

**EX-BATAAN VETERANS SECURITY AGENCY, INC., PETITIONER, VS.
THE SECRETARY OF LABOR BIENVENIDO E. LAGUESMA, REGIONAL
DIRECTOR BRENDA A. VILLAFUERTE, ALEXANDER POCDING, FIDEL
BALANG...**

G.R. NO. 152396. November 20, 2007

Ponente: CARPIO, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-152396/>

CARPIO, J.:

The Case

This is a petition for review[1] with prayer for the issuance of a temporary restraining order or writ of preliminary injunction of the 29 May 2001 Decision[2] and the 26 February 2002 Resolution[3] of the Court of Appeals in CA-G.R. SP No. 57653. The 29 May 2001 Decision of the Court of Appeals affirmed the 4 October 1999 Order of the Secretary of Labor in OS-LS-04-4-097-280. The 26 February 2002 Resolution denied the motion for reconsideration.

The Facts

Ex-Bataan Veterans Security Agency, Inc. (EBVSAI) is in the business of providing security services while private respondents are EBVSAI's employees assigned to the National Power Corporation at Ambuklao Hydro Electric Plant, Bokod, Benguet (Ambuklao Plant).

On 20 February 1996, private respondents led by Alexander Pocding (Pocding) instituted a complaint[4] for underpayment of wages against EBVSAI before the Regional Office of the Department of Labor and Employment (DOLE).

On 7 March 1996, the Regional Office conducted a complaint inspection at the Ambuklao Plant where the following violations were noted: (1) non-presentation of records; (2) non-payment of holiday pay; (3) non-payment of rest day premium; (4) underpayment of night shift differential pay; (5) non-payment of service incentive leave; (6) underpayment of 13th month pay; (7) no registration; (8) no annual medical report; (9) no annual work accidental report; (10) no safety committee; and (11) no trained first aider.[5] On the same date, the Regional Office issued a notice of hearing[6] requiring EBVSAI and private respondents to attend the hearing on 22 March 1996. Other hearings were set for 8 May 1996, 27 May 1996 and 10 June 1996.

On 19 August 1996, the Director of the Regional Office (Regional Director) issued an Order, the dispositive portion of which reads:

WHEREFORE, premises considered, respondent EX-BATAAN VETERANS SECURITY AGENCY is hereby ORDERED to pay the computed deficiencies owing to the affected employees in the total amount of SEVEN HUNDRED SIXTY THREE THOUSAND NINE HUNDRED NINETY SEVEN PESOS and 85/PESOS within ten (10) calendar days upon receipt hereof. Otherwise, a Writ of Execution shall be issued to enforce compliance of this Order.

NAME DEFICIENCY

1. ALEXANDER POCDING P 36,380.85
2. FIDEL BALANGAY 36,380.85
3. BUAGEN CLYDE 36,380.85
4. DENNIS EPI 36,380.85
5. DAVID MENDOZA, JR. 36,380.85
6. GABRIEL TAMULONG 36,380.85
7. ANTON PEDRO 36,380.85
8. FRANCISCO PINEDA 36,380.85
9. GASTON DUYAO 36,380.85
10. HULLARUB 36,380.85
11. NOLI D[EO]NIDA 36,380.85
12. ATONG CENON, JR. 36,380.85
13. TOMMY BAUCAS 36,380.85
14. WILIAM PAPSONGAY 36,380.85
15. RICKY DORIA 36,380.85
16. GEOFREY MINO 36,380.85
17. ORLANDO R[IL]LASE 36,380.85
18. SIMPLICO TELLO 36,380.85
19. NOCES, M.G. 36,380.85
20. ALEJO, R.D. 36,380.85
21. D[I]NTAN, P.C. 36,380.85

TOTAL P 763,997.85

=====

SO ORDERED.[7]

EBVSAI filed a motion for reconsideration[8] and alleged that the Regional Director does not have jurisdiction over the subject matter of the case because the money claim of each private respondent exceeded P5,000. EBVSAI pointed out that the Regional Director should have endorsed the case to the Labor Arbiter.

In a supplemental motion for reconsideration,[9] EBVSAI questioned the Regional Director's basis for the computation of the deficiencies due to each private respondent.

