

EN BANC

ALLEGED LOSS OF VARIOUS BOXES OF COPY PAPER DURING THEIR TRANSFER FROM THE PROPERTY DIVISION, OFFICE OF ADMINISTRATIVE SERVICES (OAS), TO THE VARIOUS ROOMS OF THE PHILIPPINE JUDICIAL ACADEMY.

A.M. NO. 2008-23-SC

RELEASE OF COMPULSORY RETIREMENT BENEFITS UNDER R.A. No. 8291 OF MR. ISIDRO P. AUSTRIA, FORMER SUPPLY OFFICER II, PHILIPPINE JUDICIAL ACADEMY, SUPREME COURT.

A.M. No. 2014-025-Ret.

Present:

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

Promulgated:

JARDELEZA, JJ.

SEPTEMBER 30, 2014

Acting Chief Justice per Special Order No. 1803 dated September 24, 2014.

On official leave. On official leave.

DECISION

BERSAMIN, J.:

Before us is the administrative matter inquiring into the loss of 140 reams of long copy paper, and 40 reams of short copy paper, valued at \$\frac{1}{2}\$27,000.00, delivered to the Philippine Judicial Academy (PHILJA). The loss was criminal theft by all means.

Also for our consideration now is the application for the release of his retirement benefits due to his intervening compulsory retirement from the service on his 65th birthday on August 17, 2012 of one of the employees under investigation.

Antecedents

On October 23, 2008, Boc's Trading Co., Inc. delivered 1,300 reams of short copy paper and 1,100 reams of long copy paper to the Supreme Court intended for the Philippine Judicial Academy (PHILJA). As instructed by Administrative Officer Ma. Christina M. Recio, the delivery was initially accepted by Ryan Orcullo, the Property Custodian of the PHILJA, because Supply Officer II Isidro Austria and Store Keeper IV Lenin Mario Ordoñez, both of the Property and Supply Section, PHILJA Administrative Office, were then not around. The first batch of copy paper, consisting of 300 reams long copy paper and 800 reams of short copy paper, were unloaded under the supervision of Orcullo and brought directly to the stock rooms and available spaces at the premises of the PHILJA. When Orcullo left for his lunch break, Ordoñez took over. The rest of the delivery were unloaded from the delivery truck at the Centennial Building of the Court upon the instruction of Ordoñez.

With the help of Judicial Staff Employee II Elizalde S. Carmona, Ordoñez then initiated the transfer of the copy paper to the stockroom and the Reproduction Room (Repro Room) of the Office of the Court Administrator (OCA) in the Supreme Court Multipurpose Building located in the SC New Building. In the afternoon of October 23, 2008, Orcullo informed Administrative Officer Recio that 400 reams of short copy paper and 40 reams of long copy paper were missing.

In his letter dated October 27, 2008, Atty. Rodel O. Hernandez formally reported the missing boxes of copy paper belonging to the PHILJA to PHILJA Vice Chancellor Justice Justo P. Torres, Jr., disclosing that the preliminary investigation conducted by Administrative Officer Recio and HR Officer III Ma. Lourdes Pelaus revealed that: (a) Austria had admitted

having used the SC's Lite Ace van with Plate No. SEF 868 to unload 50 reams of short bond paper contained in five boxes in Intramuros to pay his outstanding personal debt of \$\mathbb{P}5,000.00\$; but had denied any involvement in the loss of the other boxes of copy paper; (b) Ordoñez had claimed that he supervised and made the transfer of 300 reams in 30 boxes of long bond paper to the OCA stock room, but the verification had shown only 270 reams in 27 boxes; he had admitted riding the PHILJA van with Plate No. SFV 785 to deliver the reams of copy paper to the Repro Room without the proper trip ticket, leaving the boxes of copy paper there without padlocking the stockrooms; (c) driver Eusebio M. Glor of the Administrative Division had admitted driving the Lite Ace van with Plate No. SEF 868 to Intramuros with Austria on board, and had acknowledged facilitating the unlawful transfer of 50 reams of copy paper in 50 boxes; but had denied knowledge of the remaining missing boxes of copy paper; and (d) Carmona had driven the PHILJA van with Plate No. SFV 785 upon the request of Ordoñez without the corresponding trip ticket, and had assisted Ordoñez only in the transfer of the boxes from the OCA stockroom to the Repro Room.¹

The Office of Administrative Services (OAS) directed Austria, Ordoñez, Glor and Carmona to submit their respective comments, and to show cause why they should not be held administratively liable for grave misconduct, and/or conduct prejudicial to the best interest of the service. They were further summoned to appear before the OAS for investigation.

