

FIRST DIVISION

[G.R. No. 255632. July 25, 2023]

**DANICA L. MEDINA, PETITIONER, VS. PEOPLE OF THE PHILIPPINES,
RESPONDENT.**

D E C I S I O N

MARQUEZ, J.:

In a few cases, this Court has modified convictions from *estafa* to qualified theft upon finding that the accused who took private property belonging to another did not have juridical possession over the stolen property. In this case, however, the prosecution failed to prove both the element of taking and the element of juridical possession. Accordingly, petitioner Danica L. Medina (Medina) cannot be convicted of either *estafa* or qualified theft and must be acquitted.

Before the Court is a Petition for Review on *Certiorari*^[1] under Rule 45, Rules of Court, seeking the nullification of the Court of Appeals' (CA) Decision^[2] dated 22 June 2020 and Resolution^[3] dated 20 January 2021 in CA-G.R. CR No. 40531, which affirmed with modification the Decision^[4] dated 30 June 2017 of the Regional Trial Court (RTC), finding petitioner Medina guilty beyond reasonable doubt of the crime of *estafa* under Article 315, paragraph (l)(b), Revised Penal Code (RPC).^[5]

Petitioner Medina was charged with *estafa* in an Information which reads:

That between the period from September 2011 to March 2012, in the City of Baguio, Philippines, and within the jurisdiction of this Honorable Court, the above-named accused, by means of deceit and with abuse of confidence, did then and there willfully, unlawfully and feloniously defraud the Philippine Public School Teachers Association (PPSTA) represented by Edgardo Monforte, in the following manner, to wit: the accused being then the Regional Office Staff assigned at PPSTA CAR Regional Office, with the express obligation to collect remittances from DepEd and deposit the amounts in a bank, accept premium and membership fee payments from members and prepare report of collections and

disbursements of the region, then and there received the total sum of P88,452.00 from members teachers for and in behalf of the PPSTA-CAR which she was supposed to deposit but the accused once in possession of the said amount, misappropriate(d), misapplied and convert(ed) the said amount. to her own personal use and benefit, and despite demands for the return of the said amount, the accused failed, refused and neglected to do so, to the damage and prejudice of the offended party in the aforementioned amount of EIGHTY EIGHT THOUSAND FOUR HUNDRED FIFTY TWO (P88,452.00) PESOS, Philippine Currency.

CONTRARY TO LAW.^[6]

The prosecution presented Edgardo Dela Cruz Monforte, former Internal Auditor and now the Chief Accountant of PPSTA (Monforte); Fernando Tamondong (Tamondong), a retired teacher and member of PPSTA; and Nancy Dumbab (Dumbab), also a retired teacher and member of PPSTA.^[7] It also presented petitioner Medina's employment contract, various acknowledgment receipts and statements of account purportedly issued by her to PPSTA's members, sworn affidavits of PPSTA members claiming that petitioner Medina failed to remit their payments to PPSTA, the notice to explain and notice of preventive suspension PPSTA sent to petitioner Medina, and the Report of the PPSTA Ad Hoc Committee Re CAR-Sub-Office Unremitted Collections.^[8]

Monforte testified that he developed and implemented internal control guidelines, record keeping and accounting function within PPSTA.^[9] He evaluated the efficiency and effectiveness of policies and procedures as well as adherence thereof to PPSTA's policies and conducted audit on all business transactions of the company.^[10] He knew petitioner Medina because she was formerly Regional Office Staff assigned at the PPSTA-CAR Regional Office from 1 November 2009 until September 2012.^[11]

Monforte also testified that during petitioner Medina's employment, she failed to deposit collections on time and to report the same.^[12] As a result, Mr. Abdulcarim A. Pandapatan, Head of Sub-Office Operations, issued a letter dated 18 May 2012 to petitioner Medina requiring her to explain the following: expense report for years 2011 to 2012 which were not updated; documents submitted by members which were not properly received and forwarded to the main office; and failure to deposit payments of retired teachers.^[13]

According to Monforte, a Notice to Explain and Notice of Preventive Suspension were served upon petitioner Medina on 20 June 2014.^[14] An Ad Hoc Committee was also created to conduct a special audit in the PPSTA-CAR Sub-Office in Baguio City.^[15] This committee discovered that petitioner Medina did not deposit and remit collections in the total amount of PHP 88,452.00 received from members and appropriated the same for her own personal use and benefit.^[16]

