

****Title:****

Medina v. People, G.R. No. 25963, 826 Phil. 11; 114 OG No. 47, 7816 (Nov. 19, 2018)

****Facts:****

Manuel M. Venecia (Venecia), Municipal Mayor of Pozorrubio, Pangasinan, from 1986 until June 30, 1998, was found to have a shortage of Php 2,872,808.00 in joint funds with Municipal Treasurer Pacita Costes during a COA audit covering December 4, 1997, to June 10, 1998. Venecia made 17 cash advances without essential required documentation and contrary to COA mandate that requires cheques for amounts exceeding Php 1,000.00. Demand letters from COA resulted in Venecia admitting to Php 943,200.00 in cash advances but denying the rest. An Information against Venecia was filed on March 20, 2000, for malversation under Article 217 of the Revised Penal Code.

****Procedural Posture:****

The Sandiganbayan issued a warrant on May 3, 2000, and after voluntarily surrendering on May 11, 2000, Venecia posted bail. The Office of the Special Prosecutor denied Venecia's motion for reconsideration and reinvestigation, and trial proceeded. Witnesses for the prosecution included COA State Auditor Ramon Ruiz and Municipal Accountant Marita Laquerta. Venecia presented his own testimony and that of his Executive Assistant and the Senior Bookkeeper. The prosecution's rebuttal included Officer in Charge Zoraida Costales and Laquerta, contesting Venecia's payment claims through supposedly authentic receipts.

****Issues:****

1. Whether the prosecution proved Venecia's guilt for malversation beyond reasonable doubt.
2. Whether Venecia's defense of payment negates criminal liability.
3. Whether the Sandiganbayan erred in handling charges between Venecia and Costes.

****Court's Decision:****

The Supreme Court held that:

1. All elements of malversation were proven. Venecia, as a public officer, failed to account for Php 2,572,808.00 in public funds, generating prima facie evidence of personal misappropriation.
2. Payment or reimbursement is not a defense in malversation. The purported receipts were discredited as they bore serial numbers from 2007 and pertained to other transactions.
3. Demand is not essential to malversation. Venecia was accountable for the funds during his term. The failure to present precise justifications or accounts reaffirmed his liability,

regardless of Costes's status.

****Doctrine:****

Malversation requires an accountable officer's failure to account for public funds, which equates to wrongful appropriation. Reimbursement does not absolve criminal liability but may constitute a mitigating circumstance.

****Class Notes:****

1. ****Elements of Malversation****: Public officer, control by virtue of the office, public property/funds, and appropriation or misappropriation.
2. ****Legal Standard****: Prima facie evidence of misuse upon an officer's failure to produce funds.
3. ****Not a valid defense****: Payment/reimbursement after misappropriation.
4. ****Legal Reference****: Article 217, Revised Penal Code, as amended by R.A. 10951.

****Historical Background:****

This case evaluates the control and accountability of public funds by municipal officers, referencing evolving audit practices and stricter enforcement of financial propriety. The focus is on upholding transparency and governance in public service through judiciary actions, aligned with responsible financial audits conducted by agencies like the COA.