

JOHN DY, PETITIONER, VS. PEOPLE OF THE PHILIPPINES AND THE HONORABLE COURT OF APPEALS, RESPONDENTS.

G.R. No. 158312. November 14, 2008

Ponente: QUISUMBING, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-158312/>

QUISUMBING, J.:

This appeal prays for the reversal of the Decision[1] dated January 23, 2003 and the Resolution[2] dated May 14, 2003 of the Court of Appeals in CA-G.R. CR No. 23802. The appellate court affirmed with modification the Decision[3] dated November 17, 1999 of the Regional Trial Court (RTC), Branch 82 of Quezon City, which had convicted petitioner John Dy of two counts of estafa in Criminal Cases Nos. Q-93-46711 and Q-93-46713, and two counts of violation of Batas Pambansa Bilang 22[4] (B.P. Blg. 22) in Criminal Cases Nos. Q-93-46712 and Q-93-46714.

The facts are undisputed:

Since 1990, John Dy has been the distributor of W.L. Food Products (W.L. Foods) in Naga City, Bicol, under the business name Dyna Marketing. Dy would pay W.L. Foods in either cash or check upon pick up of stocks of snack foods at the latter's branch or main office in Quezon City. At times, he would entrust the payment to one of his drivers.

On June 24, 1992, Dy's driver went to the branch office of W.L. Foods to pick up stocks of snack foods. He introduced himself to the checker, Mary Jane D. Maraca, who upon confirming Dy's credit with the main office, gave him merchandise worth P106,579.60. In return, the driver handed her a blank Far East Bank and Trust Company (FEBTC) Check with Check No. 553602 postdated July 22, 1992. The check was signed by Dy though it did not indicate a specific amount.

Yet again, on July 1, 1992, the same driver obtained snack foods from Maraca in the amount of P226,794.36 in exchange for a blank FEBTC Check with Check No. 553615 postdated July 31, 1992.

In both instances, the driver was issued an unsigned delivery receipt. The amounts for the purchases were filled in later by Evelyn Ong, accountant of W.L. Foods, based on the value of the goods delivered.

When presented for payment, FEBTC dishonored the checks for insufficiency of funds. Raul D. Gonzales, manager of FEBTC-Naga Branch, notified Atty. Rita Linda Jimeno, counsel of W.L. Foods, of the dishonor. Apparently, Dy only had an available balance of P2,000 as of July 22, 1992 and July 31, 1992.

Later, Gonzales sent Atty. Jimeno another letter[5] advising her that FEBTC Check No. 553602 for P106,579.60 was returned to the drawee bank for the reasons stop payment order and drawn against uncollected deposit (DAUD), and not because it was drawn against insufficient funds as stated in the first letter. Dy's savings deposit account ledger reflected a balance of P160,659.39 as of July 22, 1992. This, however, included a regional clearing check for P55,000 which he deposited on July 20, 1992, and which took five (5) banking days to clear. Hence, the inward check was drawn against the yet uncollected deposit.

When William Lim, owner of W.L. Foods, phoned Dy about the matter, the latter explained that he could not pay since he had no funds yet. This prompted the former to send petitioner a demand letter, which the latter ignored.

On July 16, 1993, Lim charged Dy with two counts of estafa under Article 315, paragraph 2(d)[6] of the Revised Penal Code in two Informations, which except for the dates and amounts involved, similarly read as follows:

That on or about the 24[th] day of June, 1992, in Quezon City, Philippines, the said accused, did then and there [willfully] and feloniously defraud W.L. PRODUCTS, a corporation duly organized and existing under the laws of the Republic of the Philippines with business address at No. 531 Gen. Luis St., Novaliches, this City, in the following manner, to wit: the said accused, by means of false manifestations and fraudulent representation which he made to complainant to the effect that Far East Bank and Trust Co. check No. 553602 dated July 22, 1992 in the amount of P106,579.60, payable to W.L. Products is a good check and will be honored by the bank on its maturity date, and by means of other deceit of similar import, induced and succeeded in inducing the said complainant to receive and accept the aforesaid check in payment of snack foods, the said accused knowing fully well that all his manifestations and representations were false and untrue and were made solely for the purpose of obtaining, as in fact he did obtain the aforesaid snack foods valued at P106,579.60 from said complainant as upon presentation of said check to the bank for payment, the same was dishonored and payment thereof refused for the reason stop payment and the said accused, once in possession of the aforesaid snack foods, with intent to defraud, [willfully], unlawfully and feloniously misapplied, misappropriated and converted the same or the value thereof to his own personal use and benefit, to the damage and prejudice of said W.L. Products, herein represented by RODOLFO BORJAL, in the aforementioned amount of P106,579.60, Philippine Currency.

