

Title: People of the Philippines vs. Hermenegildo Dumlao y Castiliano and Emilio La’o y Gonzales

Facts:

- Criminal Case Initiation:** On July 19, 1991, an Amended Information was filed before the Sandiganbayan charging respondents Dumlao, La’o, and several others with violation of Section 3(g) of Republic Act No. 3019 (Anti-Graft and Corrupt Practices Act). The case was docketed as Criminal Case No. 16699.
- Accusation:** The litigants were accused of willfully, unlawfully, and criminally entering into a lease-purchase agreement between the Government Service Insurance System (GSIS) and private individual Emilio La’o. The transaction was deemed grossly disadvantageous to the government.
- Arraignment:** On November 9, 2004, Dumlao pleaded “not guilty” to the charges. A Joint Stipulation of Facts and Admission of Exhibits was submitted on January 10, 2005.
- Pre-Trial Stipulation:** The stipulation included admissions about the involved parties, the Board of Trustees’ members, the lease-purchase agreement facts, and the documentation (Exhibits “A” and “B”).
- Motion to Dismiss/Quash:** On February 21, 2005, Dumlao filed a motion to dismiss/quash the case, arguing that the facts charged did not constitute an offense, notably asserting that the GSIS Board did not validly pass the resolution approving the lease-purchase, as it lacked majority signatures.
- Sandiganbayan’s Decision:** On July 14, 2005, the Sandiganbayan granted Dumlao’s motion. The court found the evidence insufficient, noting the lack of a majority in the minutes of the GSIS Board meeting. Dumlao’s case was dismissed, and Emilio La’o’s case was archived due to his unavailability.
- Petition for Review:** The People of the Philippines, representing the Office of the Ombudsman, filed a petition for certiorari under Rule 45, challenging the Sandiganbayan’s dismissal of the case against Dumlao.

Issues:

- Due Process:** Whether the Sandiganbayan erred by dismissing the case before the

prosecution could present its evidence, thereby violating due process.

2. **Board Resolution Validity:** Whether the signatures of the majority of the GSIS Board of Trustees were necessary on the minutes of the meeting to give effect to the resolution approving the lease-purchase agreement.
3. **Validity of Contract:** Whether the validity of the contract was a necessary element for a violation of Section 3(g), RA 3019.
4. **Equal Protection:** Whether Dumlao's prosecution alone, excluding other alleged co-conspirators, violated his constitutional right to equal protection.

Court's Decision:

1. **Due Process Violation:** The Supreme Court ruled that the dismissal deprived the prosecution of its right to present its case fully, thus violating due process. The case should not have been dismissed before the prosecution presented its evidence.
2. **Resolution Validity:** The Court distinguished between board resolutions and the minutes of meetings. It noted that the presumption of regularity applies to official records. The lack of majority signatures on the minutes did not necessarily mean the resolution was void.
3. **Insufficiency of Evidence:** The Court ruled that insufficiency of evidence is not a valid ground for a motion to quash. Insufficiency can only be contested after the prosecution rests its case. Hence, the Sandiganbayan acted prematurely and erroneously in dismissing the case.
4. **Double Jeopardy:** Double jeopardy had not set in because the dismissal, being premature and without basis, did not constitute a valid termination of the first jeopardy.
5. **Equal Protection Claim:** The Supreme Court found no basis for Dumlao's claim of unfair discrimination because the decision to prosecute lies within the discretion of the prosecutorial authorities, assuming there is sufficient evidence.

Doctrine:

1. **Due Process in Criminal Prosecution:** Dismissal based on insufficiency of evidence before the prosecution rests its case violates due process.
2. **Approval of Corporate Resolutions:** A corporate resolution's validity is not contingent upon all members' signatures on the meeting minutes.

3. **Grounds for Demurrer to Evidence:** Insufficiency of evidence can only be raised after the prosecution presents its case.

4. **Double Jeopardy:** For double jeopardy to apply, a valid termination of the first jeopardy is required.

Class Notes:

- **Anti-Graft and Corrupt Practices Act (RA 3019, Section 3(g)):** Elements include being a public officer, entering into a contract on behalf of the government, and the transaction being grossly disadvantageous to the government.

- **Double Jeopardy:** Three requisites: first jeopardy attachment, valid termination of the first jeopardy, and second jeopardy is for the same offense.

- **Due Process:** Ensures the right of prosecution to present evidence before a case can lawfully be dismissed on grounds of insufficiency.

- **Corporate Resolutions vs. Minutes:** A corporate resolution's validity is independent of whether the meeting's minutes are signed by all board members.

Historical Background:

The case originates from a period during the Marcos regime, indicating the heightened scrutiny and legal intricacies involved in transactions perceived as government malfeasance. Republic Act No. 3019 serves as a crucial legislative measure against corruption, reflecting the ongoing efforts to address systemic corruption in the Philippines.