

Title

****People of the Philippines vs. Lilame V. Celorio****

Facts

Lilame V. Celorio, a member of the Social Security System (SSS), filed a claim for disability benefits on May 26, 2004, for Pulmonary Tuberculosis. The SSS discovered that her claim documents were fraudulent after a routine check by their Fraud Investigation Department. Despite the SSS's demand, Celorio refused to return the benefits amounting to P93,948.80. Consequently, a criminal complaint was lodged against her.

On June 4, 2008, Celorio was charged with violating Section 28(a) and (b) of Republic Act No. 1161 (Social Security Law), as amended by RA 8282. The Information, filed in the Regional Trial Court (RTC) of Quezon City (Branch 85), alleged that Celorio had willfully provided false statements and spurious documents for her disability claim.

After Celorio pleaded not guilty during her arraignment on December 11, 2008, trial ensued. The RTC found her guilty beyond reasonable doubt and issued an Amended Decision on April 23, 2013, correcting a docket number error.

The RTC sentenced Celorio to:

- 1 year and 1 day as minimum to 4 years, 9 months, and 11 days as maximum imprisonment for violating Section 28(a).
- 1 year imprisonment and a fine of P5,000 for violating Section 28(b).

She was also ordered to repay P93,948.80 to the SSS, which was to be offset against her contributions of P122,270.60. The remaining balance of P28,321.80 was to be returned to her.

Celorio filed for probation on April 25, 2013. The RTC denied the SSS's Urgent Motion for Reconsideration, which argued the proper penalty should be no less than six years and one day. On December 19, 2013, the RTC granted Celorio's probation for two years.

The People of the Philippines and SSS sought certiorari under Rule 65 at the Court of Appeals (CA), contesting the RTC's decision. However, the CA dismissed the petition, concluding that an appeal under Rule 41 was the correct remedy.

Issues

1. ****Proper Remedy:**** Whether a petition for certiorari under Rule 65 was the appropriate

remedy to contest the RTC's decision.

2. **Grave Abuse of Discretion:** Whether the RTC committed grave abuse of discretion by imposing a sentence of one year instead of the statutory minimum of six years and allowing offsetting of Celorio's contributions against her civil liability to SSS.

Court's Decision

1. Proper Remedy:

The Supreme Court held that the petitioners correctly utilized Rule 65. The RTC's failure to impose the penalty mandated by RA 8282 constituted grave abuse of discretion amounting to lack or excess of jurisdiction. Therefore, certiorari was the proper remedy to correct the error.

2. Grave Abuse of Discretion:

- **Penalty Imposition:** The RTC's imposition of a one-year imprisonment under the pre-amendment Section 28(b) constituted grave abuse of discretion. The correct penalty under the amended RA 8282 should have been imprisonment for no less than six years and one day. The Court amended Celorio's sentence to the legally prescribed penalty.

- **Offsetting Contributions:** The RTC erroneously allowed the offsetting of Celorio's civil liability against her SSS contributions, violating the Civil Code and the Social Security Law. Celorio was ordered to repay the full fraudulent amount without any offset.

Doctrine

1. **Proper Petition Remedy:** When a lower court fails to follow statutory requirements in imposing a criminal penalty, it constitutes grave abuse of discretion correctible by a Rule 65 petition for certiorari.

2. **Non-Compensation Principle:** Civil liabilities arising from criminal offenses cannot be offset against contributions or debts unless legally stipulated.

Class Notes

- **Elements of Grave Abuse of Discretion (Toh v. CA):**

- Capricious and whimsical exercise of judgment equivalent to lack or excess of jurisdiction.
- Abuse must be grave, as when exercised arbitrarily and despotic due to bias or hostility.

- **Key Statutes:**

- **RA 1161 (Social Security Law):** Sections 28(a) and (b) relating to false statements and wrongful benefit claims.

- **RA 8282:** Amended RA 1161, prescribing stiffer penalties.

- **Civil Code, Article 1288:** No compensation if one debt consists of civil liability from a

penal offense.

- **Probation Law (PD 968):** Section 9 on disqualified offenders due to maximum imprisonment terms.

Historical Background

The case reflects stricter enforcement of fraud regulations in SSS benefit claims, emphasizing judicial responsibility in adhering to updated legal statutes like RA 8282. The Supreme Court's decision underscores judicial discipline in applying correct penalties and clarifies the procedural paths for challenging lower court judgments with legal errors.