

**RUFINA GREFALDE, MANUEL DIAZ, LINDY TVS ENRIQUEZ AND
FELIX LAWRENCE SUELTO, PETITIONERS, VS. SANDIGANBAYAN
(THIRD DIVISION), AND THE PEOPLE OF THE PHILIPPINES,
RESPONDENTS.**

G.R. No. 136502. December 15, 2000

Ponente: GONZAGA-REYES, J.

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GONZAGA-REYES, J.:

Before us is the latest of a number of graft convictions appealed to this Court from the Sandiganbayan, involving transactions of the highway engineering districts of the then Ministry of Public Works and Highways ("MPWH" or "the Ministry")^[1] in Region VII (Central Visayas) during the late 1970s.^[2]

Petitioners are four of the fifty six (56) persons indicted for graft charges affecting transactions of the Negros Oriental Highways and Engineering District ("NOHED") in 1977 and 1978. For violation of Section 3(e) of the Anti-Graft and Corrupt Practices Act or Republic Act No. 3019 ("R.A. 3019")^[3], petitioners Rufina Grefalde and Lindy Enriquez were charged before the Sandiganbayan in fifty five (55) Informations in Criminal Case Nos. 1445-1499; petitioner F. Lawrence Suelto, Jr., in seventeen (17) Informations in Criminal Case Nos. 1448, 1458-1459, 1461, 1463, 1467-1468, 1470, 1474, 1458-1478, 1487-1489 and 1495-1496; and petitioner Manuel Diaz in three (3) Informations in Criminal Case Nos. 1475, 1481 and 1492.

All four petitioners are employees of the MPWH assigned at NOHED, Dumaguete City in 1977 to 1978. Petitioner Grefalde was the district accountant; petitioner Enriquez was the property custodian; petitioner Suelto a project engineer, and petitioner Diaz was a laborer/checker under the supervision of petitioner Enriquez.

The Informations in all these cases were worded similarly, except for the names of the persons charged, dates and places of commission of the offense, amounts involved, and supporting documents. For brevity, we adopt the method of the Sandiganbayan in its decision and reproduce only the Information in Criminal Case No. 1445, underlining and indexing with numbers the portions thereof which differ from those alleged in the other Informations. Thus:

That on or about August 2, 1977 up to and including September 9, 1977,^[4] in the Cities of Cebu, Dumaguete and the Province of Negros Oriental and within the jurisdiction of the Honorable Sandiganbayan, the accused NORBERTO BERNAD, District Engineer, NOHED, Dumaguete City; MANUEL DE VEYRA, Director, MPH, Region VII, Cebu City; ADVENTOR FERNANDEZ, Highway Regional Director, MPH, Region VII, Cebu City; RUFINA GREFALDE, District Accountant, NOHED, Dumaguete City; NAPOLEON CLAVANO, Supervising Civil Engineer I, NOHED, Dumaguete City; ROLANDO MANGUBAT, Regional Accountant, MPH, Region VII, Cebu City; ANGELINA ESCAÑO, Finance Officer, MPH, Region VII, Cebu City; LINDY TVS ENRIQUEZ, Property Officer/Custodian, NOHED, Dumaguete City; EFREN COYOCA, District Auditor, NOHED, Dumaguete City; HERACLEO FAELNAR, Acting Assistant Regional Director, MPH, Region VII, Cebu City; JAIME OBSEQUIO, Assistant District Engineer III, NOHED, Dumaguete City; TEODORICO QUILNET, Materials Testing Engineer, NOHED, Dumaguete City; BLAS BALDEBRIN,

Administrative Officer, NOHED, Dumaguete City; GLORIA RENACIA, Auditing Aide II, District Auditor's Office, NOHED, Dumaguete City; DELIA PREAGIDO, Assistant Regional Accountant, MPH, Region VII, Cebu City; ORLANDO RAMIREZ, Employee, NOHED, Dumaguete City; JESUS PEDROZA, JR., Laborer, NOHED, Dumaguete City; and OTHERS whose identities are not yet known in conspiracy with each other, all taking advantage of their official positions, with the indispensable cooperation and/or direct participation of CLODUALDO GOMILLA, Private Contractor, with evident bad faith, manifest partiality and/or gross inexcusable negligence did there and then willfully, knowingly and unlawfully cause undue injury to the Republic of the Philippines in the amount of THIRTY THOUSAND FOUR HUNDRED AND SEVENTY PESOS (P30,470.00)[5], Philippine Currency, by falsifying Negros Oriental Highway Engineering District General Voucher No. 1033[6] dated September 8, 1977 and Treasury Check No. 2887422 [7]dated September 9, 1977 in the amount of P30,470.00 and its supporting documents, such as, the Request for Obligation of Allotment ("ROA"), Request for Supplies and Equipment ("RSE"), Purchase Order ("PO"), Report of Inspection ("ROI"), Daily Tally Sheets and Delivery Receipts ("DR"), simulating them to appear regular as payment for 1,000 cubic meters[8] of Item 200 and charging this General Voucher 1033 to Letter of Advice of Allotment No. 107-703-038-77; 107-703-038-77; 107-703-037-77 and 107-703-037-77[9], when in truth and in fact as all the accused knew there were no actual deliveries and receipts of the said Item 200, the foregoing documents were simulated, falsified and incorrect and that the LAA No. 107-703-038-77; 107-703-038-77; 107-703-037-77 and 107-703-037-77 are without budgetary basis and not covered by any Sub-Advice of Allotment from the Ministry of Public Highways, Manila, and further by manipulating the books of accounts of the MPH, Region VII, all for the purpose of covering their criminal act, and finally, upon receipt of the said amount of THIRTY THOUSAND FOUR HUNDRED AND SEVENTY PESOS (P30,470.00), Philippine Currency, the said accused misappropriated, converted and misapplied the same for their personal gain and profit.

