

### ### Title

Rodolfo E. Aguinaldo vs. Sandiganbayan and People of the Philippines: A Case of Alleged Malversation of Public Funds by a Provincial Governor

### ### Facts

Rodolfo E. Aguinaldo, the Governor of Cagayan Province, faced charges filed by the Commission on Audit (COA) through its director, alleging irregular and illegal disbursements of government funds in 1988 and 1989 for intelligence operations against insurgency, totaling P750,000. These funds were reportedly drawn from the 20% Development Fund without proper documentation or with incomplete paperwork, contravening COA regulations.

Upon these allegations, critical procedural milestones unfolded:

- The Office of the Ombudsman, after a preliminary investigation in 1994, found prima facie evidence to indict Aguinaldo for malversation of public funds and violations under R.A. 3019.
- Criminal cases were officially lodged against Aguinaldo on August 16, 1994.
- Aguinaldo requested a reinvestigation by the Sandiganbayan, which led to a submission of affidavits by military officers and a counter-affidavit from Aguinaldo, stating the disbursements were for counter-insurgency purposes.
- Aguinaldo's motions to quash the charges, citing due process violations and lack of probable cause, were denied by the Sandiganbayan in September 1995. Concurrently, a motion for his suspension was entertained, leading to a 90-day suspension from his gubernatorial duties in April 1996.
- Aguinaldo sought certiorari from the Supreme Court to contest the Sandiganbayan's decisions.

These procedural steps were peppered with back-and-forth submissions of documents, requests for COA clarification, and the Sandiganbayan's requests for more definitive COA standings, none of which conclusively absolved Aguinaldo of his alleged financial misconduct.

### ### Issues

The Supreme Court deliberated on the following legal issues:

1. Whether the preliminary investigation and the conduct thereof denied Aguinaldo due process.
2. Whether there was probable cause for malversation of public funds against Aguinaldo.

3. The validity and impact of COA's findings and subsequent clearances on Aguinaldo's criminal liability.
4. The appropriateness of Aguinaldo's preventive suspension during the trial of the criminal cases.

### ### Court's Decision

The Supreme Court dismissed Aguinaldo's petition, upholding the Sandiganbayan's decisions on the following grounds:

- It found no abuse of discretion by the Sandiganbayan in its procedural or substantive decisions, including the use of preventive suspension.
- The Court stressed that the allegations of procedural irregularities in the preliminary investigation were unfounded, especially since Aguinaldo was afforded a chance to submit evidence during the reinvestigation.
- Probable cause for malversation was deemed present due to Aguinaldo's failure to provide sufficient documentation as per COA requirements to liquidate the questioned expenses.
- It delineated the role of the COA's findings as administrative in nature, which do not overwrite the Ombudsman's authority to determine criminal liability.
- The Court reiterated that preventive suspension is a provisional remedy and does not preempt the outcome of the trial.

### ### Doctrine

This case reinforced the principle that the failure of a public official to account for public funds or property under his control, upon proper demand, constitutes prima facie evidence of malversation under Article 217 of the Revised Penal Code. It also highlighted the independence of the Ombudsman's prosecutorial powers from administrative audit findings, emphasizing the distinct lanes of administratively adjudging fiscal responsibility and criminally prosecuting misappropriation of public funds.

### ### Class Notes

- **Malversation of Public Funds**: Established by the failure to account for funds upon demand, indicative of personal use (RPC, Art. 217).
- **Probable Cause for Criminal Cases**: Exists when there is reasonable ground to believe that a crime has been committed and the accused is probably guilty.
- **Preventive Suspension**: A provisional remedy to prevent an accused from using his office to obstruct criminal proceedings.
- **COA Findings**: While relevant for administrative accountability, do not preclude criminal liability and are distinct from prosecutorial determinations of probable cause.

- **Due Process in Preliminary Investigations**: Afforded through the opportunity to submit counter-evidence and argue against charges during reinvestigations.

### Historical Background

The *Aguinaldo vs. Sandiganbayan* case illuminates the intricate balance between administrative audits of government funds and the prosecution of criminal charges against public officials. It underscores the judiciary's prerogative to interpret compliance with fiscal rules within the broader context of ensuring public accountability and safeguarding public resources from malfeasance.