

EJR CRAFTS CORPORATION, PETITIONER, VS. HON. COURT OF APPEALS, DIRECTOR BARTOLOME C. AMOGUIS, NATIONAL CAPITAL REGION, DEPARTMENT OF LABOR AND EMPLOYMENT, UNDERSECRETARY JOSE M....

G.R. NO. 154101. March 10, 2006

Ponente: CHICO-NAZARIO, J.

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CHICO-NAZARIO, J.:

Before Us is a Petition for Review on Certiorari under Rule 45 of the Rules of Civil Procedure assailing the Decision[2] of the Court of Appeals which dismissed the special civil action for certiorari filed by petitioner seeking to annul the Resolutions[3] of the Undersecretary of Labor affirming the Order[4] of the Regional Director, National Capital Region (NCR), which found petitioner liable to private respondents in the amount of P1,382,332.80 for underpayment of wages, regular holiday pay, overtime pay, nonpayment of 13[th]month pay and service incentive leave pay.

Sometime in 1997, private respondents filed a complaint for underpayment of wages, regular holiday pay, overtime pay, nonpayment of 13[th] month pay and service incentive leave pay against petitioner before the Regional Office, NCR of the Department of Labor and Employment (DOLE). Acting on the complaint, Regional Director Bartolome Amoguis issued an inspection authority to Senior Labor Enforcement Officer Napoleon Santos.

On 22 August 1997, an inspection was conducted on the premises of petitioner's offices wherein the following violations of labor standards law were discovered, to wit: nonpresentation of employment records (payrolls and daily time records); underpayment of wages, regular holiday pay, and overtime pay; and nonpayment of 13th month pay and service incentive leave pay. On the same day, the Notice of Inspection Result was received by and explained to the manager of petitioner corporation Mr. Jae Kwan Lee, with the corresponding directive that necessary restitution be effected within five days from said receipt.

As no restitution was made, the Regional Office thereafter conducted summary investigations. However, despite due notice, petitioner failed to appear for two consecutive scheduled hearings. Furthermore, petitioner failed to question the findings of the Labor Inspector received by and explained to the corporation's manager.

Thus, on 6 November 1997, Regional Director Amoguis issued the assailed Order, the decretal portion of which reads:

WHEREFORE, premises considered, respondents EJRCRAFTS CORPORATION and/or MR. SASIGWANI DAVE and MR. JAE KUAN LEE is hereby ordered to pay JEAN ARO, ET AL., the total amount of ONE MILLION THREE HUNDRED EIGHTY-TWO THOUSAND THREE HUNDRED THIRTY-TWO PESOS and 80/100 (P1,382,332.80) corresponding to their claims within ten (10) days from receipt hereof, otherwise, a WRIT OF EXECUTION shall be issued.[5]

Petitioner then filed a Motion for Reconsideration of said Order on 21 November 1997 arguing that the Regional Director has no jurisdiction over the case as private respondents were allegedly no longer connected with petitioner corporation at the time of the filing of the complaint and when the inspection was conducted, and that private respondents' claims are within the exclusive and original jurisdiction of the Labor Arbiters. Petitioner further contends that it was never served with the notices of the hearings nor was it notified of the inspection results, thus denying it of due process.

In the 14 May 1998 Order of the Labor Secretary Cresenciano B. Trajano, petitioner's Motion for Reconsideration was treated as an appeal and petitioner was directed to file an appeal bond equivalent to the amount adjudged in the assailed Order within 10 calendar days from receipt of the order; otherwise, the appeal will be dismissed for not having been perfected. On 3 June 1998, petitioner filed a supplemental motion for reconsideration and a motion for reduction of bond. Thereafter, petitioner filed a manifestation and motion praying that the surety bond in the amount of P100,000.00 be approved as compliance with the order of Secretary Trajano. In an order dated 10 July 1998, Undersecretary Jose M. Español, Jr. denied the motion for reduction of bond for lack of merit, and petitioner was ordered to post a cash or surety bond in the amount of P1,382,332.80, which petitioner complied with on 31 July 1998 by filing a surety bond in the amount ordered.