Tamondong testified that he is a retired teacher and a member of PPSTA who regularly paid the insurance premiums and membership dues at PPSTA Sub-Office in Baguio City.^[17] Instead of issuing him a receipt, petitioner Medina only issued a Statement of Account indicating the amount paid.^[18] Upon verification of his payments with PPSTA Head Office, Tamondong discovered that his payments for his insurance premiums and membership dues were not credited to his account.^[19]

Dumbab testified that she is also a retired teacher and a member of PPSTA who regularly paid her insurance premiums and membership dues.^[20] For the period of November 2011 to October 2012, she paid her insurance premiums in the amount of PHP 2,040.00, and her payment was duly acknowledged by petitioner Medina.^[21] However, the latter did not issue a receipt to Dumbab; instead, she signed and issued a UCPB payment slip without any machine validation.^[22] When Dumbab verified her payments, she discovered that these were not credited to her account.^[23]

On the other hand, petitioner Medina testified that she was an employee of PPSTA, and that her duties and responsibilities included receiving retirement papers, death claims, collecting payments and contributions from the association members, and answering inquiries.^[24] She was suddenly terminated from employment and told not to report for work because she allegedly caused damage to PPSTA, which she denied. She also claimed that PPSTA never entrusted money to her.^[25]

After trial, the RTC rendered its Decision^[26] dated 30 June 2017, the dispositive portion of which reads:

WHEREFORE, premises considered the Court finds accused Danica Medina **Guilty** beyond reasonable doubt of Estafa under Article 315, paragraph (1), subparagraph (b) of the Revised Penal Code. She is hereby sentenced to an indeterminate penalty of imprisonment ranging from four (4) years and two (2) months of *prision correccional* as minimum to fourteen (14) years of *reclusion*

temporal. The accused is directed to pay private complainant the amount of P83,732.40. A legal interest of 6% per annum is imposed on the total judgment award from the finality of this Decision until its full satisfaction.

SO ORDERED.^[27]

The RTC gave weight to the acknowledgment receipts allegedly issued by petitioner Medina and presented by the prosecution, and held that her failure to account for the PPSTA members' payments constituted circumstantial evidence of misappropriation:

From the evidence presented, the prosecution has established that accused Medina received in trust monies consisting of payments for insurance premiums and membership dues of teacher-members **as evidenced by acknowledgement receipts issued by the accused to the member-teachers**. Accused as an employee of PPSTA has the obligation to remit and deposit the same to the designated bank for the account of PPSTA. She did not however deposit the contributions and premiums she received from member-teachers to the damage and prejudice of PPSTA.

x x x x

Accused was supposed to deposit the premium and membership fee payments from member-teachers for and in behalf of PPSTA CAR Regional Office but once in possession of the said amounts, she misappropriated, misapplied and converted the said amounts to her own personal use and benefit to the prejudice of PPSTA. Despite demands for the return of said amount, accused failed to return the said amount. **Failure to account upon demand for funds or property held in trust is circumstantial evidence of misappropriation.**^[28]
(Emphasis supplied)

On appeal, the CA rendered its Decision^[29] dated 22 June 2020 affirming the RTC Decision with a modification as to the penalty.^[30] The dispositive portion of the CA Decision reads:

WHEREFORE, the appeal is **DENIED**. The decision of the Regional Trial Court of Baguio City, Branch 6 dated June 30, 2017 is **AFFIRMED with**

MODIFICATION. Accused-appellant Danica L. Medina is found guilty beyond reasonable doubt of estafa under Article 315, paragraph 1 (b) of the Revised Penal Code, as amended, and sentenced to suffer the indeterminate penalty of four (4) months of *arresto mayor*, as minimum, to one (1) year and eight (8) months of *prision correccional*, as maximum. The accused-appellant is ordered to pay the sum of P83,732.40 to private complainant Philippine Public School Teachers Association Inc. (PPSTA) plus interest at the legal rate of six percent (6%) per annum from the finality of this decision until full payment.

