

ATTY. CORAZON CHAVEZ, PETITIONER, VS. RENATO GARCIA AND THE OFFICE OF THE OMBUDSMAN, RESPONDENTS.

G.R. No. 195054. April 04, 2016

Ponente: BRION, J.

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BRION, J.:

Before the Court is a petition for review on certiorari[1] assailing the July 13, 2010[2] and January 5, 2011[3] resolutions of the Court of Appeals (CA) in CA-G.R. SP No. 114497.

ANTECEDENTS

Petitioner Atty. Corazon Chavez (Atty. Chavez) was the former Register of Deeds of San Juan City.[4]

On March 23, 2007, respondent Renato Garcia (Garcia) filed with the Office of the Ombudsman (Ombudsman) a complaint[5] against Atty. Chavez for alleged irregularities in the cancellation of Transfer Certificates of Title (TCTs) Nos. 11844-R and 11845-R registered in the name of his parents-in-law, Esperanza Corpus and the late Honorato P. Corpus (Spouses Corpus).[6]

Garcia claimed that on July 26, 2005, Atty. Chavez issued TCT Nos. 12172-R and 12173-R[7] in the name of Hector P. Corpus (Hector), son of the Spouses Corpus. Atty. Chavez issued the new TCTs based on purported deeds of sale executed by the Spouses Corpus and Hector on January 8 and 9, 2002.[8]

On November 16, 2006, the Regional Trial Court (RTC) of San Juan, in a case filed by Garcia's wife and mother-in-law against Hector and Atty. Chavez, voided the deeds of sale for being spurious. The RTC also directed Atty. Chavez to cancel the TCTs issued in favor of Hector and reinstate and issue a new owner's duplicate copy of the TCTs registered in the name of the Spouses Corpus.[9]

Garcia also alleged that the sales were not reported to the Bureau of Internal Revenue (BIR) and that the capital gains tax and documentary stamp tax were not paid. Consequently, the Certificate Authorizing Registration (CAR) of the sales with the Registry of Deeds could not have been issued.[10] To prove this allegation, Garcia submitted certifications[11] issued by the BIR that no sale between the Spouses Corpus and Hector was reported to their office.

In sum, Garcia claimed that the issuance of the new TCTs without the requisite payment of taxes was not only contrary to law but also prejudicial to the State.[12]

In defense,[13] Atty. Chavez claimed that she was not in a position to determine the authenticity and due execution of the deeds of sale; that she could only rely on the declaration that they were subscribed and sworn to in the presence of a Notary Public; and that the deeds of sale are public documents presumed to be regularly and duly executed.[14]

Contrary to Garcia's allegation, Atty. Chavez maintained that her office issued the new TCTs after all the

supporting documents have been submitted, namely: the CAR, the BIR Tax Payment Deposit Slip and the Capital Gains Tax Return.[15] Consequently, her office had to cancel the old TCTs and issue the new ones in Hector's name.[16]

Lastly, Atty. Chavez posited that since the BIR had no records of the transactions, the CAR submitted to her office might have been falsified. Assuming it was falsified, she argued that she could not be held liable because as a Register of Deeds, it is not her duty to determine its intrinsic validity, due execution and authenticity. Only the courts can conduct a foil-blown hearing to decide on such litigious matters.[17]

THE OMBUDSMAN'S FINDINGS[18]

On September 30, 2008, the Ombudsman found substantial evidence to hold Atty. Chavez administratively liable for Grave Misconduct.[19] The Ombudsman held that the issuance of the TCTs without payment of taxes is contrary to the provisions of the National Internal Revenue Code.[20]

To support its finding that Atty. Chavez issued the new TCTs without the supporting documents, the Ombudsman gave weight to: (1) the BIR certifications that the taxes on the alleged sales were not paid[21] and (2) the RTC decision declaring the deeds of sale null and void.[22] The Ombudsman held that these pieces of evidence proved that Atty. Chavez committed wrongdoing.

