

PEOPLE OF THE PHILIPPINES, PLAINTIFF-APPELLEE, VS. FRANCISCA P. CALABIO, ALBERTO GUSI Y SOTEJO, ROSALINA MARASIGAN Y AGUILA, AND HUBERT RELTORA Y SUELILA, ACCUSED-APPELLANTS.

G.R. No. 253996, December 03, 2025

Ponente: SINGH, J.

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SINGH, J.:

Before the Court are the appeals of accused-appellants Francisca P. Calabio (Calabio), Alberto Gusi y Sotejo (Gusi), Rosalina Marasigan y Aguila (Marasigan), and Hubert Rellora y Suelila (Rellora) (collectively, Calabio, et al.), assailing the Decision,[1] dated September 18, 2020, of the Sandiganbayan in SB-15-CRM-0133 to 0134. The Sandiganbayan found Calabio, et al. guilty beyond reasonable doubt of violation of Section 3(e) of Republic Act No. 3019,[2] or the Anti-Graft and Corrupt Practices Act, and of Malversation of Public Funds penalized under Article 217 of the Revised Penal Code.

The Facts

The case involves an alleged scheme perpetrated by the Philippine Postal Corporation (PPC) employees against its Provident Fund to provide unwarranted benefits to themselves and ineligible individuals, to the government's prejudice and detriment.

On October 14, 1993, the PPC Board of Directors passed and approved Board Resolution No. 93-116, which established the PPC's Provident Fund and established the rules and regulations governing its operations.[3] The Provident Fund's objective is to maximize the payment of benefits to PPC officials and employees as a fitting reward for faithful and dedicated services, in addition to the usual retirement benefits under the existing laws, rules, and regulations.[4]

The Provident Fund shall be administered by a Board of Trustees, vested with the authority to invest the Fund, in whole or in part, and to disburse benefits to members or their heirs, in accordance with the prescribed rules and regulations and subject to such terms and conditions as may be determined by the Board of Directors and/or the Board of Trustees.[5]

All officials and employees of the PPC and its subsidiaries, excluding those appointed on a contractual, casual, emergency, part-time, or temporary basis, automatically became members of the Provident Fund, unless they chose otherwise.[6] Each member contributes five percent of their basic monthly salary through payroll deduction, while PPC contributes an additional 10%.[7] As a matter of policy, the Fund shall be primarily invested in loans to members.[8] The Board of Trustees shall formulate and implement the rules and regulations governing member loan availment.[9]

In 1993, the PPC Board of Directors issued Board Resolution No. 93-125, which approved the appropriation and release of PHP 30 million by the PPC as seed money for the Provident Fund.[10] In 1996, PHP 25 million of the

seed money was used to pay for the employer's share.[11]

In 1997, the Commission on Audit (COA) ordered the discontinuance of the 10% corporate contribution due to the absence of legal basis.[12] Consequently, the collection of both corporate and employee contributions was suspended in 1998.[13] Nevertheless, the Provident Fund Office (PFO) continued to extend multi-purpose, educational, and calamity loans to its members, utilizing the remaining available funds.[14]

Thereafter, on September 16, 1999, the PFO, through Board Resolution No. 99-74, established an interim fund of PHP 10 million to be utilized in the grant of its multi-purpose loan.[15]

To implement the said Resolution, PF Circular No. 99-03, dated September 22, 1999, entitled, Guidelines on the Utilization of the PHP 10 million interim fund, was issued.[16] The pertinent provisions of PF Circular No. 99-03 provide:

2. Specific Guidelines

2.1. Amount of Loan

2.1.1. The loanable amount for multi-purpose loan shall be as follows:

Salary Grade

Amount

6 to 9

P[HP] 25,000.00

10-14

30,000.00

15-18

35,000.00

19-28

40,000.00

2.2. Who are qualified to avail subject loans?

2.2.1.

Provident Fund members can avail [of] subject loans, if they meet the following qualifications/requirements:

....

