

MARY JUNE CELIZ, PETITIONER, VS. CORD CHEMICALS, INC., LEONOR G. SANZ, AND MARIAN ONTANGCO, RESPONDENTS.

G.R. No. 200352. July 20, 2016

Ponente: DEL CASTILLO, J.

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DEL CASTILLO, J.:

This Petition for Review on Certiorari[1] assails the October 26, 2011 Decision[2] of the Court of Appeals (CA) which dismissed the Petition for Certiorari[3] in CA-G.R. SP No. 116098, and its subsequent January 18, 2012 Resolution[4] denying herein petitioner's Motion for Reconsideration.[5]

Factual Antecedents

As found by the CA, the facts of the case are as follows:

Private respondent Cord Chemicals, Inc. (Cord, Inc.) is a domestic company owned and managed by private respondent Leonor Sanz (Leonor), its Chief Executive Officer. It was formerly operated by Francisco Sanz (Francisco), husband of Leonor, who met his demise in 2008.

Celiz started her employment with Cord, Inc. way back in 1992 when she was hired as an Assistant Accounting Manager. She steadily climbed the ranks until her promotion as Chief of Sales, the second highest ranking position, concurrent with her position as Senior Operations Manager. During her stint, Celiz claimed that the sales profit of Cord, Inc. tremendously increased.

Celiz averred that upon the death of Francisco, the new management advised her not to report for work anymore. She was then invited by Leonor and her children to a meeting at a restaurant in Makati City where the Sanz family came with two lawyers in tow. She was supposedly informed that Leonor was jealous of her intimate relationship with Francisco. Reeling in protest, Celiz insisted that her relationship with Francisco was purely professional. Knowing that fighting Leonor was pointless as she was well connected, Celiz then asked that she be allowed to resign. Leonor acceded and told her to claim her separation pay by the end of October 2008.

Celiz did return to Cord, Inc. to tender her resignation. To her utter disbelief, however, she was informed by the company counsel that she will be dismissed from work because of her failure to account for numerous unliquidated advances amounting to P713,471.00.

Thereafter, Cord, Inc. served upon Celiz the Notice to Explain informing her that being a managerial employee, she was vested with a high degree of trust and confidence and that her failure to liquidate accounts was tantamount to dishonest handling of company funds. Cord, Inc. was impelled to place her on preventive suspension. She was also asked to submit her formal explanation, and to attend the investigation that would be conducted so she could explain her side of the matter.

Celiz replied that she could not answer the accusations hurled against her because of time constraint, and she did not have access to her office files. She requested that she be given seven working days to check her documents, vouchers and cash advances so she could properly respond to the charges leveled against her.

Cord, Inc. granted her three consecutive days to go over all her records in the presence of two other employees. It reminded her to submit her explanation on the unliquidated cash advances. She, however, objected that Cord, Inc. still refused her entry to her room, and instead told her to stay at the Conference Room where she was given 12 boxes allegedly containing all documents from her office.

In her Letter, Celiz deplored that she was indiscriminately placed under preventive suspension which was announced at Cord, Inc.'s General Assembly. She maintained that she did not deserve such punishment given her sterling and devoted service to the company for 17 years. On the unliquidated accounts, she claimed that several entries in the ledger were credited in her name, albeit these were given to the employees. She could not explain the expenses [reflected] on the company credit card issued to her as she was not furnished with the Statement of Account. She again repeated her request for a certified copy of the details of her supposed unliquidated cash advances.

On 6 December 2008, Cord, Inc. dismissed Celiz for serious breach of trust and confidence. Left with no other recourse, she sued Cord, Inc. for Illegal Dismissal and Monetary Benefits before the Labor Arbiter. As Chief Executive Officer, Leonor, and Marian Ontanco[6] (Marian), the Human Resources Manager were impleaded therein.

Cord, Lie, Leonor and Marian, for their part, denied the charge of illegal dismissal. They revealed that Celiz was the paramour of Francisco and that Leonor and her children were well aware of the illicit relations, but could not do anything about it. To bolster such averment, they submitted, inter alia, the handwritten letters of Celiz to Francisco declaring her love, admiration and gratitude to the latter.

