

CORAZON C. CABOTAGE, JUANITO B. DAGUNO, JR., VIOLETA M. GAMIL, TERESITA E. TAM, ROBERTO P. VILLA, AND VILMA A. TIONGSON, PETITIONERS, VS. FIELD INVESTIGATION OFFICE-OFFICE OF TH...

G.R. No. 239315. June 23, 2021

Ponente: INTING, J.

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INTING, J.:

This Petition for Review on Certiorari[1] under Rule 45 of the Rules of Court assails the Decision[2] dated September 22, 2017 and the Resolution[3] dated May 8, 2018 of the Court of Appeals (CA) in CA-G.R. SP No. 144526 which affirmed with modification, as to the administrative aspect, the Joint Resolution[4] dated August 7, 2015 and the Joint Order[5] dated January 22, 2016 of the Office of the Ombudsman (Ombudsman) in OMB-C-C-14-0233, OMB-C-C-14-0234, and OMB-C--A-14-0204.

The factual and procedural antecedents are not disputed. They are as follows:

Petitioners are employees of the Commission on Audit (COA) holding the positions of State Auditors and Data Entry Machine Operators assigned at the Local Water Utilities Administration (LWUA), a government-owned and controlled corporation (GOCC) with a specialized lending function mandated by law to promote and oversee the development of water supply systems in provincial cities and municipalities outside of Metropolitan Manila.

On September 12, 2012, the LWUA's Internal Control Office (ICO) issued a Memorandum to the Chairperson of the Board of Trustees (BOT), Finance Committee, informing the latter of the irregular cash disbursements made by the LWUA management through the purchase of manager's checks amounting to P25 Million from 2006 to 2010, supported only by letter-instructions to the Land Bank to debit LWUA's bank account. These disbursements were recorded through Journal Vouchers using the account "13[th] Month Pay and Other Bonuses," with the explanation "To take up 13[th] month pay and other bonuses given to government employees detailed to LWUA." Allegedly, the recipients of this irregular cash disbursements include COA personnel detailed to LWUA and if proven to be true, would make the latter liable for violation of Republic Act (R.A.) No. 6758 or the Compensation and Position Classification Act of 1989, prohibiting COA personnel from receiving additional compensation from any government entity, local government and GOCC.

On the basis of said memorandum, the Field Investigation Office (FIO) of the Office of the Ombudsman, on August 04, 2014, filed a Complaint against petitioners and LWUA officials and employees, for violation of Section 7(d) of Republic Act No. 6713 (Code of Conduct and Ethical Standards for Public Officials and Employees) and Grave Misconduct under Section 46.A (3) and Conduct Prejudicial to the Best Interest of the Service under Section 46.B (8) of the Revised Rules on Administrative Cases in the Civil Service (CSC Resolution No. 1101502), docketed as OMB-C-C-14-0233, 14-0234 and 14-0204. The complaint alleges, among others, that petitioners received compensation without legal basis and in contravention of R.A. No. 6758, prohibiting COA officials and employees from receiving salaries, honoraria, bonuses, allowances or other emoluments from any government entity, local government unit, GOCCs and government financial

institutions, except those compensations paid directly by COA. Petitioners who were detailed to LWUA allegedly received the following amounts, to wit:

Juanito B. Daguno, Jr., who served as State Auditor II from 1996 up to present and was assigned to LWUA per COA Re-Assignment Order No. 2004-06, received the following monetary benefits from LWUA:

Date

Check Number

Amount (PhP)

November 22, 2006

MC 08133

21,959.00

November 27, 2006

MC 08165

70,000.00

May 29, 2007

MC 10112

7,500.00

April 23, 2007

MC 09487

21,959.00

September 4, 2007

MC 11227

36,955.00

September 25, 2007

MC 11731

7,500.00

November 29, 2007

MC 12317

42,455.00

December 12, 2007

MC 12365

7,500.00

December 21, 2007

0610970668

10,000.00

February 14, 2008

0610970712

0610970711

0610970707

0610970708

0610970706

0610970709

0610970710

10,000.00

10,000.00

10,000.00

10,000.00

10,000.00

10,000.00

10,000.00

September 18, 2008

MC 14354

38,500.00

November 25, 2008

MC 14483

29,950.00

December 4, 2008

0610970066

10,000.00

December 15, 2008

MC 14530

120,000.00

April 29, 2009

MC 14817

32,075.00

June 9, 2009

0610970924

16,000.00

March 8, 2010

MC 15596

16,000.00

March 23, 2010

MC 15646

57,000.00

Total

615,353.00

Violeta M. Gamil, who served as Data Entry Machine Operator III from 1999 up to present and was assigned to LWUA per COA Assignment Order No. 015300, received the following monetary benefits from LWUA:

Date

Check Number

Amount (PhP)

November 22, 2006

MC 08136

43,293.00

November 27, 2006

MC 08170

140,000.00

May 29, 2007

MC 10114

7,500.00

April 23, 2007

MC 09490

38,664.00

September 4, 2007

MC 11230

38,774.00

September 25, 2007

MC 11732

7,500.00

November 29, 2007

MC 12320

29,274.00

December 12, 2007

MC 12369

7,500.00

December 21, 2007

0610970677

0610970678

0610970684

0610970686

0610970560

0610970567

10,000.00

10,000.00

10,000.00

10,000.00

10,000.00

10,000.00

February 14, 2008

MC 12541

140,000.00

September 5, 2008

0610970777

0610970776

10,000.00

10,000.00

September 18, 2008

MC 14357

38,500.00

November 25, 2008

MC 14486

20,951.00

December 4, 2008

0610970062

10,000.00

December 15, 2008

MC 14531	
120,000.00	
April 29, 2009	
MC 14821	
23,076.00	
June 9, 2009	
0610970927	
16,000.00	
March 8, 2010	
MC 15600	
16,000.00	
March 23, 2010	
MC 15650	
57,000.00	
Total	
834,032.00	

Proceso A. Saavedra, who served as State Auditor III from 2004 up to present and was re-assigned to LWUA per COA Re-Assignment Order No. 2000-508, received the following monetary benefits from LWUA:

Date	Check Number	Amount (PhP)
November 22, 2006	MC 08140	22,225.00
November 27, 2006	MC 08164	70,000.00
May 29, 2007	MC 10104	7,500.00
April 23, 2007		

MC 09482

38,383.00

September 4, 2007

MC 11222

47,804.00

September 25, 2007

MC 11723

7,500.00

November 29, 2007

MC 12313

40,304.00

December 12, 2007

MC 12362

7,500.00

December 21, 2007

0610970703

0610970704

0610970565

0610970566

0610970570

0610970571

10,000.00

10,000.00

10,000.00

10,000.00

10,000.00

10,000.00

February 14, 2008

MC 12538

70,000.00

September 18, 2008

MC 14349

38,500.00

November 25, 2008

MC 14477

30,884.00
December 4, 2008
0610970061
10,000.00
December 15, 2008
MC 14522
120,000.00
April 29, 2009
MC 14813
33,009.00
June 9, 2009
0610970919
16,000.00
March 8, 2010
MC 15591
16,000.00
March 23, 2010
MC 15641
57,000.00
Total
692,609.00

Teresita E. Tam, who served as State Auditor II from 1997 up to present and was re-assigned to LWUA per COA Re-Assignment Order No. 2000-561, received the following monetary benefits from LWUA:

Date
Check Number
Amount (PhP)
November 22, 2006
MC 08143
21,959.00
November 27, 2006
MC 08168

70,000.00

May 29, 2007

MC 10109

7,500.00

April 23, 2007

MC 09485

21,959.00

September 4, 2007

MC 11225

36,955.00

September 25, 2007

MC 11728

7,500.00

November 29, 2007

MC 12315

39,455.00

December 12, 2007

MC 12366

7,500.00

February 14, 2008

MC 12542

70,000.00

September 18, 2008

MC 14352

38,500.00

November 25, 2008

MC 14481

29,950.00

December 15, 2008

MC 14527

120,000.00

April 29, 2009

MC 14815

32,075.00

June 9, 2009

0610970922

16,000.00

March 8, 2010

MC 15593

16,000.00

March 23, 2010

MC 15643

57,000.00

Total

592,353.00

Roberto P. Villa, who served as Data Machine Operator III in 1997 up to the present and was re-assigned to LWUA per COA Re-Assignment Order No. 99-109, received the following monetary benefits from LWUA:

Date

Check Number

Amount (PhP)