Contrary to law.[7]

On even date, Lim also charged Dy with two counts of violation of B.P. Blg. 22 in two Informations which likewise save for the dates and amounts involved similarly read as follows:

That on or about the 24[th] day of June, 1992, the said accused, did then and there [willfully], unlawfully and feloniously make or draw and issue to W.L. FOOD PRODUCTS to apply on account or for value a Far East Bank and Trust Co. Check no. 553602 dated July 22, 1992 payable to W.L. FOOD PRODUCTS in the amount of P106,579.60 Philippine Currency, said accused knowing fully well that at the time of issue he/she/they did not have sufficient funds in or credit with the drawee bank for payment of such check in full upon its presentment, which check when presented 90 days from the date thereof was subsequently dishonored by the drawee bank for the reason "Payment stopped" but the same would have been dishonored for insufficient funds had not the accused without any valid reason, ordered the bank to stop payment, the said accused despite receipt of notice of such dishonor, failed to pay said W.L. Food Products the amount of said check or to make arrangement for payment in full of the same within five (5) banking days after receiving said notice.

CONTRARY TO LAW.[8]

On November 23, 1994, Dy was arrested in Naga City. On arraignment, he pleaded not guilty to all charges. Thereafter, the cases against him were tried jointly.

On November 17, 1999 the RTC convicted Dy on two counts each of estafa and violation of B.P. Blg. 22. The trial court disposed of the case as follows:

WHEREFORE, accused JOHN JERRY DY ALDEN (JOHN DY) is hereby found GUILTY beyond reasonable doubt of swindling (ESTAFA) as charged in the Informations in Criminal Case No. 93-46711 and in Criminal Case No. Q-93-46713, respectively. Accordingly, after applying the provisions of the Indeterminate Sentence Law and P.D. No. 818, said accused is hereby sentenced to suffer the indeterminate penalty of ten (10) years and one (1) day to twelve (12) years of prision mayor, as minimum, to twenty (20) years of reclusion temporal, as maximum, in Criminal Case No. Q-93-46711 and of ten (10) years and one (1) day to twelve (12) years of

prison mayor, as minimum, to thirty (30) years of reclusion perpetua, as maximum, in Criminal Case No. Q-93-46713.

Likewise, said accused is hereby found GUILTY beyond reasonable doubt of Violation of B.P. 22 as charged in the Informations in Criminal Case No. Q-93-46712 and in Criminal Case No. Q-93-46714 and is accordingly sentenced to imprisonment of one (1) year for each of the said offense and to pay a fine in the total amount of P333,373.96, with subsidiary imprisonment in case of insolvency.

FINALLY, judgment is hereby rendered in favor of private complainant, W. L. Food Products, herein represented by Rodolfo Borjal, and against herein accused JOHN JERRY DY ALDEN (JOHN DY), ordering the latter to pay to the former the total sum of P333,373.96 plus interest thereon at the rate of 12% per annum from September 28, 1992 until fully paid; and, (2) the costs of this suit.