SO ORDERED.^[31]

The CA found that the four elements of *estafa* under Art. 315, par. (1)(b), RPC, were present in this case:

1. Money, goods or other personal property is received by the offender in trust or on commission, or for administration, or under any obligation involving the duty to make delivery of or to return it;
2. That there be misappropriation or conversion of such money or property by the offender, or denial on his or her part of such receipt;
3. Such misappropriation or conversion or denial is to the prejudice of another; and
4. There is demand by the offended party to the offender.^[32]

The CA held that petitioner Medina was a trustee of the payments she received from the PPSTA members, and that her failure to account for these payments or to return them on demand was circumstantial evidence of misappropriation:

Accused-appellant through her employer, PPSTA, received sums of money from the members-teachers in trust for the latter's payment of insurance premiums and membership dues in PPSTA. **Accused-appellant in her capacity as Regional Office Staff assigned at PPSTA CAR Regional Office had the obligation as trustee of the funds to account for the money received from the members-teachers**, by remitting or depositing the money to the designated bank for the account of PPSTA. After receiving the sums of money as evidenced by acknowledgment receipts issued by the accused-appellant to the members-

teachers, the former failed to comply with her obligation to deposit the same for the account of PPSTA. **The failure to account upon demand, for funds held in trust, is circumstantial evidence of misappropriation.** Accused-appellant failed to account for, upon demand, the sums of money of members-teachers of PPSTA which was received by her in trust. This constitutes circumstantial evidence of misappropriation or conversion to accused-appellant's own personal use. The failure to return upon demand the properties which one has the duty to return is tantamount to appropriating the same for his own personal use.^[33] (Emphasis supplied)

However, the CA modified the penalty pursuant to Section 85, Republic Act No. 10951 (RA 10951),^[34] which amended Art. 315, RPC, as follows:

Section 85. Article 315 of the same Act; as amended by Republic Act No. 4885, Presidential Decree No. 1689, and Presidential Decree No. 818, is further amended to read as follows:

Article 315. *Swindling (estafa)*. - Any person who shall defraud another by any of the means mentioned hereinbelow shall be punished by:

x x x x

3rd. The penalty of *arresto mayor* in its maximum period to *prision correccional* in its minimum period if such amount is over Forty thousand pesos (P40,000.00) but does not exceed One million two hundred thousand pesos (P1,200,000.00); and

4th. By *arresto mayor* in its maximum period, if such amount does not exceed Forty thousand pesos (P40,000.00). x x x

The CA applied Sec. 85, RA 10951, and the Indeterminate Sentence Law to the penalty imposed on petitioner Medina:

If the amount of the fraud is over Forty thousand pesos (P40,000.00) but does not exceed One million two hundred thousand pesos (**P1,200,000.00**), the imposable penalty is arresto mayor in its maximum period to prision correccional in its minimum period. This has a range of four (4) months and one (1) day to two (2) years and four (4) months; with a minimum period of four (4) months and one (1) day to one (1) year; a medium period of one (1) year and one (1) day to one (1) year and eight (8) months; and a maximum period of one (1) year, eight (8) months and one (1) day to two (2) years and four (4) months.

Applying the Indeterminate Sentence Law (ISL) and there being no mitigating or aggravating circumstances in the case, the maximum imposable penalty for each count should be the penalty prescribed by law in its medium period which is one (1) year and one (1) day to one (1) year and eight (8) months. The minimum term, which is left to the sound discretion of the court, should be within the range of the penalty next lower than the aforementioned penalty, which is arresto mayor in its minimum and medium periods. This has a range of one (1) month and one (1) day to four (4) months. Thus, applying the provisions of RA 10951, as well as the Indeterminate Sentence Law, and taking into consideration that the amount defrauded is P83,732.40, **accused-appellant must be sentenced to suffer the indeterminate penalty of four (4) months of arresto mayor, as minimum, to one (1) year and eight (8) months of prision correccional, as maximum.**^[35] (Emphasis supplied; citations omitted)

The CA denied reconsideration.^[36] Hence, this Petition.