CONTRARY TO LAW.[10]

The following tabulation supplies the data corresponding to the particulars alleged in each of the Informations for which petitioners are charged:

Crim. Case No.	
Date of Commission	
Amount	
Gen. Voucher No.	
Treasury Check No.	
Quantity of Item 200	
LAA No.	
1446	
8-2-77 to 9-9-77	
P25,630.00	
1034	
2887423	
1,000 cu. m.	
107-703-037-77	

1447

8-2-77 to 9-14-77

P21,816.52

1043

2887432

716 cu. m.

107-703-038-77

1448

8-31-77 to 9-30-77

P46,018.19

1219

2887590

1800 cu. m.

107-703-033-77

1449

11-10-77 to 11-25-77

P37,800.00

1413

4215382

1050 cu. m.

107-703-039-77

1450

11-10-77 to 11-28-77

P36,000.00

1414

4215383

1000 cu. m.

107-703-039-77

1451

11-10-77 to 11-29-77

P38,800.00

1418

4215387

1000 cu. m.

107-703-039-77

1452

11-10-77 to 12-7-77

P38,000.00

1474

4215437

1000 cu. m.

107-703-038-77; 107-703-039-77

1453

11-10-77 to 12-8-77

P37,800.00

1481

4215444

1050 cu. m.

107-703-038-77

1454

11-10-77 to 12-8-77

P36,000.00

1483

4251448

1000 cu. m.

107-703-038-77

1455

11-10-77 to 12-12-77

P19,982.00

1550

-

515 cu. m.

107-703-039-77

1456

11-10-77 to 12-19-77

P19,361.20

1566

4788695

499 cu. m.

107-703-039-77

1457

10-6-77 to 12-29-77

P33,734.54

1626

4788753

961.75 cu.m.

107-703-58-77

1458

10-6-77 to 12-29-77

P46,608.40

1627

4788754

1400 cu. m.

107-703-58-77

1459

10-6-77 to 12-29-77

P13,553.10

1691

4788801

420 cu. m.

107-703-58-77

1460

10-6-77 to 12-29-77

P45,055.00

1705

4788814

1250 cu. .m.

107-703-58-77

1461

10-6-77 to 12-29-77

P45,542.50

1708

4788817

1250 cu. m.

107-703-58-77

1462

8-31-77 to 12-29-77

P47,138.00

1709

4788818

1300 cu. m.

107-703-58-77

1463

10-6-77 to 12-29-77

P16,345.09

1710

4788819

471.04 cu.m.

107-703-58-77

1464

10-6-77 to 12-29-77

P46,592.50

1712

4788821

1250 cu. m.

107-703-58-77

1465

10-4-77 to 1-19-78

P46,225.00

13

4788839

1200 cu. m.

107-703-58-77

1466

8-31-77 to 1-20-78

P46,163.75

16

4788841

1250 cu. m.

107-703-58-77

1467

8-31-77 to 1-26-78

P29,968.40

38

-

880 cu. m.

107-703-58-77

1468

8-31-77 to 1-26-78

P13,302.40

39

4788861

400 cu. m.

107-703-58-77

1469

8-31-77 to 1-20-78

P46,551.25

40

4788863

1250 cu. m.

107-703-58-77

1470

8-31-77 to 1-27-78

P17,237.82

43

4788865

528.96 cu.m.

107-703-58-77

1471

8-31-77 to 2-1-78

P46,163.00

81

4788892

1300 cu. m.

107-703-58-77

1472

8-31-77 to 2-6-78

P12,880.96

89

4788900

388.25 cu.m.

107-703-58-77

1473

8-31-77 to 3-2-78

P46,163.00

194

4789778

1300 cu. m.

107-703-58-77

1474

3-8-78 to 3-31-78

P45,612.50

383

1,250 cu. m.

107-703-014-78

1475

3-8-78 to 3-28-78

P46,163.00

335

6380472

1300 cu. m.

107-703-014-78

1476

3-8-78 to 4-11-78

P45,292.00

391

4789948

1350 cu. m.

107-703-014-78

1477

3-8-78 to 4-11-78

P45,612.50

392

4789949

1250 cu. m.

107-703-014-78

1478

3-8-78 to 4-11-78

P45,292.50

393

4789950

1350 cu. m.

107-703-014-78

1479

3-8-78 to 4-21-78

P12,570.54

454

789994

354 cu. m.

107-703-014-78

1480

3-8-78 to 4-26-78

P45,598.00

497

7057656

1400 cu. m.

107-703-014-78

1481

3-8-78 to 4-24-78

P45,612.50

480

7057642

1250 cu. m.

107-703-014-78

1482

3-8-78 to 4-28-78

P33,500.00

537

7057687

1000 cu. m.

107-703-014-78

1483

3-8-78 to 5-5-78

P10,563.00

574

7057723

350 cu. m.

107-703-014-78

1484

3-8-78 to 5-5-78

P10,653.00

575

7057723

300 cu. m.

107-703-014-78

1485

3-8-78 to 6-20-78

P22,939.46

879

7058619

646 cu. m.

107-703-014-78

1486

3-30-78 to 8-8-77

P45,822.00

1132

7059717

1400 cu. m.