SO ORDERED.[9]

Dy brought the case to the Court of Appeals. In the assailed Decision of January 23, 2003, the appellate court affirmed the RTC. It, however, modified the sentence and deleted the payment of interests in this wise:

WHEREFORE, in view of the foregoing, the decision appealed from is hereby AFFIRMED with MODIFICATION. In Criminal Case No. Q-93-46711 (for estafa), the accused-appellant JOHN JERRY DY ALDEN (JOHN DY) is hereby sentenced to suffer an indeterminate penalty of imprisonment ranging from six (6) years and one (1) day of prison mayor as minimum to twenty (20) years of reclusion temporal as maximum plus eight (8) years in excess of [P]22,000.00. In Criminal Case No. Q-93-46712 (for violation of BP 22), accused-appellant is sentenced to suffer an imprisonment of one (1) year and to indemnify W.L. Food Products, represented by Rodolfo Borjal, the amount of ONE HUNDRED SIX THOUSAND FIVE HUNDRED SEVENTY NINE PESOS and 60/100 ([P]106,579.60). In Criminal Case No. Q-93-46713 (for estafa), accused-appellant is hereby sentenced to suffer an indeterminate penalty of imprisonment ranging from eight (8) years and one (1) day of prison mayor as minimum to thirty (30) years as maximum. Finally, in Criminal Case No. Q-93-46714 (for violation of BP 22), accused-appellant is sentenced to suffer an imprisonment of one (1) year and to indemnify W.L. Food Products, represented by Rodolfo Borjal, the amount of TWO HUNDRED TWENTY SIX THOUSAND SEVEN HUNDRED NINETY FOUR PESOS AND 36/100 ([P]226,794.36).

SO ORDERED.[10]

Dy moved for reconsideration, but his motion was denied in the Resolution dated May 14, 2003.

Hence, this petition which raises the following issues:

I.

WHETHER OR NOT THE HONORABLE COURT OF APPEALS GRAVELY ERRED IN FINDING THAT THE PROSECUTION HAS PROVEN THE GUILT OF ACCUSED BEYOND REASONABLE DOUBT OF ESTAFA ON TWO (2) COUNTS?

II.

WHETHER OR NOT THE HONORABLE COURT OF APPEALS GRAVELY ERRED IN FINDING THAT THE PROSECUTION HAS PROVEN THE GUILT OF ACCUSED BEYOND REASONABLE DOUBT OF VIOLATION OF BP 22 ON TWO (2) COUNTS?

III.

WHETHER OR NOT THE HONORABLE COURT OF APPEALS GRAVELY ERRED IN AWARDING DAMAGES TO PRIVATE COMPLAINANT, W.L. FOOD PRODUCTS, THE TOTAL SUM OF

[P]333,373.96?[11]

Essentially, the issue is whether John Dy is liable for estafa and for violation of B.P. Blg. 22.

First, is petitioner guilty of estafa?

Mainly, petitioner contends that the checks were ineffectively issued. He stresses that not only were the checks blank, but also that W.L. Foods' accountant had no authority to fill the amounts. Dy also claims failure of consideration to negate any obligation to W.L. Foods. Ultimately, petitioner denies having deceived Lim inasmuch as only the two checks bounced since he began dealing with him. He maintains that it was his long established business relationship with Lim that enabled him to obtain the goods, and not the checks issued in payment for them. Petitioner renounces personal liability on the checks since he was absent when the goods were delivered.

The Office of the Solicitor General (OSG), for the State, avers that the delivery of the checks by Dy's driver to Maraca, constituted valid issuance. The OSG sustains Ong's prima facie authority to fill the checks based on the value of goods taken. It observes that nothing in the records showed that W.L. Foods' accountant filled up the checks in violation of Dy's instructions or their previous agreement. Finally, the OSG challenges the present petition as an inappropriate remedy to review the factual findings of the trial court.

We find that the petition is partly meritorious.

Before an accused can be held liable for estafa under Article 315, paragraph 2(d) of the Revised Penal Code, as amended by Republic Act No. 4885,[12] the following elements must concur: (1) postdating or issuance of a check in payment of an obligation contracted at the time the check was issued; (2) insufficiency of funds to cover the check; and (3) damage to the payee thereof.[13] These elements are present in the instant case.

