



Republic of the Philippines
Supreme Court
Manila

EN BANC

SONIA V. SEVILLE,
Petitioner,

G.R. No. 177657

Present:

- versus -

SERENO, C.J.,
CARPIO,
VELASCO, JR.,
LEONARDO-DE CASTRO,
BRION,
PERALTA,
BERSAMIN,
DEL CASTILLO,
ABAD,
VILLARAMA, JR.,
PEREZ,
MENDOZA,
REYES, and
PERLAS-BERNABE, JJ.

COMMISSION ON AUDIT,
Regional Office VI, Iloilo City,
Respondent.

Promulgated:

November 20, 2012

X ----- X

DECISION

ABAD, J.:

This case provides what it takes to make a government official or employee liable for ghost projects.

The Facts and the Case

The Commission on Audit (COA) Regional Office VI administratively charged 11 officials and employees of the Department of

Agriculture (DA) Regional Field Unit in Iloilo City, including petitioner Sonia V. Seville, an Assistant Regional Director for Fisheries, before the Office of the Ombudsman-Visayas.

The complaint alleged that, as a result of a special audit¹ of the Post Harvest Component of the Grains Production Enhancement Program of the DA, particularly the construction of Multi-Purpose Drying Pavements (MPDPs) projects in Iloilo from January 1, 1995 to June 30, 1999, it was discovered that she signed a ghost MPDP project in Sto. Rosario, Ajuy, Iloilo, out of the 120 such projects that were subject of the audit.

She signed the disbursement voucher, as required by Memorandum Order 104, Series of 1998, in view of the absence of the Regional Director and the Assistant Regional Director for Administration. But she claimed that she acted in good faith, merely relying on the completeness and genuineness of the supporting documents that were shown to her. She had no prior knowledge of the MPDPs, which catered to rice production, since she was an Assistant Regional Director for Fisheries. She admitted, however, not conducting an actual physical inspection of the project since she believed that it was not her responsibility to do so.

The investigators filed a separate criminal complaint against petitioner Seville for violation of the anti-graft and corrupt practices act before the Office of the Ombudsman to determine if she had any criminal liability for her acts. Subsequently, the investigation resulted in her exoneration, absent any proof that she took part in a conspiracy to defraud the government.

In its Decision dated July 9, 2004,² however, the Office of Deputy Ombudsman for Visayas found those charged in connection with the ghost MPDPs, including petitioner, guilty of Grave Misconduct and Gross

¹ Special Audit Report dated September 13, 2000; *rollo*, pp. 346-388.

² Penned by Macaundas M. Hadjirasul, Graft Investigation and Prosecution Officer II with the recommendation of Edgardo G. Canton, Director, EIO and approved by Primo C. Miro, Deputy Ombudsman for the Visayas; *id.* at 89-229.

Dishonesty, resulting in their dismissal from government service with forfeiture of benefits and disqualification from holding public office.

Petitioner Seville filed a petition for review of the Deputy Ombudsman's decision before the Court of Appeals (CA) in CA-G.R. CEB-SP 01492. On July 20, 2006 the CA rendered a decision,³ holding that her failure to verify the correctness and sufficiency of the documents presented to her for signing led to the unrequited disbursement of public funds. She filed a motion for reconsideration but the CA denied the same, hence, this petition for review.

The Issue Presented

The sole issue in this case is whether or not the CA correctly affirmed the Ombudsman's decision that found petitioner liable for grave misconduct and gross dishonesty for signing the disbursement voucher for the particular ghost MPDP in Sto. Rosario, Ajuy, Iloilo.

The Court's Rulings

In grave misconduct, the elements of corruption, clear intent to violate the law, or flagrant disregard of an established rule must be evident.⁴ Misconduct, in the administrative sense, is a transgression of some established and definite rule of action. On the other hand, dishonesty is intentionally making a false statement in any material fact or the disposition to lie, cheat, deceive or defraud.⁵ Both are considered grave offenses for which the penalty of dismissal is meted even for first time offenders.⁶

Here, the COA charged petitioner Seville administratively because the

³ Penned by Associate Justice Isaias P. Dicdican with the concurrence of Associate Justices Apolinario D. Bruselas, Jr. and Agustin S. Dizon; id. at 35-42.

⁴ *Narvasa v. Sanchez, Jr.*, G.R. No. 169449, March 26, 2010, 616 SCRA 586, 591.

⁵ *National Power Corporation v. Olandesca*, G.R. No. 171434, April 28, 2010, 619 SCRA 264, 273-274.

⁶ *De Guzman, Jr. v. Mendoza*, 493 Phil. 690, 698-699 (2005).

government released funds for that particular ghost project in Sto. Rosario, Ajuy, Iloilo. Seville anchors her innocence on good faith. Good faith implies honest intent, free from any knowledge of circumstances that ought to have prompted an individual to undertake an inquiry.

While Seville merely substituted for the absent Regional Director at that time, it is not an excuse for lightly shirking from the latter's duties and responsibilities. It was her responsibility when she signed that disbursement voucher for the Regional Director to verify the accuracy and completeness of the supporting documents presented to her. In the discharge of duties, a public officer must use prudence, caution, and attention which careful persons use in the management of their affairs. Public servants must show at all times utmost dedication to duty.