2.2.1.2. Those who have paid at least 12 months amortization of their previous loans. The unpaid balance of the previous loans shall be deducted from the proceeds of their new loan.

2.2.2.

The following are not qualified to avail these loans:

....

2.2.2.1. Those who are not bona fide members of the Provident Fund[.][17]

The process of loan application and claiming the proceeds thereof is, as follows:

- The Fund member who intends to avail of a loan will get an application form from a certain Herminia Acotanza. The loan application will be signed by the borrower and his co-maker. The loan applications from regional offices will be consolidated in the central office.

- Gilbert Reyes, the first loan processor, will evaluate the supporting documents, e.g., certificate of remittance, certificate of membership contribution, and payslips.

- If the first loan processor found the supporting documents to be in order, the loan processor will forward the application form and the supporting documents to the Chief Accountant, Chief Personnel, and Chief Legal Officer, who will certify that:

a.

The applicant and co-maker are permanent employees of the Office and are not on leave of absence without pay;

b.

The applicant and co-maker are Provident Fund members in good standing;

c.

There is no pending administrative and/or criminal charge against them;

d.

The monthly take home pay of the borrower and of the co-maker are not less than PHP 1,000.00 after all mandatory deductions, including amortizations due on the loan; and

e.

The information reported by said applicant is true and correct.

- The first loan processor will create a new ledger to record the loan application of the borrower. If the borrower was previously granted a loan, his or her ledger shall be updated;

- After the ledger has been updated, the loan processor shall fill up a ¼ sheet of paper, called a row sheet, where he will write the following information: (1) date processed; (2) name of borrower; (3) region; (4) type of loan; (5) previous principal amount of loan; (6) current principal amount of loan; (7) and summary of payment. The loan processor will sign the row sheet and then forward the same to Michelle Laureta, the second loan processor, who oversees the computation.

- The second loan processor shall input the entries in the Multi- Purpose Loan Information Sheet. These entries will automatically appear in the disbursement vouchers as the forms are linked in an MS Excel format. The second loan processor will sign the Multi-Purpose Loan Information Sheet.
- The disbursement voucher, information sheet, loan application and its supporting documents will be forwarded for signature to Gusi, Thelma Cabanilla (Cabanilla), and Dely Madrona (Madrone).
- After the disbursement voucher has been signed, the documents will be returned to the PFO Finance Division.
- Marasigan will prepare the check for the approved amount of the loan applied for.
- The check and the supporting documents will be routed to Madrona for her signature. After Madrona signs the check, it will be forwarded to Calabio, who will countersign the same. The supporting documents will likewise be routed to Calabio.
- The loan borrower will claim the check from Calabio, the PPC Cashier. The supporting documents will then remain in Calabio's office.[18]

For the alleged violation of the standard loan procedures and provisions of PF Circular No. 99-03, which resulted in numerous irregularities, including the questionable approval of loans and issuance of checks from 2000 to 2003, accused Madrona, Calabio, Cabanilla, Gusi, Lannie Santos (Santos), June Gunnacao (Gunnacao), Marasigan, Zacarias Paelmar (Paelmar), Marites Fajardo (Fajardo), and Rellora were charged before the Sandiganbayan with one count of violation of Section 3(e) of Republic Act No. 3019 and one count of violation of Article 217 of the Revised Penal Code, docketed as Criminal Case Nos. SB-15-CRM-0133 and SB-15-CRM-0134.[19]

The accusatory portions of the Informations read:

Criminal Case No. SB-15-CRM-0133

That in January 2000 to 2003, and for sometime prior or subsequent thereto, in Manila, Philippines, within the jurisdiction of this Honorable Court, accused DELY MADRONA [y] DE LEON, Director III of the Human Resource Management Division (HRMD) of the Philippine Postal Corporation and Officer-in-Charge (OIC) of the Office of the Administrator of the Provident Fund Office (PFO), with Salary Grade 27; FRANCISCA CALABIO [y] POL, Cashier V of the PPC and Class B Signatory of the PFO, with Salary Grade 24; THELMA CABANILLA [y] TACATA, Financial Analyst IV of the PPC and Chief of Finance Division of the PFO, with Salary Grade 22; ALBERTO GUSI [y] SOTEJO, Postal Service Officer II and Chief of the Administrative Division of the PFO with Salary Grade 15, in conspiracy with LANNIE SANTOS [y] DE GUZMAN, Accounting Clerk III of the PPC and Cashier of the PFO, with Salary Grade 8, JUNE GUNNACAO [y] CALIGUIRAN, Emergency Laborer of the PPC; ROSALINA MARASIGAN [y] AGUILA, Postman I of the PPC and Clerk of the PFO, with Salary Grade 6, ZACARIAS PAELMAR [y] BALONDO, Postman I of the PPC and Clerk and Messenger of the PFO, Salary Grade 6, MARITES FAJARDO [y] BISO, Casual Employee/Emergency Laborer of the PPC and HUBERT RELLORA [y] SUELILA, Emergency Laborer of the PPC, all public officers of the Philippine Postal Corporation (PPC), while in the performance of their administrative or official functions, committing the offense in relation to their office and taking advantage thereof, with evident bad faith or gross negligence, or manifest partiality, conspiring, confederating and mutually helping one another, did then and there willfully and unlawfully cause undue injury to the PPC Provident Fund, by fraudulently issuing the following [180] Checks in the total amount of [PHP 8,205,197.10]... charged against the Provident Fund Account under the guise of loans[.]

....

The accused through their respective tasks, fraudulently issued checks contrary to the adopted procedures of

PFO or PPC, thereby giving unwarranted benefits to the ineligible payees/persons, to the damage and prejudice of the government and the PPC in the said amount.

CONTRARY TO LAW.[20] (Emphasis in the original)

Criminal Case No. SB-15-CRM-0134

That in January 2000 to 2003, and for sometime prior or subsequent thereto, in Manila, Philippines, within the jurisdiction of this Honorable Court, the above-named accused DELY MADRONA [y] DE LEON, Director III of the Human Resource Management Division (HRMD) of the Philippine Postal Corporation and Officer-in-Charge (OIC) of the Office of the Administrator of the Provident Fund Office (PFO), with Salary Grade 27; FRANCISCA CALABIO [y] POL, Cashier V of the PPC and then Class B Signatory of the PFO, with Salary Grade 24; THELMA CABANILLA [y] TACATA, Financial Analyst IV of the PPC and Chief of the Administrative Division of the PFO, with Salary Grade 15; all public officers, having custody or control of funds by reason of their duties as Administrator, Cashier, Chief of the Finance Division and Chief of the Administrative Division, respectively, at the PFO-PPC, conspiring, confederating and confabulating with LANNIE SANTOS [y] DE GUZMAN, Accounting Clerk III of the PPC and Cashier of the PFO, with Salary Grade 8; JUNE GUNNACAO [y] CALIGUIRAN, Emergency Laborer of the PPC; ROSALINA MARASIGAN [y] AGUILA, Postman I of the PPC and Clerk of the PFO, with Salary Grade 6; ZACARIAS PAELMAR [y] BALONDO, Postman I of the PPC and Clerk and Messenger of the PFO, with Salary Grade 6, MARITES FAJARDO [y] BISO, Casual Employee/Emergency Laborer of the PPC, and HUBERT RELLORA [y] SUELILA, Emergency Laborer of the PPC, did then and there[,] willfully, unlawfully, feloniously, and with intent to defraud the government, appropriate, take, misappropriate or consent or permit another person to take the total amount of [PHP 8,205,197.10] from the Provident Fund of the Philippine[] Postal Corporation, a public fund and which fund respondents are accountable for, by fraudulently issuing the following [180] Checks...chargeable against the Provident Fund, maintained at the Philippine Postal Savings Bank at the Liwasang Bonifacio, in Manila purportedly as loan[.]

....

