

Title:

Morong Water District vs. Office of the Deputy Ombudsman et al., G.R. No. 385 Phil. 45

Facts:

Private respondent Edgard Sta. Maria was the former General Manager of petitioner Morong Water District (MOWAD) in San Pedro, Morong, Rizal. Respondent Emma Censon was the advisor of the Local Water Utilities Administration (LWUA) assigned to MOWAD. On August 3, 1992, Sta. Maria received a cash advance of PHP 33,190.73 for the Wawa pipeline extension project. On August 5, 1992, Sta. Maria partially liquidated PHP 15,000 of this amount, allegedly paying Engineer Ricardo Reyes for design services. By November 10, 1992, Sta. Maria fully liquidated the remaining PHP 16,790.40, which was supposedly used for the Paglabas Pipeline Extension, authorized by MOWAD's Board of Directors.

Maximo San Diego, petitioner's officer-in-charge, filed a complaint before the Ombudsman against Sta. Maria and Censon for violations of R.A. 3019 (Anti-Graft and Corrupt Practices Act) and Article 217 of the Revised Penal Code (malversation of public funds), alleging no design was made and that respondents pocketed the amount.

Respondents denied the charges. Censon claimed no involvement with MOWAD's funds, while Sta. Maria argued that his ousting was due to prior criminal and administrative complaints he had filed against some Board members.

On March 28, 1994, the Ombudsman, through Graft Investigation Officer Aleu A. Amante, dismissed the complaint, citing insufficient evidence. On May 27, 1994, the Ombudsman also dismissed the petitioner's motion for reconsideration.

Subsequently, Morong Water District filed a petition for certiorari to the Supreme Court contending arbitrariness in the Ombudsman's decision.

Issues:

1. **Whether the Ombudsman committed grave abuse of discretion in dismissing the complaint against Edgard Sta. Maria and Emma Censon.**
2. **Whether the Ombudsman arbitrary disregarded evidence that established a prima facie case of malversation and violation of R.A. 3019.**

Court's Decision:

The Court ruled that the petition lacked merit, emphasizing the following points for each issue:

1. **Grave Abuse of Discretion:**

- The Supreme Court reiterated that its role was limited to questions of law concerning the Ombudsman's findings, as factual findings supported by substantial evidence are conclusive.
- The Supreme Court found that the Ombudsman's decision to dismiss the complaint was conducted through a thorough examination of records.
- It emphasized that the proceedings and the extensive discussion by the Ombudsman dispelled any allegation of arbitrariness or abuse of discretion.

2. **Prima Facie Case for Malversation:**

- The Court reviewed the findings and concluded that there was substantial evidence supporting the Ombudsman's decision. The documents showed that the funds were liquidated and no clear evidence of misappropriation was presented.
- Evidence submitted by Morong Water District, including the reimbursement expense receipt signed by Engineer Ricardo Reyes, substantiated that the design charges were legitimate and that Reyes was not proven to be a fictitious person.

Doctrine:

- **Substantial Evidence Rule:** Findings of fact by the Ombudsman, when supported by substantial evidence, are conclusive and are respected by the Supreme Court.
- **Role of Demand in Malversation Cases:** Demand from the Commission on Audit is not necessary to constitute malversation under Article 217 of the Revised Penal Code; rather, demand creates a presumption but is not indispensable.
- **Non-Interference with Ombudsman's Powers:** The Supreme Court should not interfere with the Ombudsman's discretionary powers granted by the Constitution, respecting the investigatory and prosecutory functions unless there is clear evidence of grave abuse of discretion.

Class Notes:

- **Substantial Evidence:** The minimum amount of evidence required to support the Ombudsman's findings (Section 27, R.A. 6770).
- **Article 217, Revised Penal Code:** Defines and penalizes malversation of public funds.
- **Article 218, Revised Penal Code:** Differentiates from Article 217; relates to the failure of accountable officers to render accounts.
- **Republic Act No. 3019:** Anti-Graft and Corrupt Practices Act targets corrupt practices among public officers.
- **R.A. 6770 (Ombudsman Act of 1989):** Limits judicial review to questions of law and supports substantial evidence as conclusive.

Historical Background:

The case highlights the judicial framework laid by R.A. 6770, the Ombudsman Act of 1989, and its implications on the separation of investigatory and judicial powers. The Act empowers the Ombudsman to investigate and prosecute government officials, ensuring oversight while limiting judicial review to preserve its authority and efficacy. This case epitomizes the principled stance of Philippine jurisprudence, valuing thorough examination and respect for investigative processes endowed constitutionally to the Ombudsman.