November 22, 2006

MC 08144

12,798.00

November 27, 2006

MC 08171

70,000.00

May 29, 2007

MC 10115

7,500.00

April 23, 2007

MC 09491

12,798.00

September 4, 2007

MC 11231

26,878.00

September 25, 2007

MC 11733

7,500.00

November 29, 2007

MC 12321

27,675.00

December 12, 2007

MC 12370

7,500.00

December 21, 2007

0610970676

0610970687

0610970688

0610970689

0610970698

0610970700

0610970561

0610970562

0610970577

0610970578

10,000.00

10,000.00

10,000.00

10,000.00

10,000.00

10,000.00

10,000.00

10,000.00

10,000.00

10,000.00

February 14, 2008

MC 12547

70,000.00

September 5, 2008

0610970787

10,000.00	
September 18, 2008	
MC 14358	
38,500.00	
November 25, 2008	
MC 14487	
19,192.00	
December 4, 2008	
0610970070	
10,000.00	
December 15, 2008	
MC 14532	
120,000.00	
April 29, 2009	
MC 14822	
21,317.00	
June 9, 2009	
0610970928	
16,000.00	
March 8, 2010	
MC 15601	
16,000.00	
March 23, 2010	
MC 15651	
57,000.00	
Total	
650,658.00	

Corazon C. Cabotage, who was appointed as State Auditor III in 1997 up to the present and was re-assigned at LWUA per COA Re-Assignment Order No. 2006-033, also received the following monetary benefits from LWUA:

Date

Check Number

Amount (PhP)

May 29, 2007

MC 10111

7,500.00

April 23, 2007

MC 09489

18,792.00

September 4, 2007

MC 11229

33,471.00

September 25, 2007

MC 11730

7,500.00

November 29, 2007

MC 12319

35,971.00

December 12, 2007

MC 12368

7,500.00

December 21, 2007

0610970679

0610970680

0610970699

10,000.00

10,000.00

10,000.00

February 14, 2008

MC 12546

70,000.00

September 5, 2008

0610970778

0610970779

10,000.00

10,000.00
September 18, 2008
MC 14356
38,500.00
November 25, 2008
MC 14485
26,118.00
December 4, 2008
0610970066
10,000.00
December 15, 2008
MC 14529
120,000.00
April 29, 2009
MC 14820
28,243.00
June 9, 2009
0610970926
16,000.00
March 8, 2010
MC 15598
16,000.00
March 23, 2010
MC 15648
57,000.00
Total
542,595.00

Evangeline G. Sison, who served as State Auditor IV from 1992 up to present and was re-assigned to LWUA per COA Re-Assignment Order No. 2008-028, received the following monetary benefits from LWUA:

Date

Check Number

Amount (PhP)

November 25, 2008

MC 14473

10,562.50

December 4, 2008

0610970060

10,000.00

December 15, 2008

MC 14519

30,000.00

April 29, 2009

MC 14809

44,250.00

June 9, 2009

0610970915

16,000.00

March 8, 2010

MC 15587

16,000.00

March 23, 2010

MC 15637

57,000.00

TOTAL

183,812.50

Vilma A. Tiongson, who was appointed as State Auditor III in 2004 up to present and was re-assigned to LWUA per COA Re-Assignment Order No. 2008-028, received the following monetary benefits from LWUA:

Date

Check Number

Amount (PhP)

November 25, 2008

MC 14479

6,656.25
December 4, 2008
0610970063
10,000.00
December 15, 2008
MC 14524
30,000.00
April 29, 2009
MC 14818
28,750.00
June 9, 2009
0610970920
16,000.00
March 8, 2010
MC 15595
16,000.00
March 23, 2010
MC 15645
57,000.00
TOTAL
164,406.25

The FIO of the Ombudsman contended that other than the letter-instructions from LWUA officials to the bank, no other documents would establish the regularity and propriety of the said disbursements of public funds. Thus, said expenditures paid to petitioners were without legal basis and expressly prohibited under Section 18 of R.A. No. 6758. Also, they can be held liable for violation of Section 7(d) of R.A. No. 6713, which prohibits public officials and employees from soliciting or accepting, directly or indirectly, any gift, gratuity, favor, entertainment, loan or anything of monetary value from any person in the course of their official duties or in connection with any operation being regulated by, or any transaction which may be affected by the functions of their office. Therefore, petitioners are guilty of misconduct by willfully receiving monetary benefits from LWUA. They are also liable for conduct prejudicial to the best interest of the service. The act of receiving monetary benefits from LWUA not only runs counter to COA's constitutionally mandated function but also undermines its constitutional independence.