On 24 November 1998, Undersecretary Español issued the assailed Resolution affirming the Order of the Regional Director with modification that Mr. Dave Sasigwani and Mr. Jae Kwan Lee are not personally liable. The Motion for Reconsideration filed by petitioner was subsequently denied for lack of merit.

Upon receipt of the Resolution denying its motion for reconsideration, petitioner filed a Petition for Certiorari under Rule 65 of the Rules of Court before the Court of Appeals. Said petition was thereafter dismissed in the Decision dated 20 July 2001. According to the appellate court:

The pivotal issue in this case is whether the Regional Director has jurisdiction over the claims of herein private respondents.

We find in favor of the private respondents.

It is admitted that for the Regional Director to exercise the power to order compliance, or the so-called "enforcement power" under Article 128(b) of P.D. No. 442 as amended, it is necessary that the employer-employee relationship still exists.

In support of its contention that it is the Labor Arbiter and not the Regional Director who has jurisdiction over the claims of herein private respondents, petitioner contends that at the time the complaint was filed, the private respondents were no longer its employees. However, aside from photocopies of documents entitled "Release and Quitclaim," no other evidence was adduced by the petitioner to substantiate this claim. These documents, being mere photocopies are unreliable and incompetent without the original and deserves little credence or weight.

Moreover, when compared to other documents in the records of this case, the entries in said "Release and Quitclaim" raise serious doubts as to the authenticity and veracity of such photocopies. Upon perusal of such "Release and Quitclaim", We find that the entries therein do not correspond with the declarations of the private respondents in the Questionnaires/Affidavits which they filled up and submitted to the DOLE.

x x x x

As is well-settled, if doubts exist between the evidence presented by the employer and the employee, the scales of justice must be tilted in favor of the employee. Since it is a time-honored rule that in controversies between a laborer and his master, doubts reasonably arising from the evidence, or in the interpretation of agreements and writings should be resolved in the former's favor (Prangan vs. NLRC, 289 SCRA 142).

x x x x

Left with no other evidence of its allegation, petitioner's denial becomes a negative and self-serving evidence which has no weight in law. Accordingly, the allegation of lack of jurisdiction necessarily fails.

x x x x

Petitioner's allegation that it was denied due process is not well taken.

A perusal of the records, particularly the Notice of Inspection Result, reveals that petitioner, through its manager Mr. Jae Kwan Lee, was served a copy of the result of the inspection and that the same was explained to him. The said notice of inspection result advised petitioner to submit within five (5) working days to the Regional Office its questions or objections to the findings of the Labor Enforcement Officer, otherwise an order of compliance shall be issued. However, instead of submitting its objections or question such findings, petitioner chose to remain silent even after it was notified of the hearings to be conducted on said case. It is only after an order was issued by the Regional Director directing the petitioner to pay a substantial amount that it began to assert its right. Clearly, there was no denial of due process.

Furthermore, petitioner was given another chance to present its case when it filed a motion for reconsideration which the DOLE considered an appeal.

Finally, the Undersecretary of Labor correctly affirmed the Order of the Regional Director since the assailed Order was not without basis.

Said order of Regional Director Amoguis was based on the uncontested result of the inspection, on the Questionnaires/Affidavits of the private respondents, and on the applicable provision of the Labor Code. Moreover, petitioner failed to prove its case during the appeal since it did not adduce evidence sufficient to warrant reversal of the assailed Order of Regional Director.

Accordingly, We find the assailed resolutions to be in harmony with the evidence on record and existing law and jurisprudence.

WHEREFORE, based on the foregoing premises, the instant petition is hereby DISMISSED.[6]

Petitioner's Motion for Reconsideration was subsequently denied in a Resolution dated 28 June 2002.