In an Order[10] dated 16 January 1997, the Regional Director denied EBVSAI's motion for reconsideration and

supplemental motion for reconsideration. The Regional Director stated that, pursuant to Republic Act No. 7730 (RA 7730),^[11] the limitations under Articles 129^[12] and 217(6)^[13] of the Labor Code no longer apply to the Secretary of Labor's visitorial and enforcement powers under Article 128(b).^[14] The Secretary of Labor or his duly authorized representatives are now empowered to hear and decide, in a summary proceeding, any matter involving the recovery of any amount of wages and other monetary claims arising out of employer-employee relations at the time of the inspection.

EBVSAI appealed to the Secretary of Labor.

The Ruling of the Secretary of Labor

In an Order^[15] dated 4 October 1999, the Secretary of Labor affirmed with modification the Regional Director's 19 August 1996 Order. The Secretary of Labor ordered that the P1,000 received by private respondents Romeo Alejo, Atong Cenon, Jr., Geoffrey Mino, Dennis Epi, and Ricky Doria be deducted from their respective claims. The Secretary of Labor ruled that, pursuant to RA 7730, the Court's decision in the Servando^[16] case is no longer controlling insofar as the restrictive effect of Article 129 on the visitorial and enforcement power of the Secretary of Labor is concerned.

The Secretary of Labor also stated that there was no denial of due process because EBVSAI was accorded several opportunities to present its side but EBVSAI failed to present any evidence to controvert the findings of the Regional Director. Moreover, the Secretary of Labor doubted the veracity and authenticity of EBVSAI's documentary evidence. The Secretary of Labor noted that these documents were not presented at the initial stage of the hearing and that the payroll documents did not indicate the periods covered by EBVSAI's alleged payments.

EBVSAI filed a motion for reconsideration which was denied by the Secretary of Labor in his 3 January 2000 Order.^[17]

EBVSAI filed a petition for certiorari before the Court of Appeals.

The Ruling of the Court of Appeals

In its 29 May 2001 Decision, the Court of Appeals dismissed the petition and affirmed the Secretary of Labor's decision. The Court of Appeals adopted the Secretary of Labor's ruling that RA 7730 repealed the jurisdictional limitation imposed by Article 129 on Article 128 of the Labor Code. The Court of Appeals also agreed with the Secretary of Labor's finding that EBVSAI was accorded due process.

The Court of Appeals also denied EBVSAI's motion for reconsideration in its 26 February 2002 Resolution.

Hence, this petition.

The Issues

This case raises the following issues:

- Whether the Secretary of Labor or his duly authorized representatives acquired jurisdiction over EBVSAI; and
- Whether the Secretary of Labor or his duly authorized representatives have jurisdiction over the money claims of private respondents which exceed P5,000.

The Ruling of the Court

The petition has no merit.

On the Regional Director's Jurisdiction over EBVSAI

EBVSAI claims that the Regional Director did not acquire jurisdiction over EBVSAI because he failed to comply with Section 11, Rule 14 of the 1997 Rules of Civil Procedure.[18] EBVSAI points out that the notice of hearing was served at the Ambuklao Plant, not at EBVSAI's main office in Makati, and that it was addressed to Leonardo Castro, Jr., EBVSAI's Vice-President.

The Rules on the Disposition of Labor Standards Cases in the Regional Offices[19] (rules) specifically state that notices and copies of orders shall be served on the parties or their duly authorized representatives at their last known address or, if they are represented by counsel, through the latter.[20] The rules shall be liberally construed[21] and only in the absence of any applicable provision will the Rules of Court apply in a suppletory character.[22]

In this case, EBVSAI does not deny having received the notices of hearing. In fact, on 29 March and 13 June 1996, Danilo Burgos and Edwina Manao, detachment commander and bookkeeper of EBVSAI, respectively, appeared before the Regional Director. They claimed that the 22 March 1996 notice of hearing was received late and manifested that the notices should be sent to the Manila office. Thereafter, the notices of hearing were sent to the Manila office. They were also informed of EBVSAI's violations and were asked to present the employment records of the private respondents for verification. They were, moreover, asked to submit, within 10 days, proof of compliance or their position paper. The Regional Director validly acquired jurisdiction over EBVSAI. EBVSAI can no longer question the jurisdiction of the Regional Director after receiving the notices of hearing and after appearing before the Regional Director.

On the Regional Director's Jurisdiction over the Money Claims

EBVSAI maintains that under Articles 129 and 217(6) of the Labor Code, the Labor Arbiter, not the Regional Director, has exclusive and original jurisdiction over the case because the individual monetary claim of private respondents exceeds P5,000. EBVSAI also argues that the case falls under the exception clause in Article 128(b) of the Labor Code. EBVSAI asserts that the Regional Director should have certified the case to the Arbitration Branch of the National Labor Relations Commission (NLRC) for a full-blown hearing on the merits.