Petitioners Gamil and Cabotage filed their Joint-Counter-Affidavit, asserting that the Office of the Ombudsman has no jurisdiction over the administrative complaint since the issues in this case were already the subject of an investigation by the COA Fraud Audit and Investigation Office (FAIO) as early as 2011. While the Office of the

Ombudsman has concurrent jurisdiction with the COA over administrative cases, the COA assumed jurisdiction ahead and to the exclusion of the Ombudsman. Moreover, the Ombudsman may not conduct the necessary investigation of any administrative complaint filed after one (1) year from the occurrence of the act of omission complained of. Based on the allegations of the complaint, the acts subject of the investigation were only submitted to the Ombudsman in 2012 or almost two (2) to seven (7) years from the time the additional benefits were allegedly received by petitioners. Hence, they may no longer be subject to an investigation.

Petitioner Saavedra filed his Counter-Affidavit, stating that he is no longer an employee of COA having been retired since April 30, 2013, hence the administrative complaint against him is moot and academic.

Petitioner Tam, in her Counter-Affidavit, alleged that she did not solicit the economic assistance benefits and other gratuities she received from LWUA. Instead, the LWUA management recommended the inclusion of other government personnel on detail. Also, the grant of the monetary benefits by LWUA was fully supported by documents, as follows:

1.

Board Resolution No. 209 dated November 14, 2006, granting the 2006 Year End Financial Assistance equivalent to one (1) month gross pay;

2.

Board Resolution No. 215 dated November 21, 2006, granting extra year end financial assistance in the amount of P70,000.00;

3.

Board Resolution No. 40 dated March 7, 2007, granting grocery allowance of P7,500.00 to all employees from Salary Grade 24 and below, including detailed personnel at LWUA of equivalent rank;

4.

Board Resolution No. 55 dated April 18, 2007, granting mid-year financial assistance equivalent to one (1) month gross salary;

5.

Board Resolution No. 122 dated August 28, 2007, granting Anniversary Incentive Allowance on the occasion of LWUA's 34th Foundation Anniversary, equivalent to one (1) month gross pay;

6.

Board Resolution No. 168 dated November 27, 2007, granting the 2007 Year End Financial Assistance, equivalent to one (1) month gross pay;

7.

Board Resolution No. 22 dated February 12, 2008, granting Collective Negotiation Agreement (CNA) Incentive for 2007 in the amount of P70,000.00.

8.

Board Resolution No. 136 dated September 28, 2007, granting 35[th] Anniversary Incentive Allowance in the amount of one (1) month gross salary or P35,000.00, whichever is higher, plus P3,500.00;

9.

Board Resolution No. 170 dated November 18, 2008, granting the 2008 Year End Financial Assistance equivalent to one (1) month gross salary;

10.

Board Resolution No. 171 dated December 9, 2008, granting the Extra Year End Financial Assistance for 2008 in the amount of P70,000.00;

11.

Board Resolution No. 72 dated April 21, 2009, granting the 2009 Mid-Year Financial Assistance equivalent to one (1) month gross salary;

12.

Board Resolution No. 172-A & B dated December 9, 2008, granting the economic assistance under the CNA for years 2007 to 2010 in the amount of P50,000.00; and

13.

Board Resolution No. 114 dated March 9, 2010, granting the 2007-2010 CNA Incentive amounting to P54,150.00.

Petitioner Tam accepted the foregoing benefits in good faith believing that the same was legal and lawful as represented by LWUA management and BOT.

Petitioner Tiongson, in her Counter-Affidavit, also interposed the defense of good faith, believing that the monetary benefits she received from LWUA are legal as the same were likewise enjoyed by her COA superiors.

Despite due notice, petitioners Daguno, Jr., Villa and Sison failed to submit their counter-affidavits.[6] (Emphasis and italics in the original.)

Ruling of the Ombudsman

In the Joint Resolution[7] dated August 7, 2015, the Ombudsman held that there is sufficient evidence to find petitioners liable for the administrative offense of Grave Misconduct. According to the Ombudsman, petitioners'

lack of good faith is evidenced by their acceptance of the Local Water Utilities Administration (LWUA) benefits. Further, the "COA auditors and employees were obviously motivated by malicious intent to favor self-interest at the expense of the public. Clearly, their acts are contrary to the accepted rules of right and duty, honesty and good morals." [8]

The Ombudsman disposed of the cases as follows:

WHEREFORE, in line with the above discussions, this Office rules that:

OMB-C-C-14-0234 and OMB-C-C-14-0233

(1) Probable cause exists to indict respondents EDNA B. ANICAL, THELMA S. BALDOVINO, EVELYN C. DE LEON, JUANITO DAGUNO, JR., NESTORIO L. FERRERA, VIOLETA M. GAMIL, ZOHARAYDA L. OBOG, LIGAYA T. PRINSIPIO, JESUSA A. PUNSALAN, PROCESO A. SAAVEDRA, PAULINO H. SARMIENTO, TERESITA A. TAM, ROBERTO P. VILLA, CORAZON C. CABOTAGE, EVANGELINE G. SISON AND VILMA A. TIONGSON for violation of Section 3(e) of RA 3019, as amended.

Let the corresponding Informations be filed before the appropriate Court.

x x x x

OMB-C-A-14-0204

x x x x

(2) Respondents JUANITO B. DAGUNO, JR., VIOLETA M. GAMIL, PROCESO A. SAAVEDRA, TERESITA A. TAM, ROBERTO P. VILLA, CORAZON C. CABOTAGE, EVANGELINE G. SISON, and VILMA A. TIONGSON are guilty of Grave Misconduct punishable by DISMISSAL FROM THE SERVICE, which shall carry with it cancellation of eligibility, forfeiture of retirement benefits except for accrued leave credits, and perpetual disqualification for reemployment in the government service.

In the event that the penalty of dismissal can no longer be enforced due to respondents' separation from the service, the same shall be converted into a Fine equivalent to respondents' salary for one year, payable to the Office of the Ombudsman, and may be deductible from respondents' retirement benefits, accrued leave credits or any receivables from his office.

It shall be understood that the accessory penalties attached to the principal penalty of Dismissal shall continue to be imposed.

x x x x [9]

Corazon C. Cabotage, Juanita B. Daguno, Jr., Violeta M. Gamil, Teresita E. Tam, Roberto P. Villa, and Vilma A. Tiongson (petitioners) with Proceso A. Saavedra (Saavedra) and Evangeline G. Sison (Sison) moved for reconsideration, but the Ombudsman denied it in its Joint Order [10] dated January 22, 2016.

Aggrieved, petitioners with Saavedra and Sison filed a Petition for Review [11] before the CA raising the issues of whether: (1) their infractions constitute Grave Misconduct; (2) the penalty of dismissal is commensurate to their infractions; and (3) the Ombudsman has jurisdiction over Saavedra and Sison who had already retired from service prior to being administratively charged.

CA Ruling

In the Decision [12] dated September 22, 2017, the CA affirmed the Ombudsman's ruling that petitioners are guilty of Grave Misconduct. However, the CA dismissed the administrative complaint with respect to Saavedra and Sison for lack of jurisdiction on the part of the Ombudsman. The CA found that the case was filed on August

4, 2014 or more than a year after Saavedra and Sison retired from service on April 30, 2013 and June 29, 2013, respectively.

The dispositive portion of the CA Decision reads:

WHEREFORE, the petition is PARTIALLY GRANTED. The Joint Resolution dated August 7, 2015 and Joint Order dated January 22, 2016 of the Office of the Ombudsman in OMB-C-C-14-0204, are AFFIRMED but MODIFIED such that the administrative cases against Proceso Saavedra and Evangeline Sison are DISMISSED due to their retirement from government service. The rest of the pronouncement stands.

SO ORDERED.[13]

Petitioners moved for reconsideration, but to no avail.

Hence, the petition.

The Issue

Petitioners pose a lone issue of whether their receipt of the monetary benefits from LWUA constitutes Grave Misconduct.

Petitioners insist in the negative. While they admit receiving pecuniary benefits from LWUA during the period of their assignment thereat, petitioners claim good faith and absence of the element of corruption saying that: (1) they received the benefits honestly believing that they were entitled thereto under the LWUA Board Resolutions; (2) they did not ask for the benefits; LWUA has been extending those kinds of benefits to other government employees assigned or detailed thereat; and (3) other government agencies similarly give benefits to employees from other agencies who are assigned or detailed with them.[14]

Petitioners further allege that they did not intend to cause damage. They were not impelled by malice when they received the bonuses from LWUA. Their receipt thereof did not deter them from issuing adverse findings. Neither did it affect or compromise their independence and integrity, being employees of Commission on Audit (COA), in the performance of their auditorial functions.[15]

Thus, petitioners posit that their acts only constitute Simple Misconduct and not Grave Misconduct.[16]

Petitioners further maintain that the penalty of dismissal from service is not commensurate to their infractions. They invoke compassionate justice praying that the penalty of dismissal from service be not meted out on them.[17]

The Courts Ruling

The petition lacks merit.