107-703-134-78

1487

3-30-78 to 8-7-78

P37,602.00

1102

7059696

1000 cu. m.

107-703-134-78

1488

3-31-78 to 8-7-78

P38,587.50

1103

7059697

1250 cu. m.

107-704-158-78

1489

3-31-78 to 8-7-78

P38,587.50

1104

7059697

1250 cu. m.

107-704-158-78

1490

Info. not available

1491

3-30-78 to 8-8-78

P34,812.00

1114

7059708

1200 cu. m.

107-703-134-78

1492

3-30-78 to 8-8-78

P35,370.00

1115

7059709

1200 cu. m.

107-703-134-78

1493

3-30-78 to 8-9-78

P32,934.00

1136

7059721

1100 cu. m.

107-703-134-78

1494

3-30-78 to 8-11-78

P19,305.91

1147

7059738

593 cu. m.

107-703-134-78

1495

3-30-78 to 8-22-78

P37,602.00

1199

8646252

1200 cu. m.

107-703-134-78

1496

3-30-78 to 8-22-78

P37,602.00

1271

-

1200 cu. m.

107-703-134-78

1497

3-30-78 to 8-25-78

P48,878.88

1272

8646293

5156 cu. m.

107-703-134-78

1498

3-31-78 to 9-6-78

P40,583.04

1386

8646366

2648 cu. m.

107-704-134-78

1499

3-30-78 to 8-7-78

P34,485.00

1387

8646367

750 cu. m.

107-703-134-78

In a unanimous Decision dated December 17, 1998, the Third Division of the Sandiganbayan[11] found that the government had been defrauded in the NOHED anomalies of close to P2,000,000.00[12], and declared petitioners guilty of all charges, except in Criminal Case No. 1463 (where petitioner Rufina Grefalde was acquitted) and Criminal Case No. 1496 (where the case was dismissed), and sentenced them in each case to suffer a penalty ranging from four (4) years as minimum to seven (7) years as maximum, and to perpetual disqualification from public office.

Except for the case number, names of the petitioners and amount of indemnity, the dispositive portion of the decision in the subject criminal cases is worded similarly as follows:

In Criminal Case No. 1445, the Court finds accused RUFINA GREFALDE, NAPOLEON CLAVANO,

LINDY TVS ENRIQUEZ, EFREN COYOCA, GLORIA RENACIA, ORLANDO RAMIREZ and CLODUALDO GOMILLA, GUILTY beyond reasonable doubt as co-principals in the crime of violation of Section 3(e) of R.A. 3019, as amended, and hereby sentences each of them to a penalty ranging from four (4) years and one (1) days as minimum, to seven (7) years as maximum; to suffer perpetual disqualification from public office; to indemnify jointly and severally the Republic of the Philippines in the amount of P30,470.00; and to pay their proportionate share of the costs.[13]

Petitioners Rufina Grefalde and Lindy Enriquez were ordered to indemnify the Government, jointly and severally with other accused, in the amounts stated as follows:

Criminal Case No.

Amount Involved

1445

30,470.00

1446

25,630.00

1447

21,816.52

1448

46,018.19

1449

37,800.00

1450

36,000.00

1451

38,800.00

1452

38,000.00

1453

37,800.00

1454

36,000.00

1455

19,982.00

1456

19,361.20

1457

33,734.54

1458

46,608.40

1459

13,553.10

1460

45,055.00

1461

45,543.50

1462

47,138.00

1463

16,345.09 (Lindy Enriquez only)

1464

46,592.50

1465

46,225.00

1466

46,163.75

1467

29,968.40

1468

13,302.40

1469

46,551.25

1470

17,237.82

1472

12,880.96

1473

46,163.00

1474

45,612.50

1475

46,163.00

1476

45,292.00

1477

45,612.50

1478

45,292.50

1479

12,570.54

1480

45,598.00

1481

45,612.50

1482

33,500.00

1483

10,563.00

1484

10,653.00

1485

22,939.46

1486

45,822.00

1487

37,602.00

1488

38,587.50

1489

18,738.09

1490

34,812.00

1491

35,370.00

1492

32,934.00

1493

19,305.91

1494

37,602.00

1495

37,602.00

1496

48,878.88

1497

40,583.04

1498

34,485.00

As to F. Lawrence Suelto:

Criminal Case No.

Amount Involved

1448

46,018.19

1458

46,608.40

1459

13,553.10

1461

45,542.50

1463

16,345.09

1467

29,968.40

1468

13,302.40

1470

17,237.82

1474

45,612.50

1476

45,292.00

1477

45,612.50

1478

45,292.00

1487

37,602.00

1488

38,587.50

1489

38,587.50

1495

37,602.00

1496

37,602.00

As to petitioner Manuel Diaz:

Criminal Case No.

Amount Involved

1475

46,163.00

1481

45,612.50

1492

35,370.00

For a clearer understanding of the crimes of which petitioners were convicted, it will be important to set out the procedures governing allotments, receipts of disbursements, and accounting in the MPWH during the late 1970s. Thus:

On the basis of appropriation laws and upon request made by heads of agencies, the then Ministry of Budget released funds to the various agencies of the government by means of an Advice of Allotment ("AA") and a Cash Disbursement Ceiling ("CDC"). The Advice of Allotment is an authority for the agency to incur obligations within a specified amount in accordance with approved programs and projects. The Cash Disbursement Ceiling is an authority to pay. Upon receipt of the AA and CDC from the Budget Ministry, the Central Office of the agency prepares the Sub-Advice of Allotment ("SAA") and the Advice of Cash Disbursement Ceiling ("ACDC") for each region, in accordance with the disbursement allotment. These are sent to the Regional Office. Upon receipt, the Budget Officer of the Regional Office prepares the corresponding Letters of Advice of Allotment ("LAA") which are forwarded to the various districts of the Region. (The amount that goes to each district is already indicated in the Advice of Allotment.) Only upon receipt of the LAA is the district office authorized to incur obligations.