In *Allied Investigation Bureau, Inc. v. Sec. of Labor*, we ruled that:

While it is true that under Articles 129 and 217 of the Labor Code, the Labor Arbiter has jurisdiction to hear and decide cases where the aggregate money claims of each employee exceeds P5,000.00, said provisions of law do not contemplate nor cover the visitorial and enforcement powers of the Secretary of Labor or his duly authorized representatives.

Rather, said powers are defined and set forth in Article 128 of the Labor Code (as amended by R.A. No. 7730) thus:

Art. 128 Visitorial and enforcement power. --- x x x

(b) Notwithstanding the provisions of Article[s] 129 and 217 of this Code to the contrary, and in cases where the relationship of employer-employee still exists, the Secretary of Labor and Employment or his duly authorized representatives shall have the power to issue compliance orders to give effect to [the labor standards provisions of this Code and other] labor legislation based on the findings of labor employment and enforcement officers or industrial safety engineers made in the course of inspection. The Secretary or his duly authorized representatives shall issue writs of execution to the appropriate authority for the enforcement of their orders, except in cases where the employer contests the findings of the labor employment and enforcement officer and raises issues supported by documentary proofs which were not considered in the course of inspection.

x x x x

The aforequoted provision explicitly excludes from its coverage Articles 129 and 217 of the Labor Code by the phrase “(N)otwithstanding the provisions of Articles 129 and 217 of this Code to the contrary x x x” thereby retaining and further strengthening the power of the Secretary of Labor or his duly authorized representatives to issue compliance orders to give effect to the labor standards provisions of said Code and other labor legislation based on the findings of labor employment and enforcement officer or industrial safety engineer made in the course of inspection.[23] (*Italics in the original*)

This was further affirmed in our ruling in *Cirineo Bowling Plaza, Inc. v. Sensing*,[24] where we sustained the jurisdiction of the DOLE Regional Director and held that “the visitorial and enforcement powers of the DOLE Regional Director to order and enforce compliance with labor standard laws can be exercised even where the individual claim exceeds P5,000.”

However, if the labor standards case is covered by the exception clause in Article 128(b) of the Labor Code, then the Regional Director will have to endorse the case to the appropriate Arbitration Branch of the NLRC. In order to divest the Regional Director or his representatives of jurisdiction, the following elements must be present: (a) that the employer contests the findings of the labor regulations officer and raises issues thereon; (b) that in order to resolve such issues, there is a need to examine evidentiary matters; and (c) that such matters are not verifiable in the normal course of inspection.[25] The rules also provide that the employer shall raise such objections during the hearing of the case or at any time after receipt of the notice of inspection results.[26]

In this case, the Regional Director validly assumed jurisdiction over the money claims of private respondents even if the claims exceeded P5,000 because such jurisdiction was exercised in accordance with Article 128(b) of the Labor Code and the case does not fall under the exception clause.

The Court notes that EBVSAI did not contest the findings of the labor regulations officer during the hearing or after receipt of the notice of inspection results. It was only in its supplemental motion for reconsideration before the Regional Director that EBVSAI questioned the findings of the labor regulations officer and presented documentary evidence to controvert the claims of private respondents. But even if this was the case, the Regional Director and the Secretary of Labor still looked into and considered EBVSAI’s documentary evidence and found that such did not warrant the reversal of the Regional Director’s order. The Secretary of Labor also doubted the veracity and authenticity of EBVSAI’s documentary evidence. Moreover, the pieces of evidence presented by EBVSAI were verifiable in the normal course of inspection because all employment records of the employees should be kept and maintained in or about the premises of the workplace, which in this case is in Ambuklao Plant, the establishment where private respondents were regularly assigned.[27]

WHEREFORE, we DENY the petition. We AFFIRM the 29 May 2001 Decision and the 26 February 2002 Resolution of the Court of Appeals in CA-G.R. SP No. 57653.

SO ORDERED.

Quisumbing, (Chairperson), Carpio-Morales, Tinga and Velasco, Jr., JJ., concur.

[1] Under Rule 45 of the 1997 Rules of Civil Procedure.

