

Title: Matobato, Sr., et al. vs. People of the Philippines

Facts:

The Municipality of Pantukan in Compostela Valley entrusted its Municipal Treasurer, Silvino B. Matobato, Sr., with the authority to transfer municipal funds from the Land Bank of the Philippines (LBP) to Davao Cooperative Bank (DCB) based on Resolution No. 164, Series of 1994. From 1994 to 1998, various amounts were transferred to DCB, which eventually became insolvent, resulting in the loss of the deposited funds. The Commission on Audit (COA) highlighted the mismanagement of these funds and recommended the filing of criminal and administrative charges against the involved municipal officials, including Matobato, Walter B. Bucao, and Cirila A. Engbino. The Sandiganbayan, after the trial, acquitted them on the ground of reasonable doubt but found them civilly liable for the losses amounting to P9.25 million. Their acquittal was due to the prosecution's failure to prove gross and inexcusable negligence but was accompanied by a ruling on their civil liability, which prompted appeals to the Supreme Court through petitions for review.

Issues:

1. Does the acquittal of public officers from criminal charges absolve them of civil liability?
2. Can failure to conduct due diligence in the investment of public funds result in civil liability?
3. Does the liquidation status of a bank affect the determination of civil liability for loss of public funds?

Court's Decision:

The Supreme Court upheld the Sandiganbayan's decision, affirming the civil liability of Silvino B. Matobato, Sr., Walter B. Bucao, and Cirila A. Engbino. The Court focused on the "threefold liability rule," emphasizing that public officers could still bear civil liability even after criminal acquittal. The Court found preponderant evidence of negligence in failing to properly safeguard the municipal funds by investing in a financially unstable bank without adequate due diligence. It concluded that the loss of public funds, regardless of the bank's ongoing liquidation, established a clear basis for civil liability.

Doctrine:

The case reiterated the doctrine that public officers could be held civilly liable for their actions even if acquitted criminally, based on the principle that every person criminally liable for a felony is also civilly liable. This ruling underscored the separate and independent nature of civil liability from criminal responsibility under Philippine law.

Class Notes:

- **Threefold Liability Rule:** Public officers may incur civil, criminal, and administrative liabilities for wrongful acts or omissions, with each form of liability being independent of the others.
- **Preponderance of Evidence:** In civil cases, liability is established based on the weight, credit, and value of the aggregate evidence being more convincing to the court than that of the opposition.
- **Civil Liability Following Acquittal:** An acquittal based on reasonable doubt does not extinguish civil liability if the court declares that the liability of the accused is only civil, or if the civil liability does not arise from the crime of which the accused was acquitted.

Historical Background:

This case highlights the stringent expectations placed on public officers regarding the management and safeguarding of public funds. It is reflective of the broader legal and moral obligations of public officials to act with utmost diligence and prudence, especially in financial management, within the context of Philippine law. The careful distinction between criminal and civil liability serves as a reminder of the multifaceted responsibilities that come with public service and the potential consequences of failing to fulfill these duties.