Section 191 of the Negotiable Instruments Law[14] defines "issue" as the first delivery of an instrument, complete in form, to a person who takes it as a holder. Significantly, delivery is the final act essential to the negotiability of an instrument. Delivery denotes physical transfer of the instrument by the maker or drawer coupled with an intention to convey title to the payee and recognize him as a holder.[15] It means more than handing over to another; it imports such transfer of the instrument to another as to enable the latter to hold it for himself.[16]

In this case, even if the checks were given to W.L. Foods in blank, this alone did not make its issuance invalid. When the checks were delivered to Lim, through his employee, he became a holder with prima facie authority to fill the blanks. This was, in fact, accomplished by Lim's accountant.

The pertinent provisions of Section 14 of the Negotiable Instruments Law are instructive:

SEC. 14. Blanks; when may be filled.-Where the instrument is wanting in any material particular, the person in possession thereof has a prima facie authority to complete it by filling up the blanks therein. And a signature on a blank paper delivered by the person making the signature in order that the paper may be converted into a negotiable instrument operates as a prima facie authority to fill it up as such for any amount. (Emphasis supplied.)

Hence, the law merely requires that the instrument be in the possession of a person other than the drawer or maker. From such possession, together with the fact that the instrument is wanting in a material particular, the law presumes agency to fill up the blanks.[17] Because of this, the burden of proving want of authority or that the authority granted was exceeded, is placed on the person questioning such authority.[18] Petitioner failed to fulfill this requirement.

Next, petitioner claims failure of consideration. Nevertheless, in a letter[19] dated November 10, 1992, he

expressed willingness to pay W.L. Foods, or to replace the dishonored checks. This was a clear acknowledgment of receipt of the goods, which gave rise to his duty to maintain or deposit sufficient funds to cover the amount of the checks.

More significantly, we are not swayed by petitioner's arguments that the single incident of dishonor and his absence when the checks were delivered belie fraud. Indeed damage and deceit are essential elements of the offense and must be established with satisfactory proof to warrant conviction.[20] Deceit as an element of estafa is a specie of fraud. It is actual fraud which consists in any misrepresentation or contrivance where a person deludes another, to his hurt. There is deceit when one is misled -- by guile, trickery or by other means -- to believe as true what is really false.[21]

Prima facie evidence of deceit was established against petitioner with regard to FEBTC Check No. 553615 which was dishonored for insufficiency of funds. The letter[22] of petitioner's counsel dated November 10, 1992 shows beyond reasonable doubt that petitioner received notice of the dishonor of the said check for insufficiency of funds. Petitioner, however, failed to deposit the amounts necessary to cover his check within three banking days from receipt of the notice of dishonor. Hence, as provided for by law,[23] the presence of deceit was sufficiently proven.

Petitioner failed to overcome the said proof of deceit. The trial court found no pre-existing obligation between the parties. The existence of prior transactions between Lim and Dy alone did not rule out deceit because each transaction was separate, and had a different consideration from the others. Even as petitioner was absent when the goods were delivered, by the principle of agency, delivery of the checks by his driver was deemed as his act as the employer. The evidence shows that as a matter of course, Dy, or his employee, would pay W.L. Foods in either cash or check upon pick up of the stocks of snack foods at the latter's branch or main office. Despite their two-year standing business relations prior to the issuance of the subject check, W.L Foods employees would not have parted with the stocks were it not for the simultaneous delivery of the check issued by petitioner.[24] Aside from the existing business relations between petitioner and W.L. Foods, the primary inducement for the latter to part with its stocks of snack foods was the issuance of the check in payment of the value of the said stocks.

In a number of cases,[25] the Court has considered good faith as a defense to a charge of estafa by postdating a check. This good faith may be manifested by making arrangements for payment with the creditor and exerting best efforts to make good the value of the checks. In the instant case petitioner presented no proof of good faith. Noticeably absent from the records is sufficient proof of sincere and best efforts on the part of petitioner for the payment of the value of the check that would constitute good faith and negate deceit.

With the foregoing circumstances established, we find petitioner guilty of estafa with regard to FEBTC Check No. 553615 for P226,794.36.

