LIBERTY M. TOLEDO, COMPLAINANT, VS. LIZA E. PEREZ, COURT STENOGRAPHER III, OFFICE OF THE CLERK OF COURT, REGIONAL TRIAL COURT, MANILA, RESPONDENT.

A.M. Nos. P-03-1677 and P-07-2317. July 15, 2009

Ponente: CARPIO, J.

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CARPIO, J.:

The Case

Before the Court are two complaints for conduct prejudicial to the best interest of the service filed by Liberty M. Toledo (Toledo), City Treasurer of Manila, against Liza E. Perez (Perez). Perez used to work in the Office of

the Clerk of Court, Regional Trial Court (RTC), Manila, as Court Stenographer III.

The Facts

On 10 April 2000, Celso Ramirez (Ramirez), messenger of NYK Fil-Japan Shipping Corporation (NYK), went to the Office of the City Treasurer of Manila, to pay NYK's business tax for the second quarter of 2000. Ramirez gave Local Treasury Operations Officer I Rogelio Reyes (Reyes) PCI Bank Manager's Check No. 0000061101[1] dated 10 April 2000. The check amounted to P339,881.35 and was payable to the "City Treasurer Manila." Reyes issued Ramirez a fake receipt.[2]

Abner L. Aniceto (Aniceto), employee of Total Distribution & Logistics Systems Incorporated (Total), also went to the Office of the City Treasurer to pay Total's business tax, mayor's permit, municipal license, and other regulatory fees for the second, third and fourth quarters of 1999 and for the first, second, third and fourth quarters of 2000. Aniceto alleged that he gave Revenue Collection Clerk I German G. Tamayo (Tamayo) of the License Division Equitable PCI Bank Manager's Check No. 0000023175[3] dated 11 April 2000. The check amounted to P61,845.92 and was payable to the "Office of the Treasurer Manila." Tamayo issued Aniceto fake receipts.[4]

The two checks ended up in the hands of a certain Rogelio Clemente (Clemente) who was a fixer. Clemente gave the checks to Jesus Agustin, Jr. (Agustin, Jr.) who was a friend of Perez. Agustin, Jr. approached Perez and asked her to rediscount the checks. Perez agreed on the condition that the checks will be accepted and cleared by the bank. Perez deposited the checks in her personal savings account with Land Bank and the bank accepted and cleared the checks.

Toledo discovered the fake receipt of NYK and, on 18 July 2000, she called the corporation to inform them about it. NYK's chief accountant, comptroller, and Ramirez immediately went to the Office of the City Treasurer to settle the issue. They brought a copy of PCI Bank Manager's Check No. 0000061101 as evidence of payment of their business tax.

After investigating the matter, Toledo discovered that PCI Bank Manager's Check No. 0000061101 was deposited in the personal savings account of Perez. Thus, in a complaint[5] dated 27 July 2000 and addressed to the Office

of the Court Administrator (OCA), Toledo charged Perez with conduct prejudicial to the best interest of the service.

In its 1[st] Indorsement[6] dated 10 August 2000, the OCA directed Perez to comment on the complaint. In her affidavit[7] dated 30 August 2000, Perez stated that her transaction with Agustin, Jr. had no relation to her position as court stenographer and that she acted in good faith.

Meanwhile, Toledo discovered the fake receipts of Total and, on 2 April 2001, Total's manager and Aniceto went to the Office of the City Treasurer to settle the issue. After investigating the matter, Toledo discovered that Equitable PCI Bank Manager's Check No. 0000023175 was deposited in the personal savings account of Perez. Toledo filed a complaint[8] dated 4 April 2001 with the Office of the Ombudsman charging Perez with conduct prejudicial to the best interest of the service and violation of the Anti-Graft and Corrupt Practices Act.

In its Decision[9] dated 27 March 2002, the Office of the Ombudsman referred the complaint against Perez to the OCA since Perez was employed in the Judiciary. In its 1[st] Indorsement[10] dated 23 August 2002, the OCA directed Perez to comment on the complaint. In her comment[11] dated 11 September 2002, Perez adopted her 30 August 2000 affidavit as her comment. In her Rejoinder[12] dated 9 October 2002, Perez stated that:

> Respondent here is an INNOCENT VICTIM. Respondent deposited and/or presented the check for payment at Land Bank and the same was not dishonored nor did the bank questioned [sic] the 1[st] check. Thus, respondent presumed in good faith that there is no irregularity on the subject check(s) as she (respondent) is not familiar with the banking rules and no less than the bank is in a better position to ascertain the irregularity on the checks.[13]

In her Sur-Reply[14] dated 10 November 2002, Perez stated that:

> Complainant has no right to malign herein respondent by tagging herein respondent as a "cohort" or "co-conspirator" as herein respondent has no knowledge how the said checks reached the hand of Mr. Jesus Agustin, Jr. In fact, herein respondent has filed the necessary legal action against Mr. Jesus Agustin, Jr.
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> Respondent repleads that she (respondent) is an innocent victim of this unfortunate incident. In no case can it be gleaned that respondent employed scheme, design or deceit in having the checks encashed and]or deposited in her account.

