

ROMEO B. BOCAYA, PETITIONER, VS. COMMANDER SECURITY AGENCY INC. AND/OR MR. CARMELO AYSON, PRESIDENT/GENERAL MANAGER, AND DEPARTMENT OF LABOR AND EMPLOYMENT, RESPONDENTS.

Ponente: LIBREA-LEAGOGO, C.C., J.

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LIBREA-LEAGOGO, C.C., J.:

Before this Court is a Petition for Certiorari[1] dated 05 September 2014 under Rule 65 of the Rules of Court, seeking the nullification of the Order[2] dated 09 May 2013 and Resolution[3] dated 28 April 2014 of Undersecretary Rebecca C. Chato, by authority of the Secretary of the Department of Labor and Employment (DOLE), in NCR00-QCFO-1202-IS-008; OS-LS-0319-0903-2012, which treated petitioner's Partial Motion for Reconsideration from the Orderiv dated 18 July 2012 of the DOLE-National Capital Region (DOLE-NCR) Regional Director Atty. Alan M. Macaraya ("Macaraya," for brevity) as an appeal and dismissed the same for being moot and academic, and denied petitioner's Motion for Reconsideration for lack of merit, respectively.

Private respondents filed their Comment[5] dated 24 January 2015. Per JRD verification,[6] no reply was filed. Thus, the fifth paragraph of the Resolution[7] dated 18 December 2014 is reiterated, and the Petition is submitted for decision.

FACTUAL ANTECEDENTS

A Request for Assistance under the Single-Entry Approach (SENA)[8] dated 02 February 2012 was filed by complainant Romeo B. Bocaya against Commander Security Agency, Inc./Carmelo Ayson, for non-payment of legal/special holiday pay and 13[th] month pay, underpayment of wages, and non-payment of service incentive leave pay and overtime pay.

An inspection was conducted by Labor and Employment Officer Jose S. Tumanguil, and in the Notice of Inspection Results[9] dated 12 March 2012, it was stated that: that there was no access to employment records; and the notice was explained to and received by private respondent's representative Flor Baltar.

DOLE-NCR Regional Director Macaraya issued an Order[10] dated 18 July 2012 in Case No. NCR00-QCFO-1202-IS-008, the dispositive portion of which reads:

"WHEREFORE, premises considered, COMMANDER SECURITY AGENCY, INC. and/or CARMELO T. AYSON is/are ordered to pay ROMEO B. BOCAYA, the aggregate amount of ONE HUNDRED TWENTY EIGHT THOUSAND FIVE HUNDRED SIX AND 83/100 (P128,506.83) within ten (10) days from receipt hereof. Failure to comply with this Order within the period prescribed shall cause the imposition of a penalty of double indemnity pursuant to Republic Act No. 8188, otherwise known as "An Act Increasing the Penalty and Imposing Double Indemnity for Violation of the Prescribed Increase or Adjustment in the Wage Rates."

A Writ of Execution shall be issued upon finality of this Order.

Further, premises considered, the establishment is directed to give the Labor and Employment Officer access to its premises and records in order to question, copy and investigate any fact, condition or matter which may be necessary to determine compliance with labor laws. Criminal charges will be filed in the regular court for violation of Article 128 of the Labor Code, as amended, in relation to Article 288 of the same Code, if the Office would be denied access the second time around.

SO ORDERED.”[11]

Complainant filed a Partial Motion for Reconsideration[12] dated 30 July 2012 praying that the Order dated 18 July 2012 be partially reconsidered to include his overtime pay.

In the meantime, a Complaint[13] dated 30 July 2012 was filed by complainant before the NLRC against respondents Commander Security Agency, Inc./Ca(r)melo Ayson, for illegal dismissal, underpayment of salary/wages, money claims, and reinstatement, docketed as NLRC-NCR No. 07-11445-12.

