

Title:

Munib S. Estino and Ernesto G. Pescadera vs. People of the Philippines; Ernesto G. Pescadera vs. People of the Philippines

Facts:

In the May 1998 elections, Munib S. Estino was elected Vice-Governor of Sulu along with Gov. Abdusakur Tan. Following the elections, the Supreme Court issued a status quo order in G.R. No. 133676, suspending the proclamation of Gov. Tan and directing Vice-Gov. Estino to assume the position of Acting Governor until further orders. Estino acted as Governor of Sulu from July 27, 1998, to May 23, 1999, when the suspension order against Gov. Tan was lifted. Ernesto G. Pescadera held the position of Provincial Treasurer during this period.

Subsequently, a Commission on Audit (COA) special audit team was assembled upon the request of the Provincial Government of Sulu to investigate disbursements from July 27, 1998, to May 23, 1999. The audit revealed anomalies and led to the Ombudsman filing three separate informations against Estino and Pescadera for violating different laws:

1. **Criminal Case No. 26192:** Alleged violation of Section 3(e) of R.A. 3019 (Anti-Graft and Corrupt Practices Act) for failure to pay employees their various allowances and benefits.
2. **Criminal Case No. 26193:** Alleged malversation of public funds under Article 217 of the Revised Penal Code for failing to remit Government Service Insurance System (GSIS) contributions amounting to Php 4,820,365.30.
3. **Criminal Case No. 26194:** Alleged violation of R.A. 3019, Section 3(e) for withdrawing Php 21.5 million from the internal revenue allotment without proper documentation and for unspecified expenses.

Estino and Pescadera pleaded not guilty.

Procedural Posture:

The Regional Trial Court found them guilty of the charges in Criminal Case Nos. 26192 and 26193 but acquitted them in Criminal Case No. 26194 for lack of proof of injury to the government. Appeals were filed by Estino and Pescadera to the Sandiganbayan, which upheld the convictions. The case reached the Supreme Court via consolidated appeals under Rule 45.

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Issues:

1. **Whether Estino and Pescadera failed to pay the RATA and violated Sec. 3(e) of R.A. 3019.**
2. **Whether Pescadera is guilty of malversation of public funds for failing to remit the GSIS contributions.**

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Court's Decision and Analysis:

G.R. Nos. 163957-58:

1. **Failure to Pay RATA (Sec. 3(e) of R.A. 3019):**

- **Court's Findings:** The Sandiganbayan convicted Estino and Pescadera for failing to pay the RATA despite having the funds. They attempted to show payment through vouchers, some of which were unsigned by the claimants. The Supreme Court noted that it was unclear if the prosecution established the distinction between failing to pay benefits from the 1999 budget versus the 1998 reenacted budget. In light of possible confusion and the newly presented evidence in their Supplemental Motion for Reconsideration, the Court decided to remand the case for a new trial allowing Estino and Pescadera to substantiate their claims and evidence.

G.R. Nos. 164009-11:

2. **Malversation of Public Funds (Article 217, Revised Penal Code):**

- **Court's Findings:** Pescadera was held accountable for unremitted GSIS contributions. However, the Court found the presumption of malversation inapplicable as there was no formal demand for accounting made upon Pescadera, which is crucial for invoking the presumption. The Court also found no direct evidence of misappropriation. Pescadera's explanation that the GSIS premiums were applied to other public needs (like salary differentials) was considered a valid public use and lacked sufficient evidence proving personal misappropriation. Consequently, the Court acquitted Pescadera of the malversation charges.

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Doctrine:

1. **Importance of Formal Demand:** In malversation cases, a formal demand to account for allegedly misappropriated funds from an accountable officer is crucial for applying the prima facie presumption of malversation.
2. **Requisites for Conviction under Sec. 3(e) of R.A. 3019:** Establish clear delineation of which budget appropriations are in question and ensure sufficient correlating evidence is presented to meet the elements of undue injury or unwarranted benefit.

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Class Notes:

- **Elements of Malversation (Article 217, RPC):**

1. Offender is a public officer.
2. Has control or custody of funds by virtue of office.
3. Funds/property are public and for which the offender is accountable.
4. Offender misappropriates, takes, or consents to taking them.

- **Sec. 3(e) R.A. 3019 Elements:**

1. Accused is a public officer.
2. Act committed in performance or relation to official functions.
3. Caused undue injury or gave unwarranted benefit/preference.
4. Acted with manifest partiality, evident bad faith, or gross negligence.

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Historical Background:

The case is set against the backdrop of administrative challenges faced by local governments in the Philippines regarding resource allocation, budget enactments, and adherence to financial directives, illustrating the complexities involved in governance and public accountability. The delayed 1999 budget and reenacted 1998 budget present unique issues in financial management and responsibility, relevant to understanding public administration's legal frameworks.