The same, however, does not hold true with respect to FEBTC Check No. 553602 for P106,579.60. This check was dishonored for the reason that it was drawn against uncollected deposit. Petitioner had P160,659.39 in his savings deposit account ledger as of July 22, 1992. We disagree with the conclusion of the RTC that since the balance included a regional clearing check worth P55,000 deposited on July 20, 1992, which cleared only five (5) days later, then petitioner had inadequate funds in this instance. Since petitioner technically and retroactively had sufficient funds at the time Check No. 553602 was presented for payment then the second element (insufficiency of funds to cover the check) of the crime is absent. Also there is no prima facie evidence of deceit in this instance because the check was not dishonored for lack or insufficiency of funds. Uncollected deposits are not the same as insufficient funds. The prima facie presumption of deceit arises only when a check has been dishonored for lack or insufficiency of funds. Notably, the law speaks of insufficiency of funds but not of uncollected deposits.

Jurisprudence teaches that criminal laws are strictly construed against the Government and liberally in favor of the accused.[26] Hence, in the instant case, the law cannot be interpreted or applied in such a way as to expand its provision to encompass the situation of uncollected deposits because it would make the law more onerous on the part of the accused.

Clearly, the estafa punished under Article 315, paragraph 2(d) of the Revised Penal Code is committed when a check is dishonored for being drawn against insufficient funds or closed account, and not against uncollected deposit.[27] Corollarily, the issuer of the check is not liable for estafa if the remaining balance and the uncollected deposit, which was duly collected, could satisfy the amount of the check when presented for payment.

Second, did petitioner violate B.P. Blg. 22?

Petitioner argues that the blank checks were not valid orders for the bank to pay the holder of such checks. He reiterates lack of knowledge of the insufficiency of funds and reasons that the checks could not have been issued to apply on account or for value as he did not obtain delivery of the goods.

The OSG maintains that the guilt of petitioner has been proven beyond reasonable doubt. It cites pieces of evidence that point to Dy's culpability: Maraca's acknowledgment that the checks were issued to W.L. Foods as consideration for the snacks; Lim's testimony proving that Dy received a copy of the demand letter; the bank manager's confirmation that petitioner had insufficient balance to cover the checks; and Dy's failure to settle his obligation within five (5) days from dishonor of the checks.

Once again, we find the petition to be meritorious in part.

The elements of the offense penalized under B.P. Blg. 22 are as follows: (1) the making, drawing and issuance of any check to apply to account or for value; (2) the knowledge of the maker, drawer or issuer that at the time of issue he does not have sufficient funds in or credit with the drawee bank for the payment of such check in full upon its presentment; and (3) subsequent dishonor of the check by the drawee bank for insufficiency of funds or credit or dishonor for the same reason had not the drawer, without any valid cause, ordered the bank to stop payment.[28] The case at bar satisfies all these elements.

During the joint pre-trial conference of this case, Dy admitted that he issued the checks, and that the signatures appearing on them were his.[29] The facts reveal that the checks were issued in blank because of the uncertainty of the volume of products to be retrieved, the discount that can be availed of, and the deduction for bad orders. Nevertheless, we must stress that what the law punishes is simply the issuance of a bouncing check and not the purpose for which it was issued nor the terms and conditions relating thereto.[30] If inquiry into the reason for which the checks are issued, or the terms and conditions of their issuance is required, the public's faith in the stability and commercial value of checks as currency substitutes will certainly erode.[31]

Moreover, the gravamen of the offense under B.P. Blg. 22 is the act of making or issuing a worthless check or a check that is dishonored upon presentment for payment. The act effectively declares the offense to be one of *malum prohibitum*. The only valid query, then, is whether the law has been breached, i.e., by the mere act of issuing a bad check, without so much regard as to the criminal intent of the issuer.[32] Indeed, non-fulfillment of the obligation is immaterial. Thus, petitioner's defense of failure of consideration must likewise fall. This is especially so since as stated above, Dy has acknowledged receipt of the goods.

On the second element, petitioner disputes notice of insufficiency of funds on the basis of the check being issued in blank. He relies on *Dingle v. Intermediate Appellate Court*[33] and *Lao v. Court of Appeals*[34] as his authorities. In both actions, however, the accused were co-signatories, who were neither apprised of the particular transactions on which the blank checks were issued, nor given notice of their dishonor. In the latter case, Lao

signed the checks without knowledge of the insufficiency of funds, knowledge she was not expected or obliged to possess under the organizational structure of the corporation.[35] Lao was only a minor employee who had nothing to do with the issuance, funding and delivery of checks.[36] In contrast, petitioner was the proprietor of Dyna Marketing and the sole signatory of the checks who received notice of their dishonor.

