespeses, J. and
Hidalgo, J.

Promulgated:

September 8, 2022 *ip*

X ----- X

RESOLUTION

GOMEZ-ESTOESTA, J.:

This resolves the *Motion for Reconsideration* dated June 24, 2022¹ filed by accused Laureano Arnulfo Fidelino Mañalac (“accused Mañalac”) questioning the court’s Decision dated June 24, 2022, which found him guilty of one count of *Violation of Section 8 of Republic Act No. 6713 (R.A. 6713)*,² and one count of *Perjury* under Article 183 of the *Revised Penal Code*. The assailed judgment reads:³

WHEREFORE, judgment is rendered as follows:

1. In *Criminal Case No. SB-18-CRM-0499*, for failure of the Prosecution to prove the guilt of accused Laureano Arnulfo Fidelino Mañalac beyond reasonable doubt, he is ACQUITTED of Violation of Section 8 of *Republic Act No. 6713*.
2. In *Criminal Case No. SB-18-CRM-0500*, accused Laureano Arnulfo Fidelino Mañalac is found GUILTY beyond reasonable doubt of Violation of Section 8 of *Republic Act No. 6713* and is hereby sentenced to IMPRISONMENT of ONE (1) YEAR and ONE (1) MONTH as minimum to TWO (2) YEARS as maximum. In addition, he shall be disqualified to hold public office, pursuant to Section 11 of *Republic Act No. 6713* in relation to Section 8 of the same law.
3. In *Criminal Case No. SB-18-CRM-0501*, for failure of the Prosecution to prove the guilt of accused Laureano Arnulfo Fidelino Mañalac beyond reasonable doubt, he is ACQUITTED of Perjury under Article 183 of the *Revised Penal Code*.
4. In *Criminal Case No. SB-18-CRM-0502*, accused Laureano Arnulfo Fidelino Mañalac is found GUILTY beyond reasonable doubt of Violation of Perjury under Article 183 of the *Revised Penal Code*. There being no aggravating nor mitigating circumstances proven, he is sentenced to suffer the indeterminate penalty of TWO (2) MONTHS AND ONE (1) DAY of *arresto mayor in its minimum and medium periods* as minimum, to ONE (1) YEAR AND ONE (1) DAY of *arresto*

¹ Received by the court on July 11, 2022 and set for hearing on July 14, 2022.
² Otherwise known as the Code of Conduct and Ethical Standards for Public Officials and Employees.
³ Records, Vol. 3, pp. 155-156.

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mayor in its maximum period to prison correccional in its minimum period as maximum.

SO ORDERED.

ACCUSED'S MOTION FOR RECONSIDERATION

Accused Mañalac persistently argued that what must be disclosed by public officers in the **Statement of Assets, Liabilities, and Net Worth (SALN)**, as contemplated in the *Constitution*, are declarations under oath of assets, liabilities, and net worth. An interest in a non-profit organization is *not* an asset. However, Section 8 of *R.A. 6713* made an overarching inclusion by adding “financial connections” but this should still be interpreted in line with the language used by the *Constitution*, which only requires public officers to disclose their assets, liabilities, and net worth. The intendment is prohibiting business interest and business financial connections. For the court to categorize Isa Akong Magsasaka Foundation, Inc. (“IAMFI”) as falling within the ambit of a “financial connection” already borders on ambiguity, and being ambiguous, it cannot be said that the accused committed a crime.

Accused Mañalac then underscored that his connection to IAMFI is outside the scope of *R.A. 6713* and its *Implementing Rules and Regulations (IRR) of R.A. 6713* since what are covered are only “business interests or commercial ventures.” IAMFI is a tax-free venture which allegedly serves only to uplift the situation of its famers-beneficiaries in Quezon Province. That the Rules utilized the phrase “and the like” means that only profit-oriented organizations are included within its scope, and necessarily IAMFI or non-profit entities are excluded. The phrase “and the like” should be interpreted in line with the officers enumerated, such as “proprietor, investor, promoter, partner, shareholder, officer, managing director, executive, creditor, lawyer, legal consultant or adviser, financial or business consultant, accountant, [and] auditor.” Said officers are not among the members of IAMFI. Utilizing the statutory construction tool of *Noscitur a sociis* and *Ejusdem generis*, “and the like” does not include “financial connections” to non-profit entities. This, when as reiterated, accused Manalac’s contribution came from the farmers-members of IAMFI.