Petitioner Medina argues that the CA erred in affirming her conviction despite the prosecution's failure to prove her guilt beyond reasonable doubt.^[37] The prosecution did not present clear and convincing evidence that she converted or misappropriated the private complainant's money, and their witness, Monforte, never explained how he came to the conclusion that she converted and misappropriated the funds she received.^[38] While there were more than 50 members who claimed that their payments for insurance premiums and membership fees were not remitted to the PPSTA Head Office, none of them testified in court to authenticate their sworn statements and the acknowledgment receipts supposedly issued by her.^[39] Monforte identified these documents, but admitted that he never personally interviewed the persons who executed them nor explained how these documents came into his possession.^[40] Petitioner Medina also contends that the testimonies of Tamondong and

Dumbab should not be given credit because they were not included as complainants in the Information filed against her.^[41] Finally, petitioner Medina denies the allegation that she caused damage to the PPSTA or its members, and testified that PPSTA never entrusted money to her.^[42]

On the other hand, the Office of the Solicitor General argues that the testimonies of Monforte, Tamondong, and Dumbab, and the sworn affidavits, temporary receipts, and payment slips that the prosecution presented in evidence established petitioner Medina's misappropriation of the funds entrusted to her.^[43] Medina's failure to deliver the missing funds or to explain what happened created a presumption that she misappropriated these funds.^[44]

We cannot affirm the conviction of petitioner Medina for *estafa*, nor can we convict her of any other crime.

The trial court's findings of fact are generally accorded great weight, and such findings of fact, when affirmed by the CA, are binding on the Court. In particular, "[i]t is a well-settled rule that **factual findings of the trial court involving the credibility of witnesses are accorded utmost respect since trial courts have first-hand account on the witnesses' manner of testifying in court and their demeanor during trial.** The Court shall not supplant its own interpretation of the testimonies for that of the trial judge since he is in the best position to determine the issue of credibility."^[45]

However, there are exceptions^[46] to the above rule, including situations where the judgment is based on a misapprehension of facts. This exception applies to the case at bar.

First, the RTC and the CA were both mistaken in declaring that petitioner Medina had juridical possession of the payments she collected from the PPSTA members.

Juridical possession is possession which gives the transferee a right over the property received, which the transferee may set up even against the owner.^[47] A sum of money received by an employee on behalf of the employer is not in the juridical possession of the employee; it is only in the employee's material possession because:

[T]he material possession of an employee is adjunct, by reason of his employment, to a recognition of the juridical possession of the employer.

So long as the juridical possession of the thing appropriated did not pass to the

employee-perpetrator, the offense committed remains to be theft, qualified or otherwise. Hence, **conversion of personal property in the case of an employee having mere material possession of the said property constitutes theft, whereas in the case of an agent to whom both material and juridical possession have been transferred, misappropriation of the same property constitutes Estafa.**^[48] (Emphasis supplied)

In *Balerta v. People*,^[49] the Court found that juridical possession as an element of the crime of *estafa* by misappropriation was not present because the accused was a cash custodian, with no independent right or title to the funds received:

In the case at bench, there is no question that the petitioner was handling the funds lent by Care Philippines to BABMPC. However, she held the funds in behalf of BABMPC. **Over the funds, she had mere physical or material possession, but she held no independent right or title, which she can set up against BABMPC.** The petitioner was nothing more than a mere cash custodian. Hence, the Court finds that **juridical possession of the funds as an element of the crime of *estafa* by misappropriation is absent in the instant case.**^[50] (Emphasis and underscoring supplied)

In *Reside v. People*,^[51] the Court came to a similar conclusion and held that the accused, a school principal tasked to receive tuition fees and forward these to the school, did not have juridical possession over the funds received:

In the case at bench, it cannot be gainsaid that **petitioner, in addition to her duties as principal, was authorized to receive or collect matriculation fees** from the parents and/or students enrolled in TGWSI. Per a verbal agreement with De Dios, petitioner shall forward all payments received together with the remittance voucher slips to the school. As it happens, **the money merely passes into petitioner's hands and her custody thereof is only until the same is remitted to the school.** Consequently, **petitioner, as principal and temporary cash custodian of TGWSI, acquires only physical or material possession over the unremitted funds.** Thus, **being a mere custodian of the unremitted tuition fees and not, in any manner, an agent who could have**

asserted a right against TGWSI over the same, petitioner had only acquired material and not juridical possession of such funds and consequently, cannot be convicted of the crime of *estafa* as charged.^[52]

(Emphasis supplied; citations omitted)

The prosecution alleged that petitioner Medina was responsible for collecting remittances from the Department of Education and accepting premium payments from PPSTA members, and depositing these payments in PPSTA's bank account, as instructed by the PPSTA Treasurer.^[53] The record is bereft of any allegation or proof that petitioner Medina had any independent right or title to these funds that she could set up as against PPSTA. Contrary to the findings of the CA, petitioner Medina was not a "trustee" of the PPSTA members' payments, as she received these sums as an employee of, and on behalf of, her employer. Consequently, petitioner Medina only had material and not juridical possession of these funds, and she cannot be convicted for *estafa* under Art. 315(b)(1), RPC.