All the accused through their participation in the scheme/modus operandi misappropriated either to their personal use and benefit or by allowing persons who are non-members of the PPC to take the proceeds thereof to the damage and prejudice of the government in the aforesaid amount.

CONTRARY TO LAW.[21] (Emphasis in the original)

When arraigned, accused Calabio, et al., and co-accused Madrona, Paelmar, Fajardo, and Gunnacao, separately pleaded "Not Guilty" to the charges against them.[22] In view of the death of accused Cabanilla, the Sandiganbayan dismissed the charges against her.[23] Accused Santos has remained at-large as her whereabouts cannot be ascertained.[24]

Based on the Joint Stipulation of Facts and Issue, dated March 22, 2018, submitted by the Prosecution and the Defense, and which was incorporated in the Pre-Trial Order, dated April 6, 2018, the following were admitted:

- At the time material to these cases, the accused are public officers occupying the positions as stated in the Informations, except for accused Fajardo.
- Atty. Salgado, Atty. Sabinorio, Atty. Gonzales[,] and Atty. Bartolome, counsels for the accused, admitted the identities of the accused who were arraigned as the same persons charged in the Informations.
- Atty. Gonzales admitted that accused Madrona was Director III of the Human Resource Management Division of the Philippine Postal Corporation (PPC), and was the Officer-in-Charge of the Provident Fund Office (PFO), but subject to the qualification that per Board Resolution No. 98-12, dated July 14, 1998, Madrona was one of the

authorized signatories class B to PPC-PFO fund accounts in the Philippine Postal Savings Bank and Landbank of the Philippines.

- Atty. Bartolome admitted that accused Gusi was Postal Service Officer II and Chief of the Administrative Division of PFO.

- Atty. Bartolome admitted that accused Marasigan was Postman I of PPC and Clerk of the PFO.[25]

Trial then ensued.[26]

To establish Calabio, et al.'s guilt, the prosecution presented 21 witnesses.[27]

According to the version of the prosecution, Calabio, et al., together with their co-accused Madrona, Paelmar, Fajardo, and Gunnacao, conspired with one another to fraudulently issue 180 checks, representing loans granted to themselves and/or to ineligible persons.[28]

The prosecution alleged that the conspiracy was committed in this manner:

- Gusi, the Chief of the PFO Administrative Division, and Cabanilla, the Chief of the PFO Finance Division, approved loan applications from non-members, in direct violation of the guidelines established in PF Circular No. 99-03.[29] Additionally, they authorized multiple loans to PFO members, including themselves, that exceeded the maximum allowable amounts based on salary grade, as prescribed by the same Circular.[30]

- The loan applications did not pass the established procedures, as approvals were granted despite the absence of required supporting documents.[31] Further, the vouchers were prepared by Fajardo, rather than by Michelle Laureta, the designated officer responsible for their preparation.[32]

- Santos, the PPC Cashier, prepared the bank advice and authorized the release of the checks.[33]

- Marasigan, the PFO Clerk, encoded the check details.[34] Subsequently, Rellora, Gunnacao, and Paelmar facilitated the circulation of loan documents across offices for endorsement, culminating in their final approval.[35]

- Madrona, the PFO Administrator, signed the vouchers and checks for release.[36]

- The signed checks were then either deposited to BPI, BPI Family Savings Bank, or another designated savings bank, or encashed at the Philippine Postal Savings Bank, upon issuance of a bank advice signed by Madrona.[37]

- Following the encashment of the checks, the prepared vouchers and all supporting documents subsequently disappeared from the PFO records.[38]

All loans obtained by the members and the non-members remained unpaid.[39] Moreover, the borrowers were able to secure additional loans without any deductions for their outstanding obligations from the proceeds of the new loans.[40]

Despite the alleged irregularities, Calabio, et al. denied any involvement in the fraudulent transactions.[41]