Finally, since accused Mañalac had no obligation to disclose his interest in the Foundation in his SALNs, there was no malicious intention to skirt the law.

He thus prayed that the questioned judgment be set aside.

PROSECUTION'S OPPOSITION

The Prosecution defended that the SALN Law, or *R.A. 6713*, requires the disclosure of all business interests and financial connections, without distinction whether a business or enterprise operates for profit. In fact, in the

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IRR of R.A. 6713, the phrase “and the like” is broad enough to cover an interest in foundations such as IAMFI. It was untenable for accused Mañalac to argue that his contribution of Two Hundred Thousand Pesos (₱200,000.00) was not an asset. This amount was placed under his name. Whether he could utilize the same for his benefit is irrelevant because the law did not provide for this condition before an interest should be disclosed. Furthermore, accused Mañalac’s disclosure of his interest in IAMFI was necessary by reason of the Foundation’s transaction with the Department of Agriculture, where he was connected due to his former employment as Head Executive Assistant. His roles created a conflict of interest considering that the Foundation applied for accreditation, was eventually granted the same, and received public funds as a result therefor.

The Prosecution further argued that the phrase “financial connection” is not ambiguous and should be interpreted in its ordinary meaning. It cited jurisprudence which holds that, “[w]here the language of a statute is clear and unambiguous, the law is applied according to its express terms, and interpretation should be resorted to only where a literal interpretation would be either impossible or absurd or would lead to an injustice[.]”⁴

The Prosecution thus prayed for the denial of the *Motion*.

On July 15, 2022, accused Mañalac filed a *Supplement to the Motion for Reconsideration* where he disputed that the accreditation of IAMFI and his membership contribution of ₱200,000.00 was neither alleged in the Informations nor testified to by any of the prosecution witnesses. Accused Mañalac highlighted that the main issue in these cases is the non-reporting of the contribution to IAMFI.

The *Supplement* became another bone of contention between the parties, which gave rise to the filing of *Prosecution’s Motion to Expunge*. Here, the Prosecution argued that the *Supplement* was filed out of time, citing the 15-day period from promulgation of judgment, or notice of a final order or judgment, within which to file a motion for reconsideration.⁵ The Prosecution averred that said pleading was only filed on July 15, 2022, which was beyond the reglementary period in the Rules. It thus prayed that the *Supplement to the Motion for Reconsideration* be expunged.

Accused Mañalac then countered that the *Supplement* is not the motion for reconsideration, which pleading was timely filed. He only prayed for a liberal interpretation of the rules of procedure, and that the motion to expunge of the Prosecution be denied.

⁴ *Barcellano v. Bañas*, G.R. No. 165287, September 14, 2011.

⁵ 2018 Revised Internal Rules of the Sandiganbayan, rule X, § 1.

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THIS COURT'S RULING

Prefatorily, before delving into the substantial issues raised in the accused's *Motion for Reconsideration*, the court must resolve the lone procedural issue: should the accused's *Supplement to the Motion for Reconsideration* be expunged for having been filed beyond the 15-day reglementary period?

In the interest of justice, the court admits the same.

Section 1, Rule X of the *2018 Revised Internal Rules of the Sandiganbayan* give the parties a 15-day period from promulgation of a judgment, or from notice thereof, within which to file a motion for new trial or reconsideration.

In this case, accused Mañalac was notified of the court's judgment of conviction during the promulgation held on June 24, 2022. As per the afore-cited Rules, he has 15 days therefrom, or until July 9, 2022, within which to avail of his procedural remedies. Verily, although the accused's *Motion for Reconsideration* was timely filed on July 8, 2022, the same cannot be said of the *Supplement* which was submitted only on July 15, 2022, being six days beyond the 15-day period.