Second, there is jurisprudence holding that a conviction for simple or qualified theft (in lieu of *estafa*) is possible if all the elements of theft are alleged in the information.^[54] However, the evidence on record is also insufficient to convict petitioner Medina of theft, whether simple or qualified.

Simple theft is committed when the following elements concur: (1) taking of personal property; (2) that the said property belongs to another; (3) that the said taking be done with intent to gain; (4) that it be done without the owner's consent; (5) that it be accomplished without the use of violence or intimidation against persons, nor of force upon things; and (6) that it be done with grave abuse of confidence.^[55] Theft becomes qualified when it is committed with grave abuse of confidence, among other qualifying circumstances enumerated in Art. 310, RPC.^[56]

Here, the Information alleged that petitioner Medina acted with abuse of confidence.^[57] However, the element of taking, in the first place, has not been established by proof beyond reasonable doubt.

In affirming petitioner Medina's conviction for *estafa*, the CA relied on the acknowledgment receipts allegedly issued by petitioner Medina to the PPSTA members.^[58] The RTC in turn held that "[t]he total amount received by the accused **as evidenced by the acknowledgment receipts she issued** is PHP 83,732.40."^[59] In his testimony, Monforte admitted that he had no personal knowledge that it was petitioner Medina who received the

members' contributions, and that his basis for claiming that she did in fact receive these contributions were the acknowledgment receipts she issued.^[60]

It must be emphasized that these acknowledgment receipts are private documents. Under Sec. 20, Rule 132, Revised Rules of Evidence, before any private document offered as authentic is received in evidence, its due execution must be proved either (a) by anyone who saw the document executed or written; or (b) by evidence of the genuineness of the signature or handwriting of the maker. In *Maglasang v. People*,^[61] the Court explained the requirement of authentication as follows:

Pursuant to Section 20, a private document may be authenticated by: the person who executed it, the person before whom its execution was acknowledged, any person who was present and saw it executed, **the person who after its execution, saw it and recognized the signature, being familiar thereto or an expert, or the person to whom the parties to the instrument had previously confessed execution thereof.** In this case, neither Rene nor P/Ens Pabico saw the execution of the letter. **Though Rene claimed that he was personally familiar with Galileo's signature, he did not explain why or how he became familiar with it. As such, We cannot give credence to Rene's claim because it does not have any basis.** Aside from Rene and P/Ens Pabico, no other witness attempted to authenticate the letter. Thus, respondent failed to establish the due execution and authenticity of the letter.^[62] (Emphasis supplied)

While Monforte enumerated the various acknowledgment receipts, payment slips, and statements of account allegedly issued by petitioner Medina in his direct testimony,^[63] he did not authenticate them. He did not claim to have seen the execution of the receipts, nor did he explain why or how he became familiar with petitioner Medina's signature. Only the Statement of Account signed by petitioner Medina and authenticated by Tamondong, indicating the former's receipt of PHP 1,938.00 from Tamondong,^[64] and the UCPB Payment Slip also signed by petitioner Medina and authenticated by Dumbab, indicating the former's receipt of PHP 2,040.00 from Dumbab,^[65] were properly admitted into evidence by the RTC.

Neither can the sworn statements executed by the PPSTA members claiming non-remittance of their payments be relied on to support a finding of guilt.

Jurisprudence dictates that an affidavit is merely hearsay evidence when its affiant or maker does not take the witness stand.^[66] While an affidavit may be a public document, its contents will be considered hearsay unless the affiant takes the witness stand. This was the Court's ruling in *Republic v. Ciruelas*.^[67]

It is a basic rule in evidence that a witness can testify only on the facts that he knows of his own personal knowledge, *i.e.*, those which are derived from his own perception. Otherwise, it is hearsay evidence. In *Country Bankers Insurance Corporation v. Lianga Bay and Community Multi-Purpose Cooperative, Inc.*, the Court held:

A witness can testify only to those facts which he knows of his personal knowledge, which means those facts which are derived from his perception. Consequently, a witness may not testify as to what he merely learned from others either because he was told or read or heard the same. Such testimony is considered hearsay and may not be received as proof of the truth of what he has learned. Such is the hearsay rule which applies not only to oral testimony or statements but also to written evidence as well.

