

LEONILA BATULANON, PETITIONER VS. PEOPLE OF THE PHILIPPINES, RESPONDENT.

G.R. NO. 139857. September 15, 2006

Ponente: YNARES-SANTIAGO, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-139857/>

YNARES-SANTIAGO, J.:

This petition assails the October 30, 1998 Decision[1] of the Court of Appeals in CA-G.R. CR No. 15221, affirming with modification the April 15, 1993 Decision[2] of the Regional Trial Court of General Santos City, Branch 22 in Criminal Case Nos. 3453, 3625, 3626 and 3627, convicting Leonila Batulanon of estafa through falsification of commercial documents, and the July 29, 1999 Resolution[3] denying the motion for reconsideration.

Complainant Polomolok Credit Cooperative Incorporated (PCCI) employed Batulanon as its Cashier/Manager from May 1980 up to December 22, 1982. She was in charge of receiving deposits from and releasing loans to the member of the cooperative.

During an audit conducted in December 1982, certain irregularities concerning the release of loans were discovered.[4]

Thereafter, four informations for estafa thru falsification of commercial documents were filed against Batulanon, to wit:

Criminal Case No. 3625

That on or about the 2nd day of June, 1982 at Poblacion Municipality of Polomolok, Province of South Cotabato, Philippines, and within the jurisdiction of the Honorable Court said accused being then the manager-cashier of Polomolok Credit Cooperative, Inc., (PCCI), entrusted with the duty of managing the affairs of the cooperative, receiving payments to, and collections of, the same, and paying out loans to members, taking advantage of her position and with intent to prejudice and defraud the cooperative, did then and there willfully, unlawfully and feloniously falsify a commercial document, namely: Cash/Check Voucher No. 30-A of PCCI in the name of Erlinda Omadlao by then and there making an entry therein that the said Erlinda Omadlao was granted a loan of P4,160, Philippine Currency, and by signing on the appropriate line thereon the signature of Erlinda Omadlao showing that she received the loan, thus making it appear that the said Erlinda Omadlao was granted a loan and received the amount of P4,160 when in truth and in fact the said person was never granted a loan, never received the same, and never signed the cash/check voucher issued in her name, and in furtherance of her criminal intent and fraudulent design to defraud PCCI said accused did then and there release to herself the same and received the loan of P4,160 and thereafter misappropriate and convert to her own use and benefit the said amount, and despite demands, refused and still refuses to restitute the same, to the damage and prejudice of PCCI, in the aforementioned amount of P4,160, Philippine Currency.[5]

Criminal Case No. 3626

That on or about the 24th day of September, 1982 at Poblacion, Municipality of Polomolok, Province of South Cotabato, Philippines, and within the jurisdiction of the Honorable Court, said accused being then the manager-cashier of Polomolok Credit Cooperative, Inc. (PCCI), entrusted with the duty of managing the affairs of the cooperative, receiving payments to, and collections of, the same, and paying out loans to members taking advantage of her position and with intent to prejudice and defraud the cooperative, did then and there willfully, unlawfully and feloniously falsify a commercial document, namely: Cash/Check Voucher No. 237 A of PCCI in the name of Gonafreda Oracion by then and there making an entry therein that the said Gonafreda Oracion was granted a loan of P4,000.00 and by signals on the appropriate line thereon the signature of Gonafreda Oracion showing that she received the loan, thus making it appear that the said Gonafreda Oracion was granted a loan, received the loan of P4,000.00 when in truth and in fact said person was never granted a loan, never received the same, and never signed the Cash/Check voucher issued in her name, and in furtherance of her criminal intent and fraudulent design to defraud PCCI said accused did then and there release to herself the same and received the amount of P4,000.00 and thereafter misappropriate and convert to her own use and benefit the said amount, and despite demands, refused and still refuses to reconstitute the same, to the damage and prejudice of PCCI, in the aforementioned amount of P4,000, Philippine Currency.

