

Title:

****Benjamin Lu Hayco vs. The Honorable Court of Appeals and People of the Philippines****

Facts:

Benjamin Lu Hayco, the manager of Units Optical Supply Company, was granted a special power of attorney by Lu Chiong Sun on October 17, 1972, authorizing him to manage the company's funds. However, between October 2, 1972, and December 30, 1972, Hayco deposited P139,000, received from the company's customers, into his personal bank accounts at Equitable Banking Corporation and Associated Banking Corporation. Upon his failure to account for these funds following two demand letters from the company's owners, a criminal complaint for estafa through falsification of a public document was filed against him, leading to his acquittal in March 1975 in Criminal Case No. 14968.

Additionally, a civil case (No. 89373) for accounting and recovery of a sum of money was filed against Hayco, which was suspended pending his potential settlement of liabilities. Subsequently, seventy-five counts of estafa were filed against him, divided among different branches of the Court of First Instance of Manila, resulting in his conviction on nineteen counts by Branch I and Branch III. His appeals to the Court of Appeals were denied, upholding his conviction with modified penalties.

Issues:

1. Whether the judgments of conviction violate the principle of conforming to pleadings and proofs (*Secundum Allegata Et Probata*).
2. Whether Hayco's constitutional right against double jeopardy was violated.
3. If the pendency of the civil suit for accounting and recovery (Civil Case No. 89373) acted as a prejudicial question to the estafa charges.
4. Whether the element of conversion, essential for estafa, was proven beyond a reasonable doubt.

Court's Decision:

The Supreme Court dismissed Hayco's petitions, affirming the decisions of the Court of Appeals.

1. ****Secundum Allegata Et Probata****: The Court found no mismatch between pleadings, proofs, and the judgments.
2. ****Double Jeopardy****: Hayco was not subject to double jeopardy as the charges in the subsequent seventy-five counts of estafa were distinct from those in Criminal Case No.

14968.

3. ****Prejudicial Question****: The Court determined that the civil case's outcomes would not be determinative of Hayco's guilt or innocence in the estafa charges, thereby not acting as a prejudicial question.

4. ****Conversion in Estafa****: The Court affirmed that Hayco's act of depositing the funds into his personal accounts constituted conversion, as it caused at least a temporary disturbance in the owners' property rights, sufficient to establish estafa.

Doctrine:

- The acts of misappropriating or converting funds received for payment for goods, and failing to account for them by depositing them in personal bank accounts, satisfy the element of conversion under Article 315(1-b) of the Revised Penal Code for estafa.
- A civil case for accounting does not constitute a prejudicial question that would halt prosecution for estafa since its findings do not directly determine the accused's criminal liability for misappropriation or conversion of funds.

Class Notes:

- Key Elements of Estafa under Article 315(1-b):
 1. Misappropriation or conversion of funds received under obligation to deliver or return the same;
 2. Failure to account for it upon demand; and
 3. Damage or disturbance in property rights arising therefrom.
- Essential Principle: The disturbance of property rights, even if temporary, constitutes injury and damage sufficient for estafa.
- Double Jeopardy Principle: For jeopardy to apply, the subsequent offense must be identical to, or an attempt to commit or is necessarily included in, the first offense for which the accused was acquitted or convicted.

Historical Background:

This case illustrates the complexities of legal principles such as double jeopardy, prejudicial questions, and the specifics of proving elements of estafa, within the unique context of Philippine law, where business transactions intersect with criminal liabilities. Demonstrating how the judiciary navigates between civil liabilities and criminal accountability reflects the broader legal and historical evolution of addressing financial crimes in the Philippines.