The Court finds, however, that Seville cannot be held liable for grave misconduct. Corruption, as an element of grave misconduct, consists in the official or employee's act of unlawfully or wrongfully using his position to gain benefit for one's self.⁷ Here, the Court is not convinced that under the circumstances then present, she had depraved motives.

Seville signed on the rare happenstance that both the Regional Director and the Assistant Regional Director for Administration were absent. That both signatories were absent when the Sto. Rosario project was presented to her for signature was a coincidence that cannot be imputed to her for she could not have orchestrated that for her gain, absent evidence to the contrary. She did not volunteer for the position nor is there proof that she lobbied for the OIC designation, it being provided by a DA internal regulation.⁸ She is but liable for the lesser offense of simple misconduct since she should have exercised the necessary prudence to ensure that the proper procedure was complied with in the release of government funds.⁹

⁷ *Civil Service Commission v. Nierras*, G.R. No. 165121, February 14, 2008, 545 SCRA 316, 322.

⁸ Memorandum Order 104, Series of 1998.

⁹ *Office of the Ombudsman v. Miedes, Sr.*, G.R. No. 176409, February 27, 2008, 547 SCRA 148, 157.

The penalty for simple misconduct is suspension for one month and one day to six months for the first offense.¹⁰ There being no aggravating or mitigating circumstances, Section 54(b) of the Uniform Rules on Administrative Cases in the Civil Service provides that the medium of the penalty should be imposed.

As for the offense of gross dishonesty, the Court also clears petitioner from liability. Her participation in the release of funds is brought upon by her OIC designation and not spurred by corrupt intent. A post-harvest facility such as MPDP is related to rice farming and not within her knowledge as Assistant Director for Fisheries. To a certain extent, leniency can be afforded for her reliance on the credibility and expertise of her co-signatories namely the Chief of Crops Sector Division and Chief of Finance and Administrative Division. Her error in judgment cannot be equated with gross dishonesty. The evidence does not prove conscious distortion of the truth or even an inclination to it.

WHEREFORE, the Court **REVERSES** and **SETS ASIDE** the decision of the Court of Appeals in CA-G.R. CEB-SP 01492 dated July 20, 2006. In its place, the Court **FINDS** petitioner Sonia V. Seville liable for **SIMPLE MISCONDUCT** and **IMPOSES** on her the penalty of three months suspension without pay in accordance with Section 54(b) of the Uniform Rules on Administrative Cases in the Civil Service.¹¹

SO ORDERED.


ROBERTO A. ABAD
Associate Justice


¹⁰ Section 52(b)(2).

¹¹ Section 54. *Manner of imposition.* When applicable, the imposition of the penalty may be made in accordance with the manner provided herein below:

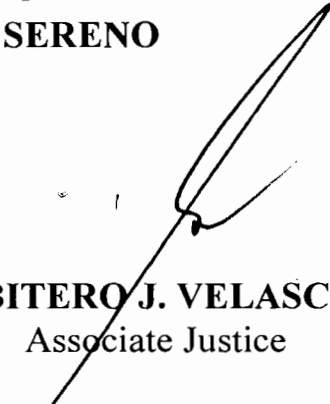
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b. The medium of the penalty shall be imposed where no mitigating and aggravating circumstances are present.

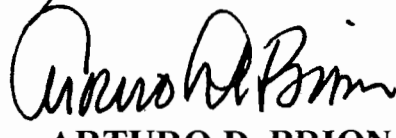
WE CONCUR:


MARIA LOURDES P. A. SERENO
Chief Justice

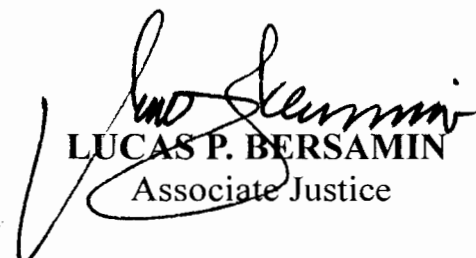

ANTONIO T. CARPIO
Associate Justice


PRESBITERO J. VELASCO, JR.
Associate Justice


TERESITA J. LEONARDO-DE CASTRO
Associate Justice


ARTURO D. BRION
Associate Justice

(On Official Leave)
DIOSDADO M. PERALTA
Associate Justice


LUCAS P. BERSAMIN
Associate Justice



MARIANO C. DEL CASTILLO
Associate Justice


MARTIN S. VILLARAMA, JR.
Associate Justice


JOSE PORTUGAL PEREZ
Associate Justice

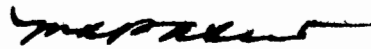

JOSE CATRAL MENDOZA
Associate Justice

(On Official Leave)
BIENVENIDO L. REYES
Associate Justice


ESTELA M. PERLAS-BERNABE
Associate Justice

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution, it is hereby certified 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.



MARIA LOURDES P. A. SERENO
Chief Justice