



REPUBLIC OF THE PHILIPPINES
Sandiganbayan
Quezon City

SIXTH DIVISION

PEOPLE OF THE PHILIPPINES,
Plaintiff,

SB-22-CRM-0195
For: Violation of Sec. 3(e)
of R.A. No. 3019

SB-22-CRM-0196
For: Violation of Sec. 3(g)
of R.A. No. 3019

- versus -

Present

RICARDO M. CAMACHO, ET AL.,
Accused.

FERNANDEZ, SJ, J.,
Chairperson
MIRANDA, J. and
VIVERO, J.

Promulgated:

November 14, 2023 *[Signature]*

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RESOLUTION

FERNANDEZ, SJ, J.

This resolves the following:

1. Accused Willy L. Chua's *Motion to Suspend Proceedings*;¹
2. Accused Chua's *Supplement (To the Motion to Suspend Proceedings dated November 7, 2023)*;²
3. Accused Ricardo M. Camacho's *Manifestation*;³ and,

¹ Dated November 7, 2023

² Dated November 9, 2023

³ Dated November 9, 2023

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- 4. The prosecution's *Consolidated Comment (Re: Accused Chua's Motion to Defer Proceedings, Supplement to the Motion to Defer Proceedings, and Accused Camacho's Manifestation)*.⁴

In his *Motion to Suspend Proceedings*, accused Chua prays that the court suspend the proceedings in the present cases on the ground of prejudicial question. He avers:

- 1. The proceedings in the present cases should be suspended until after the final resolution by the Regional Trial Court (RTC) of the pending prior prejudicial question.
- 2. All the elements of prejudicial question are present.
- 3. There was a previously instituted civil action involving an issue similar or intimately related to the issue raised in the subsequent criminal action.
 - a. He filed a Complaint for Specific Performance against the Municipality of Bayambang on May 20, 2016. The said complaint was docketed as Civil Case No. SCC-4146, and is pending before Branch 56 of the RTC in San Carlos City, Pangasinan.
 - b. The Informations in these cases were filed on October 14, 2022.
 - c. The issue in the civil case is the validity of the transfer of the subject property. In the said civil case, the Municipality's counter-claim is for the nullification of the Deed of Exchange.
 - d. The main issues that would determine the grant of relief in the civil case and the existence of all the elements of the offenses charged in the present cases are the same, or at the very least, intimately intertwined.
- 4. The resolution of such issue determines whether or not the criminal action may proceed.
 - a. If the Deed of Exchange is declared valid for being within Mayor Camacho's scope of authority, there would be no prohibited act to speak of, nor would there be basis for the undue injury claimed to have been suffered by the Complainant.

⁴ Dated November 10, 2023 and filed on even date

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- b. In *Philippine Agila Satellite Inc. v. Lichauco*,⁵ one of the causes of action was the declaration of nullity of the award given to the undisclosed bidder for being beyond therein respondent Lichauco's authority. It was held that if the said award is, in the civil case, declared valid for being within Lichauco's scope of authority, there would be no prohibited act to speak of nor would there be basis for undue injury claimed to have been suffered by therein petitioner.
- c. As in *Philippine Agila Satellite Inc. v. Lichauco*, the court should similarly rule that there is sufficient basis for the suspension of the criminal case on the ground of prejudicial question.

In his *Supplement (To the Motion to Suspend Proceedings dated November 7, 2023)*,⁶ accused Chua attached (1) the duplicate original copy of the Resolution dated October 10, 2023, and (2) the duplicate original copy of the Answer dated August 12, 2022. He further reiterates his argument that there is a prejudicial question because the Municipality of Bayambang, in the said Answer dated August 12, 2022 in Civil Case No. SCC-4146, interposed the issue of the validity of the Deed of Exchange between him and the Municipality.