As it happened, Leonor took over the reins of Cord, Inc. upon Francisco's untimely demise. Since she knew that Celiz was her husband's mistress, Leonor informed the latter not to report for work in the meantime, for she was still considering her options. Celiz was assured that she would still be in the payroll during her absence. Celiz then communicated her desire to be given a graceful exit from Cord, Inc., which prodded Leonor to arrange a meeting with her at a restaurant in Makati City.

It was during that meeting when Celiz informed Leonor, her children, as well as Cord, Inc.'s lawyers that she will be resigning at the end of October 2008 and transferring to a company engaged in the same industry as that of Cord, Inc. Leonor agreed to give Celiz her separation pay and reminded her that the confidentiality clause in her employment contract was still in force.

On 14 October 2008, Celiz went to her office and cleaned out her desk. She received her salary for the half month of October. In the meantime, Cord, Lac. informed its Accounting personnel of the impending resignation of Celiz so that standard clearance procedure on Celiz's ledgers may be undertaken. It was the standing policy of the company not to release the last salary and benefits of a resigning employee pending the clearance of her accounts.

It was during the audit that Cord, Inc. discovered the unliquidated cash advances of Celiz in the staggering amount of P713,471.00. The Accounting personnel reported that (a) by her conduct, Celiz gave everyone the impression that her "closeness" to Francisco rendered her exempt from compliance with the requirement to liquidate, (b) she simply shouted at them each time they reminded her to liquidate, and (c) on those instances when they could safely bring up the matter of liquidation because Celiz was in a good mood, she would just say *u nasa akinyan, hindi kopa long naaayos*."

Cord, Inc. proceeded to inform Celiz of her unliquidated cash advances, yet she refused to square up this matter. This impelled Cord, Inc. to send the first Notice giving her 48 -hours within which to explain her side of the matter. She was likewise placed on preventive suspension considering the gravity of the charges against her.

When Celiz requested for more time to scrutinize her files, Cord, Inc. acquiesced in giving her ample time to

do so. Meanwhile, Leonor conducted her own investigation and unraveled that Celiz had been padding and adjusting her sales output, and reporting fictitious sales to magnify the sales figure for the whole year. She had not been attending to customer complaints which exposed Cord, Inc. to potential lawsuits. These shortcomings remained unacted upon because of her special relationship with Francisco.

Celiz finally liquidated her advances but her accounting fell short of P445,272.93. For misappropriating company funds, Cord, Inc. dismissed Celiz as she was found unworthy of the trust and confidence reposed upon her.

Weighing the discordant postures of the parties, the Labor Arbiter rendered the 29 June 2009 Decision holding that the severance of employment was for a just cause and after observance of due process. The Complaint of Celiz was accordingly dismissed for lack of merit.

Undeterred, Celiz sought recourse before the NLRC which paid no heed to her Appeal and affirmed the Labor Arbiter's judgment in the assailed Decision. The NLRC stood pat with its conclusion and denied the Motion for Reconsideration in the challenged Resolution.^[7]

Ruling of the Court of Appeals

In a Petition for Certiorari filed with the CA and docketed as CA-G.R. SP No. 116098, petitioner sought to reverse the above May 13, 2010 Decision^[8] and June 29, 2010 Resolution^[9] of the National Labor Relations Commission (NLRC), and be awarded her claim of backwages and other benefits, damages, and attorney's fees, with reinstatement, on account of her illegal dismissal. She claimed that the NLRC committed grave abuse of discretion in affirming the Labor Arbiter; that it was error for the NLRC to validate her dismissal for failing to account for the P445,272.93 unliquidated cash advances, since she was not accountable therefor, and there was no proof to show that she received and benefited therefrom; that the dismissal of the complaint for qualified theft filed by respondents against her before the Office of the City Prosecutor of Mandaluyong City^[10] relative to the cash advances in issue conclusively proves her innocence of the administrative charges filed against her; that there is no basis to dismiss her on the ground of loss of trust and confidence, since the alleged loss of trust was simulated; that the true reason for her dismissal was respondent Leonor's extreme jealousy and claim that petitioner was Francisco's mistress, grounds which are not sanctioned under the Labor Code; that her dismissal was not attended by due process, as she was not given ample opportunity to defend herself from the charges against her since no hearing was conducted; and that for her illegal dismissal, she is entitled to her monetary claims.