For his part, Gusi claimed that his primary responsibility was to certify the accuracy and legality of the PFO's available funds.[42] He further maintained that, as a matter of principle, non-members could obtain loans upon the instruction of the PFO Board of Trustees.[43] While he acknowledged not reviewing each applicant's records, he explained that he signed the disbursement vouchers based on the accounting office's certification.[44] He claimed that he found it unnecessary to reexamine the documents since they had undergone the review of the designated PFO personnel.[45]

Similarly, Calabio denied any involvement in the transactions, asserting that her role was limited to signing the checks and that she had no further participation in PFO operations.[46] She emphasized that it was not within her duties to assess the completeness of loan documents or the eligibility of applicants.[47] According to her, the checks presented for her signature had already undergone thorough review by the appropriate PFO personnel, rendering her signature a purely ministerial act.[48]

Rellora likewise denied any participation in the fraudulent scheme, maintaining that he merely served as a messenger tasked with delivering checks to PFO and PPC officials.[49] With respect to the 15 checks totaling PHP 510,018.87 issued in his name, he contended that these corresponded to legitimate loans he had applied for with the PFO.[50]

Marasigan also claimed that she lawfully obtained the loans because they were all approved by the proper PFO authorities.[51]

The Ruling of the Sandiganbayan

The Sandiganbayan found accused-appellants Calabio, et al., and their co-accused, Madrona, Gunnacao, Paelmar, and Fajardo, guilty beyond reasonable doubt of violation of Section 3(e) of Republic Act No. 3019, and of Malversation of Public Funds penalized under Article 217 of the Revised Penal Code.[52] The fallo of the Decision reads:

WHEREFORE, in light of all the foregoing, the Court hereby renders judgment as follows:

1.

The Demurrer to Evidence, dated September 19, 2019, of accused MARITES BISO-FAJARDO is hereby DENIED for lack of merit.

2.

(a) In SB-15-CRM-0133 , accused DELY MADRONA [y] DE LEON, FRANCISCA CALABIO [y] POL, ALBERTO GUSI [y] SOTELO, ROSALINA MARASIGAN [y] AGUILA, ZACARIAS PAELMAR [y] BALONDO, MARITES FAJARDO [y] BISO, and HUBERT RELLORA y SUELILA are found GUILTY beyond reasonable doubt of violation of Section 3(e) of [Republic Act No.] 3019, and pursuant to Section 9 thereof, are hereby sentenced to suffer the indeterminate penalty of imprisonment of six [] years and one [] month as minimum up to [10] years as maximum.

(b) For failure of the prosecution to prove his guilt beyond reasonable doubt, accused JUNE GUNNACAO y CALIGUIRAN is hereby ACQUITTED of violation of Section 3(e) of [Republic Act No.] 3019. As the act or omission from which the civil liability did not exist, no civil liability is adjudged against accused Gunnacao.

3.

(a) In SB-15-CRM-0134, accused DELY MADRONA [y] DE LEON, FRANCISCA CALABIO [y] POL, ALBERTO GUSI [y] SOTELO, ROSALINA MARASIGAN [y] AGUILA, ZACARIAS PAELMAR [y] BALONDO, MARITES FAJARDO [y] BISO, and HUBERT RELLORA [y] SUELILA are found GUILTY beyond reasonable doubt of violation of the crime of Malversation of Public Funds, defined and penalized under Article 217 of the Revised Penal Code, and are hereby sentenced to suffer the indeterminate penalty of –

(1) For accused MADRONA, CALABIO[,] and GUSI, from [10] years and one [] day of prision mayor, as minimum, to [16] years and five [] months of reclusion temporal, as maximum.

(2) For accused MARASIGAN, PAELMAR, FAJARDO, and RELTORA, from two [] years, four [] months and one [] day of prision correccional, as minimum, to seven [] years and four [] months of prision mayor, as maximum.

(3) The additional penalty of perpetual disqualification from holding any public office is also hereby imposed against all the accused.