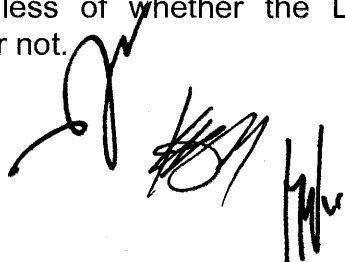
In his *Manifestation*, accused Camacho manifests that he is adopting accused Chua's *Motion to Suspend Proceedings*.

In its *Consolidated Comment*, the prosecution counters:

1. No prejudicial question exists because the issues and factual findings in the civil case are not determinative of the guilt or innocence of the accused in the instant criminal cases.
2. The main issue in the present cases is not the validity of the Deed of Exchange but whether or not the act of entering into the subject contract constitutes violation of Section 3(e) and (g) of R.A. No. 3019.
3. The criminal liability of the accused can be proved through the presentation of evidence showing the elements of the crimes charged regardless of whether the Deed of Exchange is declared valid or not.

⁵ G.R. No. 134887, July 27, 2006

⁶ Dated November 9, 2023



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- 4. In *Emilio Gonzales La'o v. Republic of the Philippines*,⁷ the Supreme Court declared the contract null and void *ab initio* for being in contravention of Section 3(e) and (g) of R.A. No. 3019.
- 5. The issue of the validity of the Deed of Exchange is inconsequential because it is already considered invalid within the purview of R.A. No. 3019. The contract is prohibited by law because it caused undue injury to the government or gave unwarranted benefits, advantage or preference to accused Chua. At the same time, the contract or transaction is grossly and manifestly disadvantageous to the government.

THE COURT'S RULING

The Court resolves to deny the Motion of accused Chua and Camacho.

Sections 6 and 7 of Rule 111 of the Rules of Court provide for the conditions for suspending the proceedings in the criminal case by reason of prejudicial question. The said provisions read:

Sec. 6. Suspension by reason of prejudicial question. – A petition for suspension of the criminal action based upon the pendency of a prejudicial question in a civil action may be filed in the office of the prosecutor or the court conducting the preliminary investigation. When the criminal action has been filed in court for trial, the petition to suspend shall be filed in the same criminal action at any time before the prosecution rests.

Sec. 7. Elements of prejudicial question. – The elements of a prejudicial question are: (a) the previously instituted civil action involves an issue similar or intimately related to the issue raised in the subsequent criminal action, and (b) the resolution of such issue determines whether or not the criminal action may proceed.

In *Mathay v. People*,⁸ it was held that for a prejudicial question to suspend the proceedings in the criminal action, it must appear that (1) the facts involved in the civil case are related to those upon which the criminal prosecution would be based; and (2) the resolution of the issue(s) raised in the civil case would necessarily determine the guilt or innocence of the accused. *Viz.:*

⁷ G.R. No. 160719, January 23, 2006

⁸ G.R. No. 218964, June 30, 2020

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The prejudicial question must be determinative of the case before the court, but the question to try and resolve the question must be lodged in another court or tribunal. It is a question based on a fact distinct and separate from the crime, but so intimately connected with it that its ascertainment determines the guilt or innocence of the accused. For it to suspend the criminal action, it must appear not only that the civil case involves facts intimately related to those upon which the criminal prosecution would be based, but also that in the resolution of the issue or issues raised in the civil case, the guilt or innocence of the accused would necessarily be determined.

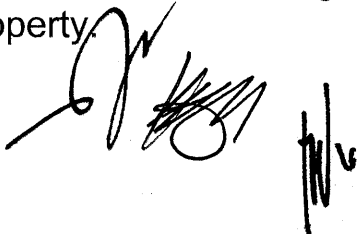
The prosecution has not yet rested its case. Hence, accused Chua's *Motion to Suspend Proceedings* was timely filed.