While Rogelio's Affidavit of Loss is considered a public document, it is still classified as hearsay evidence. The reason behind this classification is explained in the case of *Republic v. Spouses Gimenez*:

Basic is the rule that, while affidavits may be considered as public documents if they are acknowledged before a notary public, these Affidavits are still classified as hearsay evidence. The reason for this rule is that they are not generally prepared by the affiant, but by another one who uses his or her own language in writing the affiant's statements, parts of which may thus be either omitted or misunderstood by the one writing them. Moreover, the adverse party is deprived of the opportunity to cross-examine the affiants. For this reason, affidavits are generally rejected for being hearsay, unless the affiants themselves are placed on the witness stand to testify thereon.

(Underscoring supplied)

As Rogelio did not take the witness stand, he neither authenticated his Affidavit of Loss nor was he cross-examined. Although generally invoked in criminal cases, the importance of cross-examination to test the truthfulness of statements, as well as elicit all important facts bearing upon the issue from a witness, equally applies to non-criminal proceedings.^[68] (Emphasis supplied; citations omitted)

It is settled that a witness can testify only on the facts that he or she knows of his or her own personal knowledge, *i.e.*, those which are derived from his or her own perception.^[69] **A witness may not testify on what he or she merely learned, read or heard from others because such testimony is considered hearsay and may not be received as proof of the truth of what he or she has learned, read or heard.**^[70] Hence, **as a general rule, hearsay evidence is inadmissible in courts of law.**^[71] This is because of serious concerns on their trustworthiness and reliability; such evidence, by their nature, are not given under oath or solemn affirmation and likewise have not undergone the benefit of cross-examination to test the reliability of the out-of-court declarant on which the relative weight of the out-of-court statement depends.^[72]

Here, only Tamondong and Dumbab appeared in court and testified on their respective sworn statements. Thus, the sworn statements executed by PPSTA's other members are hearsay evidence without probative value. Moreover, while the testimonies of Tamondong and Dumbab might be sufficient to establish that petitioner Medina received their payments and issued them papers acknowledging such receipt, they are **not** sufficient to establish that she was at fault for the non-remittance of their payments.

In this regard, the probative weight of the Report of the Ad Hoc Committee Re CAR Sub-Office Unremitted Collections is doubtful. While Monforte identified this document, he did not explain how the Ad Hoc Committee arrived at the findings in the Report:

Q16 You also mentioned about the result of the examination of the Ad Hoc
Committee that Medina did not deposit and remit collections in the amount of
: PHP88,452.00 what is your basis in saying so?

A16 **The findings were stated in the Report of the Ad Hoc Committee Re
CAR Sub-Office Unremitted Collections dated July 18, 2012, of which I
: was a member..**^[73] (Emphasis supplied)

Based on Monforte's testimony on cross-examination, it appears that these findings were

based on (1) the lack of deposit slips submitted to the main office of PPSTA, corresponding to the acknowledgment receipts allegedly issued by petitioner Medina; (2) the lack of official receipts issued by the main office, corresponding to the acknowledgment receipts allegedly issued by Medina; and (3) the ledgers of the members, reflecting their respective contributions:

Q: As you stated earlier, these payments upon receipt by Danica Medina, she issues an acknowledgment receipt?

A: Yes sir.

Q: With the corresponding deposit slips?

A: The acknowledgment receipt only sir because deposit will be made eventually.

Q: And now who made the deposit?

A: It should be Danica Medina.

Q: And where is the depository bank?

A: UCPB sir.

Q: And was there any evidence to show or proof that indeed there were no deposits made by Danica concerning these contributions?

A: **there were no deposit slips which were validated and that had been submitted to the main office.**

Q: So because of this lack of deposit slip, you already presumed that the collections were pocketed by Danica Medina?

A: **We also verified from the head office and there were no official receipts issued corresponding to the acknowledgment receipts** issued by Danica Medina. And we also verify [sic] **the ledgers of the members who paid so there were no payments posted to the ledgers.**

Q: And who is holding that ledger?