CONTRARY TO LAW.[6]

Criminal Case No. 3453

That on or about the 10th day of October 1982 at Poblacion, Municipality of Polomolok, Province of South Cotabato, Philippines, and within the jurisdiction of the Honorable Court, the said accused being then the manager-cashier of Polomolok Credit Cooperative, Inc., (PCCI), entrusted with the duty of managing the affairs of the cooperative, receiving payments to, and collection of the same and paying out loans to members, taking advantage of her position and with intent to prejudice and defraud the cooperative, did then and there willfully, unlawfully and feloniously falsify a commercial document, namely: an Individual Deposits and Loan Ledger of one Ferlyn Arroyo with the PCCI by then and there entering on the appropriate column of the ledger the entry that the said Ferlyn Arroyo had a fixed deposit of P1,000.00 with the PCCI and was granted a loan in the amount of P3,500.00, thus making it appear that the said person made a fixed deposit on the aforesaid date with, and was granted a loan by the PCCI when in truth and in fact Ferlyn Arroyo never made such a deposit and was never granted loan and after the document was so falsified in the manner set forth, said accused did then and there again falsify the Cash/Check Voucher of the PCCI in the name of Ferlyn Arroyo by signing therein the signature of Ferlyn Arroyo, thus making it appear that the said Ferlyn Arroyo received the loan of P3,500, Philippine Currency, when in truth and in fact said Ferlyn Arroyo never received the loan, and in furtherance of her criminal intent and fraudulent design to defraud PCCI said accused did then and there release to herself the same, and received the amount of P3,500, and thereafter, did then and there, wilfully, unlawfully and feloniously misappropriate and convert to her own personal use and benefit the said amount, and despite demands, refused and still refuses to reconstitute the same, to the damage and prejudice of the PCCI in the aforementioned amount of P3,500, Philippine Currency.

CONTRARY TO LAW.[7]

Criminal Case No. 3627

That on or about the 7th day of December, 1982 at Poblacion, Municipality of Polomolok, Province of South Cotabato, Philippines, and within the jurisdiction of the Honorable Court, the said accused being then the manager-cashier of Polomolok Credit Cooperative, Inc., (PCCI) entrusted with the duty of managing the affairs of the cooperative, receiving payments to, and collection of, the same and paying out loans to members, taking advantage of her position and with intent to prejudice and defraud the cooperative, did then and there willfully, unlawfully and feloniously falsify a commercial document, namely: an Individual Deposits and Loan Ledger of one Dennis Batulanon with the PCCI by then and there entering on the appropriate column of the ledger the entry that the said Dennis Batulanon had a fixed deposit of P2,000.00 with the PCCI and was

granted a loan in the amount of P5,000.00 thus making it appear that the said person made fixed deposit on the aforesaid date with, and was granted a loan by the PCCI when in truth and in fact Dennis Batulanon never made such a deposit and was never granted loan and offer the document was so falsified in the manner set forth, said accused did then and there again falsify the Cash/Check Voucher No. 374 A of PCCI in the name of Dennis Batulanon by signing therein the signature of Dennis Batulanon, thus making it appear that the said Dennis Batulanon received the loan of P5,000.00 when in truth and in fact said Dennis Batulanon never received the loan and in furtherance of her criminal intent and fraudulent design to defraud PCCI said accused did then and there release to herself the same and receive the loan of P5,000, and thereafter, did then and there willfully, unlawfully and feloniously misappropriate and convert to her own personal use and benefit the said amount, and [despite] demands, refused and still refuses to restitute the same to the damage and prejudice of the PCCI in the aforementioned amount of P5,000, Philippine Currency.

CONTRARY TO LAW.[8]

The cases were raffled to Branch 22 of the Regional Trial Court of General Santos City and docketed as Criminal Case Nos. 3453, 3625, 3626 and 3627.

Batulanon pleaded not guilty to the charges, afterwhich a joint trial on the merits ensued.

The prosecution presented Maria Theresa Medallo, Benedicto Gopio, Jr., and Bonifacio Jayoma as witnesses.

Medallo, the posting clerk whose job was to assist Batulanon in the preparation of cash vouchers[9] testified that on certain dates in 1982, Batulanon released four Cash Vouchers representing varying amounts to four different individuals as follows: On June 2, 1982, Cash Voucher No. 30A[10] for P4,160.00 was released to Erlinda Omadlao; on September 24, 1982, Cash Voucher No. 237A[11] for P4,000.00 was released to Gonafreda[12] Oracion; P3, 500.00 thru Cash Voucher No. 276A[13] was released to Ferlyn Arroyo on October 16, 1982 and on December 7, 1982, P5,000.00 was released to Dennis Batulanon thru Cash Voucher No. 374A.[14]