In his comment,² Ordoñez reiterated his denial of any knowledge of the loss of the 30 boxes of long copy paper from the OCA stockroom, but admitted that he had initiated the transfer upon the instructions of Administrative Officer Recio. He claimed that he had merely endorsed the copy paper to Orcullo as the PHILJA Property Custodian tasked with overseeing the supplies in the stockroom; that it was already the practice in the PHILJA to bring to or take supplies from the Repro Room with the help of any available PHILJA drivers even without any corresponding trip tickets although the drivers might have other driving assignments; and that even the guards were aware of the practice.

On his part, Austria conceded that he had used the 50 reams of papers to pay for the copy paper he had borrowed from one "Mr. Roy" of the Jimmy Roy Trading, a supplier of toners, inks, and sometimes copy paper. He denied that the copy paper was payment for his personal loan, maintaining that he had only borrowed the copy paper in order to avoid delays for an upcoming PHILJA training. Recalled by the OAS, however, Austria retracted, and pointed to Glor as having taken the copy paper. According to him, Glor even planned their purported escape.

¹ Rollo, pp. 239-240.

² Id. at 252-256.

Glor declared that Austria had instructed him to load five boxes of short copy paper in the van, and directed him to proceed to a place in Intramuros, where someone else unloaded the copy paper. Recalled by the OAS, Glor likewise recanted, averring instead that the paper had been unloaded by Austria on Orosa St. near the Philam Insurance Company; and that he had been coached by Austria on what their version would be.³

After conducting the investigation, the OAS concluded that Ordoñez had failed to exercise the required diligence in the performance of his task in overseeing the delivery of the copy paper by not seeing to the safe storage of the copy paper, and by not properly endorsing the copy paper to his office or to the security guard assigned in the area where he had left the reams of copy paper. The OAS pointed out that the loss of the copy paper from the OCA stockroom had been Ordoñez's fault, because he was the person in charge of the stockroom; that Ordoñez's negligence had facilitated the theft of the 50 reams by Austria and Glor; and that the theft had resulted in the loss of approximately \$\mathbb{P}27,000.00\$ by the Court.\(^4\)

The OAS found that Austria and Glor had committed perjury by giving false statements, as borne out by the incongruence of their initial narration of facts and their subsequent statements blaming each other as the perpetrator of the theft of the copy paper; that it was clear that their act of taking the copy paper without authority constituted theft; that they were liable for serious dishonesty considering that their acts were attended by certain circumstances that rendered their offense serious, namely: (a) damage and prejudice to the Government; (b) moral depravity; and (c) employment of fraud or falsification of official documents in committing the dishonest acts.⁵

As to Carmona, the OAS observed that he was still responsible for securing the trip ticket as a driver even if he had been requested to help Ordoñez,.⁶

The OAS ultimately recommended as follows:

$A. \quad x x x$

I. For having been found guilty of Gross Dishonesty, Grave Misconduct and Conduct Prejudicial to the Best Interest of the Service, Mesrs. Isidro T. Austria and Eusebio M. Glor, be meted with the penalty of DISMISSAL from the service with forfeiture of benefits except accrued leave credits;

³ Id. at 165-167.

⁴ Id. at 8-10.

⁵ Id. at 10-11.

⁶ Id. at 11-12.

