

Title:

Office of the Ombudsman vs. Rico C. Manalastas

Facts:

This case roots back to a complaint filed by Miriam Jane M. Jacinto, Assistant Vice President of BPI Family Savings Bank, Inc. (BPI Family), against Register of Deeds officials of San Juan City, including Rico C. Manalastas, for Grave Misconduct due to alleged negligence in their duties. Miriam alleged that Dy Chiu Ha Tiu (Marian) fraudulently obtained a loan of P20,000,000 from BPI Family using a fake Transfer Certificate of Title (TCT No. 1035) as collateral. The real Paquito Tiu, owner of the property, later contested the loan and the signatures, revealing the fraud.

Following the sequence of events, BPI Family's bank personnel submitted the loan and mortgage documents to the Office of the Register of Deeds of San Juan City for annotation and registration. Rico C. Manalastas, as Examiner of the said office, along with Gilberto M. Paras and Atty. Lorna S. Dee, were alleged to have failed in verifying the genuineness and authenticity of TCT No. 1035, which led to the fraudulent loan transaction. The issue was brought to light when the real Paquito Tiu, alongside his lawyer, challenged the loan documents at BPI Family's main office.

The administrative complaint against Dee, Manalastas, and Paras resulted in their one-year suspension without pay by the Office of the Ombudsman, citing gross negligence. Manalastas appealed to the Court of Appeals (CA), which reversed the Ombudsman's decision, exonerating him. The Office of the Ombudsman then brought the case to the Supreme Court (SC) for review.

Issues:

The main legal issue for the Supreme Court's resolution was whether the CA erred in exonerating Manalastas for negligence in failing to verify the authenticity of the owner's duplicate copy of the title attached to the real estate mortgage sought to be annotated with the Office of the Register of Deeds of San Juan City.

Court's Decision:

The Supreme Court denied the petition from the Office of the Ombudsman, affirming the CA's decision to exonerate Manalastas. The Court ruled that the registration of documents is a ministerial duty, meaning the Register of Deeds cannot be tasked with authenticating documents or investigating potential frauds. It was noted that the fraud was so

professionally executed that it would not be easily detected by the Register of Deeds. The SC emphasized that Manalastas performed his duties with regularity and in good faith.

Doctrine:

The Supreme Court reiterated the doctrine that the registration of documents is a ministerial act, obligating the Register of Deeds to register an instrument presented for that purpose if it complies with all the requisites for registration. It reinforced the presumption of regularity in the performance of official functions.

Class Notes:

- In administrative cases, substantial evidence is the required quantum of proof.
- The presumption of regularity in the performance of official duties plays a pivotal role unless substantial evidence to the contrary is provided.
- Registration of documents by the Register of Deeds is a ministerial act, serving as constructive notice of its contents to all persons.
- Gross negligence implies a significant lack of care or failure to act on a duty, which was not found in Manalastas's actions.

Historical Background:

This case highlights issues surrounding property registration, document fraud, and the responsibilities of officials in the Register of Deeds. It underscores the challenges in detecting sophisticated fraud and delineates the scope of duty and ministerial act in the context of document registration. The decision clarifies the legal expectations from Register of Deeds officials regarding document verification and fraud detection, setting a precedent for similar future cases.