

Title: Antonio M. Carandang vs. Hon. Aniano A. Desierto, Office of the Ombudsman, and Sandiganbayan

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Facts:

1. **Background and Appointments**:

- Roberto S. Benedicto, a stockholder of Radio Philippines Network, Inc. (RPN), ceded his shares to the Philippine Government through a compromise agreement with the Presidential Commission on Good Government (PCGG) on November 3, 1990.
- Consequentially, PCGG moved to have Benedicto's shares, equivalent to 72.4% of RPN's total issued and outstanding capital stock, transferred to the government. However, Benedicto contested that only 32.4% of RPN's stock shares were ceded.

2. **Administrative Charges**:

- Antonio M. Carandang assumed the general manager and chief operating officer role at RPN on July 28, 1998.
- On April 19, 1999, Carandang faced administrative charges before the Ombudsman for grave misconduct for entering into a contract with AF Broadcasting Inc., a company where he held interests, violating Republic Act No. 6713.

3. **Procedural Developments**:

- Carandang contested the Ombudsman's jurisdiction, arguing RPN was not a government-owned or controlled corporation (GOCC).
- Despite his arguments, Carandang was suspended and eventually dismissed by the Ombudsman on January 26, 2000. His motion for reconsideration was denied on March 15, 2000.
- On appeal, the Court of Appeals affirmed the Ombudsman's decision on February 12, 2001.

4. **Criminal Charges**:

- On January 17, 2000, Carandang was also criminally charged by the Ombudsman in the Sandiganbayan for violating Section 3 (g) of R.A. 3019 involving an allegedly disadvantageous deal with On Target Media Concept, Inc.
- Carandang moved to quash the information, again arguing the absence of jurisdiction. The Sandiganbayan denied his motion to quash and his subsequent motion for reconsideration.

5. **Consolidation and Supreme Court Petition**:

- On May 27, 2002, with G.R. No. 153161 pending, the Supreme Court ordered the status quo.
- On November 20, 2006, both G.R. No. 148076 and G.R. No. 153161 cases were consolidated for resolution.

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Issues:

1. Does the Ombudsman have jurisdiction over Carandang in the administrative case given RPN's status?
2. Does the Sandiganbayan have jurisdiction over Carandang in the criminal case for alleged violation of Section 3 (g) of R.A. 3019?

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Court's Decision:

1. **Jurisdiction of Ombudsman**:

- **Issue**: Whether Carandang was a public official since RPN was supposedly a GOCC.
- **Resolution**: The Supreme Court determined that RPN, having only 32.4% of its shares owned by the government (pending the final resolution of the contested shares), did not meet the 51% threshold necessary to categorize it as a GOCC. Thus, Carandang was not a public official, and the Ombudsman lacked jurisdiction.

2. **Jurisdiction of Sandiganbayan**:

- **Issue**: Whether the Sandiganbayan had jurisdiction to try Carandang for criminal charges under R.A. 3019.
- **Resolution**: Similarly, because RPN was not a GOCC, the Sandiganbayan had no jurisdiction over Carandang, and thus, the criminal charges should be dismissed.

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Doctrine:

- **Government-Owned or Controlled Corporation (GOCC) Requirement**: A corporation is considered a GOCC only if the government directly or indirectly owns or controls at least 51% of the outstanding capital stock as per Section 2 of Presidential Decree No. 2029 and Section 2 (13) of Executive Order No. 292.

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Class Notes:

- **1987 Administrative Code, Sec. 2 (13)**: Defines a GOCC as a stock or non-stock corporation owned by the government directly or indirectly to the extent of at least 51% of the capital stock.
- **Presidential Decree No. 2029**: Reinforces the 51% ownership requirement for a corporation to be considered GOCC.
- **Legal Implications**: Without meeting the 51% government ownership threshold, entities and individuals cannot be subject to the jurisdiction of the Ombudsman in administrative cases or the Sandiganbayan in criminal cases under R.A. 3019.

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Historical Background:

- **Post-1986 Sequestration**: Following the sequestration of companies linked to the Marcos regime, determining the ownership status of formerly private corporations with government-sequestered shares became critical.
- **Transitional Governance**: The case illustrates the wider context of resolving ambiguities regarding the status of sequestered corporations pending final judicial decisions while balancing the influence of interim administrative control exerted by entities such as the PCGG.