- II. For having been found guilty of Gross Neglect of Duty, Mr. Lenin Mario M. Ordoñez, be meted the penalty of DISMISSAL from the service with forfeiture of benefits except accrued leave credits;
- III. **Mesrs. Austria, Glor and Ordoñez**, be directed to restitute to the Court the copy papers stolen; and
- IV. For driving without a trip ticket to the PHILJA Reproduction Room, **Mr. Elizalde S. Carmona**, be **WARNED** that a repetition of similar acts in the future shall be dealt with more severely.
- B. The Security Division be reminded to strictly implement the Resolution of the Court dated July 11, 1989, Re: Security Guidelines for the Supreme Court; and directed to enforce the use of trip tickets with corresponding Gate Pass, Requisition and Issue Slip (RIS), or transfer slip, whichever is appropriate for the property/ies or supplies to be brought outside the Court's premises.
- C. This Office submits for the Court's information, the Memorandum with supporting documents dated February 20, 2009 of Justice Justo P. Torres, Jr., Vice Chancellor, PHILJA, providing (a) their stock position as of December 2008; (b) documents showing distribution of supplies and materials to the various PHILJA offices/divisions; (c) information that the PHILJA has implemented stricter rules in order to resolve any form or (sic) waste or pilferage at PHILJA.

For the Court's consideration.⁷

Meanwhile, on May 4, 2009, Ordoñez resigned from the PHILJA, citing the approval of his family's visa application for immigrant status in Canada as the reason for his resignation.⁸ On June 23, 2009, the Court *En Banc* approved his resignation, subject to the usual clearance requirements and without prejudice to the outcome of this administrative case.⁹

Subsequently, the parties manifested that they were submitting the case for resolution upon the pleadings filed.¹⁰

On August 20, 2014, the Third Division directed the consolidation of A.M. No. 2014-025-Ret. with A.M. No. 2008-23-SC.¹¹ The *Banc* accepted the consolidation on September 9, 2014.

⁷ Id. at 12-13.

⁸ Id. at 266.

⁹ Id. at 263-264.

¹⁰ See *Rollo* (A.M. No. 2014-025-Ret.).

Entitled Release of Compulsory Retirement Benefits under R.A. No. 8291 of Mr. Isidro P. Austria, Former Supply Officer II, Philippine Judicial Academy, Supreme Court.

Ruling

After reviewing the records, we are satisfied with and adopt the findings of the OAS.

There is grave misconduct when the elements of corruption, clear intent to violate the law, or flagrant disregard of established rule are present.¹² Dishonesty is defined as a disposition to lie, cheat, deceive or defraud; untrustworthiness; lack of integrity; lack of honesty, probity or integrity in principle; lack of fairness and straightforwardness.¹³ Both gross misconduct and dishonesty are grave offenses that are punishable by dismissal even for the first offense.¹⁴

Conduct prejudicial to the best interest of the service is also classified as a grave offense under Section 22(t) of the Omnibus Rules Implementing Book V of Executive Order No. 292 and other pertinent Civil Service laws, with the penalty for the first offense being suspension for six (6) months and one (1) day to one (1) year, and for the second offense being dismissal. The Civil Service laws and rules contain no description of what specific acts constitute the grave offense of conduct prejudicial to the best interest of the service. However, jurisprudence has been instructive, with the Court having considered the following acts or omissions as constitutive of conduct prejudicial to the best interest of the service, namely: (a) misappropriation of public funds; (b) abandonment of office; (c) failure to report back to work without prior notice; (d) failure to keep public records and property safe; (e) making false entries in public documents; and (f) falsification of court orders. In public documents and (f) falsification of court orders.

In *Court Administrator v. Sevillo*,¹⁷ the act of stealing mail matter by the respondent, a process server in the Municipal Circuit Court of Jordan-Buenavista-Nueva Valencia, Guimaras, was held to constitute "grave dishonesty and grave misconduct or conduct prejudicial to the best interest of the service," with the Court opining:

It can never be said often enough that the conduct of judges and court personnel must not only be characterized by propriety and decorum at all times but must also be above suspicion. In this regard, respondent

¹² Vertudes v. Buenaflor, G.R. No. 153166, December 16, 2005, 478 SCRA 210, 233, 234.

¹³ Japson v. Civil Service Commission, G.R. No. 189479, April 12, 2011, 648 SCRA 532, 543-544.

