

**LERMA CHUA MARTINEZ, COMPLAINANT, VS. ATTY. ALDO MUÑOZ,
BRANCH CLERK OF COURT, RTC, BRANCH 33, DUMAGUETE CITY,
RESPONDENT.**

Adm. Matter No. P-94-1006. October 06, 1995

Ponente: DAVIDE, JR., J.

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DAVIDE, JR., J.:

Complainant Lerma Chua Martinez, Manager of the Consolidated Lending Center (CLD), filed on 18 October 1993, through the Office of the Court Administrator, a complaint charging Atty. Aldo Munoz, Branch Clerk of Court of Branch 33 of the Regional Trial Court (RTC) of Negros Oriental in Dumaguete City with the violation of P.D. No. 6[1] for his willful refusal to pay his just and valid obligations.

The complaint alleges that on five separate occasions in 1992, respondent Atty. Muñoz applied for and was granted by the CLD loans of various amounts totaling P52,000.00. Attached to the complaint are the various documents evidencing the debts of the respondent, such as promissory notes and Borrower's and Co-Maker's Offer and Agreement, showing the particulars of each loan, summarized as follows:[2]

LOAN

AMOUNT

PAYABLE

(including interest)

DATE

EXECUTED

PROMISSORY

NOTE NO.

P 7,000.00

8,680.00

2 Jan. 1992

92-A-3905

8,000.00

9,920.00

20 Jan. 1992

92-A-4094

9,500.00

11,780.00

17 Feb. 1992

92-A-4304

21,000.00

26,040.00

21 May 1992

92-A-0045

6,500.00

8,060.00

17 June 1992

92-A-0262

The loans were payable within one year from their respective dates. But, only a small portion of the total amount loaned has been paid as of the time of the filing of the complaint. There remained an unpaid balance of P41,839.66, which the respondent has refused to pay despite repeated demands.

Deputy Court Administrator Reynaldo L. Suarez referred the complaint to the Executive Judge of the RTC in Dumaguete City, Hon. Pacifico S. Bulado.

In his comment[3] filed on 14 January 1994 with the Office of Judge Bulado, the respondent admits his debts to CLD and states that he is not refusing to pay such obligations, as he has in fact offered, through the Clerk of Court of Branch 44 of the same RTC, to give to CLD his monthly salaries beginning March 1994 until his indebtedness is fully paid; but Martinez refused to accept the offer and demanded full payment in cash. He prays that his offer to her be implemented by the Deputy Court Administrator.

In a resolution dated 21 February 1994, this Court noted the letter-complaint and the comment of the respondent and required the complainant to file a reply to the respondent's comment.

On 24 March 1994, the complainant submitted her compliance attaching thereto her Rejoinder (should be Reply) to the comment of the respondent, which she originally submitted to Judge Bulado.[4] She alleges therein that the respondent had promised several times that he would pay the full amount of his debts, but despite such promises, he has not paid any amount. One of such promises is contained in the respondent's letter of 2 March 1993 wherein he pleaded that he be given until 15 April 1993 to pay all his accounts with the CLD.[5] She then asks this Court to enforce her rights as a creditor in order to set an example to others who would avoid their obligations like the respondent.

In his Manifestation[6] dated 6 April 1994, the respondent alleges that his original indebtedness was only around P20,000.00 which ballooned to around P40,000.00 because of the interest and that he has paid to the complainant the amount of P4,108.18, which is equivalent to one-half of his salary for the month of March 1994. He reiterates his intention to honor his obligations and not to renege on them. He also espouses his interest as a creditor in several pending criminal cases as being crucial to his financial capacity and ability to pay his debts. He promises to make subsequent payments from his future salaries and expresses his willingness to pay interest on his debts.

On 27 July 1994, the complainant filed a Manifestation[7] stating that the respondent had not complied with what

he had promised in his Manifestation of 6 April 1994 and had paid only up to April 1994 without making any further payments. She reiterates her prayer that a corresponding administrative penalty be imposed on the respondent. In response thereto, the respondent filed on 11 August 1994 a Manifestation[8] wherein he alleges that he had already agreed with the legal counsel of the complainant, Atty. Frederick Bustamante, on a new scheme of payment of his obligations under which the remainder of his debt would be paid out of the proceeds of a salary loan of P30,000.00, which he would secure from the GSIS, plus his mid-year bonus which this Court had withheld because of the pendency of this case. He further alleges that he was assured by Atty. Bustamante that the latter would convince the complainant to agree to the arrangement.

