

Title: Civil Service Commission vs. Richard G. Cruz, G.R. No. 190147

Facts:

Richard G. Cruz, a Storekeeper A at the City of Malolos Water District (CMWD), was charged by CMWD General Manager Nicasio Reyes with grave misconduct and dishonesty. Cruz allegedly made a false and malicious statement (“Masasamang tao ang mga BOD at General Manager”) against GM Reyes and the CMWD Board of Directors (Board). Additionally, Cruz was accused of dishonesty for claiming overtime pay without logging in and out on three days.

Cruz denied these charges, arguing that three of the four witnesses had retracted their statements. Also, he claimed that the lack of log records resulted from technical issues and presented evidence that he rendered overtime work on the questioned days. Despite this, GM Reyes suspended Cruz for 15 days and subsequently dismissed him with the Board’s approval.

Cruz appealed the decision to the Civil Service Commission (CSC). The CSC ruled that the charges were not substantiated, thus exonerating Cruz from grave misconduct and dishonesty. However, the CSC found him liable for not logging in and out and reprimanded him but did not award back salaries. Both the CMWD and Cruz filed motions for reconsideration, both of which the CSC denied.

Cruz then appealed to the Court of Appeals (CA), which upheld his exoneration and awarded back salaries. The CA dismissed the CMWD’s appeal against Cruz’s reinstatement, which became final.

Issues:

1. Was Cruz entitled to back salaries despite his reinstatement based on his exoneration from the charges of grave misconduct and dishonesty?

Court’s Decision:

The Supreme Court denied the CSC’s petition, affirming the CA’s decision to award back salaries to Cruz. Here’s the resolution of each legal issue:

1. **\*\*Entitlement to Back Salaries\*\***: The primary issue was whether Cruz’s exoneration justified back salaries. Applying the precedent in *Bangalisan v. CA*, the Court emphasized that for back salaries to be awarded, the employee must be found innocent of the charges, and the suspension must be unjustified. The CSC had found that Cruz did not commit the

acts amounting to grave misconduct or dishonesty but only failed to properly log his attendance. This lesser offense, without the corrupt motive or conduct prejudicial to service, merited merely a reprimand. Since the factual basis for the grave misconduct and dishonesty charges was not present in Cruz's case, he was effectively exonerated of these charges.

#### Doctrine:

The doctrine reaffirmed states that for back salaries to be awarded, the employee must be exonerated of the charges resulting in dismissal or suspension. Exoneration for these purposes considers whether the act leading to the penalty was proven and whether a lesser related offense results in a lighter punishment not leading to dismissal or prolonged suspension.

#### Class Notes:

1. **Grave Misconduct**: Requires a showing of malicious intent or corrupt motive.
2. **Dishonesty**: Involves false statements or claims for benefits not rightfully earned.
3. **Preventive Suspension**: Authorized pending an investigation or appeal process. Salary may not be granted unless suspension term is exceeded without cause.
4. **Back Salaries Entitlement**: Requires complete exoneration from the specific charges which initially warranted dismissal or severe penalty.
5. **Administrative Code of 1987 Section 47**: Relevant statutory basis for appeal and salary entitlements post-suspension or dismissal pending appeal.

#### Historical Background:

The case took place within the context of steadfast principles within the Philippine civil service and jurisprudence. It underscores the consistency of safeguarding civil servants' rights against unwarranted and unsupported disciplinary actions. The decision also reflects long-standing doctrines tracing back to cases from as early as 1941 emphasizing the "no work-no pay" principle adjusted by established exceptions for unjust suspensions and exoneration.