A: The **membership department** sir. They are incharge [sic] of updating the payments of the members.

Q: So this ledger is with the sub-office or with the main office?

A: **The main office.**^[74] (Emphasis supplied)

The Court acknowledges that direct evidence is not necessary for a judgment of conviction. Guilt may be established by circumstantial evidence, provided: (1) there is more than one circumstance; (2) the facts from which the inferences are derived are proven; and (3) the combination of all circumstances is such as to produce conviction beyond reasonable doubt. As provided in A.M. No. 19-08-15-SC, "inferences cannot be based on other inferences." Conviction must be based on strong, clear, and compelling evidence.^[75] In addition, the evidence presented must exclude the possibility that some other person committed the crime; otherwise, acquittal on the ground of reasonable doubt is warranted.^[76]

Here, the proof presented does not constitute strong, clear, and compelling evidence warranting a guilty verdict.

The above barebones description by Monforte of the Ad Hoc Committee's audit and verification procedure is ambiguous at best. It does not categorically establish that only petitioner Medina could have appropriated the subject payments. The "facts" from which the courts *a quo* inferred that petitioner Medina took the PPSTA members' payments are not proven, as the prosecution's case is built on little more than hearsay evidence. By Monforte's own testimony, a separate department of the PPSTA is responsible for updating the members' ledgers to reflect their payments, and it is the PPSTA main office that is responsible for issuing official receipts corresponding to the acknowledgment receipts issued by petitioner Medina. Based on the prosecution's own evidence, petitioner Medina is not the only person involved in the process of collecting, depositing, and reflecting the payments of the PPSTA's members in their membership ledgers. However, no witnesses or other evidence were presented to exclude the possibility that other persons took these payments.

To be sure, petitioner Medina's defense of denial may appear weak. However, the Court's categorical language in *Balerta v. People*^[77] is instructive:

Concededly, the evidence of the defense is weak and uncorroborated. This, however, cannot be used to advance the cause of the prosecution as **the evidence for the prosecution must stand or fall on its own weight and cannot be allowed to draw strength from the weakness of the defense.** Moreover, **when the circumstances are capable of two or more inferences,** as in this case, such that one of which is consistent with the presumption of innocence and the other is compatible with guilt, **the presumption of innocence must prevail and the court must acquit.**^[78] (Emphasis supplied; citation omitted)

The above ruling is fully in accord with the principle that in all criminal prosecutions, it is the prosecution that bears the burden to establish the guilt of the accused beyond reasonable doubt. In discharging such burden, the prosecution has the duty to prove each element of the crime charged in the information to warrant a finding of guilt for that crime or any other crime that is necessarily included therein.^[79]

WHEREFORE, the instant Petition is **GRANTED.** The Decision dated 22 June 2020 and Resolution dated 20 January 2021 of the Court of Appeals in CA-G.R. CR No. 40531 are **REVERSED.** Petitioner Danica L. Medina is **ACQUITTED** of the crime of *estafa* under

Article 315, paragraph (b), Revised Penal Code, on the ground of reasonable doubt. Let entry of judgment be issued immediately.

SO ORDERED.

Gesmundo, C.J., Hernando, and Zalameda, JJ., concur.

Rosario, J., on leave.

^[1] *Rollo*, pp. 12-29.

^[2] *Id.* at 31-43. Penned by Associate Justice Myra V. Garcia-Fernandez and concurred in by Associate Justices Fernanda Lampas Peralta and Ruben Reynaldo G. Roxas.

^[3] *Id.* at 45-46. Penned by Associate Justice Myra V. Garcia-Fernandez and concurred in by Associate Justices Fernanda Lampas Peralta and Ruben Reynaldo G. Roxas.

^[4] *Id.* at 61-75. Penned by Acting Presiding Judge Cecilia Corazon S. Dulay-Archog, Branch 6, RTC, Baguio City.

^[5] *Id.* at 75.

^[6] *Id.* at 31-32.

^[7] *Id.* at 32-33.

^[8] *Id.* at 33-37.

^[9] *Id.* at 32.

^[10] *Id.* at 33.

^[11] *Id.* at 32.

^[12] *Id.*

^[13] *Id.*

^[14] *Id.* at 32-33.

^[15] *Id.* at 33.

