

Title: **\*\*Roberto E. Chang and Pacifico D. San Mateo vs. People of the Philippines\*\***

Facts:

In June 1991, Roberto E. Chang, the Municipal Treasurer of Makati, and Pacifico D. San Mateo, the Chief of Operations, Business Revenue Examination, Audit Division at the Makati Treasurer's Office, were implicated in a corruption case. Alongside Edgar Leoncito Feraren, a Driver-Clerk also of the Makati Treasurer's Office, they were accused of demanding and receiving PHP 125,000 from Group Developers, Inc. (GDI) in exchange for a certificate of examination stating "no tax liability" to the Municipality of Makati, despite GDI not settling a assessed deficiency tax amounting to PHP 494,000.

The procedural journey began with the issuance of the Letter-Authority by the Makati Treasurer's Office for tax examination of GDI, the discovery of a tax deficiency, the issuance of initial and second assessment notices, and the refusal of GDI's appeals through meetings, which ultimately led to an NBI entrapment operation on June 19, 1991. The evidence against the accused included the exchange of money laced with fluorescent powder, which was positively identified on the hands of the petitioners through tests conducted post-arrest.

The subsequent appeal to the Sandiganbayan resulted in the conviction of Chang and San Mateo for violating Section 3(b) of Republic Act No. 3019, otherwise known as the Anti-Graft and Corrupt Practices Act. This decision was later affirmed by the Supreme Court, which found the elements of the offense satisfactorily established by the prosecution.

Issues:

1. Whether the elements of the offense under Section 3(b) of R.A. 3019 have been proven beyond reasonable doubt.
2. The legitimacy of the conspiracy allegation against Chang and San Mateo.
3. The implications of Chang's non-testimony and its association with the right against self-incrimination.
4. The nature of the entrapment operation as either a valid law enforcement technique or an instigation that excuses the actions of the accused.

Court's Decision:

The Supreme Court affirmed the Sandiganbayan's ruling, holding that all elements of the crime under Section 3(b) of R.A. 3019 were indeed proven beyond reasonable doubt, indicating clear evidence of direct demand and receipt of money in connection with a government transaction, thereby upholding the convictions of Chang and San Mateo. The

court also dismissed the argument of instigation, distinguishing it from entrapment by pointing out that the criminal intent originated from the petitioners. It further noted that the failure of Chang to testify was a waiver of his right to present evidence in his defense, given the shifting burden of evidence due to the strong case established by the prosecution.

#### Doctrine:

The case reiterates the elements of corruption under Section 3(b) of the Anti-Graft and Corrupt Practices Act, emphasizing the necessity of public officials to abstain from directly or indirectly requesting or receiving any form of benefit in connection with any government transaction or contract. It also clarified the distinction between entrapment and instigation, particularly in the context of law enforcement strategies to combat corruption.

#### Class Notes:

##### **\*\*Key Elements/Concepts:\*\***

- **\*\*Public Officer:\*\*** Engaged in duties that include examining and investigating corporate tax returns, determining compliance/insufficiency of tax assessments, and collecting corresponding payments.
- **\*\*Corrupt Practices (Section 3[b] of R.A. 3019):\*\*** Includes directly or indirectly requesting or receiving any gift, present, share, percentage, or benefit, in connection with any contract or transaction with the government wherein the officer has official capacity under law.
- **\*\*Entrapment vs. Instigation:\*\*** Entrapment is a lawful tool of law enforcement where the intent to commit the crime originates from the criminal; instigation, considered an absolute cause, occurs when the criminal intent is planted by the law enforcer.
- **\*\*Right Against Self-Incrimination:\*\*** A defendant's failure to testify in their defense, especially in light of substantial evidence against them, can be considered a tactical decision rather than an automatic implication of guilt, though it may result in waived opportunities to counter the prosecution's evidence.

#### Historical Background:

This case highlights the ongoing challenge of corruption within the Philippine government, emphasizing the complete prohibition against public officials leveraging their position for personal gain. It underscores the critical role of vigilance, both from within government ranks and by citizens, in upholding integrity and accountability, as well as the importance of systematic legal processes in combating graft.