On October 26, 2011, the CA issued the assailed Decision containing the following pronouncement: .

The Petition fails to impress.

Cord, Inc., Leonor and Marian (now, private respondents) adduced clear and compelling proof bolstering petitioner's just and lawful dismissal.

It bears accent that the termination of petitioner's employment was anchored on her failure to explain and account for unliquidated advances amounting to P445,272.93. As the employee directly in charge with the use of these funds, petitioner should have been more circumspect in handling them knowing fully well that her position demands a high degree of trust.

Indeed, petitioner committed serious breach of the trust and confidence reposed in her by her employer warranting the just severance of her employment. The law protecting the rights of the laborer authorizes neither oppression nor self-destruction of the employer,

In *Philippine Military Veterans Security and Investigation Agency v. Court of Appeals*, it was decisively held that -

"Loss of trust and confidence as a ground for dismissal does not entail proof beyond reasonable doubt of the employee's misconduct. However, the evidence must be substantial and must establish clearly and convincingly the facts on which the loss of confidence in the employee rests. To be a valid reason for dismissal, loss of confidence, must be genuine, x x x"

As Chief of Sales and Senior Operations Manager, petitioner occupied the second highest ranking position in the company. The routine audit conducted as clearance procedure prior to the release of her separation pay unearthed how she wasted the coffers of the company. In this light, We cannot compel private respondents to retain her services. She was shown to be a gross liability to the company. Neither could We blame private respondents for losing confidence in petitioner. Her misconduct unmasked her untruthfulness, and constituted infidelity of her employer's trust.

Appositely, We reverberate the disquisition of the Labor Arbiter -

"That (petitioner) held a position of trust and confidence is very evident from the nature of her position as the Chief of Sales & Senior Operations Manager of the respondent company. The fact that she was found wanting in the discharge of her duties and functions as such have been proven from the documentary and testimonial evidence proving that (petitioner) failed to account for sums that were either credited to her or were subject to her custody. Hence, it cannot be said that the basis for finding (petitioner) guilty "of breach of trust was simulated or fabricated, considering that the charge was anchored on the itemized advances documents which respondents even provided the (petitioner) at the time time show cause notice was served.

It is also noteworthy that it was only after she had been duly charged that the (petitioner) was able to liquidate some of the cash advances, and failed to account for the balance, thus lending credence to respondents' contention that the (petitioner) had been remiss in her duties as second highest ranking officer of the company."

Withal, We ingeminate the labor tribunals' disposition that petitioner was afforded procedural due process before the termination of her employment was effected.

Basic is the principle that the employer must furnish the employee with two written notices before termination of employment can be legally effected: (a) a notice which appraises the employee of the particular acts or omissions for which his dismissal is sought, and (b) the subsequent notice which informs the employee of the employer's decision to dismiss him.

The records divulge that petitioner was furnished with the first Notice to Explain informing her of her failure to liquidate numerous advances, which was tantamount to dishonest handling of funds, She was duly asked to tender her written explanation and to attend the formal investigation to sift through the grievances against her, When petitioner asked for more time to submit her explanation, she was given another 48 hours within which to comply. Petitioner was likewise accorded access to company files and records to allow her to thoroughly prepare her defense. Miserably, petitioner was only able to account for a portion of the unliquidated advances attributed against her prompting private respondents to send the subsequent notice informing her of the decision to dismiss her from service. To Our mind, private respondents observed due process before terminating petitioner's employment.

All things judiciously considered, We discern no grave abuse of discretion committed by the labor tribunals in ruling that petitioner was dismissed for cause and after compliance with procedural due process. We have always condemned in the strongest possible terms an employee's dishonest act when proven by clear and convincing evidence.

WHEREFORE, the Petition for Certiorari is hereby DISMISSED. SO ORDERED.[11]

Petitioner filed her Motion for Reconsideration, which was denied by the CA in a January 18, 2012 Resolution. Thus, the instant Petition was instituted.