Labor Arbiter Marcial Galahad T. Makasiar issued a Resolution[14] dated 04 September 2012 in NLRC-NCR No. 07-11445-12, the dispositive portion of which reads:

“ACCORDINGLY, this case is DISMISSED without prejudice for failure of complainant to appear during the Mandatory Conciliation and Mediation Conference despite due notice.”[15]

It appears that complainant refiled his complaint before the NLRC[16] which was docketed as NLRC-NCR Case No. 09-13230-12 wherein complainant executed a Release and Quitclaim[17] dated 13 November 2012 before Labor Arbiter Cheryl M. Ampil (“Ampil,” for brevity), pertinent portions of which read:

“Kaugnay sa aking Malaya at boluntaryong pagbibitiw (resign) o pagreretiro (retire) sa tungkulin ako ay tumatanggap ng sapat nahalagang DALAWAMPUNG LIBONG PISO (P20,000.00) bilang kabayaran sa aking mga benepisyo at karapatang pinansyal mula sa tagapamahala ng nasabing kompanya at taos puso na ako ay nagpapaubaya, nagpapawalang halaga at di maghahabol at tuluyang pagtigil sa aking karapatan, kapakinabangan, pinansyal na benepisyo kasama ang SSS, retirement pay, obertaym, ECOLA, 13th month pay, night shift differentials, premium pay para sa araw ng pahinga at pista opisyal, at iba pa na noon ay para sa akin na mula sa nasabing kompanya, sa tagapamahala nito, mga kasapi ng board opisyal at mga kawani.

Ang pagpapaubaya at pagbibitiw na ito ay aking lubos na nauunawaang matapos basahin at ako ay malayang lumagda/thumbmark dito. Ang kasulatang ito ay may bisa para sa aking mga magulang, asawa, anak, pinsan, at tagapamahala. Pinahihintulutan ko rin ang paggamit nito sa anumang usaping legal pati narin sa husgado o anumang opisina ng gobyerno.”[18]

Labor Arbiter Ampil issued an Order[19] dated 28 December 2012 in NLRC-NCR Case No. 09-13230-12, which reads:

“In view of an amicable settlement reached by the parties evidenced by Affidavit of Quitclaim and Release duly executed by complainant upon receipt of the amount of Php20,000.00 on 13 November 2012, the instant case is hereby DISMISSED WITH PREJUDICE and declared CLOSED AND TERMINATED.

SO ORDERED.”[20]

Respondent security agency filed before the DOLE-NCR a Motion to Dismiss[21] dated 05 April 2013 in Case No. NCR00-QCFO-1202-IS-008, wherein it alleged, inter alia, that: the parties have reached a complete and final settlement, resulting in the execution by complainant of a Release and Quitclaim before Labor Arbiter Ampil; in view of the amicable settlement reached by the parties, the case NLRC-NCR Case No. 09-13230-12 was dismissed in the Order dated 28 December 2012; the claims of complainant have already been completely settled; and the case should be dismissed and considered closed and terminated.

On 09 May 2013, the DOLE issued the first assailed Order,[22] the dispositive portion of which reads:

“WHEREFORE, premises considered, the Motion for Reconsideration, herein treated as an Appeal, filed by Romeo B. Bocaya is hereby DISMISSED for being moot and academic. The Release, Waiver and Quitclaim dated 13 November 2012 executed by Complainant-Appellant before the NLRC as the complete and final settlement of his claims is hereby ADOPTED as full settlement of the 18 July 2012 Order of the DOLE-NCR. Accordingly, Respondent's Motion to Dismiss is hereby GRANTED.

SO ORDERED.”[23]

Complainant filed a Motion for Reconsideration[24] dated 28 June 2013, which was denied in the second assailed Resolution[25] dated 28 April 2014.

Hence, this Petition.

RULING

Petitioner raises the following grounds for allowance of his Petition, viz:

“I. THE PUBLIC RESPONDENT COMMITTED GRAVE ABUSE OF DISCRETION AMOUNTING TO LACK OR IN EXCESS OF JURISDICTION IN GRANTING THE RESPONDENTS' MOTION TO DISMISS DESPITE THE FACT THAT IT WAS TAINTED WITH IRREGULARITIES.

