

Title: Celso M. Manuel, et al. vs. Hon. Sandiganbayan, et al.

Facts:

In 1999, Melchor M. Mallare, the Mayor of Infanta, Pangasinan, and Elizabeth M. Gosudan, the Municipal Treasurer, were charged with Malversation of Public Funds as defined under Article 217 of the Revised Penal Code. The Information accused them of unlawfully disbursing municipal funds amounting to Php 1,487,107.40 for personal loans, payments without requisite appropriations, and unauthorized withdrawals.

During the trial, both pleaded not guilty and a pre-trial conference was held, recognizing their positions and various audit findings. Key issues were whether Gosudan committed malversation in granting personal loans and whether Mallare conspired in such action.

Evidence presented included the testimony of Emelie S. Ritua, State Auditor II of COA, documents including COA reports, and Gosudan's testimony as the defense witness. Based on these, the Sandiganbayan convicted both of Malversation of Public Funds in September 2001, despite their arguments of full restitution before the COA exit conference.

Mallare and Gosudan moved for reconsideration, denied in November 2001. They then moved to reopen proceedings in January 2002, claiming Mallare's failure to testify was a misjudgment. Despite opposition, Sandiganbayan granted the motion in May 2002 due to equity concerns.

The case was then appealed to the Supreme Court on two fronts: questioning both the conviction's propriety and the technical aspects around the motion to reopen proceedings.

Issues:

1. Whether the Sandiganbayan erred in granting the motion to reopen proceedings.
2. Whether the motion to reopen proceedings tolled the running of the period to appeal.
3. Whether the Sandiganbayan correctly found Mallare and Gosudan guilty beyond a reasonable doubt of Malversation of Public Funds.

Court's Decision:

The Supreme Court upheld the Sandiganbayan's decision, affirming the convictions of Mallare and Gosudan. It found:

1. The granting of the motion to reopen proceedings was within the discretion of the

Sandiganbayan, meant to prevent miscarriage of justice.

2. The motion to reopen did not affect the appeal period, which was moot given the subsequent affirmation of conviction upon reopening.

3. Mallare and Gosudan were correctly convicted based on the definition and elements of Malversation of Public Funds. The court emphasized their accountability for public funds and property due to their positions, the unauthorized disbursements confirmed by audit findings, and the inadequate defense regarding the supposed legal basis of the disbursements and loans.

Doctrine:

The Supreme Court reiterated that Malversation of Public Funds, defined under Article 217 of the Revised Penal Code, requires proof that a public officer had custody or control of funds by reason of their office, that the funds were public, and that they appropriated, took, misappropriated, or consented to the taking of such funds.

Class Notes:

- Malversation of Public Funds: Crime occurs when public officers who are accountable for public funds by reason of their office, appropriate, take, misappropriate or consent, or through abandonment or negligence, permit someone else to take such funds.
- Key elements for malversation include being a public officer, having custody or control of public funds or property, accountable for these funds or property, and appropriating or misappropriating these funds or property.
- Restitution of fund does not extinguish criminal liability for malversation; it may only serve as a mitigating factor.

Historical Background:

This case revolves around the misuse of municipal funds through unauthorized loan disbursements in the Municipality of Infanta, Pangasinan, showcasing the judicial scrutiny over public officials' handling of government funds and the legal thresholds for establishing malversation, alongside the mechanisms for legal recourse and procedural matters in the Philippine judicial system.