Significantly, under Section 2[37] of B.P. Blg. 22, petitioner was prima facie presumed to know of the inadequacy of his funds with the bank when he did not pay the value of the goods or make arrangements for their payment in full within five (5) banking days upon notice. His letter dated November 10, 1992 to Lim fortified such presumption.

Undoubtedly, Dy violated B.P. Blg. 22 for issuing FEBTC Check No. 553615. When said check was dishonored for insufficient funds and stop payment order, petitioner did not pay or make arrangements with the bank for its payment in full within five (5) banking days.

Petitioner should be exonerated, however, for issuing FEBTC Check No. 553602, which was dishonored for the reason DAUD or drawn against uncollected deposit. When the check was presented for payment, it was dishonored by the bank because the check deposit made by petitioner, which would make petitioner's bank account balance more than enough to cover the face value of the subject check, had not been collected by the bank.

In *Tan v. People*,[38] this Court acquitted the petitioner therein who was indicted under B.P. Blg. 22, upon a check which was dishonored for the reason DAUD, among others. We observed that:

In the second place, even without relying on the credit line, petitioner's bank account covered the check she issued because even though there were some deposits that were still uncollected the deposits became "good" and the bank certified that the check was "funded." [39]

To be liable under Section 1[40] of B.P. Blg. 22, the check must be dishonored by the drawee bank for insufficiency of funds or credit or dishonored for the same reason had not the drawer, without any valid cause, ordered the bank to stop payment.

In the instant case, even though the check which petitioner deposited on July 20, 1992 became good only five (5) days later, he was considered by the bank to retroactively have had P160,659.39 in his account on July 22, 1992. This was more than enough to cover the check he issued to respondent in the amount of P106,579.60. Under the circumstance obtaining in this case, we find the petitioner had issued the check, with full ability to abide by his commitment[41] to pay his purchases.

Significantly, like Article 315 of the Revised Penal Code, B.P. Blg. 22 also speaks only of insufficiency of funds and does not treat of uncollected deposits. To repeat, we cannot interpret the law in such a way as to expand its provision to encompass the situation of uncollected deposits because it would make the law more onerous on the part of the accused. Again, criminal statutes are strictly construed against the Government and liberally in favor of the accused.[42]

As regards petitioner's civil liability, this Court has previously ruled that an accused may be held civilly liable where the facts established by the evidence so warrant.[43] The rationale for this is simple. The criminal and civil liabilities of an accused are separate and distinct from each other. One is meant to punish the offender while the other is intended to repair the damage suffered by the aggrieved party. So, for the purpose of indemnifying the latter, the offense need not be proved beyond reasonable doubt but only by preponderance of evidence.[44]

We therefore sustain the appellate court's award of damages to W.L. Foods in the total amount of P333,373.96, representing the sum of the checks petitioner issued for goods admittedly delivered to his company.

As to the appropriate penalty, petitioner was charged with estafa under Article 315, paragraph 2(d) of the Revised Penal Code, as amended by Presidential Decree No. 818[45] (P.D. No. 818).

Under Section 1[46] of P.D. No. 818, if the amount of the fraud exceeds P22,000, the penalty of reclusión temporal is imposed in its maximum period, adding one year for each additional P10,000 but the total penalty shall not exceed thirty (30) years, which shall be termed reclusión perpetua.[47] Reclusión perpetua is not the prescribed penalty for the offense, but merely describes the penalty actually imposed on account of the amount of the fraud involved.

WHEREFORE, the petition is PARTLY GRANTED. John Dy is hereby ACQUITTED in Criminal Case No. Q-93-46711 for estafa, and Criminal Case No. Q-93-46712 for violation of B.P. Blg. 22, but he is ORDERED to pay W.L. Foods the amount of P106,579.60 for goods delivered to his company.