For the funds to be released by the Regional Office to the different districts and paid out to contractors, the District Engineer must submit to the Regional Director a request for allotment in accordance with the program of work prepared by the former. This procedure starts with the preparation of a Requisition for Supplies and Equipment ("RSE") in the District Office by the Senior Civil Engineer, approved by the District Engineer, and signed by the Chief Accountant of the Highway Engineering District, who certifies as to the availability of funds. The RSE is then submitted to the Regional Director for approval. Once it is approved, a Request for Obligation of Allotment ("ROA") is prepared by the Chief Accountant of the district. The ROA signifies that a certain amount of district funds has been set aside or earmarked for the particular expenditures stated in the RSE. On the basis of the ROA, the District Office puts up advertisements, conducts biddings, makes awards, and prepares purchase orders which are served on the winning bidder. The District Office also prepares a summary of deliveries with the corresponding delivery receipts and tally sheets, conducts inspection and prepares the General Voucher for the payment of deliveries. Once the General Voucher ("GV") has been prepared, the corresponding check in the form of a Treasury Check Account for Agency ("TCAA") is drawn by the Disbursing Officer and finally released to the contractor.

At the end of every month, the Report of Checks Issued by the Deputized Disbursing Officer ("RCIDDO") is prepared. It lists all the checks issued during that period. THE RCIDDO is submitted to the accounting division

of the region. Upon receipt of the RCIDDO, the Regional Office draws a journal voucher, debiting the account obligation (liquidated or unliquidated obligation, whichever is applicable), and crediting the account Treasury Check Account for Agency ("TCAA"). The RCIDDO is recorded in the Journal of Checks Issued by the Deputized Disbursing Officer ("JCIDDO") and posted in the general ledger at the end of each month.

Simultaneous with the flow of the RCIDDO, the ROAs are summarized in the Reports of Obligations Incurred ("ROI") in the District Office, once or twice a month, depending upon the volume of transactions. The ROI is then submitted to the Regional Office. Upon receipt of the ROI, the accountant of the Regional Office draws a journal voucher taking up the following entry: debiting the appropriation allotted (090-000) and crediting the obligation incurred (0-82-000). This is recorded in the general voucher and posted to the general ledger at the end of each month. The journal voucher is prepared, closing the account 8-70-709[14] to 8-71-100-199[15] at the end of each month. It is also recorded and posted to the general ledger. At the end of each month, the balances of each account shown in the general ledger are summarized in a statement called the trial balance. The trial balance is submitted to the MPH Central Office in Manila where it is consolidated with other trial balances submitted by other regional offices.[16]

As established in *Mangubat vs. Sandiganbayan*, 147 SCRA 478, the "ghost project" anomalies that beset the MPWH-Region VII in the late 1970s were masterminded by a core group of officers and employees of the regional office headed by the chief accountant, Rolando Mangubat. The scheme made use of fake LAAs, SACDCs, and supporting documents (RSEs, abstracts of bids, purchase orders, delivery receipts, tally sheets, reports of inspection, and the like) which the core group sold to officers and employees in the highway engineering districts. The LAAs, SACDCs, and their supporting documents constituted a chain of indispensable papers which had to be accomplished before a check could be issued and released to the supplier in payment of the materials purchased from and delivered by him.[17] The other officers and employees, which allegedly included herein petitioners, perpetuated the crime by signing the spurious documents or allowing such documents to pass inspection. Thus, their convictions were predicated upon a finding of implied conspiracy.

Petitioner Grefalde, the district accountant of NOHED, was charged on 55 counts but was found to have signed documents on only 53 cases.[18] Her defense was that she merely certified to the availability and adequacy of funds, and she was unaware of the anomaly because all the vouchers she signed had complete and duly signed supporting documents. The Sandiganbayan, however, stated that prior to certifying on the availability of funds Grefalde needed to examine the sources of these funds, i.e., the LAAs and SACDCs. A study of the vouchers and their accompanying documents would have easily apprised her of:

- the splitting of accounts, a procedure prohibited by COA Circular No. 76-41, dated July 30, 1976, whereby purchases taken out from the same project are reflected in different vouchers, each voucher declaring a claim of less than P50,000.00. Splitting of requisitions is prohibited to prevent circumvention of government-installed control measures. In the instant cases, the claims were split into several vouchers for amounts less than P50,000.00 to go around the requirement (for project requisitions in amounts higher than P50,000.00) of elevating the vouchers for the review and approval of the Regional Auditor;
- payments drawn against the prior year's obligations, a practice contrary to sound accounting procedure; and
- the papers being signed by Rolando Mangubat, who had no authority to sign because he had been transferred to the MPWH Central Office in Manila as of October 1977.

These circumstances, and the fact that Grefalde was positively identified by Delia Preagido, one of the members of Mangubat's core group who turned state witness in the instant case, as one through whom the fake LAAs and SACDCs were sold in NOHED, convinced the Sandiganbayan that Grefalde was part of the conspiracy.