Medallo testified that Omadlao, Oracion, and Dennis Batulanon were not eligible to apply for loan because they were not bona fide members of the cooperative.[15] Ferlyn Arroyo on the other hand, was a member of the cooperative but there was no proof that she applied for a loan with PCCI in 1982. She subsequently withdrew her membership in 1983.[16] Medallo stated that pursuant to the cooperative's by-laws, only bona fide members who must have a fixed deposit are eligible for loans.[17]

Medallo categorically stated that she saw Batulanon sign the names of Oracion and Arroyo in their respective cash vouchers and made it appear in the records that they were payees and recipients of the amount stated therein.[18] As to the signature of Omadlao in Cash Voucher No. 30A, she declared that the same was actually the handwriting of appellant.[19]

Gopio, Jr. was a member of PCCI since 1975 and a member of its board of directors since 1979. He corroborated Medallo's testimony that Omadlao, Arroyo, Oracion and Dennis Batulanon are not members of PCCI. He stated that Oracion is Batulanon's sister-in-law while Dennis Batulanon is her son who was only 3 years old in 1982. He averred that membership in the cooperative is not open to minors.[20]

Jayoma was the Vice-Chairman of the PCCI Board of Directors in 1980 before becoming its Chairman in 1982 until 1983. He testified that the loans made to Oracion, Omadlao, Arroyo and Dennis Batulanon did not pass through the cooperative's Credit Committee and PCCI's Board of Directors for screening purposes. He claimed that Oracion's signature on Cash Voucher No. 237A is Batulanon's handwriting.[21] Jayoma also testified that among the four loans taken, only that in Arroyo's name was settled.[22]

The defense presented two witnesses, namely, Maria Theresa Medallo who was presented as a hostile witness and

Batulanon.

Medallo was subpoenaed by the trial court on behalf of the defense and was asked to bring with her the PCCI General Journal for the year 1982. After certifying that the said document reflected all the financial transactions of the cooperative for that year, she was asked to identify the entries in the Journal with respect to the vouchers in question. Medallo was able to identify only Cash Voucher No. 237A in the name of Gonafreda Oracion. She failed to identify the other vouchers because the Journal had missing pages and she was not the one who prepared the entries.[23]

Batulanon denied all the charges against her. She claimed that she did not sign the vouchers in the names of Omadlao, Oracion and Arroyo; that the same were signed by the loan applicants in her presence at the PCCI office after she personally released the money to them;[24] that the three were members of the cooperative as shown by their individual deposits and the ledger; that the board of directors passed a resolution in August 1982 authorizing her to certify to the correctness of the entries in the vouchers; that it has become an accepted practice in the cooperative for her to release loans and dispense with the approval of Gopio Jr., in case of his absence;[25] that she signed the loan application and voucher of her son Dennis Batulanon because he was a minor but she clarified that she asked Gopio, Jr., to add his signature on the documents to avoid suspicion of irregularity;[26] that contrary to the testimony of Gopio, Jr., minors are eligible for membership in the cooperative provided they are children of regular members.

Batulanon admitted that she took out a loan in her son's name because she is no longer qualified for another loan as she still has to pay off an existing loan; that she had started paying off her son's loan but the cooperative refused to accept her payments after the cases were filed in court.[27] She also declared that one automatically becomes a member when he deposits money with the cooperative.[28] When she was Cashier/Manager of PCCI from 1980 to 1982, the cooperative did not have by-laws yet.[29]

On rebuttal, Jayoma belied that PCCI had no by-laws from 1980-1982, because the cooperative had been registered since 1967.[30]

On April 15, 1993, the trial court rendered a Decision convicting Batulanon as follows:

WHEREFORE, premises considered, finding the accused Leonila Batulanon guilty beyond reasonable doubt in all the above-entitled case, she is sentenced in each of the four cases to 4 months of ARRESTO MAYOR to 1 year and 2 months of PRISION CORRECCIONAL, to indemnify the PCCI in the total sum of P16,660.00 with legal interest from the institution of the complaints until fully paid, plus costs.