(4) The accused are also ordered to pay fines as follows: accused MADRONA, CALABIO[,] and GUSI, P[HP] 2,773,190.20; accused MARASIGAN, P[HP] 529,688.72; accused FAJARDO, P[HP] 757,278.21; accused PAELMAR, P[HP] 236,798.55; and accused RELTORA, P[HP] 510,018.87.

(b) For failure of the prosecution to prove his guilt beyond reasonable doubt, accused JUNE GUNNACAO [y] CALIGUIRAN is hereby ACQUITTED of the crime of Malversation of Public Funds, defined and penalized under Article 217 of the Revised Penal Code. As the act or omission from which the civil liability did not exist, no civil liability is adjudged against accused Gunnacao.

4.

The accused are hereby ordered to PAY and INDEMNIFY the Philippine Postal Corporation/Provident Fund Office as follows:

(a) Accused MADRONA, CALABIO[,] and GUSI jointly and severally, the amount of P[HP] 739,405.85;

(b) Accused MADRONA, CALABIO[,] and GUSI jointly and severally, the amount of P[HP] 529,688.72;

(c) Accused MADRONA, CALABIO, GUSI[,] and FAJARDO jointly and severally, the amount of P[HP] 757,278.21;

(d) Accused MADRONA, CALABIO, GUSI[,] and PAELMAR jointly and severally, the amount of P[HP] 236,798.55;

(e) Accused MADRONA, CALABIO, GUSI[,] and RELTORA jointly and severally, the amount of P[HP] 510,018.87

all with interest from the finality of his decision until fully paid.

5.

The hold-departure order issued against Gunnacao by reason of these cases [is] ordered lifted and set aside, and the bail he posted for his provisional liberty released, subject to the usual accounting and auditing procedures.

SO ORDERED.[53] (Emphasis in the original)

In finding Calabio, et al., together with their co-accused, guilty of violating Section 3(e) of Republic Act No. 3019, the Sandiganbayan ruled that all the elements are satisfied.[54]

First, at the time material to the case, Calabio, et al. and their co-accused were public officers discharging official functions.[55]

Second, they had acted with manifest partiality, evident bad faith, and/or gross inexcusable negligence.[56] The Sandiganbayan found that the prosecution sufficiently established that the accused, acting in conspiracy, exhibited manifest partiality, evident bad faith, and/or gross inexcusable negligence in facilitating the processing and approval of questionable loans.[57] They were likewise found to have issued checks in violation of the established rules and guidelines governing loan issuance under the PPC-PFO.[58] Specifically, the Sandiganbayan ruled that the accused, in conspiracy with one another, violated the guidelines laid down in PF Circular No. 99-03, which stated that: (1) the loan borrower must have paid at least 12 months amortization of his or her previous loan; and (2) that the loan amounts must not exceed the maximum amounts of loan allowable per borrower based on his or her salary grade.[59]

Here, the Sandiganbayan found that accused Gusi, Marasigan, and Paelmar obtained loan amounts exceeding their allowable entitlements and secured additional loans despite having unpaid obligations.[60] Moreover, in violation of the Rules and Regulations for the Establishment of the Provident Fund in the PPC, accused Madrona, Calabio, Gusi, and Cabanilla approved loan applications from ineligible individuals.[61]

Further, the Sandiganbayan did not find any merit in Calabio, et al.'s defense.[62] It rejected Calabio's defense that her role in signing the checks was merely ministerial.[63] While acknowledging that she was neither a PFO officer nor a payee of any spurious check, the Sandiganbayan emphasized that this did not absolve her of the duty to ensure the legality of all financial transactions involving the Fund.[64] Similarly, Gusi's defense was found untenable.[65] As Chief of the Administrative Division, he was responsible for certifying that each expense or cash advance was necessary, lawful, and incurred under his direct supervision.[66] Thus, his approval of repeated disbursements to similarly situated individuals violated established rules and procedure and rendered the transactions unlawful.[67]

In sum, the Sandiganbayan found that the acts imputed to Calabio, et al. and their co-accused are tainted with manifest partiality, evident bad faith, and/or gross inexcusable negligence.[68]

