

****Title:**** Quiogue v. Estacio and Office of the Ombudsman: A Case of Alleged Graft and Corruption Dismissed for Lack of Probable Cause

****Facts:****

In January 2007, Benito F. Estacio, Jr. was elected as a member of the board of directors of Independent Realty Corporation Group of Companies (IRC) upon the recommendation of then President Gloria Macapagal-Arroyo to the Presidential Commission on Good Government (PCGG). Estacio served beyond his term, until December 2010, and concurrently held the position of Vice-President in mid-2010. Prior to his term's expiration, a resolution granting separation benefits to IRC officers was passed, which led to Estacio receiving significant emoluments. Luis G. Quiogue, IRC's General Manager, filed a complaint against Estacio with the Ombudsman, alleging undue injury to the government in violation of Republic Act No. 3019, given that such emoluments exceeded the caps established by two Memorandum Circulars. Estacio countered, arguing the Ombudsman lacked jurisdiction over him as IRC remained a private corporation, and the said Circulars did not apply to him.

****Procedural Posture:****

Quiogue's complaint led to an investigation by the Ombudsman, which concluded that despite Estacio being considered a public officer due to IRC's status as a government-owned or controlled corporation, there was no probable cause for violation of Section 3(e) of RA No. 3019. The Ombudsman noted the actions taken were not marred by manifest partiality, evident bad faith, or gross inexcusable negligence. Following the denial of Quiogue's motion for reconsideration, he sought the Supreme Court's review through a Petition for Certiorari.

****Issues:****

1. The jurisdiction of the Ombudsman over Estacio as a public officer.
2. The applicability of Memorandum Circulars to Estacio.
3. The determination of probable cause for violation of Sec. 3(e) of RA No. 3019.

****Court's Decision:****

The Supreme Court dismissed Quiogue's petition, affirming the Ombudsman's decision. The Court held that Estacio, being a director in a government-owned or controlled corporation, was indeed a public officer. However, it agreed with the Ombudsman that there was no probable cause to charge him with violation of RA No. 3019, as Estacio's receipt of benefits was not proved to be with evident bad faith or manifest partiality.

****Doctrine:****

1. Public Officer Definition: Persons from the private sector who partake in sovereign functions of the government can be considered public officers.
2. Evident Bad Faith: Requires a palpably fraudulent and dishonest motive, beyond mere bad judgment.
3. Probable Cause in Graft Cases: Necessitates clear evidence of manifest partiality, evident bad faith, or gross inexcusable negligence, which was lacking in this case.

****Class Notes:****

- Public Officer: Inclusion of individuals performing sovereign functions for public benefit.
- RA No. 3019, Sec. 3 (e): Requirement of manifest partiality, evident bad faith, or gross inexcusable negligence for violation.
- Role of Ombudsman: Evaluation based on existence of probable cause, with decisions subject to review only in instances of grave abuse of discretion.

****Historical Background:****

The case underscores the complexity of combatting corruption within government-owned or controlled corporations in the Philippines, highlighting the judiciary's stance on the stringent standards required to establish graft and corruption charges. It also reflects on the post-Marcos era's ongoing struggle to cleanse the political and corporate landscape of corrupt practices rooted in past administrations.