SO ORDERED.[31]

The Court of Appeals affirmed with modification the decision of the trial court, thus:

WHEREFORE, the decision appealed from is MODIFIED. Appellant LEONILA BATULANON is found guilty beyond reasonable doubt of Falsification of Private Documents under Par. 2, Article 172 of the Revised Penal Code; and is hereby sentenced to suffer the indeterminate penalty of six (6) months of arresto mayor maximum, AS MINIMUM, to four (4) years and two (2) months of prision correccional medium, AS MAXIMUM; to pay a fine of five thousand (P5,000.00) pesos; and to indemnify the Polomolok Cooperative Credit, Inc. the sum of thirteen thousand one hundred sixty (P13,160.00), plus legal interests from the filing of the complaints until fully paid, plus costs.

SO ORDERED.[32]

The motion for reconsideration was denied, hence this petition.

Batulanon argues that in any falsification case, the best witness is the person whose signature was allegedly forged, thus the prosecution should have presented Erlinda Omadlao, Gonafreda Oracion and Ferlyn Arroyo instead of relying on the testimony of an unreliable and biased witness such as Medallo.[33] She avers that the crime of falsification of private document requires as an element prejudice to a third person. She insists that PCCI has not been prejudiced by these loan transactions because these loans are accounts receivable by the cooperative.[34]

The petition lacks merit.

Although the offense charged in the information is estafa through falsification of commercial document, appellant could be convicted of falsification of private document under the well-settled rule that it is the allegations in the information that determines the nature of the offense and not the technical name given in the preamble of the information. In *Andaya v. People*,[35] we held:

From a legal point of view, and in a very real sense, it is of no concern to the accused what is the technical name of the crime of which he stands charged. It in no way aids him in a defense on the merits. x x x That to which his attention should be directed, and in which he, above all things else, should be most interested, are the facts alleged. The real question is not did he commit a crime given in the law some technical and specific name, but did he perform the acts alleged in the body of the information in the manner therein set forth. x x x The real and important question to him is, "Did you perform the acts alleged in the manner alleged?" not, "Did you commit a crime named murder?" If he performed the acts alleged, in the manner stated, the law determines what the name of the crime is and fixes the penalty therefor. x x x If the accused performed the acts alleged in the manner alleged, then he ought to be punished and punished adequately, whatever may be the name of the crime which those acts constitute.

The elements of falsification of private document under Article 172, paragraph 2[36] of the Revised Penal Code are: (1) that the offender committed any of the acts of falsification, except those in paragraph 7, Article 171; (2) that the falsification was committed in any private document; and (3) that the falsification caused damage to a third party or at least the falsification was committed with intent to cause such damage.[37]

In Criminal Case Nos. 3625, 3626, and 3453, Batulanon's act[38] of falsification falls under paragraph 2 of Article 171, i.e., causing it to appear that persons have participated in any act or proceeding when they did not in fact so participate. This is because by signing the name of Omadlao, Oracion, and Arroyo in Cash Voucher Nos. 30A, 237A, and 267A, respectively, as payee of the amounts appearing in the corresponding cash vouchers, Batulanon made it appear that they obtained a loan and received its proceeds when they did not in fact secure said loan nor receive the amounts reflected in the cash vouchers.

The prosecution established that Batulanon caused the preparation of the Cash Vouchers in the name of Omadlao and Oracion knowing that they are not PCCI members and not qualified for a loan from the cooperative. In the case of Arroyo, Batulanon was aware that while the former is a member, she did not apply for a loan with the cooperative.

Medallo categorically declared that she saw Batulanon forge the signatures of Oracion and Arroyo in the vouchers and made it appear that the amounts stated therein were actually received by these persons. As to the signature of Arroyo, Medallo's credible testimony and her familiarity with the handwriting of Batulanon proved that it was indeed the latter who signed the name of Arroyo. Contrary to Batulanon's contention, the prosecution is not duty-bound to present the persons whose signatures were forged as Medallo's eyewitness account of the incident was sufficient. Moreover, under Section 22, Rule 132 of the Rules of Court, the handwriting of a person may be proved by any witness who believes it to be the handwriting of such person because he has seen the person write, or has seen writing purporting to be his upon which the witness has acted or been charged, and has thus acquired

knowledge of the handwriting of such person.

Her insistence that Medallo is a biased witness is without basis. There is no evidence showing that Medallo was prompted by any ill motive.

The claim that Batulanon's letter to the cooperative asking for a compromise was not an admission of guilt is untenable. Section 27, Rule 130 of the Rules of Court provides that in criminal cases, except those involving quasi-offenses or criminal negligence or those allowed by law to be compromised, an offer of compromise by the accused may be received in evidence as an implied admission of guilt.