In its Report[15] dated 6 May 2002, the OCA recommended that the case be referred to Acting Executive Judge Enrico A. Lanzanas (Judge Lanzanas), RTC, Manila, for investigation, report, and recommendation. In a Resolution[16] dated 3 July 2002, the Court referred the case to Judge Lanzanas.

In its Report[17] dated 9 December 2002, the OCA recommended that the 4 April 2001 complaint be re-docketed as a regular administrative matter and that the case be referred to Judge Lanzanas for investigation, report and recommendation. In Resolutions[18] dated 29 January 2003, the Court referred the case to Judge Lanzanas and re-docketed the complaint as a regular administrative matter.

In a letter[19] dated 27 March 2003, Perez formally tendered her resignation effective 1 April 2003.

In its Report[20] dated 16 July 2003, the OCA recommended that (1) Judge Lanzanas jointly assess the two complaints Toledo filed against Perez and make his recommendation; and (2) Perez's benefits be withheld. In a Resolution[21] dated 13 August 2003, the Court directed Judge Lanzanas to jointly assess the two complaints and make his recommendation, and withheld Perez's benefits. In its Report[22] dated 7 October 2003, the OCA recommended that the two administrative cases against Perez be consolidated. In a Resolution[23] dated 19 May

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2004, the Court consolidated the two cases.

Judge Lanzanas was appointed Associate Justice of the Court of Appeals. The Administrative cases were assigned to Judge Antonio M. Eugenio, Jr. (Judge Eugenio, Jr.), RTC, Manila, Branch 24, for joint assessment and recommendation.

Investigating Judge's Report and Recommendation

In his Report[24] dated 7 September 2006, Judge Eugenio, Jr. found that (1) 38 checks -- all payable to the City Treasurer, City of Manila -- were deposited in the personal savings account of Perez; (2) the total amount of the 38 checks was P1,980,784.78; and (3) Land Bank accepted and cleared the 38 checks. Judge Eugenio, Jr. recommended that the cases against Perez be dismissed for insufficiency of evidence. He stated that:

> The aggregate amount of the checks were rediscounted by Liza E. Perez who had substantial deposits with the Land Bank, Taft Avenue branch; she made it clear with Jesus Agustin, Jr., a close friend and the source of the checks, that if the Land Bank would not accept them for deposit, she will return the same; there is no indication whatsoever that she exerted any pressure on the bank to accept the checks for deposit; upon the discovery of the fraud, she not only sued Agustin but also the bank; there is likewise no proof that she knew German G. Tamayo who allegedly was entrusted with the check of TOTAL, and Rogelio Clemente, the alleged fixer who approached Agustin for the rediscounting of the checks.[25]

OCA's Report and Recommendation

In its Report[26] dated 1 March 2007, the OCA found that Perez failed to live up to the high standards of honesty and integrity. The OCA stated that, "While Perez swears to the high heavens that her `check rediscounting' activities were done in a private manner, it cannot be denied that such activities dragged the Court into the fake receipts scam at the City Treasurer's Office." The OCA recommended that Perez be found guilty of conduct prejudicial to the best interest of the service and that the monetary equivalent of six months suspension be deducted from her benefits.

The Court's Ruling

The Court finds Perez liable for conduct prejudicial to the best interest of the service.

Section 52(A)(20), Rule IV of the Revised Uniform Rules on Administrative Cases in the Civil Service[27] classifies conduct prejudicial to the best interest of the service as a grave offense. It is punishable by suspension of six months and one day to one year for the first offense and by dismissal for the second offense.

The Rules do not provide a definition or enumerate acts that constitute conduct prejudicial to the best interest of the service. In Ito v. De Vera,[28] the Court held that conduct prejudicial to the best interest of the service refers to acts or omissions that violate the norm of public accountability and diminish -- or tend to diminish -- the people's faith in the Judiciary. Perez's act of depositing 38 checks payable to the City Treasurer, City of Manila, amounting to P1,980,784.78 reflected adversely on the integrity of the Judiciary.