While acknowledging that Atty. Chavez submitted as evidence the supporting documents (to prove her claim that she issued the new TCTs only after these documents were submitted), the Ombudsman gave more credence to the BIR certifications and the RTC decision.[23]

From these established facts, the Ombudsman concluded that: (1) Atty. Chavez had been remiss in her duties, and thus, should be liable for Grave Misconduct; (2) the government suffered injury equal to the amount of unpaid taxes: Php60,000.00 for capital gains tax and Php15,000.00 for documentary stamp tax;[24] and (3) that Atty. Chavez gave unwarranted benefits to Hector when she issued the new TCTs despite the non-payment of taxes.[25]

In finding Atty. Chavez liable for Grave Misconduct, the Ombudsman stressed that the quantum of proof that must be satisfied in administrative proceedings is merely substantial evidence, which is the amount of relevant evidence a reasonable mind might accept as adequate to support a conclusion.[26] In this case, the evidence presented satisfied the quantum of proof necessary to hold Atty. Chavez liable for Grave Misconduct. Thus,

WHEREFORE, in view of the foregoing, respondent ATTY. CORAZON C. CHAVEZ, Register of Deeds of San Juan City, is liable for Grave Misconduct and is thus imposed the penalty of DISMISSAL from the sendee, including all the accessory penalties of cancellation of eligibility, forfeiture of leave credits and retirement benefits, and disqualification from reemployment in the government service.

Atty. Chavez moved[27] but failed to obtain a reconsideration of the Ombudsman's ruling.[28] Hence, she filed a petition for review[29] with the CA.

The CA dismissed the petition for failure to: (1) state the address of the parties; and (2) attach the affidavit of service and supporting documents. The CA also denied the motion for reconsideration filed by Atty. Chavez.[30] Hence, she came to the Court for relief through the present petition.

PROCEEDINGS BEFORE THE COURT

The Court initially denied the petition because it failed to show any reversible error in the assailed CA resolutions. Atty. Chavez's counsel likewise did not indicate his MCLE compliance.[31]

Atty. Chavez moved for reconsideration on the grounds that: (1) she is battling a stage 3 cancer, and thus, for humanitarian reasons, she asked that her case be at least given due course and resolved on the merits; (2) her case has merits; (3); the defective filing in the CA was fully explained and (4) her counsel has an updated MCLE compliance.[32]

On these bases, the Court granted the motion for reconsideration, reinstated the petition, and required the respondents to file their comments.[33]

THE PETITION

Atty. Chavez assails the Ombudsman's findings on the following grounds:

First, assuming she erred in relying on the supporting documents submitted by Hector, her error does not constitute grave misconduct. She argues that in grave misconduct, there must be corruption and manifest intent to violate the law or flagrant disregard of established rule. Corruption consists of the act of an official who, contrary to duty, unlawfully and wrongfully uses his station to procure some benefit for himself or for another person.[34]

Atty. Chavez points out that the element of corruption was not proven. She insists that while she may have committed a mistake in assuming that the supporting documents were genuine, such mistake was due to inadvertence and may not in any manner be construed as grave misconduct or gross negligence of duty.[35]

Second, Atty. Chavez maintains that she had the right to rely on the authenticity and due execution of the documents submitted to her office. She underscores that it is beyond the duty of the Register of Deeds to look into the intrinsic validity of the CAR or the deeds of sale.[36]

She cites ample jurisprudence to support her claim that the Register of Deeds can only determine the registrability of the document based on its face and that she has no authority to inquire into the intrinsic validity of the documents based on proof aliunde.