II. THE PUBLIC RESPONDENT COMMITTED GRAVE ABUSE OF DISCRETION AMOUNTING TO LACK OR IN EXCESS OF JURISDICTION WHEN IT ADOPTED THE RELEASE WAIVER AND QUITCLAIM EXECUTED BY PETITIONER BEFORE THE NLRC AS FULL SETTLEMENT OF THE DOLE'S ORDER DATED JULY 18, 2012 DESPITE THE FACT THAT IT WAS TAINTED WITH FRAUD AND DECEITS (sic).”[26]

Petitioner contends, inter alia, that: public respondent committed grave abuse of discretion amounting to lack or excess of jurisdiction in granting private respondents' motion to dismiss despite the fact that it was tainted with deceit and fraud; the motion was unknown to petitioner since he was not furnished a copy thereof; he was not given an opportunity to file an opposition or comment thereto; the motion would have been resolved in his favor considering that he has meritorious grounds to oppose the same; there is serious error in the findings of fact of public respondent; the amount of Php20,000.00 in the quitclaim executed by petitioner before the NLRC appears to be highly unconscionable considering that an order involving a monetary award of Php128,506.(83) in favor of petitioner is pending on partial appeal before the DOLE-NCR; sometime in February 2014 or three (3) months after the settlement of the NLRC case, private respondent tried to settle with petitioner regarding his pending case before the DOLE; this proves that the settlement before the NLRC was without prejudice to the case pending before the DOLE; public respondent committed grave abuse of discretion amounting to lack or excess of jurisdiction when it adopted the quitclaim executed by petitioner before the NLRC as full settlement of DOLE's Order dated 18 July 2012 despite the fact that it was tainted with fraud and deceit; there was already a judgment rendered by DOLE prior to the settlement of the case before the NLRC; it was petitioner who appealed thereto concerning non-payment of overtime pay, and not private respondents; there was error in adopting the settlement since it was DOLE that made an inspection of private respondent's premises and issued an order awarding petitioner the amount of Php128,506.(83); the jurisdiction of the NLRC was over the illegal dismissal of petitioner; public respondent erred in giving basis to the complaint filed before the office of Labor Arbiter Ampil since only the complaint filed before the office of Labor Arbiter Ma(k)asiar was attached to the Motion to Dismiss; what the petitioner agreed to settle for Php20,000.00 was his separation pay for almost three (3) years of service and withdrawal of cash bond in the amount of Php5,000.00; neither the quitclaim nor the order of Labor Arbiter Ampil shows that the case before the DOLE was included in the settlement; the amount of

Php128,506.(83) compared to Php20,000.00 is unreasonable and contrary to law, public order, morals or good customs; the inspection results show that petitioner was rendering twelve (12) hours of duty everyday without the corresponding overtime pay; and entitlement to overtime pay is subject of the partial appeal.

Private respondents riposte, inter alia, that: the assailed Order and Resolution of the DOLE are in accordance with law and jurisprudence; petitioner freely and voluntarily entered into the Compromise Agreement; the DOLE found the said agreement as just and fair settlement of the claims of petitioner; he merely entertained an afterthought after its execution; and upon the approval of the agreement, petitioner can no longer be heard that he has a bad bargain.

Stripped of verbiage, the threshold issue in this special civil action for certiorari is whether or not public respondent committed grave abuse of discretion amounting to lack or excess of jurisdiction in issuing its assailed Order and Resolution.

We find in the affirmative. The DOLE's affirmation of the validity[27] of the Release and Quitclaim dated 13 November 2012[28] as full settlement of the DOLE-NCR Order dated 18 July 2012[29] is not supported by substantial evidence.