Issues

Petitioner claims that:

I

THE RULING OF THE COURT OF APPEALS THAT PETITIONER COMMITTED SERIOUS BREACH OF TRUST AND CONFIDENCE WHICH WARRANTED HER TERMINATION FROM EMPLOYMENT IS PATENTLY CONTRARY TO THE PRONOUNCEMENT OF THIS HONORABLE COURT IN LIMA LAND, INC. VS. CUEVAS [G.R. NO. 169523, 16 JUNE 2010] ON THE DOCTRINE OF LOSS OF TRUST AND CONFIDENCE, PARTICULARLY, THE REQUIREMENT THAT THE BREACH OF TRUST BE ESTABLISHED BY SUBSTANTIAL EVIDENCE.

II

THE COURT OF APPEALS FAILED TO ADHERE TO THE PRONOUNCEMENT OF THIS HONORABLE COURT IN THE CASES OF KING OF KINGS TRANSPORT VS. MAMAC [G.R. NO. 166208, 29 JUNE 2007] AND PEREZ VS. PHILIPPINE TELEGRAPH & TELEPHONE COMPANY [G.R. NO. 152048, 7 APRIL 2009] WHEN IT HELD THAT THERE WAS COMPLIANCE WITH THE REQUIREMENTS OF PROCEDURAL DUE PROCESS OF LAW PRIOR TO THE TERMINATION OF PETITIONER FROM EMPLOYMENT.[12]

Petitioner's Arguments

Praying that the assailed CA dispositions be set aside and that respondents be declared guilty of illegal dismissal and adjudged liable for monetary claims, damages, and attorney's fees as prayed for in the Petition, petitioner maintains therein and in her Reply[13] that her termination on the ground of loss of trust and confidence, which the CA sanctioned, was not supported by substantial evidence, in that it has not been shown that she actually received the amount of P445,272.93 out of the P713,471.00 unliquidated cash advances attributed to her, or that they were legitimate expenses backed by the necessary supporting documents; that in view of lack of evidence showing that she received said amount, she is not duty bound to account therefor; that in *Lima Land, Inc. v. Cuevas*,[14] it was held that loss of trust and confidence as a ground for dismissal must be genuine, not simulated and a mere afterthought intended to justify an earlier action taken in bad faith by management, that there must be an actual breach of duty committed by the employee which must be established by substantial evidence; that the charges against her were fabricated to exact revenge for Leonor's unfounded and unproved claim that petitioner was Francisco's mistress; that the dismissal of the complaint for qualified theft filed against her before the City Prosecutor of Mandaluyong proves her innocence; and that contrary to the findings of the CA, she was deprived of her right to due process and was not given ample opportunity to defend herself, as she was denied access to pertinent documents that were needed for the formulation of her defense and was not accorded a formal hearing.[15]

Respondents' Arguments

In their joint Comment[16] which prays for dismissal of the Petition, respondents maintain that petitioner raises issues of fact which are beyond the purview of a petition for review on certiorari; that the identical findings of fact and law of the CA, the NLRC, and the Labor Arbiter are final and conclusive; that the pieces of documentary evidence, consisting of the sworn statement of Cord, Inc.'s Chief Accountant Gloria Razon, and entries in petitioner's Cash Advance Subsidiary Ledger which were recorded in the ordinary course of business, clearly indicate that petitioner failed to liquidate all of her cash advances; that petitioner herself admitted the authenticity

of the Cash Advance Subsidiary Ledger when she contended in her Position Paper[17] before the Labor Arbiter that she was able to liquidate "most of the expenses mentioned" therein; that apart from the evidence relating to petitioner's unliquidated cash advances, it has been proved, through the love letters she sent to Francisco, and the sworn statements of Francisco's Executive Secretary, Aida Berganos (Berganos) that petitioner was conducting an illicit affair with Francisco during her employment; and that procedural due process was observed prior to petitioner's termination from employment, in that she was given access to documentary evidence and was accorded a scheduled hearing, but she chose not to attend the same.

Our Ruling

The Court denies the Petition.

In essence, petitioner claims that respondents were not able to adduce substantial evidence to prove that she received the cash advances attributed to her; as such, she is not bound to account therefor. Unfortunately for petitioner, this contention requires a calibration of facts which is not within the ambit of the present Petition.