[2] *Rollo*, pp. 125-133. Penned by Associate Justice Alicia L. Santos with Associate Justices Ramon A. Barcelona and Rodrigo V. Cosico, concurring.

[3] *Id.* at 144-145. Penned by Associate Justice Alicia L. Santos with Associate Justices Rodrigo V. Cosico and

Candido V. Rivera, concurring.

[4] Id. at 46.

[5] Id. at 47.

[6] Id.

[7] Id. at 50-52.

[8] Id. at 53-62.

[9] Id. at 63-68.

[10] Id. at 70-73.

[11] Entitled “AN ACT FURTHER STRENGTHENING THE VISITORIAL AND ENFORCEMENT POWERS OF THE SECRETARY OF LABOR AND EMPLOYMENT, AMENDING FOR THE PURPOSE ARTICLE 128 OF P.D. 442, AS AMENDED, OTHERWISE KNOWN AS THE LABOR CODE OF THE PHILIPPINES,” dated 2 June 1994.

[12] Article 129 of the Labor Code provides:

Article 129. RECOVERY OF WAGES, SIMPLE MONEY CLAIMS AND OTHER BENEFITS. - Upon complaint of any interested party, the regional director of the Department of Labor and Employment or any of the duly authorized hearing officers of the Department is empowered, through summary proceeding and after due notice, to hear and decide any matter involving the recovery of wages and other monetary claims and benefits, including legal interest, owing to an employee or person employed in domestic or household service or househelper under this Code, arising from employer- employee relations: Provided, That such complaint does not include a claim for reinstatement; Provided, further, That the aggregate money claim of each employee or househelper does not exceed Five Thousand pesos (P5,000.00). x x x

[13] Article 217(6) of the Labor Code provides:

Article 217. JURISDICTION OF LABOR ARBITERS AND THE COMMISSION. - (a) Except as otherwise provided under this Code, the Labor Arbiter shall have original and exclusive jurisdiction to hear and decide within thirty (30) calendar days after the submission of the case by the parties for decision without extension, even in the absence of stenographic notes, the following cases involving all workers, whether agricultural or non-agricultural:

x x x

6. Except claims for Employees Compensation, Social Security, Medicare and maternity benefits, all other claims arising from employer-employee relations, including those of persons in domestic or household service, involving an amount exceeding five thousand pesos (P5,000.00) regardless of whether accompanied with a claim for reinstatement.

[14] Article 128 of the Labor Code provides:

Article 128. VISITORIAL AND ENFORCEMENT POWER. - x x x

(b) Notwithstanding the provisions of Articles 129 and 217 of this Code to the contrary, and in cases where the relationship of employer-employee still exists, the Secretary of Labor and Employment or his duly authorized representatives shall have the power to issue compliance orders to give effect to the labor standards provisions of

this Code and other labor legislation based on the findings of labor employment and enforcement officers or industrial safety engineers made in the course of inspection. The Secretary or his duly authorized representatives shall issue writs of execution to the appropriate authority for the enforcement of their orders, except in cases where the employer contests the findings of the labor employment and enforcement officer and raises issues supported by documentary proofs which were not considered in the course of inspection.

[15] Rollo, pp. 107-111.

[16] G.R. No. 85840, 26 April 1990, 184 SCRA 664.

[17] Rollo, pp. 122-123.

[18] Section 11, Rule 14 of the 1997 Rules of Civil Procedure provides:

SEC.11. Service upon domestic private juridical entity. - When the defendant is a corporation, partnership or association organized under the laws of the Philippines with a juridical personality, service may be made on the president, managing partner, general manager, corporate secretary, treasurer, or in-house counsel.

[19] Dated 16 September 1987.

[20] Department of Labor and Employment, Rules on the Disposition of Labor Standard Cases in the Regional Offices, Section 4, Rule II (1987).

[21] Id., Section 5, Rule I.

[22] Id., Section 6, Rule I.

[23] 377 Phil. 80, 88-90 (1999).

[24] G.R. No. 146572, 14 January 2005, 448 SCRA 175, 186.

[25] Batong Buhay Gold Mines, Inc. v. Sec. Dela Serna, 370 Phil. 872 (1999), citing SSK Parts Corporation v. Camas, G.R. No. 85934, 30 January 1990, 181 SCRA 675.

[26] Department of Labor and Employment, Rules on the Disposition of Labor Standard Cases in the Regional Offices, Section 1(b), Rule III (1987).

[27] Implementing Rules of Book III, Rule X, Section 11.

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.