

Title:

Edwin D. Velez v. People of the Philippines, G.R. No. 215824

Facts:

- Edwin D. Velez, then Mayor of Silay City, was charged with violations of Section 261(v)(2) of the Omnibus Election Code (OEC) for releasing loan proceeds to three organizations within the 45-day period preceding the 1998 elections.
- April 8, 1998: Velez entered into loan agreements with Hacienda Guinsang-an II Credit Cooperative and Barangay E. Lopez Credit Cooperative, each receiving P50,000.
- April 22, 1998: Another agreement was made with Silay City Consolidated Union of Market Vendors Association, Inc. for a P300,000 loan.
- Eli G. Alminaza (City Accountant), Arturo J. Siason (Acting City Treasurer), and Salvador G. Ascalon, Jr. (City Budget Officer) participated by certifying the requests and funds. Velez initiated the release and signed the disbursement vouchers.
- April 24, 1998: The cooperatives received the loan proceeds.
- Velez claimed the funds were for ongoing programs exempt from the election ban. Upon assumption of office in 1992, livelihood programs were continuously funded. The programs should be considered ongoing under Section 261 of the OEC.

Procedural Posture:

1. **Regional Trial Court (RTC) Decision (October 4, 2006)**: Found Velez, Siason, and Ascalon guilty and imposed two years imprisonment with accessory penalties. Siason was acquitted in one charge, Alminaza's liability extinguished upon death.
2. **Court of Appeals (CA) Decision (August 30, 2013)**: Affirmed the RTC's decision in full.
3. **Court of Appeals (CA) Resolution (September 30, 2014)**: Denied Velez's motion for reconsideration.
4. **Supreme Court (Present Petition)**: Velez contested the CA rulings.

Issues:

1. Whether the LGU of Silay City falls under the offices prohibited by Section 261(v)(2) from releasing, disbursing, or expending public funds during the prohibited period.
2. Whether the fund releases by the City to the cooperatives as part of the city's livelihood program were covered by the prohibition in Section 261(v)(2) of the OEC.

Court's Decision:

Issue 1: Prohibition Under Section 261(v)(2)

- The Court affirmed that the prohibition under Section 261(v)(2) applied not just to the

Ministry of Social Services and Development (DSWD) but also to any office performing similar functions, including LGUs.

- The purpose of Section 261 is to insulate public resources from use in electioneering and prevent undue advantage by incumbents.

****Issue 2: Fund Releases by the City****

- The Court affirmed that fund releases to the cooperatives by Velez as part of the city's livelihood program are considered disbursements of public funds for social services, thus falling under the prohibition of Section 261(v)(2).

- Ongoing project exemptions apply only to public works (as per Section 261(v)(1)) and not to social services and development.

Doctrine:

- ****Prohibition Against Release of Public Funds During Election Period:**** The ruling reiterated that the release, disbursement, or expenditure of public funds within 45 days before a regular election (or 30 days before a special election) by any public official or employee is prohibited (Section 261(v) of OEC). This extends to social development activities by LGUs.

Class Notes:

- ****Key Elements:****

1. ****Election Offenses**** (Section 261(v) OEC):

- No release of public funds 45 days before an election, except for certain exempted public works (Section 261(v)(1)).

- Applies to any public official or employee.

2. ****LGUs and Social Welfare Services:**** LGUs as frontline service providers must adhere to election prohibitions similar to the DSWD.

- ****Statute:**** Omnibus Election Code, Article XXII, Section 261:

- Election offenses include any public official releasing public funds within 45 days of an election.

Historical Background:

- This case reflects the Philippines' stringent measures to neutralize the political advantages held by incumbent officials by restricting financial activities during election periods. The election laws aim to ensure a fair electoral process by keeping government resources from being used as a tool for electoral favoritism.