She claims that her office receives hundreds of document daily, thus, it would be illogical and burdensome to require her to investigate the due execution and authenticity of all documents submitted to her office. This would result in a logistical nightmare. Thus, the Registry of Deeds could rely on the due execution and authenticity of the documents after they have been signed and subscribed to before a Notary Public.[37]

Finally, Atty. Chavez submits that her dismissal from the service is too harsh a penalty assuming she committed lapses in her duties. She points out that she had been in public service for twenty-six (26) years and that she had served the government with honesty and integrity. She prays that the Court consider this fact in imposing the appropriate penalty, if any.[38]

RESPONDENTS' COMMENT

Garcia refutes Atty. Chavez's good faith reliance on the authenticity and due execution of the supporting documents. He claims that the supporting documents were clearly fraudulent. He also questions how these documents came into Atty. Chavez's possession, and posits that such possession gives rise to the presumption that she forged them or participated in their falsification.[39]

Garcia contends that the fact alone that new TCTs were issued without the requisite payment of taxes already

constitutes grave misconduct although no evidence was adduced to prove Atty. Chavez received remuneration or benefit from the transaction.[40] Thus, Garcia insists that Atty. Garcia's dismissal from the service was commensurate to her grave misconduct.

Garcia also refutes Atty. Chavez's claim that she had served the government with honesty and integrity for twenty-six (26) years. He discloses that the Ombudsman had previously charged Atty. Chavez with plunder in an alleged Php95 Million tax scam against the government.[41] On this note, the Court takes judicial notice of the administrative charge that arose from this separate case where the Ombudsman also found Atty. Chavez liable for grave misconduct and dismissed her from the service.[42]

The Ombudsman, on the other hand, maintains that Atty. Chavez committed grave misconduct when she relied on the documents submitted by Hector despite the absence of receipts evidencing payment of taxes.[43]

The Ombudsman reiterates that the BIR issued certifications showing that no taxes on the purported sales had ever been paid; the failure to collect the tax prejudiced the government in the form of uncollected taxes. Thus, Atty. Chavez committed corruption, an element of grave misconduct, for unlawfully and wrongfully using her station or character to procure benefit for herself or another person, contrary to her duties and the right of the government.[44]

The Ombudsman further contends that there was substantial evidence to prove that Atty. Chavez is liable for grave misconduct, namely: (1) Garcia's complaint-affidavit; (2) the BIR certifications proving the non-payment of taxes; (3) and the RTC decision voiding the fictitious sales. The Ombudsman notes that its investigating officer thoroughly examined these pieces of evidence and deemed them sufficient to substantiate Garcia's allegations.[45]

In support of this contention, the Ombudsman invokes Section 27 of Republic Act No. 6770 or The Ombudsman Act of 1989, which provides that findings of fact by the Ombudsman when supported by substantial evidence are conclusive.[46]

Finally, the Ombudsman notes that grave misconduct is classified as a grave offense, and thus, carries with it the penalty of dismissal from the service.[47]

ISSUES

The case confronts the Court with the issues of whether Atty. Chavez committed grave misconduct; and whether the penalty of dismissal from the service was proper.

OUR RULING

We deny the petition.

It is well-settled that findings of fact and conclusions by the Ombudsman are conclusive when supported by substantial evidence. Their factual findings are generally accorded great weight and respect, if not finality by the courts, by reason of their special knowledge and expertise over matters falling under their jurisdiction.[48]

In cases filed before administrative or quasi-judicial bodies, a fact may be deemed established if it is supported by substantial evidence.[49]

Substantial evidence is defined as such amount of relevant evidence which a reasonable mind might accept as adequate to support a conclusion. It is more than a mere scintilla of evidence. The standard of substantial evidence is satisfied when there is a reasonable ground to believe, based on the evidence submitted, that the respondent is responsible for the misconduct complained of. It need not be overwhelming or preponderant, as is required in an

ordinary civil case, or evidence beyond reasonable doubt, as is required in criminal cases, but the evidence must be enough for a reasonable mind to support a conclusion.[50]

To reiterate, the Ombudsman relied on two established facts to conclude that Atty. Chavez committed grave misconduct: (1) the RTC decision finding the deeds of sale fictitious and (2) the BIR certifications that the taxes on the purported sales were not paid.

Are these pieces of evidence substantial to hold Atty. Chavez liable for grave misconduct?

We rule in the affirmative.