¹⁴ Rojas, Jr. v. Mina, A.M. No. P-10-2867, June 19, 2012, 673 SCRA 592, 599.

¹⁵ Government Service Insurance System (GSIS) v. Mayordomo, G.R. No. 191218, May 31, 2011, 649 SCRA 667, 687.

¹⁶ Id. at 686-687.

¹⁷ A.M. No. P-95-1159, March 20, 1997, 270 SCRA 190, 192.

Sevillo has been grossly deficient. By stealing mail matters he has blatantly degraded the judiciary and diminished the respect and regard of the people for the court and its personnel. Every employee of the judiciary should be an example of integrity, uprightness and honesty. Lamentably, respondent has become no better than a common thief; consequently, he does not deserve to stay a minute longer in the judicial service.

In Re: Pilferage of Supplies in the Stockroom of the Property Division, OCA Committed by Teodoro L. Saquin, Clerk II,¹⁸ the respondent admitted stealing office supplies from the OCA, and selling the supplies to sidewalk vendors in front of the Isetann Department Store along Recto Avenue corner Quezon Boulevard, Manila. The Court meted the penalty of dismissal from the service, with forfeiture of all leave credits and retirement benefits, and with prejudice to re-entry to any Government entity or any Government-owned or Government-controlled corporation; and further directed the referral of the records of the case to the Department of Justice for investigation with a view to the filing, if warranted, of the appropriate criminal proceedings.

For making false statements, committing perjury and stealing the copy paper, Austria and Glor are guilty of grave misconduct, ¹⁹ gross dishonesty, and conduct prejudicial to the best interest of the service. Their dismissal from the service is the proper penalty, with forfeiture of retirement benefits, except accrued leave credits, and perpetual disqualification from reemployment in the Government. In addition, the records of the case should be referred to the Department of Justice for investigation with a view to the filing, if warranted, of the appropriate criminal proceedings.

On August 17, 2012 and during the pendency of A.M. No. 2008-23-SC, Austria turned 65 years old and was deemed compulsorily retired from the service. He applied for retirement benefits under Republic Act No. 8291 (*The Government Service Insurance Act of 1997*), and his application was docketed as A.M. No. 2014-025-Ret. The OAS recommended on July 30, 2104 that the benefits of Austria under Republic Act No. 8291 could be paid to him by the Government Service Insurance System "subject to the usual clearance requirements." As stated, the Third Division of the Court directed the consolidation of A.M. No. 2014-025-Ret. with A.M. No. 2008-23-SC, and the Banc accepted the consolidation on September 9, 2014.

The fact that Austria meanwhile reached the compulsory retirement age did not render A.M. No. 2008-23-SC moot, let alone release him from whatever liability he had incurred while in the active service. The jurisdiction acquired by the Court continues despite his compulsory retirement. Indeed, the Court retains its jurisdiction to declare a respondent

¹⁸ A.M. No. 99-10-03-OCA. June 16, 2000, 333 SCRA 500, 505.

¹⁹ *Padua v. Paz* A.M. No. P-00-1445. April 30, 2003, 402 SCRA 21.

either innocent or guilty of the charge even in the extreme case of the respondent's supervening death. If innocent, the respondent receives the vindication of his name and integrity by declaring his service in the Government to be well and faithful; if guilty in anyway, he deserves the sanction just and appropriate for his administrative sin.²⁰

Where a respondent is found guilty of a grave offense but the penalty of dismissal is no longer possible because of his compulsory retirement, the Court has nevertheless imposed the just and appropriate disciplinary measures and sanctions by decreeing the forfeiture of all benefits to which he may be entitled, except accrued leave credits, with prejudice to reemployment in any branch or instrumentality of the Government, including Government-owned and Government-controlled corporations, and by imposing a fine to be deducted from the retirement benefits. In *Orfila v. Arellano*, respondent Human Rights Resource Management Officer II, being guilty of misconduct, was meted a fine equivalent to her salary for six (6) months to be deducted from whatever leave and retirement benefits or privileges she was entitled to.²²

Austria is now being held guilty of the grave offenses of gross dishonesty and grave misconduct, (either of which is punishable by dismissal for the first offense), as well as of conduct prejudicial to the best interest of the service, but since the penalty of dismissal could no longer be imposed on him, the Court forfeits all benefits to which he could be entitled, except accrued leave credits, with prejudice to re-employment in any branch or instrumentality of the Government, including Government-owned and Government-controlled corporations, and fines him in the amount equivalent to his salary for his last six (6) months in the service to be deducted from whatever accrued leave benefits remained for him. Hence, his request in A.M. No. 2014-025-Ret. for the release of his compulsory retirement benefits under R.A. No. 8291 is denied.