Petitioner Enriquez, the property custodian of NOHED, was charged on 55 counts but was shown to have signed

documents in only 54 cases.[19] He was indicted because he put his signature on vouchers and receipts of supplies and materials, some of which turned out to be "ghost deliveries". In his defense he stated that although he did not personally witness the deliveries, he relied on the word of his checker and co-petitioner, Manuel Diaz, that there were actual deliveries; besides, he did not sign the vouchers without making sure that the supporting documents were complete. The Sandiganbayan was not persuaded by his claims, and observed that aside from vouchers Enriquez also signed several requisitions for supplies, abstracts of bids, purchase orders and reports of inspection. In each of these documents a splitting of accounts can be clearly observed; hence, Enriquez could not conveniently invoke his reliance on Diaz on the regularity of the deliveries since the defects are readily seen on the face of the papers that he signed.

As for petitioners Suelto and Diaz, the Sandiganbayan found that of the 17 counts that Suelto faced he appeared to have signed documents only in 16 cases,[20] while evidence against Diaz, who was charged on three counts, was presented only in two cases. Both Suelto and Diaz contended by way of defense that they actually witnessed gravel and sand delivered to the jobsites. Their claims were dismissed by the Sandiganbayan which stated that the deliveries they may actually have seen were those covered by legitimate LAAs and SACDCs.

The Sandiganbayan, quoting from its decision in *People vs. Mangubat, et. al.*, SB Criminal Cases Nos. 2073-95 and 3323-45, promulgated May 30, 1989, thus held:

Where the acts of each of the accused constitute an essential link in a chain and the desistance of even one of them would prevent the chain from being completed, then no conspiracy could result as its consummation would then be impossible or aborted, but when each and everyone of the accused in the instant cases performed their assigned tasks and roles with martinet-like precision and accuracy, by individually performing essential overt acts, so much so that the common objective is attained, which is to secure the illegal release of public funds under the guise of fake or simulated public documents, then each and everyone of said accused are equally liable as co-principals under the well-established and universally accepted principle that, once a conspiracy is directly or impliedly proven, the act of one is the act of all and such liability in the execution of the non-participation in every detail in the execution of the offense. (*People vs. Alonzo*, 73 SCRA 434; *People vs. Sumayco*, 70 SCRA 438; *People vs. Monroy*, 194 Phil. 759.)

In these consolidated cases for review on certiorari under Rule 45,[21] petitioners challenge their convictions by the Sandiganbayan and set out the following assignments of error:

- The Honorable Sandiganbayan erred when it disregarded crucial testimony favorable to the petitioners.
- The Honorable Sandiganbayan erred when it misappreciated and misconstrued facts.
- The Honorable Sandiganbayan erred when it relied on fallacies, speculation, surmise and conjectures to convict the petitioners.[22]

Preliminarily, let us put to rest the objections of the Solicitor General that appeal by certiorari is unavailing because the petition raises only factual matters. We find that the findings of the Sandiganbayan in these appealed cases fall under the well-established exceptions to the rule respecting conclusiveness of factual findings of lower courts, among them: (1) the conclusion is a finding grounded entirely on speculation, surmise and conjectures; (2) the inference made is manifestly mistaken; (3) there is grave abuse of discretion; (4) the judgment is based on a misapprehension of facts; and (5) the findings of fact are premised on the absence of evidence and are contradicted by the evidence on record.[23]

Our review of the records leaves us with no reason to doubt the findings of the Sandiganbayan on the existence of the falsified documents and of the fraudulent scheme, the principal objective of which was to obtain payment for "ghost deliveries". We limit the issue of this petition to whether petitioners' alleged participation in the conspiracy

has been established beyond reasonable doubt.

Petitioner Grefalde was positively identified by state witness Delia Preagido as one of the conspirators. Preagido testified that Grefalde received fake LAAs and SACDCs from Mangubat's group at the MPWH-Region VII office, and also turned over the proceeds of the sale of the fake documents to the same persons. The following portions of Preagido's testimony are pertinent:

PROSECUTOR GERVACIO

Q:

Do you know whether or not fake LAAs and SACDCs were sold by the accused Rufina Grefalde?

A:

Yes, sir.

xxx

Q:

Who delivered these fake LAAs and SACDCs to Mrs. Rufina Grefalde?

A:

Sometimes, sir, Mr. Mangubat personally handed them to Mrs. Rufina Grefalde, or Mr. Sayson, or Mr. Cruz.

Q:

And during what period were these fake LAAs and SACDCs sold to Mrs. Grefalde?

A:

I cannot remember the month, sir, but it was in the years 1977 and 1978.

Q:

Where would Mrs. Grefalde receive these fake LAAs and SACDCs?

A:

In our office, Ministry of Public Highways regional office.

ASSOCIATE JUSTICE MOLINA

Q:

In the office where you were holding office also?

A:

Yes, Your Honor.

PROSECUTOR GERVACIO

Q:

And after receiving these fake LAAs, would you see Mrs. Grefalde again?

A:

Yes, sir, the following week.

Q:

And what would she do the following week?

A:

She handed money to Mr. Mangubat, or when Mr. Mangubat was not around, she would give the money to me.

Q:

And after the money had been given to Mr. Mangubat or to you in the absence of Mr. Mangubat, what more, if any, would your group do with Mrs. Grefalde?

A:

Mr. Edgardo Cruz, sir, gave some LAAs to Mrs. Rufina Grefalde.

Q:

xxx Where were you when these fake LAAs or fake SACDCs were given to Mrs. Grefalde?

A:

In my table, sir, in my office.

Q:

Could you observe them?

A:

Yes, sir, because we were in the same room.

