



Republic of the Philippines
Supreme Court
Manila

THIRD DIVISION

PEOPLE OF THE PHILIPPINES,
Petitioner,

G.R. Nos. 166948-59

Present:

PERALTA, J.,
Acting Chairperson,
ABAD,
VILLARAMA, JR.,
PEREZ,*** and
MENDOZA, JJ.

- versus -

MEINRADO ENRIQUE A. BELLO,
MANUEL S. SATUITO,****
MINVILUZ S. CAMINA, JOELITA
TRABUCO, ABELIO JUANEZA,
ROSALINDA D. TROPEL, FELIPE Y.
VILLAROSA, RAUL APOSAGA,
HERMIE BARBASA and ROSARIO
BARBASA-PERLAS,

Promulgated:

Respondents.

29 August 2012

X ----- X

DECISION

ABAD, J.:

This case is about the Sandiganbayan's criminal jurisdiction over graft charges filed against the Legal Department Head of the Armed Forces of the Philippines-Retirement and Separation Benefit System (AFP-RSBS) and his co-accused.

* Per Special Order 1290 dated August 28, 2012.

** Designated Acting Member, in lieu of Associate Justice Presbitero J. Velasco, Jr., per Special Order 1291 dated August 28, 2012.

*** Designated Additional Member, per Special Order 1299 dated August 28, 2012.

**** His name was omitted, through oversight or inadvertence, in the title of the Petition, but is actually a party to the case.

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The Facts and the Case

In 1998 the Senate Blue Ribbon Committee (the Committee) inquired into alleged anomalies at the AFP-RSBS. After investigation, the Committee found that when acquiring lands, the AFP-RSBS would execute two sets of deeds of sale: one, an unnotarized bilateral deed of sale that showed a higher price and the other, a unilateral deed of sale that showed a discounted purchase price. The first would be kept by the AFP-RSBS Legal Department while the second would be held by the vendors. The latter would then use these unilateral deeds of sale in securing titles in the name of AFP-RSBS. This was done, according to the Committee, to enable the AFP-RSBS to draw more money from its funds and to enable the vendors to pay lesser taxes.

The Committee recommended to the Ombudsman (OMB) the prosecution of General Jose Ramiscal, Jr. (Ret.), former AFP-RSBS president, who signed the unregistered deeds of sale covering acquisitions of lands in General Santos, Tanauan, Calamba, and Iloilo for falsification of public documents or violation of Article 172, paragraph 1, in relation to Article 171, paragraphs 4 to 6 of the Revised Penal Code (RPC), and violation of Republic Act (R.A.) 3019,¹ Sections 3(e) and 3(g).

Acting on the Committee's recommendation, the OMB filed with respect to the acquisition of lands in Iloilo City informations before the Sandiganbayan in Criminal Cases 26770-75 and 26826-31 against respondents Meinrado Enrique A. Bello, Manuel S. Satuito, Rosario Barbasa-Perlas, Hermie Barbasa, Minviluz Camina, Joelita Trabuco, Rosalinda Tropel, Felipe Villarosa, Abelio Juaneza, and Raul Aposaga for six counts of violation of R.A. 3019, Section 3(e), and six counts of falsification of public documents under Article 171, RPC.

¹ Entitled ANTI-GRAFT AND CORRUPT PRACTICES ACT.

Satuito and Bello filed a motion to dismiss and a motion to quash the informations on the ground that the Sandiganbayan had no jurisdiction over the case. On February 12, 2004 the Sandiganbayan granted the motions and ordered the remand of the records to the proper courts, hence, this petition by the People of the Philippines, represented by the OMB, which challenges such order.

The Issue Presented

The only issue presented in this case is whether or not the Sandiganbayan erred in holding that it has no jurisdiction over offenses involving the heads of the legal departments of government-owned and controlled corporations.

The Ruling of the Court

In its February 12, 2004 decision, the Sandiganbayan held that, not being a stock or non-stock corporation, AFP-RSBS cannot be regarded as a government-owned and controlled corporation. Consequently, respondent AFP-RSBS legal department officers did not fall under Section 4(a)(1)(g) of R.A. 8249 that defines the jurisdiction of the Sandiganbayan.² On motion for reconsideration by the prosecution, however, the Sandiganbayan changed its position and ruled that AFP-RSBS is after all a government-owned and controlled corporation, having been created by special law to perform a public function.