Ordoñez is guilty of gross neglect of duty. Even if he did not have a direct hand in the theft of the copy paper, his negligence facilitated the theft. As correctly found by the OAS, he failed to safely store and to endorse the copy paper to the assigned security personnel; and that he did not also conduct an actual count and make a record of all the reams of copy paper delivered to his safekeeping. Had he been diligent in performing his tasks

Perez v. Abiera, Adm. Case No. 223-J, June 11, 1975, 64 SCRA 302, 306-307.

²¹ Re Complaint of Mrs. Corazon S. Salvador against Spouses Noel and Amelia Serafico, A.M. No. 2008-20-SC, March 15, 2010, 615 SCRA 186, 205.

²² Orfila v. Arellano, A.M. Nos. P-06-2110 and P-03-1692, February 13, 2006, 482 SCRA 280, 308.

and responsibilities as a Storekeeper IV,²³ Austria and Glor would not have managed to take out the reams of copy paper out of the stockroom, of which he was then in charge. Indeed, he so admitted this during the investigation.²⁴

Neglect of duty is the failure to give one's attention to a task expected of him. Gross neglect is such neglect that, from the gravity of the case or the frequency of instances, becomes so serious in its character as to endanger or threaten the public welfare. The term does not necessarily include willful neglect or intentional official wrongdoing.²⁵ Those responsible for such act or omission cannot escape the disciplinary power of this Court.²⁶ The imposable penalty for gross neglect of duty is dismissal from the service.

Ordoñez resigned effective May 4, 2009, purportedly to migrate to Canada.²⁷ His resignation would not extricate him from the consequences of his gross neglect of duty, because the Court has not allowed resignation to be an escape or an easy way out to evade administrative liability or administrative sanction.²⁸ Ordoñez remains administratively liable, but his resignation prevents his dismissal from the service. A fine can be imposed, instead, and its amount is subject to the sound discretion of the Court. Section 56 (e) of Rule IV of the Revised Uniform Rules provides that fine as a penalty shall be in an amount not exceeding the salary for six months had the respondent not resigned, the rate for which is that obtaining at the time of his resignation.²⁹ The fine shall be deducted from any accrued leave credits, with the respondent being personally liable for any deficiency that should be directly payable to this Court. He is further declared disqualified from any future government service.

The recommended sanction for Cardona is warning. Such sanction is sufficient considering that Ordoñez merely solicited the help of Cardona in transferring the reams of copy paper from the OCA stockroom to the Repro Room in the SC New Building. Although Carmona admittedly used a trip ticket not authorized for the transfer, we cannot appreciate that fact against

²³ Rollo, p. 207; his duties and responsibilities as Storekeeper IV included:

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^{2.} Records cost, amount and kind of equipment, supplies, materials, or tools received and issued;

^{3.} Checks, verifies and inspect articles received as to quality, quantity and conformance to specifications;

X X X X

^{5.} Issues supplies from stocks according to requisition orders; requisitions articles to fill orders;

XXXX

^{7.} Prepares and signs daily summaries of issues and balances of supplies and materials;

^{9.} Be responsible for the safe storage and accurate inventory of supplies and materials.

²⁴ *Rollo*, pp. 112-113.

²⁵ Clemente v. Bautista A.M. No. P-10-2879 (Formerly A.M. OCA I.P.I. No. 09-3048-P), June 3, 2013, 697 SCRA 10, 18.

Hao v. Andres A.M. No. P-07-2384, June 18, 2008, 555 SCRA 8, 24.