There is no merit in Batulanon's assertion that PCCI has not been prejudiced because the loan transactions are reflected in its books as accounts receivable. It has been established that PCCI only grants loans to its bona fide members with no subsisting loan. These alleged borrowers are not members of PCCI and neither are they eligible for a loan. Of the four accounts, only that in Ferlyn Arroyo's name was settled because her mother, Erlinda, agreed to settle the loan to avoid legal prosecution with the understanding however, that she will be reimbursed once the money is collected from Batulanon.[39]

The Court of Appeals[40] correctly ruled that the subject vouchers are private documents and not commercial documents because they are not documents used by merchants or businessmen to promote or facilitate trade or credit transactions[41] nor are they defined and regulated by the Code of Commerce or other commercial law.[42] Rather, they are private documents, which have been defined as deeds or instruments executed by a private person without the intervention of a public notary or of other person legally authorized, by which some disposition or agreement is proved, evidenced or set forth. [43]

In all criminal prosecutions, the burden of proof is on the prosecution to establish the guilt of the accused beyond reasonable doubt. It has the duty to prove each and every element of the crime charged in the information to warrant a finding of guilt for the said crime or for any other crime necessarily included therein.[44] The prosecution in this case was able to discharge its burden completely.

As there is no complex crime of estafa through falsification of private document,[45] it is important to ascertain whether the offender is to be charged with falsification of a private document or with estafa. If the falsification of a private document is committed as a means to commit estafa, the proper crime to be charged is falsification. If the estafa can be committed without the necessity of falsifying a document, the proper crime to be charged is estafa. Thus, in *People v. Reyes*,[46] the accused made it appear in the time book of the Calamba Sugar Estate that a laborer, Ciriaco Sario, worked 21 days during the month of July, 1929, when in reality he had worked only 11 days, and then charged the offended party, the Calamba Sugar Estate, the wages of the laborer for 21 days. The accused misappropriated the wages during which the laborer did not work for which he was convicted of falsification of private document.

In *U.S. v. Infante*,[47] the accused changed the description of the pawned article on the face of the pawn ticket and made it appear that the article is of greatly superior value, and thereafter pawned the falsified ticket in another pawnshop for an amount largely in excess of the true value of the article pawned. He was found guilty of falsification of a private document. In *U.S. v. Chan Tiao*,[48] the accused presented a document of guaranty purportedly signed by Ortigas Hermanos for the payment of P2,055.00 as the value of 150 sacks of sugar, and by means of said falsified documents, succeeded in obtaining the sacks of sugar, was held guilty of falsification of a private document.

In view of the foregoing, we find that the Court of Appeals correctly held Batulanon guilty beyond reasonable doubt of Falsification of Private Documents in Criminal Case Nos. 3625, 3626 and 3453.

Article 172 punishes the crime of Falsification of a Private Document with the penalty of prision correccional in its medium and maximum periods with a duration of two (2) years, four (4) months and one (1) day to six (6) years. There being no aggravating or mitigating circumstances, the penalty should be imposed in its medium period, which is three (3) years, six (6) months and twenty-one (21) days to four (4) years, nine (9) months and ten (10) days. Taking into consideration the Indeterminate Sentence Law, Batulanon is entitled to an indeterminate penalty the minimum of which must be within the range of arresto mayor in its maximum period to prision correccional in its minimum period, or four (4) months and one (1) day to two (2) years and four (4) months.[49] Thus, in Criminal Case Nos. 3625, 3626 and 3453, the Court of Appeals correctly imposed the penalty of six (6) months of arresto mayor, as minimum, to four (4) years and two (2) months of prision correccional, as maximum, which is within the range of the allowed imposable penalty.

Since Batulanon's conviction was for 3 counts of falsification of private documents, she shall suffer the aforementioned penalties for each count of the offense charged. She is also ordered to indemnify PCCI the amount of P11,660.00 representing the aggregate amount of the 3 loans without deducting the amount of P3,500.00 paid by Ferlyn Arroyo's mother as the same was settled with the understanding that PCCI will reimburse the former once the money is recovered. The amount shall earn interest at the rate of 6% per annum from the filing of the complaints on November 28, 1994 until the finality of this judgment. From the time the decision becomes final and executory, the interest rate shall be 12% per annum until its satisfaction.