Hence, the instant petition seeking the resolution of the following issues:

- Whether or not public respondent Regional Director has jurisdiction over the case;
- Whether or not public respondents had committed grave abuse of discretion in dismissing the appeal and/or motion for reconsideration and the subsequent petition for certiorari of the petitioner;
- Whether or not the public respondents had denied to the petitioner its right to due process of law;
- Whether or not, in the possibility that public respondent Regional Director has jurisdiction over the case, his decision was a faithful application of the law and correct appreciation of the evidence on record.

Petitioner maintains that the Regional Director has no jurisdiction over the instant case since private respondents have ceased to be connected with the petitioner at the time of the filing of the complaint as well as when the inspection/investigation was conducted by the Labor Enforcement Officer. According to petitioner, this fact is supported by the Quitclaim and Release forms submitted by petitioner and attached as annexes to the petition for certiorari filed before the Court of Appeals, as it is clearly stated therein that private respondents had already finished their contract with petitioner. Thus, petitioner contends that there being no employer-employee relationship between private respondents and petitioner, the claims of the private respondents for payment of

monetary benefits fall within the exclusive and original jurisdiction of the Labor Arbiter.

It is further argued by petitioner that it was denied due process as it was not given an opportunity to prove before the Regional Director that private respondents had already severed their employment with the corporation and had been paid the claimed monetary benefits because they were never notified of the inspection results nor of the hearings conducted.

At this juncture, it would be wise to stress that the arguments espoused by petitioner in support of its position are anchored on alleged facts the contrary of which have been found by the Regional Director, the Undersecretary of Labor, and the Court of Appeals. In essence, petitioner implores this Court to ascertain and evaluate certain material facts which, however, are not within the province of the Court to consider in petitions for review, especially since said facts have already been determined by the administrative agency involved and such findings thereafter affirmed by the appellate court.

As a rule, findings of fact by administrative agencies are accorded great respect, if not finality by the courts. As stated in the case of *Villaflor v. Court of Appeals*[7]:

The findings of fact of an administrative agency must be respected as long as they are supported by substantial evidence, even if such evidence might not be overwhelming or even preponderant. It is not the task of an appellate court to weigh once more the evidence submitted before the administrative body and to substitute its own judgment for that of the administrative agency in respect of sufficiency of evidence.

Furthermore, as a general rule, findings of fact of the Court of Appeals are final and conclusive and cannot be reviewed on appeal by the Supreme Court, provided they are borne out by the record or based on substantial evidence.[8] It is not the function of this Court to analyze or weigh evidence all over again, unless there is a showing that the findings of the lower court are totally devoid of support or are glaringly erroneous as to constitute palpable error or grave abuse of discretion.[9]

Therefore, this Court not being a trier of facts cannot pass upon the authenticity and veracity of the quitclaim and release forms — the only piece of evidence presented by petitioner to support its contention that no employer-employee relationship exists between petitioner and private respondents at the time of the filing of the complaint. The said quitclaim and release forms had already been considered by both the Undersecretary of Labor and the Court of Appeals and found to be "unreliable and do not correspond to other documents on record which would prove that private respondents were working for the petitioner up to August 1997." [10] The conclusion reached by both the Undersecretary of Labor and the Court of Appeals, after thoroughly considering all pieces of evidence presented before them regarding this issue, must now be regarded with great respect and finality by this Court.

While it is true that there are instances when this Court may resolve factual issues, such as: 1) when the findings are grounded entirely on speculation, surmises, or conjectures; 2) when the inference made is manifestly mistaken, absurd or impossible; 3) when there is grave abuse of discretion; 4) when the judgment is based on a misapprehension of facts; 5) when the findings of facts are conflicting; 6) when in making its findings, the Court of Appeals went beyond the issues of the case, or its findings are contrary to the admissions of both the appellant and the appellee; 7) when the findings are contrary to the trial court; 8) when the findings are conclusions without citation of specific evidence on which they are based; 9) when the facts set forth in the petition as well as in the petitioner's main and reply briefs are not disputed by the respondent; 10) when the findings of fact are premised on the supposed absence of evidence and contradicted by the evidence on record; or 11) when the Court of Appeals manifestly overlooked certain relevant facts not disputed by the parties, which, if properly considered, would justify a different conclusion; [11] however, none of these exceptions are applicable in the instant case.