Q:

Would you know whether or not Mrs. Grefalde knew that these LAAs and SACDCs were, according to you, fake?

xxx

A:

Yes, Your Honor.

ASSOCIATE JUSTICE MOLINA

Q:

How would you know?

A:

Because, Your Honor, I told her that those LAAs were not funded and were not covered by SAAs from the central office.[24]

xxx

PROSECUTOR GERVACIO

Q:

You said sometime back that Mrs. Grefalde would deliver a week after receiving these fake documents. She would come back and deliver to your office the consideration or the purchasing price. Were there occasions where monies of the same nature were delivered to you or to your group outside of Cebu City?

A:

Yes, sir.

Q:

Where?

A:

In the Manila Monte Hotel.

xxx

Q:

Now, to who did Mrs. Grefalde deliver the money at the Manila Monte Hotel at Avenida, Rizal, Manila?

A:

She was looking for Mr. Mangubat, sir, but Mr. Mangubat was not around and so she gave it to me.

xxx

Q:

Could you remember the amount that was delivered to you xxx ?

A:

Ten thousand.

JUSTICE MOLINA

Q:

It was given only on one occasion?

A:

Yes, Your Honor.

PROSECUTOR GERVACIO

Q:

And when was that, if you remember the date?

A:

I cannot remember the date.

Q:

How about the year, 1977 or 1978?

A:

Maybe 1977.[25]

Grefalde challenges the testimony of Preagido for being lame and uncorroborated, there being no evidence of receipts or other papers documenting the transfer of the fake documents from Mangubat's group to Grefalde. She dismisses Preagido as a "perjured witness" and "polluted source", a state witness anxious to prove her usefulness to the prosecution even at the expense of implicating the innocent.

By the evidence on record, there is no indication that Grefalde's accusations had basis. Preagido identified Grefalde in a clear and straightforward manner --- in fact, she was singled out among all the other accused, including the other three petitioners, whom Preagido admitted she did not know. We see no reason to doubt Preagido's credibility after the Sandiganbayan, who had the first-hand opportunity to question and observe her testify, spoke of her testimony in this manner:

Despite her previous convictions, We find Preagido's direct and positive testimony against her close conspirators, particularly Mangubat, Cruz and Sayson, to be credible because it clearly explains how the entire scheme of defraudation was conceived, planned, carried out and for a long while kept undetected. Her testimony is corroborated not only by the findings of the NBI-Treasury-Auditing team but more convincingly by the voluminous documents presented in evidence by the prosecution. Her declaration is replete with facts too detailed and too elaborate to have been merely drawn from thin air. In spite of intensive and exhaustive cross-examination by highly skilled, experienced and renowned trial lawyers, her credibility remained intact on material points. Having passed this tested crucible of truth, her testimony cannot be set aside upon the stigma of her prior conviction. Even a thief can tell the truth.[26]

On Grefalde's argument that no receipts were produced to corroborate Preagido's accusation, during the trial it was established that receipts were routinely issued for the legitimate issuance of LAAs and SACDCs to the engineering districts. This certainly is not the case in fake LAAs and SACDCs, for indeed, what criminal would venture to issue a receipt for an illegal transaction?

ASSOCIATE JUSTICE MOLINA

Q:

Now in other instances when she [Grefalde] went to your office to pick up genuine LAAs and SACDCs, did she sign any receipt for those genuine LAAs and genuine SACDCs?

xxx

A:

Yes, Your Honor, in the Budget Section.

Q:

So it was only on this instance when she got the fake LAAs and fake SACDCs that she did not sign any receipt?

A:

Yes, Your Honor.[27]

It was also made clear that legitimate LAAs and SACDCs were issued by the Budget Division of the Regional Office. Grefalde's act of obtaining these documents from the office of Mangubat and Preagido was by itself questionable.

ASSOCIATE JUSTICE MOLINA

Q:

Now, you said that Mrs. Grefalde knew what LAAs and SACDCs were fake?

A:

Yes, Your Honor.

Q:

Why do you know that?

A:

Because the genuine LAAs and SACDCs, she will get in the Budget Section, the genuine, Your Honor, but the fake LAAs, she will get it from Mr. Jose Sayson, Edgardo Cruz, Mangubat, and sometimes from me.

xxx

Q:

So on all these occasions that she went to Cebu City to pick up genuine LAAs and SACDCs it was always in the Budget Section that she picked them up?

A:

Yes, Your Honor.

Q:

And does it necessarily follow that if the LAAs and SACDCs are not delivered officially by the Budget Division but by somebody else, that LAA and/or SACDC is fake?

A:

Only issued to Mrs. Grefalde, Your Honor, the fake LAA, Your Honor.

Q:

Now, aside from Mrs. Grefalde, was there any other employee in the Dumaguete office of the Engineering District who picked up the LAA and the SACDC from the regional office?

A:

There is, Your Honor, if the LAA and the SACDC is genuine, sometimes the maintenance engineer or the highways district engineer.

Q:

But on those occasions xxx when those two officials were the ones who got the LAAs, they were taken from the Budget Division?

A:

Yes, Your Honor.[28]

Preagido's positive identification of Grefalde as a co-conspirator is corroborated by the voluminous documents submitted by the prosecution. Grefalde approved 53 vouchers funded out of fake LAAs and SACDCs, allowing a grand total of spurious payments of P1,879,109.18.[29] Her signatures on the general vouchers, in her capacity as district accountant, certifying to the availability and adequacy of funds, were an indispensable link to the accomplishment of the fraud.