However, all is not lost for accused Mañalac. The Rules also provide that its provisions shall be *liberally construed* to promote a just, expeditious, and inexpensive determination of every action and proceeding.⁶ While the *Supplement to the Motion for Reconsideration* was filed out of time, it is noted that his *Motion for Reconsideration* was filed on time on July 9, 2022, which was within the 15-day reglementary period. The *Supplement* can be construed as part of the *Motion for Reconsideration*.

Now, on the substantial matters of accused's *Motion for Reconsideration*.

Accused Mañalac focused his contentions on the alleged nature of IAMFI as a non-profit entity. He posited that his interest therein cannot be considered as a business interest or financial connection contemplated by *R.A. 6713*. As such, he argued that his interest in the Foundation was not required to be disclosed in his SALNs.

This position is untenable as it would expand the scope of the law and encroach upon legislative functions.

It is basic in statutory construction that if a statute is clear, plain, and free from ambiguity, it must be given its literal meaning and applied without

⁶ 2018 Revised Internal Rules of the Sandiganbayan, rule I, § 3.

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attempted interpretation. This is the doctrine espoused by *Philippine National Bank v. Garcia, Jr.*:⁷

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Verily, the words employed by the legislature in a statute correctly express its intent or will and preclude courts from construing it differently. The legislature is presumed to have known the meanings of the words, to have used those words advisedly, and to have expressed its intent by the use of such words as are found in the statute. Where the language of a statute is plain and unambiguous and conveys a clear and definite meaning, there is no occasion for resorting to the rules of statutory construction, and this Court has no right to look for or impose another meaning.

The broad scope of *R.A. 6713* is crystal clear. **No distinction is made whether a business is for profit or whether it is a non-profit entity.** It simply requires the disclosure by public officers of **all** business interests and financial connections, to wit:⁸

SECTION 8. Statements and Disclosure. — x x x

XXX XXX XXX

The two documents shall contain information on the following:

- (a) real property, its improvements, acquisition costs, assessed value and current fair market value;
- (b) personal property and acquisition cost;
- (c) all other assets such as investments, cash on hand or in banks, stocks, bonds, and the like;
- (d) liabilities, and;
- (e) **all business interests and financial connections.**

(Emphasis supplied)

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Similarly, neither did the *Implementing Rules of R.A. 6713* distinguish whether a business is run for profit or not. What the Rules require is the disclosure by public officers of **any** existing interest or connection with **any** business enterprise or entity “whether as proprietor, investor, promoter, partner, shareholder, officer, managing director, executive, creditor, lawyer,

⁷ G.R. No. 141246, September 9, 2002.

⁸ An Act Establishing a Code of Conduct and Ethical Standards for Public Officials and Employees, to Uphold the Time-Honored Principle of Public Office Being a Public Trust, Granting Incentives and Rewards for Exemplary Service, Enumerating Prohibited Acts and Transactions and Providing Penalties for Violations Thereof and For Other Purposes [CODE OF CONDUCT AND ETHICAL STANDARDS FOR PUBLIC OFFICIALS AND EMPLOYEES], Republic Act No. 6713, § 8 (1989).

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legal consultant or adviser, financial or business consultant, accountant, auditor, **and the like**[.]”⁹

Verba legis non est recedendum — from the words of a statute there should be no departure.¹⁰ Since the language employed by *R.A. 6713* casts such a wide net, the same necessarily includes non-stock corporations, such as IAMFI. Additionally, the interpretation of accused Mañalac cannot be accepted as it would create an exception to the law when no such exception has been explicitly provided by Congress. He was thus bound to disclose his interest to the Foundation in his SALNs failing which amounted to a violation of *R.A. 6713*.

More than the violation of *R.A. 6713*, however, it must be underscored that accused Mañalac’s non-disclosure of his business interests was not an isolated act existing in a vacuum. The same must be read in context with the bigger picture which has been adequately established by the evidence on record.

