

Title: Pichay Jr. vs. Office of the Deputy Executive Secretary for Legal Affairs et al.

Facts:

- Creation of PAGC:** On April 16, 2001, President Gloria Macapagal-Arroyo issued Executive Order No. 12 (E.O. 12), establishing the Presidential Anti-Graft Commission (PAGC) to investigate or hear administrative cases or complaints related to graft and corruption against presidential appointees, and to report and recommend actions to the President.
- Abolition and Transfer:** On November 15, 2010, President Benigno Simeon Aquino III issued Executive Order No. 13 (E.O. 13) abolishing the PAGC and transferring its functions to the Office of the Deputy Executive Secretary for Legal Affairs (ODESLA), specifically to its Investigative and Adjudicatory Division (IAD).
- Complaint against Pichay:** On April 6, 2011, Finance Secretary Cesar V. Purisima filed a complaint affidavit before IAD-ODESLA against Prospero A. Pichay Jr., alleging grave misconduct related to the Local Water Utilities Administration's (LWUA) purchase of shares in Express Savings Bank, Inc.
- Invocation of E.O. 13:** On April 14, 2011, Pichay received an order from Executive Secretary Paquito N. Ochoa Jr. to provide a written explanation under oath. Pichay responded with a Motion to Dismiss, arguing the same case was under investigation by the Ombudsman in *Rustico B. Tutol v. Prospero Pichay*.
- Supreme Court Petition:** Pichay filed a Petition for Certiorari and Prohibition with a prayer for a temporary restraining order, contesting the constitutionality of E.O. 13, alleging it usurped legislative powers and violated constitutional guarantees of due process and equal protection.

Issues:

- Legislative Usurpation:** Whether E.O. 13 unlawfully usurped legislative powers to create a public office.
- Appropriation of Funds:** Whether E.O. 13 illegally appropriated funds without legislative approval.
- Delegation of Quasi-Judicial Powers:** Whether E.O. 13 improperly delegated quasi-judicial functions to the IAD-ODESLA.
- Encroachment on Ombudsman Powers:** Whether E.O. 13 encroached on the exclusive powers of the Ombudsman.
- Due Process Violation:** Whether E.O. 13 violated the guarantee of due process.
- Equal Protection Violation:** Whether E.O. 13 violated the equal protection clause by targeting only presidential appointees for investigation.

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

1. ****Legislative Usurpation:**** The Court held that the President's continuing authority to reorganize the executive department under E.O. 292 (Administrative Code of 1987) includes the power to restructure offices within the Office of the President Proper, thus justifying the reorganization under E.O. 13. The transfer and consolidation of functions did not constitute the creation of a new office but reallocation of existing duties within an existing framework.
2. ****Appropriation of Funds:**** The Court determined that the reallocation of funds for the IAD-ODESLA from the President's Office budget did not amount to usurping legislative powers. Section 78 of the General Appropriations Act of 2010 recognized the President's authority to reorganize and realign funds within the executive branch.
3. ****Delegation of Quasi-Judicial Powers:**** The IAD-ODESLA was defined as a fact-finding and recommendatory body without adjudicatory functions. The term "adjudicatory" in its name did not imply judicial powers but referred to its investigative duties.
4. ****Encroachment on Ombudsman Powers:**** The Court clarified that the Ombudsman's primary jurisdiction pertains to cases cognizable by the Sandiganbayan and not administrative cases. The IAD-ODESLA's actions did not infringe on the Ombudsman's constitutional duties.
5. ****Due Process Violation:**** The procedural due process was upheld as the petitioner was given an opportunity to respond to the charges. The Court emphasized that due process is satisfied by providing a reasonable opportunity for the accused to explain their side.
6. ****Equal Protection Violation:**** The Court found a rational basis for the distinction, noting that presidential appointees fall under the President's direct disciplinary authority. The classification was deemed reasonable, tailored to the efficient governance and eradication of corruption within the executive department.

****Doctrine:****

- The President possesses continuing authority to reorganize the executive department as conferred by E.O. 292 (Administrative Code of 1987).
- Administrative reorganization is valid if it aims to achieve simplicity, economy, and efficiency without creating new offices but merely reallocating functions within the existing structure.
- Due process in administrative proceedings is met by providing an opportunity to respond

to charges, and equal protection principles allow reasonable classifications by the government.

****Class Notes:****

- ****Key Elements/Concepts:****

- ****Reorganization Authority:**** Section 31 of E.O. 292 allows the President to reorganize the offices within the executive branch for efficiency.
- ****Due Process Requirements:**** In administrative proceedings, due process is fulfilled by providing the accused notice and an opportunity to be heard.
- ****Equal Protection Clause:**** Laws can apply differently to various classes if there are reasonable grounds for the distinctions.

****Relevant Provisions:****

- ****Section 31, E.O. 292 (Administrative Code of 1987):**** Authorizes the President to reorganize the Office of the President Proper.
- ****Section 1, 2, 3, E.O. 12:**** Establishes PAGC and outlines its powers.
- ****Section 78, General Appropriations Act of 2010:**** Grants the President authority to direct changes in organizational units within the executive branch.
- ****Article VI, Section 25 (1) and (5) of the 1987 Constitution:**** Allows the President to augment appropriations using savings and to realign funds during reorganizations.

****Historical Background:****

- ****Presidential Control over Executive Reorganization:**** The case situates within the context of executive restructurings aimed at combatting corruption. From President Arroyo's creation of PAGC to President Aquino's streamlining with E.O. 13, each reorganization effort reflects the ongoing administrative reforms intended to enforce accountability and enhance government efficiency.

This case elucidates the extent of executive power in administrative reorganization, the safeguards of due process, and the principles underlying equal protection in governance.