In labor cases, issues of fact are for the labor tribunals and the CA to resolve, as this Court is not a frier of facts. In the present case, since the Labor Arbiter, the NLRC, and the CA are unanimous in their finding that petitioner was not illegally dismissed, this Court must abide by such conclusion. "Factual findings of quasi-judicial bodies like the NLRC, if supported by substantial evidence, are accorded respect and even finality by this Court, more so when they coincide with those of the Labor Arbiter. Such factual findings are given more weight when the same are affirmed by the Court of Appeals." [18] Since there is no divergence between the findings of these three tribunals, there is no need to go over the evidence once more in order to resolve the issues relative to petitioner's failure to liquidate her cash advances and the manner by which she was terminated. Suffice it to state that -

We reiterate the rule that in cases of dismissal for breach of trust and confidence, proof beyond reasonable doubt of an employee's misconduct is not required. It is sufficient that the employer had reasonable ground to believe that the employee is responsible for the misconduct which renders him unworthy of the trust and confidence demanded by his position. In the case at bench, it cannot be doubted that petitioner succeeded in discharging its burden of proof.[19]

In any event, we reviewed the records of the case and found that, contrary to petitioner's contention, there was substantial evidence showing that the subject cash advances were properly attributed to petitioner and that she failed to liquidate the same. In short, there was just cause to dismiss her from the service.

It is also beyond cavil that respondents observed the requirements of procedural due process. In the first notice to explain, petitioner was properly informed of the charge against her, i.e., failure to liquidate the cash advances. In addition, respondents allowed petitioner access to company records in order for the latter to thoroughly prepare her explanation and defense. Considering the circumstances, respondents even generously granted petitioner more time to sift through the company records. However, petitioner was only able to liquidate a small portion of the cash advances; she failed to explain how and where she spent the rest. Consequently, respondents have no other recourse but to dismiss petitioner for loss of trust and confidence. It is on record that respondents notified petitioner of her termination from service.

Finally, no ill motive or bad faith may be attributed to respondents. It is on record that respondents even acceded to petitioner's request for a graceful exit. However, the discovery of anomalies connected with her office simply took away her privilege of receiving monetary benefits at such exit, which, despite the unfortunate circumstances, Leonor was graciously willing to grant.

For violating the trust and confidence reposed in her, petitioner is not entitled to any benefit in leaving Cord, Inc.

In view of the foregoing, there is no need to discuss the other issues raised by petitioner.

WHEREFORE, the Petition is DENIED, The assailed October 26, 2011 Decision and January 18, 2012 Resolution of the Court of Appeals in CA-G.R. No. 116098 are AFFIRMED.

SO ORDERED.

Carpio, (Chairperson), and Leonen, JJ., concur.

Brion, J., on leave.

Mendoza, J., on official leave.

[1] Rollo, pp. 10-56.

[2] Id. at 60-69; penned by Associate Justice Japar B. Dimaampao and concurred in by Associate Justices Stephen C. Cruz and Ramon A. Cruz.

[3] Id. at 577-616.

[4] Id. at 57-58.

[5] Id. at 689-700.

[6] Or Ontangco.

[7] Rollo, pp. 61-65. Citations omitted.

[8] Id. at 546-555; Decision in NLRC LAC No. 09-002585-09; penned by Commissioner Nieves E. Vivar-de Castro and concurred in by Presiding Commissioner Benedicto R. Palacol and Commissioner Isabel G. Panganiban-Ortiguerra.

[9] Id. at 575-576.

[10] Id. at 469-473; Resolution dated May 15, 2009 penned by 2nd Assistant [City] Prosecutor Leilani M. Rodriguez in NPS Docket No. XV-00-INV-09A-00014.

[11] Id. at 65-68. Citations omitted.

[12] Id. at 32.

[13] Id. at 650-661.

[14] 635 Phil. 36 (2010).

[15] Citing *King of Kings Transport v. Maniac*, 553 Phil. 108 (2007); and *Perez v. Philippine Telegraph and Telephone Company*, 602 Phil. 522 (2009).

[16] Rollo, pp. 702-714.

[17] Id. at 77-106, at 86.

[18] *Emeritus Security and Maintenance Systems, Inc. v. Dailig*, G.R. No. 204761, April 2, 2014, 720 SCRA 572, 578-579.

[19] *Maranaw Hotel & Resort Corp. v. National Labor Relations Commission*, 314 Phil. 270, 279 (1995).

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