

****Title:**** Disini vs. Republic of the Philippines

****Facts:****

****A. Background:****

1. Herminio T. Disini, a close associate of former President Ferdinand Marcos, faced accusations of accumulating ill-gotten wealth through connections tied to the Bataan Nuclear Power Plant (BNPP) project.
2. The BNPP, led by Westinghouse Electric Corporation and Burns & Roe, Inc., was established in 1976 and remains non-operational.
3. On July 23, 1987, the Republic, via the Presidential Commission on Good Government (PCGG), initiated a case for reconveyance, reversion, accounting, restitution, and damages against Disini and the Marcoses.

****B. Procedural Posture:****

1. In 2010, the Supreme Court sustained the default status of Disini, enabling the Republic to present evidence ex parte.
2. In the 2012 Sandiganbayan ruling, Disini was ordered to account for and return USD 50,562,500 in ill-gotten wealth.
3. Both the Republic and Disini submitted motions for reconsideration, both of which were denied.

****C. Evidence Presented by the Republic:****

1. Witnesses such as Lourdes Magno, Rodolfo B. Jacob, Danilo Richard V. Daniel, among others, provided testimonies on Disini's commissions and relationship with President Marcos.
2. Disini's interactions with Westinghouse and Burns & Roe were mapped out, highlighting the clandestine payments made to him via various Swiss accounts.

****Issues:****

1. Whether the rule on authentication of documents was violated by admitting Exhibit E-9.
2. Whether there was a civil law cause of action justifying the Sandiganbayan's directive for Disini to account and reconvey USD 50,562,500.
3. Whether the Sandiganbayan violated the constitution by concluding the existence of the Westinghouse contract without its presentation.
4. Whether the Sandiganbayan violated constitutional parameters by concluding Disini received USD 50,562,500 absent clear proof.

****Court's Decision:****

****A. On the Authentication of Exhibit E-9:****

- The Court found Exhibit E-9, a tabulation of commissions, inadmissible as it was not properly authenticated according to Rule 132, Section 20 of the Rules of Court.

****B. Civil Law Cause of Action:****

- The Court upheld the civil liability grounded in Executive Orders Numbers 1, 2, 14, and 14-A, establishing the Republic's authority to recover ill-gotten wealth from Marcos' close associates.

****C. Existence of Contracts and Legal Proceedings:****

- The Court recognized the existence of Westinghouse and Burns & Roe contracts through testimonies of Vergara and Jacob, highlighting their personal participation and observations in the transactions.

- Despite not having the original contracts, credible witness testimonies substantiated the external facts, which fell outside the purview of the Best Evidence Rule.

****D. Receipt of Commissions by Disini:****

- The affidavits of Vergara and Jacob confirmed the commission payments to Disini, routed through Swiss accounts and unrecorded in Herdis' books for concealment.

****E. Lack of Specific Proof for USD 50,562,500:****

- The Sandiganbayan erred in quantifying the commissions as USD 50,562,500 using unauthenticated Exhibit E-9.

- The Sandiganbayan's reliance on Exhibit E-9 violated evidence rules.

****Doctrine:****

The case reiterates the authority of the PCGG to recover ill-gotten wealth under EO Nos. 1, 2, 14, and 14-A, emphasizing the need for verified and authenticated documents in proving specific amounts. Additionally, it affirms that credible and corroborated testimonial evidence can establish the existence of illicit transactions and the receipt of ill-gotten wealth.

****Class Notes:****

1. ****Ill-Gotten Wealth Recovery****: Authority established under EO Nos. 1, 2, 14, and 14-A, focusing on undue advantage for personal gain.
2. ****Commission of Public Contract Misuse****: Involves misuse of influence to secure

government contracts with commissions considered ill-gotten wealth (PCGG Rules, Section 1).

3. **Best Evidence Rule**: Only the original document content is admissible unless an exception applies (Rule 130, Section 3).

4. **Authentication of Documents**: Required for private documents to be received as evidence (Rule 132, Section 20).

Historical Background:

- The case emerges during the post-Marcos administration aimed at rectifying historical corrupt practices and accountability for amassed wealth by leaders and associates of the Marcos regime.

- EO Nos. 1 and following orders issued by President Corazon Aquino sought to dismantle systemic corruption entrenched during the Marcos dictatorship and recover assets for the state.