Finally, the Sandiganbayan held that Calabio, et al. and their co-accused caused unwarranted benefits to themselves and others, thereby causing undue injury to the government.[69] It found that the prosecution proved beyond reasonable doubt that the irregular scheme orchestrated by Calabio, et al. and their co-accused resulted in unjustified advantage or preference for those who obtained the questionable loans.[70] These actions, in turn, caused financial harm to the government, specifically to the PPC and/or PFO.[71]

The Sandiganbayan further found Calabio, et al. and their co-accused guilty of Malversation of Funds punishable under Article 217 of the Revised Penal Code, holding that all the elements of the crime are present here.[72]

First, the Sandiganbayan held that accused Madrona, Cabanilla, Gusi, and Calabio are accountable public officers of the funds in question.[73] Specifically, Madrona was the PFO Administrator; Cabanilla was the Chief of PFO Finance Division; Gusi was the Chief of PFO Administrative Division; and Calabio was the PPC Cashier.[74] By reason of their official functions, they had control over the funds of the PPC-PFO.[75]

The Sandiganbayan noted that the other accused, Fajardo, Marasigan, Paelmar, and Rellora, are charged with acting in conspiracy with Madrona, Cabanilla, Gusi, and Calabio.[76] It ruled that a public officer, who is not in charge of public funds or property by virtue of his or her official position, may be liable for malversation of public funds, if such public officer conspires with an accountable public officer to commit the malversation of funds.[77] Thus, here, the Sandiganbayan held that Fajardo, Marasigan, Paelmar, and Rellora also satisfy the first element.

Second, the Sandiganbayan ruled that the PFO funds are public in nature because the funds used by the PFO came from the contributions of its members and their employer, which is a government-owned-and-controlled corporation.[78] Further, according to the Sandiganbayan, the fact that the PFO funds are subject to audit by the COA also affirms the Fund's public character.[79]

Finally, the Sandiganbayan held that the prosecution was able to prove that Calabio, et al. and their co-accused, in their concerted effort to carry out and execute a highly irregular and/or questionable scheme, have successfully allowed themselves and other loan applicants to take the public funds over which they are accountable for.[80]

On September 21, 2020, Gusi, Marasigan, and Rellora filed their Notice of Appeal.[81]

On October 30, 2020, Calabio's Notice of Appeal followed.[82]

The Sandiganbayan gave due course to the Notices of Appeal and ordered the elevation of the records to the Court.[83]

In a Resolution, dated December 9, 2020, the Court ordered the parties to submit their Briefs simultaneously.[84]

Accused-appellants' Brief

In their Brief, accused Gusi, Marasigan, and Rellora argue that the Sandiganbayan erred in finding them guilty of violating Section 3(e) of Republic Act No. 3019.[85]

According to Gusi, Marasigan, and Rellora, the prosecution was not able to establish the element of conspiracy nor was it able to prove the element of manifest partiality, evident bad faith, and/or gross inexcusable negligence.[86] They claim that all the checks at issue are proceeds of the loan obtained from the PFO.[87] They allege that there was no evidence on record that they had a predilection to favor one side or person rather than another, for they do not have the power or discretion to decide because of their positions.[88] They likewise claim that there was no evidence of motive, self-interest, or ill will.[89]

Gusi, Marasigan, and Rellora further posit that there was no proof that they caused any undue injury to any party since what is contained in the records are evidence of receipts of deductions from their salaries representing the payments of their obligations.[90]

Gusi, Marasigan, and Rellora also argue that the Sandiganbayan erred in finding them guilty of committing Malversation of Public Funds.[91]

They allege that the prosecution did not offer any evidence that they had custody or control of the funds.[92] They assert that the only thing that was evident on the records was the fact that the accused had knowledge of the existence of funds.[93]

They also claim that the funds are private in character since they are comprised of the contributions of the members.[94] They noted that there was a stoppage of the contribution of public funds starting in 1997.[95] As such, the Provident Fund was merely comprised of the member-employees' contributions to the Fund since the employer's counterpart contribution was transferred to a separate account and its use was suspended.[96]