Settled is the rule that when supported by substantial evidence, factual findings made by quasi-judicial and administrative bodies are accorded great respect and even finality by the courts. These findings are not infallible, though; when there is a showing that they were arrived at arbitrarily or in disregard of the evidence on record, they may be examined by the courts.[30]

To justify the grant of the extraordinary remedy of certiorari, petitioners must satisfactorily show that the court or quasi-judicial authority gravely abused the discretion conferred upon it. Grave abuse of discretion connotes judgment exercised in a capricious and whimsical manner that is tantamount to lack of jurisdiction. To be considered "grave," discretion must be exercised in a despotic manner by reason of passion or personal hostility, and must be so patent and gross as to amount to an evasion of positive duty or to a virtual refusal to perform the duty enjoined by or to act at all in contemplation of law.[31] (The) doctrine espousing comity to administrative findings of facts cannot preclude the courts from reviewing and, when proper, disregarding these findings of facts when shown that the administrative body committed grave abuse of discretion by capriciously, whimsically or arbitrarily disregarding evidence or circumstances of considerable importance that are crucial or decisive of the controversy. Hence, in labor cases elevated to it via petition for certiorari, (this Court) can grant this prerogative writ when it finds that the (DOLE) acted with grave abuse of discretion in arriving at its factual conclusions.[32]

To be valid, a Deed of Release, Waiver and/or Quitclaim must meet the following requirements: (1) that there was no fraud or deceit on the part of any of the parties; (2) that the consideration for the quitclaim is credible and reasonable; and (3) that the contract is not contrary to law, public order, public policy, morals or good customs, or prejudicial to a third person with a right recognized by law. Courts have stepped in to invalidate questionable transactions, especially where there is clear proof that a waiver, for instance, was obtained from an unsuspecting or a gullible person, or where the agreement or settlement was unconscionable on its face. A quitclaim is ineffective in barring recovery of the full measure of a worker's rights, and the acceptance of benefits therefrom does not amount to estoppel. Moreover, a quitclaim in which the consideration is scandalously low and inequitable cannot be an obstacle to the pursuit of a worker's legitimate claim.[33]

In the instant case, the requirement of a credible and reasonable consideration for the quitclaim was not complied with. In the Order[34] dated 18 July 2012 issued by DOLE-NCR Regional Director Macaraya, private respondents were ordered to pay petitioner the amount of Php128,506.83 for underpayment of wages, non-payment of legal holiday pay, non-payment of 13th month pay and non-payment of five (5) days SIL.[35]

However, a reading of the Release and Quitclaim[36] dated 13 November 2012 states that petitioner received only Php20,000.00 as settlement not just for the aforementioned claims but also for “SSS, retirement pay, obertaym, ECOALA, xxx night shift differentials, premium pay para sa araw ng pahinga xxx, at iba pa na noon ay para sa akin na mula sa nasabing kompanya, sa tagapamahala nito, mga kasapi ng board opisyal at mga kawani.”[37]

In our jurisprudence, quitclaims, waivers or releases are looked upon with disfavor.[38] Considering the difference of more than Php100,000.00 between the two amounts, We find that the consideration of Php20,000.00 for the quitclaim is scandalously low and patently unreasonable considering the award of Php128,506.83 of the DOLE-NCR. Hence, the transaction cannot be recognized as a valid and binding undertaking executed by petitioner security guard, who appears to be an unsuspecting or a gullible person.

(In any event,) (a) lowly employee xxx, who is confronted with the xxx dilemma of whether [to sign] a release and quitclaim and accept what the company offers them, or [to refuse] to sign and walk out without receiving anything, may do succumb to the same pressure, being very well aware that it is going to take quite a while before he can recover whatever he is entitled to, because it is only after a protracted legal battle xxx can he receive anything at all. (This) Court understands that such a risk of not receiving anything whatsoever, coupled with the probability of not immediately getting any gainful employment or means of livelihood in the meantime, constitutes enough pressure upon anyone who is asked to sign a release and quitclaim in exchange of some amount of money which may be way below what he may be entitled to xxx.[39]

Here, petitioner executed the Release and Quitclaim on 13 November 2012[40] or a little over three (3) months following the issuance by DOLE-NCR Regional Director Macaraya of the Order[41] dated 18 July 2012. What appears to this Court is that dire economic necessity constrained petitioner to accept private respondents’ monetary offer of only Php20,000.00 and sign the quitclaim despite its palpable unconscionability. In fact, Carlito C. Guevarra, a disinterested person, attested to the fact that “(petitioner) barely makes an income to sustain his day to day cost of living”[42] and, this Court granted[43] petitioner’s motion for him to be declared as pauper litigant[44] in the instant case.