Misconduct is a transgression of some established and definite rule of action, more particularly, unlawful behavior or gross negligence by the public officer.[18] It is intentional wrongdoing or deliberate violation of a rule of law or standard of behavior.[19] To differentiate gross misconduct from simple misconduct, the elements of corruption, clear intent to violate the law, and not a mere error of judgment, or flagrant disregard of established rule, must be manifested in the former.[20]

Petitioners' actions demonstrate an intent to violate the law, or a disregard of well-known rules. Their allegation of good faith could not support the downgrading of the classification of their offense from Grave Misconduct to Simple Misconduct. Receiving the pecuniary benefits from LWUA knowing fully well that it is a prohibited act undeniably constitutes Grave Misconduct.

Petitioners' contention that employees from other branches or agencies of the government also receive pecuniary benefits from LWUA cannot serve as either a valid defense or an indication of good faith. A prohibited act could not be justified by the mere fact that other government officers were doing it, especially given petitioners' office and distinctive functions.[21]

Petitioners' acts are prohibited under Republic Act No. 6758, otherwise known as the Compensation and Position Classification Act of 1989, Section 18 of which states:

Section 18. Additional Compensation of Commission on Audit Personnel and of Other Agencies. — In order to preserve the independence and integrity of the Commission on Audit (COA), its officials and employees are prohibited from receiving salaries, honoraria, bonuses, allowances or other emoluments from any government entity, local government unit, and government-owned and controlled corporations, and government financial institution, except those compensation paid directly by the COA out of its appropriations and contributions.

x x x x

In applying the above provision in the case of Atty. Nacion v. Commission on Audit, et al.,[22] the Court held:

An observance of the prohibition is mandatory given its purpose vis-à-vis the roles which COA personnel are required to perform. Given their mandate to look after compliance with laws and standards in the handling of funds by the government agencies where they are assigned to, COA personnel must prevent any act that may influence them in the discharge of their duties. In the present case, the receipt of the subject benefits and allowances was evidently in violation of the prohibition under the aforequoted Section 18. Nacion should have been wary of her actions and the prohibitions pertinent to her functions, especially as they affected the expenditure of MWSS funds which she was duty-bound to eventually examine.

x x x x

x x x In Villareña v. The Commission on Audit, the Court emphasized:

The primary function of an auditor is to prevent irregular, unnecessary, excessive or extravagant expenditures of government funds. To be able to properly perform their constitutional mandate, COA officials need to be insulated from unwarranted influences, so that they can act with independence and integrity xxx. The removal of the temptation and enticement the extra emoluments may provide is designed to be an effective way of vigorously and aggressively enforcing the Constitutional provision mandating the COA to prevent or disallow irregular, unnecessary, excessive, extravagant, or unconscionable expenditures or uses of government funds and properties.

Stated otherwise, the COA personnel who have nothing to look forward to or expect from their assigned offices in terms of extra benefits, would have no reason to accord special treatment to the latter by closing their eyes to irregular or unlawful expenditures or use of funds or property, or conducting a perfunctory audit. The law realizes that such extra benefits could diminish the personnel's seriousness and dedication in the pursuit of their assigned tasks, affect their impartiality and provide a continuing temptation to ingratiate themselves to the government entity, local government unit, government-owned and controlled corporations and government financial institutions, as the case may be. In the end, they would become ineffective auditors. x x x[23]

The Court further explained in Tejada v. Hon. Domingo[24] that COA personnel assigned to auditing units of government-owned or -controlled corporations or government financial institutions can receive only such salaries, allowances or fringe benefits paid directly by the COA out of its appropriations and contributions.[25]

Notably, the acceptance of bonuses from LWUA placed petitioners in an odd situation wherein they were required to review transactions or expenditures which they had directly benefited from. Their acts defied the rationale for the rules that sought to fortify COA's independence. If petitioners' acts were to be allowed, then the influence and

conflict of interest which the law aims to thwart would hardly be prevented.[26]

As regards the penalty imposed, the Court finds no compelling reason to modify the penalty adjudged by the CA.