Misconduct is a transgression of some established and definite rule of action, more particularly, unlawful behavior or gross negligence by a public officer.[51]

The misconduct is considered to be grave if it involves additional elements such as corruption or willful intent to violate the law or to disregard established rules, which must be proven by substantial evidence; otherwise, the misconduct is only simple. Corruption, as an element of grave misconduct, consists in the act of an official or fiduciary person who unlawfully and wrongfully uses his station or character to procure some benefit for himself or for another person, contrary to duty and the rights of others. In other words, in grave misconduct, the elements of corruption, clear intent to violate the law, or flagrant disregard of an established rule must be evident.[52]

We agree that Atty. Chavez could not have known that the notarized deeds of sale were spurious and that it was not her duty to examine their authenticity, validity and due execution.

A Register of Deeds is not tasked with the evaluation of the intrinsic validity or genuineness of the deeds submitted to her office, especially if they appear regular on their face.[53] Otherwise, she would be inundated with paperwork and greatly hampered in the performance of her official functions.

There is nothing on records that would show that Atty. Chavez should have known that the deeds of sale were not genuine, nor did Garcia make such allegation. The Ombudsman also did not rule that the deeds were invalid on their face. The Ombudsman held only that the RTC voided them for being fictitious.

Notably, the RTC found them to be spurious only after holding trial and weighing the evidence adduced by the complainants. There is therefore basis to assume that the deeds of sale appeared genuine, valid and duly executed. Thus, Atty. Chavez cannot be faulted for assuming that the deeds were not fictitious, granting she had no prior knowledge that the deeds were indeed falsified.

Be that as it may, the uncontroverted facts in this case, taken as a whole, compel the Court to sustain the ruling of the Ombudsman. These established facts juxtaposed with the degree of proof required in an administrative case justify the finding of grave misconduct and the dismissal of Atty. Chavez from the service.

Stated in concrete terms, we hold that Atty. Chavez committed grave misconduct when she issued the new TCTs without proof of payment of taxes. We find that the following circumstances negate Atty. Chavez's claim of innocence:

First, Atty. Chavez chose to not participate and defend her office in the RTC.

We stress that the case filed in the RTC was not only against Hector, the alleged guilty party in falsifying the deeds of sale, but also against Atty. Chavez, in her official capacity as the Register of Deeds. The case was for the declaration of nullity of the deeds of sale and cancellation of the TCTs issued by Atty. Chavez in favor of Hector.[54]

Despite twice asking for extension to file an answer, Atty. Chavez did not file any responsive pleading. Upon

motion, the RTC declared her in default. The RTC then decided the case based on the evidence of the complainants (Garcia's wife and mother-in-law). These included, among others, the BIR certifications that the taxes on the sales were not paid (and thus, the CAR and the tax returns could not have been issued). The BIR employees also testified to confirm the facts in their certifications.

Interestingly, the RTC also found that the complainants, through a representative, sent a letter-request to Atty. Chavez asking for certified copies of the documents relevant to the issuance of the TCTs. Despite being told to follow-up several times, the representative was not provided with the requested documents.[55]

Clearly, even prior to the filing of the complaint with the Ombudsman, there was already an indication that Atty. Chavez could not produce the supporting documents that would have justified the issuance of TCTs.

Second, Atty. Chavez filed her counter-affidavit with the Ombudsman only after several extensions of time.

These circumstances tend to refute her claim that she received all the supporting documents before she issued the new TCTs, as well as her claim that she cannot be faulted if the supporting documents turned out to be spurious.

We elaborate on this point in our discussion below.

The Ombudsman ordered Atty. Chavez to file her counter-affidavit on June 9, 2007. She moved for extensions on July 20, 2007; October 22, 2007; May 16, June 2, and June 5, 2008 (five motions for extension in total).

She finally filed her counter-affidavit on August 15, 2008, more than a year after she was first ordered to do so.[56] Atty. Chavez reasoned that she had to "prioritize the pending workloads in her office before retrieving relevant documents and investigating what really transpired in relation to the x x x complaint." [57]

Atty. Chavez attached to her belatedly-filed counter-affidavit the alleged CAR and supporting documents supposedly proving that the taxes had been paid.