Considering thus that there still exists an employer-employee relationship between petitioner and private respondents and that the case involves violations of labor standard provisions of the Labor Code, we agree with the Undersecretary of Labor and the appellate court that the Regional Director has jurisdiction to hear and decide the instant case in conformity with Article 128(b) of the Labor Code which states:

Art. 128. Visitorial and Enforcement Power. —

(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.[12]

With respect to petitioner's claim that it had been denied due process as it was not served a copy of the inspection report and neither was it notified of the hearings, thus refusing it the opportunity to contest the findings of the Labor Enforcement Officer and the jurisdiction of the Regional Director, We cannot but agree with both the Undersecretary of Labor and the Court of Appeals that such assertion is bereft of merit. A perusal of the records will reveal that petitioner corporation's manager Mr. Jae Kwan Lee was served a copy of the Inspection Report and that the same was explained to him on the same day that the said inspection was conducted. As correctly pointed out by the Undersecretary of Labor, by affixing his signature thereon, Mr. Jae Kwan Lee acknowledged receipt of the same and that he has understood its contents. Nevertheless, petitioner failed to object to the findings of the Labor Enforcement Officer. Moreover, petitioner was again given an opportunity to contest such findings when it was summoned by the Office of Chief Labor Enforcement Division to attend the summary investigation on 8 and 22 September 1997, but petitioner failed to attend. It was only after the Regional Director issued an order adjudging petitioner liable to pay private respondents the amount of P1,382,332.80 that it commenced to question the jurisdiction of the Regional Director over the complaints of private respondents. Evidently, petitioner was never denied its right to due process, but rather it chose not to participate in the proceedings until an order unfavorable to its interests was issued.

WHEREFORE, premises considered, the petition for review is hereby DENIED. The Decision of the Court of Appeals in CA-G.R. SP No. 53791 is hereby AFFIRMED. With Costs.

SO ORDERED.

Panganiban, CJ, (Chairperson), Ynares-Santiago, Austria-Martinez, and Callejo, Sr., concur.

[1] Also spelled as Babylin in the title of the Court of Appeals' decision and in the body of the 06 November 1997 Order of the Regional Director. Rollo, p. 36.

[2] CA-G.R. SP No. 53791, dated 20 July 2001, penned by Associate Justice Elvi John S. Asuncion with Associate Justices Oswaldo D. Agcaoili and Sergio L. Pestaño, concurring.

[3] OS-LS-01-2-015-097-360 (DOLE Case No. NCR 00-9708-RI-044-SPL) dated 24 November 1998 and 15 June 1999.

[4] DOLE Case No. NCR 00-9708-RI-044-SPL, dated 6 November 1997.

[5] Rollo, p. 44.

[6] CA decision, pp. 5-8.

[7] 345 Phil. 524, 562 (1997).

[8] Milestone Realty and Co., Inc. v. Court of Appeals, 431 Phil. 119, 130 (2002), citing Batingal v. Court of Appeals, G.R. No. 128636, 1 February 2001, 351 SCRA 60, 66-67.

[9] Potenciano v. Reynoso, 449 Phil. 396, 405 (2003), citing Fortune Guarantee and Insurance Corporation v. Court of Appeals, 428 Phil. 783, 797 (2002).

[10] CA resolution dated 28 June 2002, pp. 2-3.

[11] Spouses Almendrala v. Spouses Ngo, G.R. No. 142408, 30 September 2005, 471 SCRA 311, 322.

[12] REPUBLIC ACT No. 7730, Section 1.

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