²⁷ Rollo, p. 266.

²⁸ Supra note 7, at 600.

²⁹ Concerned Citizen v. Catena, A.M. OCA IPI No. 02-1321-P, July 16, 2013, 701 SCRA 255, 267.

him because the rule on securing trip tickets was not yet strictly implemented at that time. At any rate, it nowhere appeared that Carmona directly participated in the theft.

We emphasize that all court employees, being public servants in the Judiciary, must always act with a high degree of professionalism and responsibility. Their conduct must not only be characterized by propriety and decorum, but must also be in accordance with the law and court regulations. To maintain the people's respect and faith in the Judiciary, they should be upright, fair and honest. They should avoid any act or conduct that tends to diminish public trust and confidence in the courts.³⁰

WHEREFORE, the Court FINDS and DECLARES:

- **1. EUSEBIO M. GLOR** and **ISIDRO T. AUSTRIA** guilty of gross dishonesty, grave misconduct and conduct prejudicial to the best interest of the service, and, accordingly;
- (a) EUSEBIO M. GLOR is DISMISSED FROM THE SERVICE WITH FORFEITURE OF ALL BENEFITS EXCEPT ACCRUED LEAVE CREDITS; and
- (b) ISIDRO T. AUSTRIA FORFEITS all his retirement benefits, except accrued leave credits, WITH PREJUDICE TO RE-EMPLOYMENT IN ANY BRANCH OR INSTRUMENTALITY OF THE GOVERNMENT, INCLUDING GOVERNMENT-OWNED AND GOVERNMENT-CONTROLLED CORPORATIONS, and is ORDERED TO PAY A FINE equivalent to his salary for six months computed at the salary rate of his former position at the time of his resignation, to be deducted from whatever accrued leave benefits remained for him;
- 2. LENIN MARIO M. ORDOÑEZ guilty of gross neglect of duty, and, accordingly, he is ORDERED TO PAY A FINE equivalent to his salary for six months computed at the salary rate of his former position at the time of his resignation; and he is declared DISQUALIFIED FROM RE-EMPLOYMENT IN ANY BRANCH OR INSTRUMENTALITY OF THE GOVERNMENT, INCLUDING GOVERNMENT-OWNED OR CONTROLLED CORPORATIONS.

³⁰ Supra note 30, at 267.

The Court **DENIES** the application of **ISIDRO T. AUSTRIA** in A.M. No. 2014-025-Ret. for the release of his compulsory retirement benefits under Republic Act No. 8291.

The Court **ORDERS EUSEBIO M. GLOR, ISIDRO T. AUSTRIA** and **LENIN MARIO M. ORDOÑEZ** to restitute to the Court the amount of \$\mathbb{P}\$27,000.00 as cost of the copy paper stolen.

ELIZALDE S. CARMONA is **WARNED** that a repetition of a similar act in the future shall be dealt with more severely.

The Office of the Court Administrator is instructed to refer the records of this administrative case to the Department of Justice for investigation and filing, if warranted, of the appropriate criminal proceedings against ISIDRO T. AUSTRIA, EUSEBIO M. GLOR and LENIN MARIO M. ORDOÑEZ.

SO ORDERED.

V

WE CONCUR:

(On Official Leave) **MARIA LOURDES P. A. SERENO**

Chief Justice

ANTONIO T. CARPIO

Associate Justice Acting Chief Justice

PRESBITERO J. VELASCO, JR.

Associate Justice

TERESITA J. LEONARDO-DE CASTRO

Associate Justice

Associate Justice

DIOSDADO M. PERALTA

Associate Justice

Mollevitus Mariano C. Del Castillo

Associate Justice

MARTIN S. VILLARAMA, JR. Associate Justice (On Official Leave)

JOSE PORTUGAL PEREZ

Associate Justice

JOSE CATRAL MENDOZA
Associate Justice

BIENVENIDO L. REYES
Associate Justice

(On Official Leave)
ESTELA PERLAS-BERNABE
Associate Justice

MARVIC M.V.F. LEONE Associate Justice

FRANCIS H. JARDELEZA

Associate Justice