In this regard, we find relevant that the RTC decided the nullity/cancellation case on November 16, 2006. Thus, as early as November 16, 2006, Atty. Chavez had been informed that her office was accused of and had been found issuing TCTs despite the absence of proof of payment of taxes.

And yet, it took her almost two years to submit as evidence the purported supporting documents that would have justified the cancellation of the Spouses Corpus TCTs and the issuance of the new TCTs in favor of Hector.

We underscore that Atty. Chavez had not explained nor attempted to explain anywhere in her pleadings filed before the Court or with the Ombudsman the reason for the delay. She does not claim that these documents were missing or destroyed or stolen. The Court does not understand why it took her a long time to submit them as evidence to protect the integrity of her office and defend her own reputation.

In fact, she admitted that she only had to "retrieve the relevant documents" but failed to do so at the earliest opportunity because she was busy with her official duties.[58]

We are far from convinced by the merit of this explanation.

The more tenable explanation is that the alleged CAR, BIR Deposit Payment Slip and Capital Gains Tax Return (the supporting documents) were non-existent at the time of the issuance of the new TCTs. We recall the sequence of events leading to the "appearance" of the supporting documents:

- Atty. Chavez issued the new TCTs to Hector on July 26, 2005.[59]
- On October 4, 2005, the BIR certified that the capital gains tax and documentary tax had not been paid on the sales.

This means that the alleged supporting documents could not have been issued by the BIR. Consequently, Hector could not have submitted any document to Atty. Chavez's office unless falsified versions of the supporting documents were filed.

- On November 16, 2006, the RTC cancelled the TCTs for having been issued without proof, of payment of taxes.

This supports the conclusion that the BIR could not have issued and Hector could not have submitted the alleged supporting documents to Atty. Chavez's office unless falsified versions were submitted.

- On March 23, 2007, Garcia filed his complaint with the Ombudsman alleging that Atty. Chavez issued the TCTs without the required proof of payment of taxes.

Again, if this allegation is true, it means that Hector could not have submitted the supporting documents to Atty. Chavez's office unless he or someone else falsified them.

- On August 15, 2008, Atty. Chavez filed her counter-affidavit attaching the alleged supporting documents.

- On September 30, 2008, the Ombudsman found that Atty. Chavez issued the TCTs in Hector's name without the required payment of taxes.

To our mind, the above sequence of events renders it clear that on July 26, 2005, Atty. Chavez should have received some sort of supporting documents, fake or otherwise.

Also, as early as October 4, 2005 (date of BIR certification) or March 23, 2007 (date of Garcia's complaint), Atty. Chavez had or should have been alerted to the possibility that her office received falsified supporting documents. However, she made no attempt to explain what she did upon learning of this distinct possibility.

We find Atty. Chavez's silence on this particular point rather revealing. The supporting documents surfaced only when she belatedly filed her counter-affidavit on August 15, 2008. She offers no explanation on where the supporting documents were between October 4, 2005 and August 15, 2008. This inevitably leads us to conclude, as did the Ombudsman, that she did not at all receive any supporting document on July 26, 2005, falsified or otherwise.

The Court is also not convinced that she was too busy with official duties that it took her almost three years to "retrieve the relevant documents." The more believable conclusion, as found by the Ombudsman though not expressly stated in these terms, is that not only were the deeds of sale fictitious, the alleged supporting documents, namely: the CAR, the BIR Tax Payment Deposit Slip and the Capital Gains Tax Return were non-existent when Atty. Chavez issued the TCTs in favor of Hector.

We thus rule that the above findings are more than sufficient to qualify as substantial evidence, and that there are sufficient "reasonable grounds to believe, based on the evidence submitted, that the respondent is responsible for the misconduct complained of." [60]

For all these reasons, we sustain the findings of the Ombudsman holding Atty. Chavez liable for grave misconduct and dismissing her from the service.