Thus, the assailed DOLE Order and Resolution dated 09 May 2013 and 28 April 2014 which adopted the Release and Quitclaim dated 13 November 2012 executed by petitioner before the NLRC as the complete and final settlement of his claims and the full settlement of the DOLE-NCR Order dated 18 July 2012, and denied his Motion for Reconsideration, respectively, were issued with grave abuse of discretion.

It (bears serious note that it) is not a mere jurisprudential principle, but an enshrined provision of law, that all doubts shall be resolved in favor of labor. xxx (W)hen a conflicting interest of labor and capital are weighed on the scales of social justice, the heavier influence of the latter must be counter-balanced by the sympathy and compassion the law must accord the underprivileged worker.[45]

However, the amount of Php20,000.00 already received by petitioner as consideration for signing the Release and Quitclaim dated 13 November 2012 before Labor Arbiter Ampil should be deducted from the monetary award of Php128,506.83 as contained in the DOLE-NCR Order dated 18 July 2012, as this would unjustly enrich him at the expense of private respondents.

Considering the foregoing disquisition, We find no necessity to resolve the other matters raised by the parties.

WHEREFORE, premises considered, the Petition is GRANTED. The Order dated 09 May 2013 and Resolution dated 28 April 2014 of the Department of Labor and Employment in NCR00-QCFO-1202-IS-008; OS-LS-0319-0903-2012 are NULLIFIED. The Order dated 18 July 2012 of DOLE-NCR Regional Director Atty. Alan M. Macaraya is REINSTATED with MODIFICATION in that the amount of Php20,000.00 already received

by petitioner should be deducted from the monetary award. No costs.

SO ORDERED.

Lazaro-Javier, and Sadang, JJ., concur.

[1] Rollo, pp. 04-12

[2] Id. at 15-20

[3] Id. at 22-26

[4] Id. at 28-30

[5] Id. at 72-76

[6] Id. at 68 (dorsal side)

[7] Id. at 67

[8] Id. at 27

[9] Id. at 59

[10] Id. at 28-30

[11] Id. at 29-30

[12] Id. at 31-32

[13] Id. at 33-34

[14] Id. at 35-37

[15] Id. at 36

[16] Id. at 17

[17] Id. at 38

[18] Id.

[19] Id. at 39

[20] Id.

[21] Id. at 41-43

[22] Id. at 15-20

[23] Id. at 20

[24] Id. at 44-47

[25] Id. at 22-26

[26] Id. at 08

[27] Id. at 24

[28] Id. at 38

[29] Id. at 20

[30] Mount Carmel College Employees Union (MCCEU), et al. v. Mount Carmel College, Incorporated, G.R. No. 187621, 24 September 2014

[31] Omni Hauling Services, Inc., et al. v. Bernardo Bon, et al., G.R. No. 199388, 03 September 2014

[32] Diamond Taxi and/or Bryan Ong v. Felipe Llamas, Jr., G.R. No. 190724, 12 March 2014

[33] City Government of Makati, etc. v. Emerita B. Odeña, G.R. No. 191661, 13 August 2013, citing Interior Maritime Enterprise, Inc. v. Remo, G.R. No. 181112, 29 June 2010, 622 SCRA 237, 248

[34] Rollo, pp. 28-30

[35] Id. at 29

[36] Id. at 38

[37] Id.

[38] City Government of Makati, etc. v. Emerita B. Odeña, *supra*.

[39] Philippine Carpet Manufacturing Corporation, et al. v. Ignacio B. Tagyamon, et al., G.R. No. 191475, 11 December 2013

[40] Rollo, p. 38

[41] Id. at 28-30

[42] Id. at 58

[43] Id. at 67

[44] Id. at 03

[45] Cf. Mirant (Philippines) Corporation, et al. v. Joselito A. Caro, G.R. No. 181490, 23 April 2014

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