The Court cannot sustain petitioners' contention that the penalty of dismissal from service is too harsh or not commensurate to their infractions. Under Section 46,[27] Rule 10 of the Revised Uniform Rules on Administrative Cases in the Civil Service, Grave Misconduct is a grave offense that is punishable by dismissal from service. Section 52(a)[28] of the same Rules states that the penalty of dismissal from service shall carry with it cancellation of eligibility, perpetual disqualification from holding public office, bar from taking civil service examinations, and forfeiture of retirement benefits.

Evidently, petitioners failed to act with integrity and professionalism which are demanded from them as COA personnel, with most of them being State Auditors at that. They failed to avoid a conflict of interest and resist financial enticements that might give an impression of prejudice in the discharge of their duties. Their actions are inimical to public interest. Accordingly, as provided by law, there is no other penalty that should be imposed on petitioners than the penalty of dismissal from service.

WHEREFORE, the petition is DENIED. The Decision dated September 22, 2017 and the Resolution dated May 8, 2018 of the Court of Appeals in CA-G.R. SP No. 144526 are AFFIRMED.

SO ORDERED.

Hernando (Acting Chairperson),[*] Delos Santos, and J. Lopez, JJ., concur.
Leonen (Chairperson), J., on official leave.

[*] Per Special Order No. 2828 dated June 21, 2021.

[1] Rollo, Vol. 1, pp. 9-28.

[2] Id. at 31-52; penned by Associate Justice Ma. Luisa C. Quijano-Padilla with Associate Justices Rodil V. Zalameda (now a Member of the Court) and Carmelita Salandanan Manahan, concurring.

[3] Id. at 54-55[.]

[4] Rollo, Vol. 2, pp. 815-837; signed by Graft Investigation and Prosecution Officer I, Rowena R. Vidad; reviewed by Director of Preliminary Investigation and Administrative Adjudication Bureau (PIAB) - E, Anna Isabel G. Aurellano; and approved by Ombudsman Conchita Carpio Morales.

[5] Id. at 863-871; signed by Graft Investigation and Prosecution Officer II, Joseph L. Licudan; reviewed by Acting Director of PIAB - E, Anna Isabel G. Aurellano; and approved by Ombudsman Conchita Carpio Morales.

[6] Rollo, Vol. 1, pp. 32-44.

[7] Rollo, Vol. 2, pp. 815-837.

[8] Id. at 831.

[9] Id. at 833-835. Underscoring omitted.

[10] Id. at 863-871.

[11] Id. at 872-890.

[12] Rollo, Vol. 1, pp. 32-52.

[13] Id. at 52.

[14] Id. at 20-21.

[15] Id. at 21.

[16] Id.

[17] Id. at 22.

[18] *Duque v. Calpo*, A.M. No. P-16-3505 [Formerly OCA IPI No. 13-4134-P], January 22, 2019, citing *Judge Tolentino-Genilo v. Pineda*, 819 Phil. 588, 594 (2017), further citing *Judge Logado and Clerk of Court Empuesto v. Leonida*, 741 Phil. 102, 106 (2014).

[19] Id.

[20] *Judge Tolentino-Genilo v. Pineda*, 819 Phil. 588, 594 (2017), citing *Echano, Jr. v. Toledo*, 645 Phil. 97, 101 (2010).

[21] See *Atty. Nacion v. Commission on Audit, et al.*, 756 Phil. 62 (2015).

[22] Id.

[23] Id. at 77-78.

[24] 282 Phil. 147 (1992).

[25] Id. at 158, as further cited in *Gutierrez, et al. v. Dep't. of Budget and Mgm't., et al.*, 630 Phil. 1, 20 (2010).

[26] See *Gutierrez, et al. v. Dep't. of Budget and Mgm't., et al.*, 630 Phil. 1 (2010).

[27] Section 46, Rule 10 of Civil Service Commission Resolution No. 1101502 provides:

Section 46. Classification of Offenses. - Administrative offenses with corresponding penalties are classified into grave, less grave or light, depending on their gravity or depravity and effects on the government service.

A.

The following grave offenses shall be punishable by dismissal from the service:

x x x

3. Grave Misconduct;

x x x

[28] Section 52(a), Rule 10 of Civil Service Commission Resolution No. 1101502 provides:

Section 52. Administrative Disabilities Inherent in Certain Penalties. -

a. The penalty of dismissal shall carry with it cancellation of eligibility, forfeiture of retirement benefits, perpetual disqualification from holding public office and bar from taking civil service examinations.

x x x x

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