In Criminal Case No. Q-93-46713 for estafa, the Decision of the Court of Appeals is AFFIRMED with MODIFICATION. Petitioner is sentenced to suffer an indeterminate penalty of twelve (12) years of prisión mayor, as minimum, to thirty (30) years of reclusión perpetua, as maximum.

In Criminal Case No. Q-93-46714 for violation of B.P. Blg. 22, the Decision of the Court of Appeals is AFFIRMED, and John Dy is hereby sentenced to one (1) year imprisonment and ordered to indemnify W.L. Foods in the amount of P226,794.36.

SO ORDERED.

Carpio Morales, Tinga, Velasco, Jr., and Brion, JJ., concur.

[1] Rollo, pp. 31-50. Penned by Associate Justice Eliezer R. De Los Santos, with Associate Justices Oswaldo D. Agcaoili and Regalado E. Maambong concurring.

[2] Id. at 51.

[3] Records, pp. 438-457. Penned by Presiding Judge Salvador C. Ceguera.

[4] An Act Penalizing the Making or Drawing and Issuance of a Check Without Sufficient Funds or Credit and for Other Purposes, approved April 3, 1979.

[5] Records, p. 270.

[6] ART. 315. SWINDLING (ESTAFA). - ANY PERSON WHO SHALL DEFRAUD ANOTHER BY ANY OF THE MEANS MENTIONED HEREINBELOW SHALL BE PUNISHED BY:

x x x x

- By means of any of the following false pretenses or fraudulent acts executed prior to or simultaneously with the commission of the fraud:

x x x x

(d) By postdating a check, or issuing a check in payment of an obligation when the offender had no funds in the bank, or his funds deposited therein were not sufficient to cover the amount of the check. The failure of the drawer of the check to deposit the amount necessary to cover his check within three (3) days from receipt of notice from the bank and/or the payee or holder that said check has been dishonored for lack or insufficiency of funds shall be prima facie evidence of deceit constituting false pretense or fraudulent act. (As amended by Rep.

Act No. 4885, approved June 17, 1967.)

x x x x

[7] Records, pp. 2, 14-15.

[8] Id. at 8, 20-21.

[9] Id. at 457.

[10] Rollo, p. 49.

[11] Id. at 15.

[12] An Act to Amend Section Two, Paragraph (d), Article Three Hundred Fifteen of Act Numbered Thirty-Eight Hundred and Fifteen, as Amended, Otherwise Known as the Revised Penal Code, approved June 17, 1967.

[13] People v. Romero, G.R. No. 112985, April 21, 1999, 306 SCRA 90, 96.

[14] Also known as ACT No. 2031. An Act Entitled "The Negotiable Instruments Law", enacted February 3, 1911.

[15] De la Victoria v. Burgos, G.R. No. 111190, June 27, 1995, 245 SCRA 374, 379.

[16] Lewis County et al. v. State Bank of Peck, 170 Pacific Reporter 98, 100 (1918), citing Bigelow, Bills, Notes and Checks, 2[nd] Ed., p. 13.

[17] I A.F. Agbayani, Commentaries and Jurisprudence on the Commercial Laws of the Philippines, 168 (1987 ed.).

[18] J.C. Campos, Jr. and M.C. Lopez-Campos, Notes and Selected Cases on Negotiable Instruments Law, 351 (3[rd] ed., 1971).

[19] Records, p. 43.

[20] People v. Ojeda, G.R. Nos. 104238-58, June 3, 2004, 430 SCRA 436, 445; People v. Dimalanta, G.R. No. 157039, October 1, 2004, 440 SCRA 55, 61-62.

[21] People v. Romero, supra note 13 at 97.

[22] Records, p. 43.

[23] ART. 315. Swindling (estafa). -

x x x x

(d) x x x The failure of the drawer of the check to deposit the amount necessary to cover his check within three (3) days from receipt of notice from the bank and/or the payee or holder that said check has been dishonored for lack or insufficiency of funds shall be prima facie evidence of deceit constituting false pretense or fraudulent act. (As amended by Rep. Act No. 4885, approved June 17, 1967.) (Emphasis supplied.)