In all the 53 vouchers Grefalde approved, the amount claimed was always less than P50,000.00. Several of them were made in payment for the same kind of material (gravel and sand) to be delivered to the same project, and payable to the same suppliers. The payments were drawn against the prior year's obligation, which in itself is not normal procedure and should have put Grefalde on her guard. The situation here is different from that in *Tan vs. Sandiganbayan*, 225 SCRA 156, concerning another Region VII district accountant who certified to the availability of funds of spurious vouchers despite the fact that the funds were irregularly charged to the prior year's obligations.[30] Other than to adopt in wholesale the arguments of Tan, Grefalde gave no independent and plausible explanation for her actions whether in her pleadings or testimony.

Again, Grefalde was convicted on 53 counts. The splitting of accounts and charging to the prior year's obligations were manifest in the documents Grefalde signed on each of these 53 instances, and it may be reasonably concluded that they were consciously and deliberately resorted to in order to hide the massive corruption that these fake documents facilitated. In *Veloso vs. Sandiganbayan*,[31] we held that "(t)he number of transactions in which petitioner is involved and the magnitude of the amount involved also prevent a reasonable mind from accepting the proposition that petitioner was merely careless or negligent in the performance of his functions." But worse than the petitioner in *Veloso*, who was convicted upon a decisive chain of circumstantial evidence, the evidence against Grefalde herein is not only circumstantial; there was a positive identification of her by no less than one of the core instigators of this conspiracy, and a detailed description of her role and participation in the consummation of the crime. Thus, we sustain the Sandiganbayan's conviction of Grefalde as having been proven beyond reasonable doubt.

Though it will not affect the conclusion, we find it necessary to modify the findings of the Sandiganbayan insofar as it declared that Rolando Mangubat's signature on the fake LAAs was an indicator of the spuriousness of these documents. In *Escaño vs. Sandiganbayan*, *supra*, we explained that Mangubat had authority to sign LAAs and SACDCs under Memorandum Circular No. 111, issued by the Ministry of Public Highways, which granted the chief accountant of the Region authority "to act as the Finance Officer for and in the absence of the Finance Officer." The screen of authority accorded him by this memorandum facilitated the proliferation of the spurious LAAs and SACDCs, which he signed alongside the legitimate ones. This is evident in the testimony of Delia Preagido. Thus:

PROSECUTOR GERVACIO

Q:

Now, who signs the genuine (LAAs)?

A:

For the availability of funds, Mr. Rolando Mangubat and for the regional director, Mrs. Angelina Escaño.

Q:

In the fake LAAs who signs or whose signature were there?

A:

In the fake LAAs, there are the signatures of Mr. Rolando Mangubat, the signature of Mr. Adventor Fernandez and Faelnar.

Q:

Now, is Mr. Rolando Mangubat authorized to sign it?

A:

Yes, sir, in the absence of Mrs. Escaño.

Q:

Now, is the signature of Mr. Rolando Mangubat genuine on those alleged fake LAAs and SACDCs?

A:

Yes, sir.

Q:

How about the other persons you mentioned, are they also authorized to sign those LAAs and SACDCs, the persons you mentioned?

A:

Yes, sir.

xxx

ATTY. FLORES

Q:

In other words, Mrs. Preagido, these alleged fake LAAs marked as Exhibits J-1 to J-7, as well as the alleged fake SACDCs marked Exhibits M-1 to M-10 carry the genuine signatures of Mr. Mangubat and the other signatories there?

xxx

A:

Yes, sir.

xxx

ASSOCIATE JUSTICE MOLINA

Q:

Insofar as the authority and genuineness of the signatures of those persons are concerned, they are alright?

A:

Yes, Your Honor.

Q:

And what only made those documents fake is the absence of what you indicated to be the proper markings on the genuine ones?

A:

Yes, Your Honor.[32]

Since Mangubat signed both legitimate and spurious LAAs, his signature was not altogether a badge of the spuriousness of the documents. The authority granted to Mangubat under Memorandum Circular No. 111 was revoked only on May 17, 1978;[33] thus, no merit could be accorded to the reasoning of the Sandiganbayan that Grefalde ought to have known that Mangubat no longer had authority to sign LAAs and SACDCs because as of October 1977 he had already been transferred to the central office of MPWH. This notwithstanding, we reiterate that Grefalde's conviction was duly established by other evidence.

We now look into the convictions of the other three petitioners, which were based upon their signatures on various documents certifying to the receipt of certain deliveries (of sand and gravel) in the jobsites, which deliveries were proved to be non-existent.

It was established by the Sandiganbayan that although some materials were indeed delivered, these being those covered by genuine vouchers from regularly issued LAAs and SACDCs, the prosecution had ably established that no deliveries were made of the materials declared under the fake LAAs and SACDCs, since all the payments on these vouchers went to the pockets of the conspirators. While we will not reverse this finding, we find that there was insufficient evidence to show that Enriquez, Suelto and Diaz were part of the conspiracy.

Although a conspiracy may be deduced from the mode and manner by which the offense was perpetrated,[34] it must, like the crime itself, be proven beyond reasonable doubt.[35] Mere knowledge, acquiescence or approval is not enough without a showing that the participation was intentional and with a view of furthering a common criminal design or purpose.[36] In the instant case, the prosecution had nothing to implicate Enriquez, Suelto and Diaz with but their signatures on the documents[37], which served as attestations that materials which met the desired specifications were received in the jobsites, and their daily time records (DTRs), which showed that at the

time the questioned deliveries were supposed to have arrived they were not in the jobsites but in their respective offices. The prosecution used the DTRs to prove that Enriquez, Suelto and Diaz did not actually witness the deliveries, contrary to their testimonies.