All the founders and trustees of the Foundation were intimately related, either by consanguinity or affinity, to accused Mañalac, as found in the records of the Securities and Exchange Commission (SEC). During his tenure as Head Executive Assistant of the Department of Agriculture (DA), IAMFI filed an application for accreditation before the same agency for status as a beneficiary of government projects, which was a prohibited transaction under *R.A. 6713*.¹¹ But when IAMFI submitted its Articles of Incorporation and its By-Laws to the DA in support of its application for accreditation, there were glaring discrepancies in the identities of the Foundation’s officers to erase any trace that could lead back to accused Mañalac’s involvement in it, viz:

IAMFI By-Laws dated July 5, 2010			
Exhibit “C”		Exhibit “U”	
Submitted to SEC		Submitted to DA	
Names of Signatories	Bautista Ella; Veneracion Ella; Eleanor Mañalac; Marian Louise Mayin Mañalac; and Arnulfo Mañalac	Names of Signatories	Bautista Ella; Veneracion Ella; <u>Everlito Ella;</u> <u>Ravenal Dejarme;</u> <u>and</u> <u>Estacio Lim</u>

⁹ Rules Implementing the Code of Conduct and Ethical Standards for Public Officials and Employees [IMPLEMENTING RULES OF R.A. 6713], Rule VII, Section 1 (a) (2) (1989).

¹⁰ *Bolos v. Bolos*, G.R. No. 186400, October 20, 2010.

¹¹ Among the transactions prohibited by R.A. 6713 is the following:

Section 7. Prohibited Acts and Transactions. - In addition to acts and omissions of public officials and employees now prescribed in the Constitution and existing laws, the following shall constitute prohibited acts and transactions of any public official and employee and are hereby declared to be unlawful:

- (a) Financial and material interest. - Public officials and employees shall not, directly or indirectly, have any financial or material interest in any transaction requiring the approval of their office.

IAMFI Articles of Incorporation dated July 5, 2010			
Exhibit "B"		Exhibit "T"	
Submitted to SEC		Submitted to DA	
Names of Incorporators	Bautista Ella; Veneracion Ella; Eleanor Mañalac; Marian Louise Mayin Mañalac; and Arnulfo Mañalac	Names of Incorporators	Bautista Ella; Veneracion Ella; <u>Everlito Ella;</u> <u>Ravenal Dejarme;</u> <u>and</u> <u>Estacio Lim</u>
Names of Trustees	-same-	Names of Trustees	-same-
Names of Contributors	-same-	Names of Contributors	-same-
Names of Signatories	-same-	Names of Signatories	-same-
Name of Treasurer	Arnulfo Mañalac	Name of Treasurer	<u>Ravenal Dejarme</u>

The apparent differences in the above-mentioned documents can only be explained by accused Mañalac's underlying desire to conceal his financial ties to IAMFI, which included him doctoring his business interests in his SALNs for the years 2010 and 2011. This was done by accused Mañalac to ensure that IAMFI's application could evade being red flagged by the DA as a prohibited transaction due to his employment as Head Executive Assistant. Eventually, IAMFI was granted a Certificate of Accreditation by the DA, and ultimately, government funds were disbursed for IAMFI, which funds were personally received by accused Mañalac himself. This malicious intent to conceal financial interests was precisely the essence of what is prohibited by law and jurisprudence.¹²

In fine, the evidence adduced by the Prosecution was sufficient to establish accused Mañalac's liability for the crimes charged. As no cogent reason has been provided by accused Mañalac which would warrant any modification, much less reversal, of the court's previous legal stand, no departure therefrom is justified under the circumstances.


WHEREFORE, the *Motion for Reconsideration* dated June 24, 2022, together with its *Supplement*, filed by accused Laureano Arnulfo Fidelino Mañalac, are **DENIED**.

As resolved, the *Motion to Expunge (Supplement to the Motion for Reconsideration Dated June 24, 2022)* dated July 19, 2022 filed by the Prosecution is likewise **DENIED**.

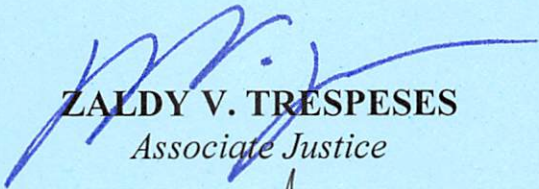
SO ORDERED.


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¹² See *Daplas v. Department of Finance*, G.R. No. 221153, April 17, 2017.


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

WE CONCUR:


ZALDY V. TRESPES
Associate Justice


GEORGINA D. HIDALGO
Associate Justice