[24] TSN, July 19, 1995, pp. 507, 516.

[25] People v. Ojeda, G.R. Nos. 104238-58, June 3, 2004, 430 SCRA 436; People v. Dimalanta, G.R. No. 157039, October 1, 2004, 440 SCRA 55.

[26] See U.S. v. Abad Santos, 36 Phil 243 (1917); People v. Yu Hai, 99 Phil 725, 728 (1956).

[27] Cf. *Salazar v. People*, G.R. No. 151931, September 23, 2003, 411 SCRA 598.

[28] *Navarro v. Court of Appeals*, G.R. Nos. 112389-90, August 1, 1994, 234 SCRA 639, 643-644.

[29] *Records*, p. 400.

[30] *Cruz v. Court of Appeals*, G.R. No. 108738, June 17, 1994, 233 SCRA 301, 307.

[31] *People v. Nitafan*, G.R. No. 75954, October 22, 1992, 215 SCRA 79, 85.

[32] *Cueme v. People*, G. R. No. 133325, June 30, 2000, 334 SCRA 795, 805.

[33] No. L-75243, March 16, 1987, 148 SCRA 595.

[34] G. R. No. 119178, June 20, 1997, 274 SCRA 572.

[35] *Id.* at 590.

[36] *Id.* at 596.

[37] SEC. 2. Evidence of knowledge of insufficient funds. - The making, drawing and issuance of a check payment of which is refused by the drawee because of insufficient funds in or credit with such bank, when presented within ninety (90) days from the date of the check, shall be prima facie evidence of knowledge of such insufficiency of funds or credit unless such maker or drawer pays the holder thereof the amount due thereon, or makes arrangements for payment in full by the drawee of such check within five (5) banking days after receiving notice that such check has not been paid by the drawee.

[38] G. R. No. 141466, January 19, 2001, 349 SCRA 777.

[39] *Id.* at 781.

[40] SECTION 1. Checks without sufficient funds. - Any person who makes or draws and issues any check to apply on account or for value, knowing at the time of issue that he does not have sufficient funds in or credit with the drawee bank for the payment of such check in full upon its presentment, which check is subsequently dishonored by the drawee bank for insufficiency of funds or credit or would have been dishonored for the same reason had not the drawer, without any valid reason, ordered the bank to stop payment, shall be punished by imprisonment of not less than thirty days but not more than one (1) year or by a fine of not less than but not more than double the amount of the check which fine shall in no case exceed Two hundred thousand pesos, or both such fine and imprisonment at the discretion of the court.

x x x x

[41] Cf. *Idos v. Court of Appeals*, G.R. No. 110782, September 25, 1998, 296 SCRA 194, 212.

[42] See *U.S. v. Abad Santos*, *supra* note 26; *People v. Yu Hai*, *supra* note 26.

[43] *Eusebio-Calderon v. People*, G.R. No. 158495, October 21, 2004, 441 SCRA 137, 147.

[44] *Sapiera v. Court of Appeals*, G.R. No. 128927, September 14, 1999, 314 SCRA 370, 379.

[45] Amending Article 315 of the Revised Penal Code by Increasing the Penalties for Estafa Committed by Means of Bouncing Checks, done October 22, 1975.

[46] SECTION 1. Any person who shall defraud another by means of false pretenses or fraudulent acts as defined in paragraph 2(d) of Article 315 of the Revised Penal Code, as amended by Republic Act. No. 4885, shall be punished by:

1st. The penalty of reclusion temporal if the amount of the fraud is over 12,000 pesos but does not exceed 22,000 pesos, and if such amount exceeds the latter sum, the penalty provided in this paragraph shall be imposed in its maximum period, adding one year for each additional 10,000 pesos but the total penalty which may be imposed shall [in] no case exceed thirty years. In such cases, and in connection with the accessory penalties which may be imposed under the Revised Penal Code, the penalty shall be termed reclusion perpetua;

x x x x

[47] People v. Hernando, G.R. No. 125214, October 28, 1999, 317 SCRA 617, 629.

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.