In the resolution of 5 December 1994, this Court required the respondent to inform it whether he has fully paid his obligations to the complainant considering that in his Manifestation of 6 April 1994 he told this Court that he would make payments as soon as he receives his future salaries and that he expected to completely pay the debt within four to five months from then. Both parties were also required to manifest whether they would submit this case for the resolution of this Court on the basis of the pleadings already filed.

On 31 January 1995, the complainant filed a Compliance, Apology, and Manifestation[9] claiming that the respondent had not made any payments as he had promised in his Manifestation of 6 April 1994 and that, as of 29 December 1994, he still had an outstanding unpaid balance of P41,745.96, as shown by the Statement of Account attached to the pleading.

The respondent having failed to comply with the resolution of 5 December 1994, this Court resolved on 20 March 1995 to require him to show cause why he should not be disciplinarily dealt with or held in contempt for such failure and further required him to comply with the said resolution.

On 6 April 1995, the respondent informed this Court that he had already filed two manifestations dated 23 February 1995 and 23 March 1995.[10]

In his Manifestation[11] of 23 February 1995, the respondent explained his failure to comply with the 5 December 1994 resolution and alleged that the statement of account attached to the complainant's Manifestation is "misleading, false, unjustified and done in bad faith." He then asks that he be given a period of five days within which to support his claim.

In his Manifestation[12] of 23 March 1995, the respondent claimed that from March 1994 to October 1994, he had been paying the complainant an amount totaling P15,810.00 and had further paid a sum of P24,400.00 so that by March 1995, he had paid a total of P40,210.00. Despite the payment of this amount, he was still told by the complainant that he had an unpaid balance of P20,484.58. He asserted that the complainant is not entitled to this additional amount for interest payments because he had already paid a 100% interest on his original loan of P20,000.00. He then contended that it is the complainant, not he, who should be penalized because the former never issued a statement of account and an official receipt for his payments but only temporary receipts. For this, the respondent accused the complainant of being a tax evader and of violating the Truth in Lending Act and the rules and regulations of the Bureau of Internal Revenue. He further accused her of charging past due interests and penalties without giving him a statement of his account to enable him to determine whether such interest and penalties are valid under the loan agreement. The respondent also charged the complainant of using this administrative case to mulct him of unjustified interest. He also contended that the "complainant has no more cause of action administratively" against him because he had already demonstrated his willingness to pay his debts, and that the only remaining issue of this case is whether the complainant has a right to charge interests and other penalties, which issue should be threshed out in a civil action. He then prays that this case be dismissed.

On 4 May 1995, the complainant filed her Comment[13] to the respondent's Manifestation of 23 March 1995. She

clarifies therein that her purpose in filing the instant administrative case is not to collect the respondent's debts but to bring to the attention of this Court the respondent's refusal to pay his monetary obligations. She contends that the respondent's total indebtedness is not just P20,000.00, since he obtained five separate loans of varying amounts ranging from a little over P8,000.00 to P26,040.00; and that there was an increase therein because of the interests which became due when he failed to settle his accounts on their maturity dates. In response to the respondent's accusation that she never issued official receipts to acknowledge the payments he had made, the complainant asserts that the official receipts are not necessary and are issued only when the loans are fully paid. The payments made by the respondent were considered as mere deposits. As regards the statements of accounts, she asseverates that the respondent could have obtained them from the complainant's office or he could have made his own computations based on his copies of the promissory notes he had executed.

In the resolution of 24 May 1995, this Court deemed this case submitted for decision on the basis of the pleadings already filed and referred it to the Office of the Court Administrator for evaluation, report, and recommendation.

In its Memorandum[14] dated 3 July 1995, the Office of the Court Administrator concludes as follows:

After a careful review of the entire records of this case, we find respondent to have reneged on his lawful obligation to pay the herein complainant and to have violated his promise to pay contained in his manifestation of April 6, 1994 which has been duly noted by the Honorable Court. Such actuation of the respondent betrayed his unbecoming traits of an employee in the judiciary.

and recommends that the respondent be ordered to

(a) pay a FINE equivalent to his one (1) month salary with warning that a repetition of the same or similar act(s) will be dealt with more severely; (b) be SEVERELY REPRIMANDED for failure to pay a just debt; and (c) to settle his obligation within two (2) months from notice.