Still, the Sandiganbayan held that Section 4(a)(1)(g) cannot apply to the accused since Bello, who held the highest rank among those who allegedly conspired to commit the crime charged, did not hold any of the

² *Rollo*, pp. 55-56.

government positions enumerated under that section, the pertinent portion of which reads:

Sec. 4. Section 4 of the same decree is hereby further amended to read as follows:

Sec. 4. *Jurisdiction.* – The Sandiganbayan shall exercise exclusive original jurisdiction in all cases involving:

a. Violations of Republic Act No. 3019, as amended, otherwise known as the Anti-graft and Corrupt Practices Act, Republic Act No. 1379, and Chapter II, Section 2, Title VII, Book II of the Revised Penal Code, where one or more of the accused are officials occupying the following positions in the government, whether in a permanent, acting or interim capacity, at the time of the commission of the offense:

x x x x

(g) **Presidents, directors or trustees, or managers of government-owned or controlled corporations**, state universities or educational institutions or foundations. (Emphasis ours)

Notably, in its February 2, 2005 Resolution, the Sandiganbayan defined the word “manager” used above as one who has charge of a corporation and control of its businesses or of its branch establishments, and who is vested with a certain amount of discretion and independent judgment. The Sandiganbayan cited *Black’s Law Dictionary, Revised 4th Ed., 1968* to support this definition.³

After a quick check of the same dictionary source but of a later edition, however, the Court finds this additional definition of “manager:”

A manager is one who has charge of corporation and control of its businesses, or of its branch establishments, divisions, or departments, and who is vested with a certain amount of discretion and independent judgment.⁴

³ Id. at 67.

⁴ Black’s Law Dictionary (5th ed., 1979), p. 865, citing *Braniff v. McPherren*, 177 Okl. 292, 58 P.2d 871, 872.

The Sandiganbayan apparently overlooked the above definition that includes “divisions, or departments,” which are corporate units headed by managers. The United States case of *Braniff v. McPherren*⁵ also referred to “divisions” and “departments” in relation to the position of “manager.” Under this definition, respondent Bello would fit into the term “manager,” he having charge of the AFP-RSBS Legal Department when the questioned transactions took place.

In clarifying the meaning of the term “manager” as used in Section 4(a)(1)(g), the Sandiganbayan also invoked the doctrine of *noscitur a sociis*. Under this doctrine, a proper construction may be had by considering the company of words in which the term or phrase in question is founded or with which it is associated.⁶ Given that the word “manager” was in the company of the words “presidents, directors or trustees,” the clear intent, according to the Sandiganbayan, is to limit the meaning of the term “manager” to officers who have overall control and supervision of government-owned and controlled corporations.

But as the OMB puts it, the enumeration of the officials in each of the categories in Section 4(a)(1) should be understood to refer to a range of positions within a government corporation. By the variety of the functions they perform, the “presidents, directors or trustees, or managers” cannot be taken to refer only to those who exercise “overall” control and supervision of such corporations.

The directors or trustees of government-owned and controlled corporations do not, for example, exercise overall supervision and control; when they act collectively as a board, the directors or trustees merely lay

⁵ *Supra*, *Braniff v. McPherren*.

⁶ *Government Service Insurance System v. Commission on Audit*, G.R. No. 162372, October 19, 2011.

down policies for the operating officers to implement. Since “managers” definitely do not have the same responsibilities as directors and trustees or as presidents, they belong to a distinct class of corporate officers that, under the definition above, has charge of a corporation’s “divisions or departments.” This brings Bello’s position within the definition.

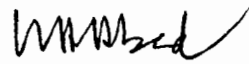
Respondent Bello also argues that the Sandiganbayan does not exercise jurisdiction over him because his rank at the time of the acts complained of was merely that of Police Superintendent in the Philippine National Police. But the criminal information does not charge him for offenses relating to the regular police work of a police officer of his rank. He is rather charged for offenses he committed in relation to his office, namely, that of a “manager” of the Legal Department of AFP-RSBS, a government-owned and controlled corporation.

What is needed is that the public officials mentioned by law must commit the offense described in Section 3(e) of R.A. 3019 while in the performance of official duties or in relation to the office being held.⁷ Here, the OMB charged Bello of using his office as Legal Department Head to manipulate the documentations of AFP-RSBS land acquisitions to the prejudice of the government.

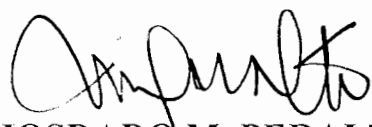
WHEREFORE, the Court **GRANTS** the petition, **REVERSES** the Sandiganbayan decision dated February 12, 2004 and resolution dated February 2, 2005 in Criminal Cases 26770-75 and 26826-31, and **DIRECTS** the Sandiganbayan to **REINSTATE** these cases, immediately **ARRAIGN** all the accused, and resolve accused Raul Aposaga’s motion for reinvestigation.

⁷ Boado, L., *Compact Reviewer in Criminal Law*, 246 (2d ed. 2007).

SO ORDERED.


ROBERTO A. ABAD
Associate Justice

WE CONCUR:


DIOSDADO M. PERALTA
Associate Justice
Acting Chairperson



MARTIN S. VILLARAMA, JR.
Associate Justice


JOSE PORTUGAL PEREZ
Associate Justice


JOSE CATRAL MENDOZA
Associate Justice

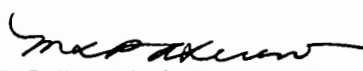
ATTESTATION

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


DIOSDADO M. PERALTA
Associate Justice
Acting Chairperson, Third Division

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution and the Division Acting Chairperson's Attestation, I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.


MARIA LOURDES P. A. SERENO
Chief Justice