Perez should have been alarmed by the facts that (1) all 38 checks, amounting to P1,980,784.78, were payable to the City Treasurer, City of Manila; and (2) her friend, Agustin, Jr., procured the checks from Clemente who was known to be a fixer. As a court employee, Perez was expected to comply with the strict standards required of all public officers and employees -- her actions must have been beyond suspicion.[29] In San Jose, Jr. v. Camurongan,[30] the Court held that "The strictest standards have always been valued in judicial service. Verily, everyone involved in the dispensation of justice, from the presiding judge to the lowliest clerk, is expected to live up to the strictest norm of competence, honesty and integrity in the public service."

Perez claimed that her transactions with Agustin, Jr. had no relation to her position as court stenographer and that

they were private in nature. The Court is not impressed. The image of the Judiciary is mirrored in the conduct of its personnel whether inside or outside the court. Thus, court personnel must exhibit a high sense of integrity not only in the performance of their official duties but also in their personal affairs. In San Jose, Jr.,[31] the Court held that:

> Public servants must exhibit the highest sense of honesty and integrity in their performance of official duties and in their personal affairs, so as to preserve the Court's good name and standing. The administration of justice is a sacred task. This Court cannot countenance, on the part of court personnel, any act or omission that would violate the norm of public accountability; and would diminish, or even just tend to diminish, the faith of the people in the judiciary.
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> Time and time again, we have emphasized that more than just a cardinal virtue, integrity in the judicial service is a necessity. The image of the judiciary is mirrored in the conduct, official or otherwise, of its personnel. Thus, this Court will not allow the good name and standing of the judicial system to be tainted by the dishonesty of the very people who have sworn to uphold its honor. (Emphasis supplied)

While there is nothing wrong in engaging in private business, caution should be taken to prevent the occurrence of dubious circumstances that may impair the image of the Judiciary. Every act of impropriety ultimately affects the dignity of the Judiciary, and the people's faith in it.[32] As the OCA correctly stated, Perez's "activities dragged the Court into the fake receipts scam at the City Treasurer's Office." Perez must be held accountable.

WHEREFORE, the Court finds retired Court Stenographer III Liza E. Perez, Office of the Clerk of Court, Regional Trial Court, Manila, GUILTY of CONDUCT PREJUDICIAL TO THE BEST INTEREST OF THE SERVICE. Since she has already resigned from the service, the Court FINES her P40,000.

SO ORDERED.

Puno, C.J. Quisumbing, Ynares-Santiago, Corona, Carpio Morales, Chico-Nazario, Velasco, Jr., Nachura, Leonardo-De Castro, Brion, Peralta, and Bersamin, JJ., concur.

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[1] Rollo (OCA I.P.I. No. 00-943-P), p. 7.

[2] Id. at 6.

[3] Rollo (A.M. No. P-03-1677), p. 31.

[4] Id. at 29.

[5] Rollo (OCA I.P.I. No. 00-943-P), pp. 4-5.

[6] Id. at 24.

[7] Id. at 30-32.

[8] Rollo (A.M. No. P-03-1677), pp. 27-28.

[9] Id. at 2-22.

[10] Id. at 216.

[11] Id. at 217-218.

[12] Id. at 246-247.

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[13] Id. at 246.

[14] Id. at 252-253.

[15] Rollo (OCA I.P.I. No. 00-943-P), pp. 44-47.

[16] Id. at 48.

[17] Rollo (A.M. No. P-03-1677), pp. 254-257.

[18] Id. at 258-260.

[19] Id. at 269.

[20] Rollo (OCA I.P.I. No. 00-943-P), pp. 287-289.

[21] Id. at 290.

[22] Rollo (A.M. No. P-03-1677), p. 272.

[23] Id. at 279.

[24] Id. at 375-384.

[25] Id. at 384.

[26] Rollo (OCA I.P.I. No. 00-943-P), pp. 345-348.

[27] Promulgated by the Civil Service Commission through Resolution No. 99-1936 dated 31 August 1999 and implemented by CSC Memorandum Circular No. 19, series of 1999.

[28] A.M. No. P-01-1478, 13 December 2006, 511 SCRA 1, 11-12.

[29] OCA v. Judge Fuentes, 317 Phil. 604, 616-617 (1995).

[30] A.M. No. P-06-2158, 25 April 2006, 488 SCRA 102, 105.

[31] Id. at 106-107.

[32] Re: Willful Failure to Pay Just Debts Against Mr. Melquiades A. Briones, A.M. No. 2007-11-SC, 10 August 2007, 529 SCRA 689, 696.

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