The Court holds that the evidence against the three remaining petitioners is too weak and specious to support the grave charge of conspiracy. The DTRs are too unreliable an indicator of the whereabouts of employees at certain times within the working day. The signatures, by themselves, while they may have contributed to or facilitated the consummation of the crime, do not represent direct or competent proof of connivance. In the case of Enriquez, the NOHED property custodian who also set his signature on the spurious vouchers, there is paucity of proof that from the nature of his functions he could detect patently irregular vouchers or irregularly issued supporting documents. As stated by this Court in *Macadangdang vs. Sandiganbayan*:^[38]

Simply because a person in a chain of processing officers happens to sign or initial a voucher as it is going the rounds, it does not necessarily follow that said person becomes part of a conspiracy in an illegal scheme. It is all too easy to be swept into a long prison term simply because the guilt of some conspirators is overwhelming and somehow it attached to all who happen to be charged in one indictment.

WHEREFORE, all premises considered, the conviction of petitioner Rufina Grefalde is **AFFIRMED**, and petitioners Lindy Enriquez, F. Laurence Suelto, Jr. and Manuel Diaz are hereby **ACQUITTED** based on reasonable doubt.

SO ORDERED.

Melo, (Chairman), Vitug, and Panganiban, JJ., concur.

[1] Sometimes also referred to as "Ministry of Public Highways" or "MPH".

[2] See also *De la Peña vs Sandiganbayan*, 316 SCRA 25 (1999), *Tan vs Sandiganbayan*, 225 SCRA 156 (1993), and *Veloso vs Sandiganbayan*, 187 SCRA 504 (1990), involving the Siquijor Highway Engineering District; *Ponce de Leon vs Sandiganbayan*, 186 SCRA 745 (1990), on the Bais City Highway Engineering District; *Escaño vs Sandiganbayan*, 160 SCRA 429 (1988), *Gabison vs Sandiganbayan*, 151 SCRA 61 (1987), and *Mangubat vs Sandiganbayan*, 147 SCRA 483 (1987), on the Danao City Highway Engineering District.

[3] Section 3(e) of R.A. 3019, as amended, provides:

"Corrupt Practices of Public Officers. --- In addition to acts or omissions of public officers already penalized by existing law, the following shall constitute corrupt practices of any public officer and are hereby declared to be unlawful:

xxxxxxx

(e) Causing any undue injury to any party, including the government, or giving unwarranted benefits, advantage or preference in the discharge of his official, administrative or judicial functions through manifest partiality, evident bad faith or gross inexcusable negligence. This provision shall apply to officers and employees of government corporations charged with the grant of licenses or permits or other concessions. xxx
"

[4] Date of commission.

[5] Amount involved.

[6] General Voucher number.

- [7] Treasury Check number.
- [8] Quantity of Item 200 (sand and gravel).
- [9] Letter of Advice of Allotment number.
- [10] Decision of the Sandiganbayan; Rollo, 179-180.
- [11] Composed of Associate Justice Cipriano A. del Rosario (Chairman and ponente), Associate Justice Teresita Leonardo-de Castro, and Associate Justice Ricardo M. Ilarde.
- [12] Decision of the Sandiganbayan; Rollo, 261-262.
- [13] Ibid., 319.
- [14] Treasury/Agency Account-Current-Other Disbursements.
- [15] 8-71-100 is Receivable-National Government Agencies; 199 is Sub-Allotments/Treasury Deposits Transferred.
- [16] Decision of the Sandiganbayan; Rollo, 251-254.
- [17] *Escaño vs Sandiganbayan*, 160 SCRA 429 (1988).
- [18] In Criminal Case Nos. 1463 and 1471, no evidence was presented against Grefalde.
- [19] No evidence was presented in Criminal Case No. 1471.
- [20] No evidence was presented in Criminal Case No. 1496.
- [21] Consolidated per resolution of the Court dated June 28, 2000.
- [22] Petition; Rollo, 23.
- [23] *Cosep vs. People*, 290 SCRA 378 (1998); *Tan vs Sandiganbayan*, 225 SCRA 156 (1993).
- [24] TSN, July 13, 1989, 14-15.
- [25] Ibid., 18-19.
- [26] Decision of the Sandiganbayan; Rollo, 304-305.
- [27] TSN, March 8, 1990, 54.
- [28] Ibid., 54-55.
- [29] Decision of the Sandiganbayan; Rollo, 258.
- [30] The Court in the Tan case gave credence to petitioner's argument that "where the LAAs indicate Fund 81-400 (unliquidated obligations as of December 31[st] of the previous year), the district had no choice but to record them and allow the expenses because the Regional Office had already obligated the funds in its books."
- [31] 187 SCRA 504. Concerning the district auditor of another Region VII highway engineering district.
- [32] TSN, March 8, 1990, 32-34.
- [33] See *Tan vs Sandiganbayan*, *supra*.
- [34] *De la Peña vs Sandiganbayan*, 316 SCRA 25 (1999).

[35] *People vs. Marquita*, G.R. Nos. 119958-62, March 1, 2000.

[36] *Id.*

[37] Diaz signed the Tally Sheets; Suelto, the Delivery Receipts, Tally Sheets, and Inspection Reports; Enriquez, the vouchers (to which the Delivery Receipts, Tally Sheets, and Inspection Reports were attached).

[38] 170 SCRA 308 (1989); cited in *De la Peña vs Sandiganbayan*, *supra*; *Tan vs Sandiganbayan*, *supra*.

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