A final note: While Atty. Chavez had been previously found administratively liable for grave misconduct in a separate case (the Ombudsman found in that case that Atty. Chavez registered a deed despite the non-submission of the CAR when she was still the Register of Deeds of Las Piñas), we clarify that such fact has no bearing in the present case. Our conclusion here is arrived at based solely on the facts found by the Ombudsman and the issues submitted by the parties.

WHEREFORE, premises considered, we DENY the petition and AFFIRM the July 13, 2010 and January 5, 2013

resolutions of the Court of Appeals in CA-G.R. SP No. 114497.

SO ORDERED.

Carpio, (Chairperson), Del Castillo, Mendoza, and Leonen, JJ., concur.

[1] Rollo, pp. 9-33. The petition is filed under Rule 45 of the Rules of Court, with prayer for temporary restraining order.

[2] Id. at 222.

[3] Id. at 242. Associate Justice Mario L. Guariña III penned the assailed resolutions with the concurrence of Associate Justice Apolinario D. Bruselas, Jr. and Associate Justice Rodil V. Zalameda.

[4] Id. at 10.

[5] Docketed as OMB-C-C-07-0161 -D and OMB-C-A-07-0180-D.

[6] Rollo, p. 63.

[7] Id. at 65-68.

[8] Id. at 69-72.

[9] Id. at 73-76

[10] Id. at 63.

[11] Id. at 77-78. The certifications were issued by Adelfa L. Mateo, Chief, Collection Section of the BIR - Revenue District Office (No. 42) and Melinda B. Ramos, Revenue Officer III of the same office.

[12] Id. at 64.

[13] Id. at 81-85.

[14] Id. at 82.

[15] Id. at 86-92.

[16] Id. at 82.

[17] Id. at 83-84.

[18] Id. at 176-191.

[19] Id. at 183-190.

[20] See Sections 24 (D), 58 (E), and 196 of the National Internal Revenue Code.

[21] Rollo, p. 186.

[22] Id. at 73-76.

[23] Id. at 181-182.

[24] Id. at 187-188.

[25] Id. at 188.

[26] Id. at 189.

[27] Id. at 196-209.

[28] Id. at 216-220.

[29] Id. at 222.

[30] Id. at 242-243.

[31] Id. at 244-245.

[32] Id. at 246-261.

[33] Id. at 493.

[34] Id. at 16.

[35] Id. at 17.

[36] Id. at 19.

[37] Id. at 23-26.

[38] Id. at 26-29.

[39] Id. at 503-504.

[40] Id. at 504.

[41] Id. at 504-505.

[42] See *Ombudsman v. De Villa*, G.R. No. 208341, June 17, 2015. It is unclear whether Atty. Chavez questioned the Ombudsman's finding on this separate case.

[43] *Rollo*, pp. 523-526.

[44] Id. at 525.

[45] Id. at 526-527.

[46] Id. at 527.

[47] Id. at __.

[48] *Ombudsman v. Mallari*, G.R. No. 183161, December 03, 2014, citing *Miro v. Mendoza Vda. de Erederos*, G.R. Nos. 172532 172544-45, November 20, 2013, 710 SCRA 371, 383.

[49] Section 5, Rule 133, RULES OF COURT.

[50] *Ibid*.

[51] *Bureau of Internal Revenue v. Organo*, 468 Phil. 111, 118 (2004).

[52] *Supra* note 48.

[53] Section 10 of the Presidential Decree No. 1529 (Amending and Codifying the Laws Relative to Registration of Property and for Other Purposes) provides:

Section 10. General functions of Registers of Deeds. -

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It shall be the duty of the Register of Deeds to immediately register an instrument presented for registration dealing with real or personal property which complies with all the requisites for registration. He shall see to it that said instrument bears the proper documentary and science stamps and that the same are properly cancelled.

xxx

[54] Rollo, p. 73.

[55] Id. at 75.

[56] Id. at 179-181.

[57] Id. at 79.

[58] Ibid.

[59] Id. at 65-68.

[60] Supra note 48.

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