However, in Criminal Case No. 3627, the crime committed by Batulanon is estafa and not falsification. Under Article 171 of the Revised Penal Code, the acts that may constitute falsification are the following:

1. Counterfeiting or imitating any handwriting, signature, or rubric;
2. Causing it to appear that persons have participated in any act or proceeding when they did not in fact so participate;
3. Attributing to persons who have participated in an act or proceeding statements other than those in fact made by them;
4. Making untruthful statements in a narration of facts;
5. Altering true dates;
6. Making any alteration or intercalation in a genuine document which changes its meaning;
7. Issuing in an authenticated form a document purporting to be a copy of an original document when no such original exists, or including in such copy a statement contrary to, or different from, that of the genuine original; or;
8. Intercalating any instrument or note relative to the issuance thereof in a protocol, registry, or official book.

In Criminal Case No. 3627, the trial court convicted petitioner Batulanon for falsifying Dennis Batulanon's signature in the cash voucher based on the Information charging her of signing the name of her 3 year old son, Dennis. The records, however, reveal that in Cash Voucher No. 374A, petitioner Batulanon did not falsify the signature of Dennis. What she did was to sign: "by: lbatulanon" to indicate that she received the proceeds of the loan in behalf of Dennis. Said act does not fall under any of the modes of falsification under Article 171 because there is nothing untruthful about the fact that she used the name of Dennis and that as representative of the latter, obtained the proceeds of the loan from PCCI. The essence of falsification is the act of making untruthful or false statements, which is not attendant in this case. As to whether, such representation involves fraud which caused damage to PCCI is a different matter which will make her liable for estafa, but not for falsification. Hence, it was an error for the courts below to hold that petitioner Batulanon is also guilty of falsification of private document

with respect to Criminal Case No. 3627 involving the cash voucher of Dennis.[50]

The elements of estafa through conversion or misappropriation under Art. 315 (1) (b) of the Revised Penal Code are:

- (1) that money, goods or other personal property is received by the offender in trust, or on commission, or for administration, or under any other obligation involving the duty to make delivery of, or to return, the same;
- (2) that there be misappropriation or conversion of such money or property by the offender or denial on his part of such receipt;
- (3) that such misappropriation or conversion or denial is to the prejudice of another;
- (4) that there is a demand made by the offended party on the offender. (Note: The 4th element is not necessary when there is evidence of misappropriation of the goods by the defendant)[51]

Thus in the case of *U.S. v. Sevilla*,[52] the Court convicted the appellant of estafa by misappropriation. The latter, a treasurer of the Manila Rail Road Company, took the sum of P8,330.00 out of the funds of the company and used it for personal purposes. He replaced said cash with his personal check of the same amount drawn on the Philippine National Bank (PNB), with instruction to his cashier not to deposit the same in the current account of the Manila Rail Road Company until the end of the month. When an audit was conducted, the check of appellant was discovered to have been carried in the accounts as part of the cash on hand. An inquiry with the PNB disclosed that he had only P125.66 in his account, although in the afternoon of the same day, he deposited in his account with the PNB sufficient sum to cover the check. In handing down a judgment of conviction, the Court explained that:

Fraudulent intent in committing the conversion or diversion is very evidently not a necessary element of the form of estafa here discussed; the breach of confidence involved in the conversion or diversion of trust funds takes the place of fraudulent intent and is in itself sufficient. The reason for this is obvious: Grave as the offense is, comparatively few men misappropriate trust funds with the intention of defrauding the owner; in most cases the offender hopes to be able to restore the funds before the defalcation is discovered. x x x

Applying the legal principles here stated to the facts of the case, we find all of the necessary elements of estafa x x x. That the money for which the appellant's checks were substituted was received by him for safe-keeping or administration, or both, can hardly be disputed. He was the responsible financial officer of the corporation and as such had immediate control of the current funds for the purposes of safe-keeping and was charged with the custody of the same. That he, in the exercise of such control and custody, was aided by subordinates cannot alter the case nor can the fact that one of the subordinates, the cashier, was a bonded employee who, if he had acted on his own responsibility, might also have misappropriated the same funds and thus have become guilty of estafa.

