

****Title:**** City of Caloocan vs. Hon. Mauro T. Allarde, et al.

****Facts:****

1. In 1972, the City Government of Caloocan abolished positions, including that of Assistant City Administrator Delfina H. Santiago.
2. Santiago and the affected employees contested the abolition before CFI Branch 33, which ruled in their favor in 1973, ordering reinstatement and payment of back salaries.
3. The City Government appealed, but the appellate court and, subsequently, the Supreme Court in G.R. No. L-39288-89, dismissed the appeal in 1985, calling it dilatory.
4. In 1986, Santiago received partial payment of her backwages but was still owed P530,761.91.
5. The City allocated funds for the remaining backwages in 1987 but refused to release them.
6. Santiago sought enforcement, leading to a series of court orders for execution and simmering resistance from the City, reaching the Court of Appeals and Supreme Court again in G.R. No. 98366, which affirmed Santiago's claim for back wages from 1983-1986 and finalized this decision in 1991.
7. Persistent resistance from the City led to the issuance of an alias writ of execution in early 1992.
8. The City moved to quash execution efforts, leading to partial auction sales of city assets.
9. The City sought a CSC resolution, which initially denied Santiago's claim, but the Supreme Court reversed this in G.R. No. 102625 in 1995.
10. Ordinance No. 0134 was passed in 1992 to appropriate funds for Santiago's claim but payment was still resisted by the City officials.
11. Ultimately, garnishment of the City's funds with PNB was carried out leading to Santiago's final settlement.

****Issues:****

1. Whether the garnishment of public funds held by the City of Caloocan in PNB was valid.
2. Whether the sale of City motor vehicles at auction was valid.
3. Whether procedural irregularities were noted in the auction sale process.
4. Whether public officials coerced compliance during the litigation process constituted a due process violation.

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

1. **Garnishment of Public Funds:** The Court ruled that public funds are generally immune from garnishment unless there is a specific appropriation as mandated by law. In this case, Ordinance No. 0134 constituted such an appropriation, thus permitting garnishment.
2. **Sale of Motor Vehicles:** The Court found that the sale was initially ordered legally; however, any further analysis became moot when Judge Allarde later lifted the levies on those vehicles as the judgment had been satisfied.
3. **Procedural Irregularities:** The Court held that there was no substantial evidence to show that the public auction was irregular or unlawful; the auction was presumed to have followed due process.
4. **Due Process Violations:** The Court rejected claims of due process violations, noting that officials were given ample opportunity to participate effectively in related legal procedures.

Doctrine:

The Court reiterated that:

1. Government funds may be subject to garnishment where there is a specific appropriation by law to satisfy a particular obligation.
2. Regular public auctions for assets comply with stipulated court procedures unless substantial evidence is presented to demonstrate otherwise.
3. Due process is satisfied when involved parties are given reasonable opportunity and legal representation.

Class Notes:

- **Garnishment of Public Funds:** Section 48, LGC - Public funds are generally not garnishable, but exceptions exist with proper appropriations.
- **Public Auctions:** Rule 39 of the Rules of Court outlines procedures for public sales ensuring transparency and adherence to legal requirements.
- **Due Process:** Emphasizes that due process involves reasonable notice and the opportunity for involved parties to present their case.

Historical Background:

This case reflects the recurring tension in Philippine jurisprudence between enforcement of judicial decisions and the preservation of public financial management integrity. It showcases the challenges citizens face in enforcing rights against bureaucracy and underscores the court's role in balancing the enforcement of decisions with maintaining

governmental functions.