

****Title: Casco v. National Labor Relations Commission, et al.****

****Facts:****

Josephine Casco, the petitioner, was employed by Capitol Medical Center (CAPITOL) as a Nurse Supervisor of the Operating Room. Having begun as a Staff Nurse in March 1984, Casco held various positions before her final promotion in September 2002. In her capacity, she was responsible for supervising nursing services, managing personnel, and ensuring the care and maintenance of equipment and supplies in the operating and recovery rooms.

The case stemmed from an incident in January 2008, when during a calibration exercise by Abbott Laboratories, it was discovered that several pieces of hospital equipment were missing. Casco filed an incident report acknowledging the disappearance of two Mindray monitors, two Pulse Oximeters, and several vaporizers. Following an investigation by CAPITOL, Casco was issued a First Notice of Investigation for gross negligence connected to the equipment loss, requiring her to submit a written explanation.

Asserting her long-standing service and dedication, Casco pointed out the lack of security measures despite her suggestions and expressed doubts about recovering the stolen items. Subsequently, in December 2008, she was terminated for gross negligence resulting in the loss of equipment worth P2.9 million, leading to her filing a complaint for illegal dismissal and damages against CAPITOL and Thelma N. Clemente in February 2009 before the National Labor Relations Commission (NLRC).

****Procedural Posture:****

The Labor Arbiter initially ruled in Casco's favor, ordering her reinstatement and payment for back wages. CAPITOL appealed to the NLRC, which reversed the Labor Arbiter, deeming Casco's dismissal valid. Casco then filed a petition for certiorari with the Court of Appeals (CA), which upheld the NLRC's decision, affirming her dismissal on grounds of loss of trust and confidence due to her purported negligence. Dissatisfied, Casco escalated the matter to the Supreme Court, challenging the CA's decision.

****Issues:****

1. Whether Casco was validly dismissed on the ground of loss of trust and confidence due to gross negligence.
2. Whether the findings of the CA and NLRC constituted grave abuse of discretion.

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

The Supreme Court (SC) found the appeal meritorious, reversing the CA's decision and

reinstating that of the Labor Arbiter. The SC ruled that:

1. **Gross and Habitual Negligence:** Casco was not responsible for the loss of equipment as her job description did not vest her with the specific duty of being the custodian of hospital equipment. There was also insufficient evidence proving gross and habitual negligence on her part.

2. **Loss of Trust and Confidence:** The criteria for dismissing an employee on grounds of loss of trust and confidence were not met. Casco, despite being a managerial employee, had not committed any act warranting loss of trust. Her dismissal was unfounded as the Hospital Management did not sufficiently demonstrate her direct responsibility for the equipment loss.

Doctrine:

- The dismissal of an employee based on loss of trust and confidence must be founded on clear evidence that the employee has committed, or is likely to commit, an act that justifies the loss of trust in him or her. Additionally, gross and habitual negligence necessitates a showing of repeated failures to perform duties over time, which was not established in Casco's case.

Class Notes:

- **Termination for Cause:** Dismissal of an employee must be supported by substantial evidence proving the specific cause for termination.

- **Managerial Employees and Trust:** The criteria for loss of trust and confidence varies between managerial and rank-and-file employees, being less stringent for the former. However, there still needs to be a reasonable basis for the loss of trust.

- **Gross Negligence:** Requires evidence of a significant failure to exercise care or the total absence thereof, which was not adequately demonstrated in Casco's situation.

Historical Background:

This case illustrates the judiciary's role in scrutinizing employment termination decisions, especially those invoking gross negligence and loss of trust, to ensure that dismissal is based on substantial evidence and conforms to legal standards. It underscores the protection given to employees against unwarranted dismissal, emphasizing the requirement for employers to clearly demonstrate the basis of termination decisions.