Neither can there be any doubt that, in taking money for his personal use, from the funds entrusted to him for safekeeping and substituting his personal checks therefor with instructions that the checks were to be retained by the cashier for a certain period, the appellant misappropriated and diverted the funds for that period. The checks did not constitute cash and as long as they were retained by the appellant or remained under his personal control they were of no value to the corporation; he might as well have kept them in his pocket as to deliver them to his subordinate with instructions to retain them.

x x x x

But it is argued in the present case that it was not the intention of the accused to permanently misappropriate the funds to himself. As we have already stated, such intention rarely exists in cases of this nature and, as we have seen, it is not a necessary element of the crime. Though authorities have been cited who, at first sight,

appear to hold that misappropriation of trust funds for short periods does not always amount to estafa, we are not disposed to extend this interpretation of the law to cases where officers of corporations convert corporate funds to their own use, especially where, as in this case, the corporation is of a quasi-public character. The statute is clear and makes no distinction between permanent misappropriations and temporary ones. We can see no reason in the present case why it should not be applied in its literal sense.

The third element of the crime with which the appellant is charged is injury to another. The appellant's counsel argues that the only injury in this case is the loss of interest suffered by the Railroad Company during the period the funds were withheld by the appellant. It is, however, well settled by former adjudications of this court that the disturbance in property rights caused by the misappropriation, though only temporary, is in itself sufficient to constitute injury within the meaning of paragraph 5, *supra*. (*U.S. vs. Goyenechea*, 8 Phil., 117 *U.S. vs. Malong*, 36 Phil., 821.)[53]

In the instant case, there is no doubt that as Cashier/Manager, Batulanon holds the money for administration and in trust for PCCI. Knowing that she is no longer qualified to obtain a loan, she fraudulently used the name of her son who is likewise disqualified to secure a loan from PCCI. Her misappropriation of the amount she obtained from the loan is also not disputed as she even admitted receiving the same for personal use. Although the amount received by Batulanon is reflected in the records as part of the receivables of PCCI, damage was still caused to the latter because the sum misappropriated by her could have been loaned by PCCI to qualified members, or used in other productive undertakings. At any rate, the disturbance in property rights caused by Batulanon's misappropriation is in itself sufficient to constitute injury within the meaning of Article 315.

Considering that the amount misappropriated by Batulanon was P5,000.00, the applicable provision is paragraph (3) of Article 315 of the Revised Penal Code, which imposes the penalty of *arresto mayor* in its maximum period to *prision correccional* in its minimum period, where the amount defrauded is over P200.00 but does not exceed P6,000.00. There being no modifying circumstances, the penalty shall be imposed in its medium period. With the application of the Indeterminate Sentence Law, Batulanon is entitled to an indeterminate penalty of three (3) months of *arresto mayor*, as minimum, to one (1) year and eight (8) months of *prision correccional*, as maximum.

WHEREFORE, the Decision appealed from is AFFIRMED with the following MODIFICATIONS:

(1) In Criminal Case Nos. 3625, 3626 and 3453, Leonila Batulanon is found GUILTY of three counts of falsification of private documents and is sentenced to suffer the penalty of six (6) months of *arresto mayor*, as minimum, to four (4) years and two (2) months of *prision correccional*, as maximum, for each count, and to indemnify complainant Polomolok Credit Cooperative Incorporated the amount of P11,660.00 with interest at the rate of 6% per annum from November 28, 1994 until finality of this judgment. The interest rate of 12% per annum shall be imposed from finality of this judgment until its satisfaction; and

(2) In Criminal Case No. 3627, Leonila Batulanon is found GUILTY of estafa and is sentenced to suffer the penalty of three (3) months of *arresto mayor*, as minimum, to one (1) year and eight (8) months of *prision correccional*, as maximum. She is likewise ordered to indemnify Polomolok Credit Cooperative Incorporated the sum of P5,000.00 with interest at the rate of 6% per annum from November 28, 1994 until finality of this judgment. The interest rate of 12% per annum shall be imposed from finality of this judgment until its satisfaction.

SO ORDERED.

Panganiban, C. J., (Chairperson), Austria-Martinez, Callejo, Sr., and Chico-Nazario, JJ., concur.