There is no question that the respondent had obtained loans from the CLD, of which the complainant is the Manager. He does not deny his indebtedness. In his letter of 2 March 1993, he pleaded with CLD that he be given until 15 April 1993 to pay all his accounts with it. In his Manifestation of 6 April 1994, he reiterated his intention to honor his obligations and promised to make subsequent payments from his future salaries. In his Manifestation of 4 August 1994, he informed this Court that he agreed with the complainant's counsel that in order to pay his indebtedness he would apply with the GSIS for a salary loan of P30,000.00 and that he would deliver to the complainant his mid--year bonus which had been withheld because of the pendency of this case. But, until now, he has not yet fully settled his indebtedness to CLD.

We agree with the complainant that the respondent can be administratively dealt with. The respondent's administrative liability stems no longer from P.D. No. 6[15] as she stated in her complaint, but from the Revised Administrative Code of 1987 (E.O. No. 292), specifically the provisions on the Civil Service Commission which covers the respondent as a court personnel. Section 46, Chapter 7, Subtitle A (Civil Service Commission), Title I, Book V thereof provides as follows:

Sec. 46. Discipline: General Provisions. -- (a) No officer or employee in the Civil Service shall be suspended or dismissed except for cause as provided by law and after due process.

(b) The following shall be grounds for disciplinary action:

x x x x x x x x

(22) Willful failure to pay just debts or willful failure to pay taxes to the government;

Section 23, Rule XIV of the Omnibus Rules Implementing this provision defines "just debts," to wit:

The term "just debts" shall apply only to:

1. claims adjudicated by a court of law;
2. claims the existence and justness of which are admitted by the debtor.

In the light of the respondent's admission of his indebtedness and the justness thereof and his refusal to pay it, his administrative liability under the foregoing provision of the Revised Administrative Code is beyond dispute.[16] The penalty therefor is not directed at his private life but at his actuations unbecoming a public official.[17]

Section 23, Rule XIV of the Omnibus Rules Implementing the provision on the Civil Service of the Revised Administrative Code of 1987 classifies the willful failure to pay just debts as a light offense and prescribes the penalty of reprimand for the first offense, suspension for one to thirty days for the second offense, and dismissal for the third offense. Since this is the respondent's first offense, he should be reprimanded, and not fined as recommended by the Office of the Court Administrator, but considering his position, the reprimand should be severe. We cannot order him to pay his indebtedness to CLD as recommended also by the Office of the Court Administrator because this Court is not a collection agency.[18] Besides, the complainant herself clarified that her purpose in filing this case is not to collect from the respondent but to seek administrative disciplinary action against him.

WHEREFORE, premises considered, respondent ATTY. ALDO MUÑOZ, Branch Clerk of Court, Branch 33, of the Regional Trial Court of Dumaguete City, is hereby SEVERELY REPRIMANDED for his willful failure to pay his just debts, which amounts to conduct unbecoming a Clerk of Court. The commission of the same or similar acts in the future will be dealt with more severely.

SO ORDERED.

Padilla, (Chairman), Bellosillo, Kapunan, and Hermosissima, Jr., JJ., concur.

[1] Entitled, "Amending Certain Rules on Discipline of Government Officials and Employees" (27 September 1972).

[2] Rollo, 9-48.

[3] Id., 5.

[4] Rollo, 51-52.

[5] Id., 53.

[6] Id., 55.

[7] Id., 69.

[8] Rollo, 67-68.

[9] Id., 80-81.

[10] Rollo, 87.

[11] Id., 88-89.

[12] Id., 90-93.

[13] Rollo, 131-136.

[14] Per Deputy Court Administrator Bernardo P. Abesamis, with the approval of Court Administrator Ernani Cruz Paño.

[15] Which provides in part, thus:

SEC. 1. Grounds for disciplinary action. — The following shall be grounds for disciplinary action:

x x x x x x x x

v. Willful failure to pay just debts or willful failure to pay taxes due the Government.

The abovequoted provision was retained in Section 36 of P.D. No. 807 (Civil Service Decree of the Philippines), which provides:

(b) The following shall be grounds for disciplinary action:

x x x x x x x x

(22) Will failure to pay just debts or will failure to pay taxes due to the government.

[16] See Pineda vs. Hizalan, 64 SCRA 160 [1975]; Flores vs. Tatad, 96 SCRA 676 [1980].

[17] Flores vs. Tatad, *supra* note 16.

[18] See Taboada vs. Cabrera, 78 SCRA 235 [1977].

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