Accused Chua argues that the proceedings in the present cases should be suspended because the issue of the validity of the Deed of Exchange was raised in Civil Case No. SCC-4146, a case for specific performance pending before the RTC. According to accused Chua, the resolution of the issue of the validity of the said Deed of Exchange would determine whether or not the present cases would proceed. If the Deed of Exchange is declared valid for being within former Mayor Camacho's (herein accused Camacho) scope of authority, then there would be no prohibited act to speak of, nor would there be basis for the undue injury claimed to have been suffered by the complainant.

This Court is not persuaded.

In SB-22-CRM-0195, for Violation of Sec. 3(e) of R.A. No. 3019, the accused are charged with allegedly conspiring to give unwarranted benefits and advantage to accused Chua and causing injury to the government by entering into a Deed of Exchange of Real Properties involving properties with market values and land areas which significantly differ.

On the other hand, in SB-22-CRM-0196, for Violation of Sec. 3(g) of R.A. No. 3019, the accused are charged with allegedly conspiring to enter into a contract that is manifestly and grossly disadvantageous to the government, with accused Camacho, on behalf of the Municipality of Bayambang, agreeing to transfer the municipality's property to accused Chua in exchange for accused Chua's property, which was smaller and had a market value significantly lower than that of the municipality's property.



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The issues to be resolved in the present cases are whether or not the elements of Violation of Sec. 3(e) of R.A. No. 3019, and of Violation of Sec. 3(g) of R.A. No. 3019, are present. The elements of the said offenses are as follows:

Violation of Sec. 3(e) of R.A. No. 3019

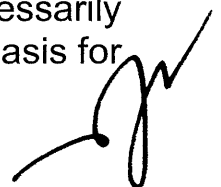
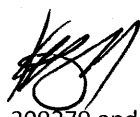
- (a) The accused must be a public officer discharging administrative, judicial, or official functions;
- (b) He or she must have acted with manifest partiality, evident bad faith, or gross inexcusable negligence; and,
- (c) His or her action caused any undue injury to any party, including the government, or giving any private party unwarranted benefits, advantage or preference in the discharge of his or her functions.⁹

Violation of Sec. 3(g) of R.A. No. 3019

- (a) The accused is a public officer;
- (b) He or she entered into a contract or transaction on behalf of the government; and,
- (c) Such contract or transaction is grossly and manifestly disadvantageous to the government.¹⁰

The issue of the validity of the Deed of Exchange will not necessarily determine the guilt or innocence of the accused in these cases. In SB-22-CRM-0195, the declaration of the validity of the Deed of Exchange will not necessarily mean that accused Camacho did not act with manifest partiality, evident bad faith, or gross inexcusable negligence to give unwarranted benefits to accused Chua and cause undue injury to the government. Similarly, in SB-22-CRM-0196, the declaration of the validity of the said Deed of Exchange will not necessarily mean that accused Camacho did not enter, on behalf of the government, into a contract or transaction that is grossly and manifestly disadvantageous to the government.

The resolution of the issue before the RTC not being necessarily determinative of the accused's guilt or innocence, there is no basis for



⁹ *Espina v. Soriano*, G.R. Nos. 208436, 208569, 209279 and 209288, July 25, 2023

¹⁰ *Cardenas v. People*, G.R. Nos. 231538-39, December 1, 2021



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suspending the proceedings in these cases by reason of prejudicial question.

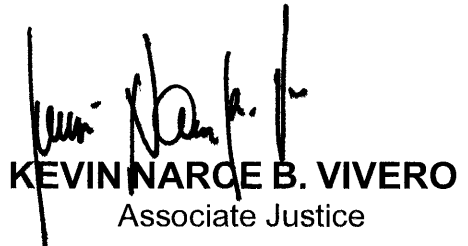
WHEREFORE, the *Motion to Suspend Proceedings* of accused Chua and Camacho is hereby DENIED for lack of merit.

SO ORDERED.


SARAH JANE T. FERNANDEZ
Associate Justice
Chairperson

We Concur:


KARL B. MIRANDA
Associate Justice


KEVIN NARCE B. VIVERO
Associate Justice