

**\*\*Title: Ong vs. Court of Appeals and People of the Philippines\*\***

**\*\*Facts:\*\***

1. **\*\*Parties Involved\*\***: Edward C. Ong (“petitioner”), representing ARMAGRI International Corporation (formerly ARMCO Industrial), and Solid Bank Corporation (“Bank”).
2. **\*\*Transactions\*\***:
  - On June 22, 1990, Ong applied for a letter of credit for P2,532,500.00 with the Bank to finance differential assemblies purchase from Metropole Industrial Sales, executing a trust receipt on July 6, 1990.
  - On July 12, 1990, Ong and Benito Ong applied for another letter of credit for P2,050,000.00 for purchasing merchandise from Fertiphil Corporation, with Edward C. Ong executing a trust receipt on July 23, 1990.
  - Both trust receipts required ARMAGRI to account for or return the goods or remit the proceeds of the sale.
3. **\*\*Default\*\***:
  - ARMAGRI failed to return the goods or pay under both trust receipts despite the Bank’s demands.
  - Unpaid accounts: P1,527,180.66 (first trust receipt) and P1,449,395.71 (second trust receipt) as of May 31, 1991.
4. **\*\*Procedural Posture\*\***:
  - October 11, 1991: Two counts of estafa filed against Edward C. Ong and Benito Ong for violations related to the Trust Receipts Law.
  - Ong and Benito Ong pleaded not guilty.
  - Trial ensued without presentation of defense evidence by the Ongs.
  - Trial Court Conviction: Edward C. Ong was convicted while Benito Ong was acquitted.
  - Appeal: The Court of Appeals affirmed the trial court’s decision. Edward C. Ong filed a motion for reconsideration, which was denied.
  - Edward C. Ong then filed a petition for review to the Supreme Court.

**\*\*Issues:\*\***

1. **\*\*Liability under Section 13 of Trust Receipts Law\*\***:
  - Whether Ong, acting as an agent, could be deemed responsible for the offense.
2. **\*\*Conviction based on information\*\***:
  - Whether Ong’s conviction was valid considering procedural allegations in the information filed.

**\*\*Court’s Decision:\*\***

1. **Liability under Section 13 of Trust Receipts Law**:

- **Legal Framework**: Section 13 of Presidential Decree No. 115 mandates that upon the default of goods or proceeds covered under a trust receipt, the responsible person/s are liable.
- **Court Findings**:
  - Even as an agent, Ong signed the trust receipts, loan applications, and related documents, binding him as responsible.
  - Ong's failure to comply with the trust receipts' stipulations was enough to hold criminal liability. The Court also noted that under the Trust Receipts Law, intent to defraud is not requisite, only the failure to account or return goods.
  - Ong failed to provide evidence that could exempt him from liability, such as proof of severed relations with ARMAGRI during the default.

2. **Conviction based on information**:

- **Petitioner's Argument**: Ong argued that the information did not specify his actual involvement and roles sufficiently.
- **Court Findings**: The information indeed adequately alleged estafa elements where Ong, representing ARMAGRI, received goods in trust and defaulted. It specified that he failed to account for or return the goods.
- **Penal Implication**: The allegations matched procedural requirements, establishing grounds for Ong's liability under estafa as defined in the Revised Penal Code.

**Doctrine**:

- **Trust Receipts Law (Presidential Decree No. 115)**:
  - The entrusted goods or proceeds must be accounted for or returned.
  - If a corporation defaults, the responsible officers or employees bear the criminal liability.
  - Liability does not distinguish between actual receipt and agency when determining criminal responsibility.

**Class Notes**:

1. **Elements of Estafa under Trust Receipts Law**:

- Trust receipt setup involving goods.
- Obligation failed by the trustee to remit proceeds or return goods.
- No intent requirement; mere default suffices.

2. **Agency Doctrine in Criminal Law**:

- Acting as an agent doesn't nullify criminal liability for direct participation in the crime against public order.

3. **Relevant Statutes and Doctrines**:

- **Article 315 (Revised Penal Code)**: Details penalties and circumstances of estafa.
- **Indeterminate Sentence Law**: Applies the sentencing range and minimum term calculations.

**Historical Background**:

- **Economic Context**:
  - Trust receipts were utilized for inventory and financing purposes, crucial for business financing in the 1990s.
  - Rising defaults led to stricter enforcement of trust receipt stipulations.
- **Legal Evolution**:
  - Consideration of personal liability in corporate transactions evolved to ensure accountability of corporate agents, alongside deterrent criminal penalties.