

Title:

Julian A. Alzaga, Meinrado Enrique A. Bello, and Manuel S. Satuito v. Hon. Sandiganbayan (2nd Division) and People of the Philippines

Facts:

On October 7, 1999, four separate Informations were filed against Julian A. Alzaga, Meinrado Enrique A. Bello, and Manuel S. Satuito for alleged violations of Section 3(e) of Republic Act No. 3019 concerning irregularities in the purchase of four lots in Tanauan, Batangas, by the Armed Forces of the Philippines Retirement and Separation Benefits System (AFP-RSBS). Alzaga was the Head of the Legal Department and a Vice President of AFP-RSBS when one lot was purchased. Bello succeeded Alzaga and was a Vice President during the purchase of the other three lots. Satuito was the Chief of Documentation and Assistant Vice President of AFP-RSBS.

Petitioners filed Motions to Quash and/or Dismiss the Informations, asserting that the Sandiganbayan lacked jurisdiction over them as their positions did not fall within the jurisdictional coverage pursuant to Section 4 of P.D. No. 1606, as amended by R.A. No. 8249.

On May 27, 2004, the Sandiganbayan granted the motions to dismiss for lack of jurisdiction. However, the Sandiganbayan later reversed its earlier decision on April 25, 2005, ruling it had jurisdiction because AFP-RSBS is a government-owned or controlled corporation, and the positions held by Alzaga, Bello, and Satuito were covered under the jurisdiction criteria. Petitioners' Motion for Reconsideration was denied on August 10, 2005, prompting the petition for certiorari to the Supreme Court.

Issues:

1. Did the Sandiganbayan correctly assert jurisdiction over the petitioners, given the nature of AFP-RSBS?
2. Is AFP-RSBS classified as a government-owned or controlled corporation?
3. Do the positions held by petitioners fall within the jurisdictional scope of the Sandiganbayan under Section 4 of P.D. No. 1606, as amended by R.A. No. 8249?

Court's Decision:

The Supreme Court dismissed the petition, finding no merit in the arguments presented.

1. Jurisdiction Over Petitioners:

The court affirmed that the Sandiganbayan had jurisdiction over the petitioners. The

positions held by Alzaga and Bello (Vice Presidents) and Satuito (Assistant Vice President) were equivalent or superior to the “managers” mentioned under Section 4 of P.D. No. 1606, as amended by R.A. No. 8249. Additionally, since AFP-RSBS is a government-owned or controlled corporation, the Sandiganbayan’s jurisdiction was properly asserted.

## 2. Classification of AFP-RSBS:

The Supreme Court reiterated previous rulings in *People v. Sandiganbayan and Ramiscal, Jr. v. Sandiganbayan*, which classified AFP-RSBS as a government-owned or controlled corporation imbued with public interest. This classification is crucial as it subjects AFP-RSBS operations and personnel to the jurisdiction of the Sandiganbayan.

## 3. Positions Held by Petitioners:

The Court ruled that the positions occupied by petitioners fall within Sandiganbayan’s jurisdiction based on their organizational roles exceeding the specified role of “managers.” The applicability of Section 4 of P.D. No. 1606, as amended by R.A. No. 8249, was thus correctly noted by the Sandiganbayan.

The appellate decision of April 25, 2005, and the resolution denying reconsideration dated August 10, 2005, were affirmed.

## Doctrine:

The doctrine established in this case is that:

- Officials of government-owned or controlled corporations with positions equivalent to or higher than “managers” fall under Sandiganbayan’s jurisdiction.
- AFP-RSBS is classified as a government-owned or controlled corporation.
- Jurisdiction relies on the nature of the position, not necessarily the salary grade.

## Class Notes:

- Key Elements: Jurisdiction, Public Interest, Government-Owned or Controlled Corporation
- Relevant Statutes: Section 4, P.D. No. 1606, as amended by R.A. No. 8249
- Principle: Jurisdiction of Sandiganbayan extends to officials in high-ranking positions within government-owned or controlled corporations, regardless of salary grade, if their roles are specified under legal statutes.

## Historical Background:

The case underscores the oversight mechanism on government-connected entities in the Philippines, reflecting the emphasis on accountability for public funds and proper execution of duties by officials in government-owned or controlled corporations. The case exemplifies

the scrutiny placed on positions within such entities and their public accountability.