- [1] Rollo, pp. 25-40. Penned by Associate Justice Arturo B. Buena and concurred in by Associate Justices Ramon A. Barcelona and Demetrio G. Demetria.
- [2] CA rollo, pp. 34-41. Penned by Judge Abednego O. Adre.
- [3] Rollo, p. 41.
- [4] TSN, August 1, 1990, pp. 96-97.
- [5] CA rollo, pp. 16-17.
- [6] Id. at 18-19.
- [7] Id. at 14-15.
- [8] Id. at 20-21.
- [9] TSN, August 13, 1983, pp. 3-5.
- [10] Records, p. 230.
- [11] Id. at 238.
- [12] Also referred to as Godofreda in the Records.
- [13] Records, p. 239.
- [14] Id. at 240; TSN, March 4, 1986, pp. 5, 7-8.
- [15] Id. at 234-237.
- [16] TSN, March 4, 1986, pp. 24-25.
- [17] Id. at 12-14.
- [18] TSN, August 1, 1990, pp. 101-106.
- [19] Id. at 10.
- [20] TSN, October 22, 1986, pp. 5-19.
- [21] TSN, June 10, 1987, pp. 14-15.
- [22] Id. at 19.
- [23] TSN, February 16, 1988, pp. 2-15.
- [24] TSN, November 14, 1988, pp. 5-6; 8-10 and 14-16.
- [25] Id. at 13.
- [26] Id. at 19-23.
- [27] TSN, March 29, 1988, p. 38.
- [28] Id. at 30-31.
- [29] Id. at 34.
- [30] TSN, March 28, 1990, p. 69.

[31] CA rollo, pp. 40-41.

[32] Rollo, p. 39.

[33] Id. at 6.

[34] Id. at 13.

[35] G.R. No. 168486, June 27, 2006, citing U.S. v. Lim San, 17 Phil. 273 (1910).

[36] Art. 172. Falsification by private individual and use of falsified documents. - The penalty of prisión correccional in its medium and maximum periods and a fine of not more than 5,000 pesos shall be imposed upon:
x x x

2. Any person who, to the damage of a third party, or with intent to cause such damage, shall in any private document commit any of the acts of falsification enumerated in the next preceding article.

[37] Dizon v. People, G.R. No. 144026, June 15, 2006.

[38] Although Batulanon signed the names of Omadlao, Oracion, and Arroyo, her act of falsification will not fall under Paragraph 1 of Article 171, which requires that there must be an attempt or intent on the part of the accused to imitate the signature of other persons. Such was not shown in this case because the genuine signature of Omadlao, Oracion, and Arroyo were never offered in evidence. See Reyes, The Revised Penal Code, Vol. II (15th ed., 2001), pp. 205-206.

[39] TSN, August 13, 1986, pp. 10-13.

[40] Citing People v. Francisco, C.A., No. 05130-41-CR, August 23, 1966, 64 O.G. 537, 541, cited in Luis B. Reyes, The Revised Penal Code, Book II (14th ed., 1998), p. 234. In People v. Francisco, the Court of Appeals ruled that "the cash disbursement vouchers here in question are not negotiable instruments nor are they defined and regulated by the Code of Commerce. They are nothing more than receipts evidencing payment to borrowers of the loans extended to them and as such are private documents only."

[41] Monteverde v. People, 435 Phil. 906, 921 (2002), citing Luis B. Reyes, The Revised Penal Code, Book II (14th ed., 1998), p. 236, citing People v. Lizares, C.A., 65 O.G. 7174.

[42] Luis B. Reyes, The Revised Penal Code, Book II (14th ed., 1998), p. 235, citing People v. Co Beng, C.A., 40 O.G. 1913.

[43] U.S. v. Orera, 11 Phil. 596, 597 (1907).

[44] People v. Caingat, 426 Phil. 782, 792 (2002).

[45] A. Gregorio, Fundamentals of Criminal Law Review (9th ed., 1997), p. 464, citing Cuello Calon, II, p. 261.

[46] 56 Phil. 286 (1931).

[47] 36 Phil. 146 (1917).

[48] 37 Phil. 78 (1917).

[49] Garcia v. Court of Appeals, G.R. No. 128213, December 13, 2005, 477 SCRA 427, 435.

[50] While the Information alleged that petitioner Batulanon also falsified the "Individual Deposits and Loan Ledger" of Dennis Batulanon, she cannot likewise be convicted of falsifying said document as it was not formally offered in evidence.

[51] Reyes, The Revised Penal Code, Vol. II (15th ed., 2001), p. 736.

[52] 43 Phil. 186 (1922), cited in Reyes, The Revised Penal Code, Vol. II (15th ed., 2001), p. 750.

[53] Id. at 189-191.

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.