^[16] *Id.*

^[17] *Id.*

^[18] *Id.*

^[19] *Id.*

^[20] *Id.*

^[21] *Id.*

^[22] *Id.*

^[23] *Id.*

^[24] *Id.* at 37.

^[25] *Id.*

^[26] *Id.* at 61-75.

^[27] *Id.* at 75.

^[28] *Id.* at 73-74.

^[29] *Id.* at 31-43.

^[30] *Id.* at 42.

^[31] *Id.*

^[32] *Id.* at 39.

^[33] *Id.* at 39-40.

^[34] Entitled “An Act Adjusting the Amount or the Value of Property and Damage On Which a Penalty is Based, and the Fines Imposed Under the Revised Penal Code, Amending for the Purpose Act No. 3815, Otherwise Known as the ‘Revised Penal Code,’ As Amended.” Approved: 29 August 2017.

^[35] *Id.* at 41.

^[36] *Id.* at 45-46.

^[37] *Id.* at 18.

^[38] *Id.* at 21.

^[39] *Id.*

^[40] *Id.*

^[41] *Id.*

^[42] *Id.* at 22.

^[43] *Id.* at 117.

^[44] *Id.* at 119.

^[45] **People v. Lumikid, G.R. No. 242695**, 23 June 2020; emphasis supplied.

^[46] **Miano v. Manila Electric Co.**, 800 Phil. 118, 123 (2016), citing **Medina v. Mayor Asistio, Jr.**, 269 Phil. 225 (1990) lists the following exceptions: (1) when the conclusion is a finding grounded entirely on speculations, surmises or conjectures; (2) when the inference made is manifestly mistaken, absurd or impossible; (3) where there is a grave abuse of discretion; (4) when the judgment is based on a misapprehension of facts; (5) when the findings of fact are conflicting; (6) when the CA, in making its findings, went beyond the issues of the case and the same are contrary to the admissions of both appellant and appellee; (7) the findings of the CA are contrary to those of the trial court; (8) when the findings of fact are conclusions without citation of specific evidence on which they are based; (9) when the facts set forth in the petition as well as in the petitioner's main and reply briefs are not disputed by the respondents; and (10) the finding of fact of the CA is premised on the supposed absence of evidence and is contradicted by the evidence on record.

^[47] **Chua-Burce v. People**, 387 Phil. 15, 26 (2000).

^[48] **Libunao v. People, G.R. No. 194359**, 2 September 2020, citing **Benabaye v. People**, 755 Phil. 145 (2015).

^[49] 748 Phil. 806 (2014).

^[50] *Id.* at 821.

^[51] **G.R. No. 210318**, 28 July 2020.

^[52] *Id.*

^[53] *Rollo*, p. 140.

^[54] **Libunao v. People**, *supra* note 48; **Reside v. People**, **G.R. No. 210318**, 28 July 2020.

^[55] **People v. Terado**, **G.R. No. 231387**, 10 August 2022.

^[56] *Id.*

^[57] *Rollo*, pp. 31-32.

^[58] *Id.* at 39.

^[59] *Id.* at 74; emphasis supplied.

^[60] *Id.* at 203.

^[61] **G.R. No. 248616**, 12 January 2021.

^[62] *Id.*

^[63] *Rollo*, pp. 143-147.

^[64] *Id.* at 167.

^[65] *Id.* at 175.

^[66] **Dantis v. Maghinang, Jr.**, 708 Phil. 575, 589 (2013).

^[67] **G.R. No. 239505**, 17 February 2021.

^[68] *Id.*

^[69] **People v. Loma y Obsequio**, **G.R. No. 236544**, 5 October 2020; citations omitted. *See also* **People v. Estibal y Calungsag**, 748 Phil. 850, 877 (2014).

^[70] **People v. Loma**, **G.R. No. 236544**, 5 October 2020; citations omitted.

^[71] *Id.*

^[72] **People v. XXX**, 839 Phil. 252, 265 (2018).

^[73] *Rollo*, p. 142.

^[74] *Id.* at 204-205.

^[75] **Imperial v. People, G.R. No. 230519**, 30 June 2021.

^[76] *Id.*

^[77] *Supra* note 49.

^[78] *Id.* at 822-823.

^[79] **Horca v. People, G.R. No. 224316**, 10 November 2021.

Date created: November 21, 2023