

### Title: **Citibank Savings, Inc. et al. v. Brenda L. Rogan**

### Facts:

**Step-by-Step Events:**

1. **Employment History:**

- Brenda L. Rogan was hired by Citibank Savings, Inc. (CSI) on January 23, 1995, and rose to the role of a Branch Cash/Operations Officer (CSO) at the Legaspi Village, Makati branch.

2. **Initial Offense and Suspension:**

- On March 18, 2008, Rogan was issued a show cause memo for failing to conduct a cash count of the branch's ATM on January 29, 2008, and for signing a false certification. She admitted the mistake, attributing it to a heavy workload, and was suspended for three days.

3. **Investigation into Unusual Transactions:**

- On October 19, 2009, CSI received a query from a client concerning their time deposit. Review revealed improper actions by the Branch Account Officer, Yvette Axalan, involving multiple suspect transactions. These included transferring funds without proper authorization and bypassing required client signature verifications.

4. **Show Cause Order to Rogan:**

- Rogan received a Show Cause Order on November 3, 2009, directing her to explain her role in these unauthorized transactions. She responded with a written explanation and further clarified her position during an administrative hearing on November 5, 2009.

5. **Termination:**

- On January 11, 2010, CSI terminated Rogan's employment for not complying with several internal policies. Rogan requested to resign instead of being terminated, but there was no record of CSI's response.

6. **Complaint with NLRC:**

- On March 17, 2010, Rogan filed a complaint of illegal dismissal and nonpayment of separation pay with the NLRC against CSI and its officers.

**Procedural Posture:**

1. **Labor Arbiter (LA) Decision:**

- The LA dismissed Rogan's complaint, finding her dismissal justified due to gross neglect and loss of trust and confidence.

2. **NLRC Appeal:**

- The NLRC upheld the LA's decision. Rogan's actions were deemed enough to justify CSI's loss of trust and confidence.

3. **Court of Appeals (CA):**

- The CA reversed the NLRC's decision, ruling that Rogan was illegally dismissed and ordered reinstatement with back wages or, if reinstatement was not possible, separation pay with adjusted penalties for Rogan's infractions.

4. **Supreme Court Petition:**

- CSI filed a petition with the Supreme Court seeking to reinstate the NLRC's disposition.

**Issues:**

1. **Gross and Habitual Neglect:**

- Whether Rogan's handling of suspect transactions constituted gross and habitual neglect of duty.

2. **Loss of Trust and Confidence:**

- Whether Rogan's infractions constituted a valid basis for dismissal on the ground of loss of trust and confidence.

3. **Procedural Due Process:**

- Whether CSI observed due process in dismissing Rogan.

**Court's Decision:**

**Resolution of Legal Issues:**

1. **Gross and Habitual Neglect:**

- The Supreme Court found no substantial evidence proving Rogan's neglect was gross and habitual to justify her termination. The transactions processed by Axalan, though non-compliant, were considered minor infractions in the context of customer convenience and satisfaction without causing loss or damage.

2. **Loss of Trust and Confidence:**

- CSI was justified in dismissing Rogan based on loss of trust and confidence due to her remissness in implementing bank policies, especially given a previous suspension and warning. Rogan's responsibilities demanded high diligence, which she failed to maintain.

3. **Procedural Due Process:**

- CSI substantially complied with the requirements of procedural due process. The Show Cause Order contained sufficient details for Rogan to prepare her defense, and a subsequent administrative hearing provided her opportunities to present her side.

**\*\*Final Ruling:\*\***

- The Supreme Court reversed the CA's decision, upholding valid termination due to loss of trust and confidence. However, considering her length of service, prior performance, and absence of bad faith or loss to the bank, the Court awarded Rogan separation pay as financial assistance.

**### Doctrine:**

- **\*\*Concept of Gross Neglect:\*\*** Gross and habitual neglect consists of repeated and glaringly obvious acts of negligence or refusal to perform duties.

- **\*\*Trust and Confidence:\*\*** Positions involving fiduciary duties and trust require high standards of diligence. Accumulated lapses related to core job functions justify dismissal due to loss of trust and confidence.

- **\*\*Procedural Due Process:\*\*** Employers must provide clear, detailed notices of charges and sufficient opportunities for employees to respond.

**### Class Notes:**

1. **\*\*Gross Neglect (Article 297(b) Labor Code):\*\***

- Repeated and glaring neglect.

- Must be habitual and demonstrably negligent behavior.

2. **\*\*Loss of Trust and Confidence (Article 297(c) Labor Code):\*\***

- Includes fraud and willful breach.

- Requires substantial proof of acts breaching trust.

- Applicable to managerial roles and custodians of property.

3. **\*\*Due Process in Dismissal:\*\***

- Notice must detail acts/omissions.

- Employees should be given an opportunity to respond.

- Not necessarily a long period for response; context of reasonableness applies.

**### Historical Background:**

- **\*\*Historical Context of Labor Laws in Banking:\*\*** The significance of this case lies in the stringent standards imposed on banking professionals due to the fiduciary nature of their work. The banking industry's requirement for extraordinary diligence was emphasized to ensure depositor protection and trust. This case adds nuance to the concepts of trust and due process, impacting future managerial employment and compliance expectations in financial institutions.