Further, they contend that no evidence was presented to prove that they had made any participation or appropriated unto themselves the subject amount for their own benefit.[97] They allege that their duties had no connection to any appropriation or misappropriation of public funds since it only relates to the issuance of official receipts for such transactions.[98]

They also argue that the originals of the subject checks were never presented.[99] Thus, on this score alone, the cases should have been dismissed for lack of evidence.[100]

Gusi, Marasigan, and Rellora likewise claim that the Sandiganbayan should have outrightly dismissed the cases due to inordinate delay on the part of the Ombudsman to resolve the issues, thereby violating their right to due process and speedy disposition of cases.[101] They noted that the complaint against them was filed on July 19, 2006, but the Informations before the Sandiganbayan were only filed on June 24, 2015, or after almost nine years.[102]

In her separate Brief, Calabio also argues that the elements of Section 3(e) of Republic Act No. 3019 and of Malversation of Public Funds were not met.[103] She also posits that no evidence of conspiracy was established.[104]

Plaintiff-appellee's Brief

In its Brief, the People of the Philippines (People), through the Office of the Special Prosecutor of the Ombudsman, argue that all the elements for the violation of Section 3(e) of Republic Act No. 3019 and for Malversation of Public Funds were proven by the prosecution beyond reasonable doubt.[105]

The People also argue that there was no inordinate delay in the resolution of the case.[106] While it took the Ombudsman nine years to resolve the complaint, the People claim that there was no proof that the resolution was attended by vexatious, capricious, and oppressive delays.[107] Further, the People noted that the Ombudsman had to meticulously and painstakingly scrutinize, study, and examine the numerous pleadings filed by both parties, which required considerable length of time.[108]

The Issue

Did the Sandiganbayan err in finding Calabio, et al. guilty beyond reasonable doubt of violation of Section 3(e) of Republic Act No. 3019 and of Malversation of Public Funds penalized under Article 217 of the Revised Penal Code?

The Ruling of the Court

The appeals are partially impressed with merit.

There was no violation of Calabio, et al.'s rights to due process and speedy disposition of cases

Preliminarily, the Court deems it worthy to discuss whether there was inordinate delay in the resolution of cases, which would have justified the outright dismissal of the cases against Calabio, et al.

To constitute inordinate delay amounting to a violation of the constitutional right to speedy disposition of cases, the delay must be shown to be vexatious, capricious, or oppressive,[109] and not merely the result of the reasonable and ordinary pace of investigative and prosecutorial work. As the Court held in *Cagang v. Sandiganbayan*,[110] allegations of delay must be examined through a balancing test, taking into account: (1) the length of the delay; (2) the reasons for the delay; (3) whether the respondent asserted their right to a speedy disposition; and (4) the prejudice caused by the delay.[111] Not every delay is unconstitutional; only those that are unreasonable, unjustified, and demonstrably prejudicial to the accused merit a dismissal.

Applying the *Cagang* framework, the Court finds that the period within which the preliminary investigation and subsequent proceedings were conducted does not constitute inordinate delay. The records show that the period was largely attributable to the complexity of the issues, the number of respondents involved, and the volume of supporting documents required for evaluation. These circumstances fall squarely within the category of reasonable delay. Accordingly, Calabio, et al.'s right was not violated.

The accused is presumed innocent until his or her guilt is proved beyond reasonable doubt

It is well established that an accused has in his favor the presumption of innocence unless his guilt is proved beyond reasonable doubt.[112] Rule 133, Section 2 of the Revised Rules of Evidence specifically provides that an accused is entitled to an acquittal unless proof beyond reasonable doubt is shown, thus:

Section 2. Proof beyond reasonable doubt. — In a criminal case, the accused is entitled to an acquittal, unless his guilt is shown beyond reasonable doubt. Proof beyond reasonable doubt does not mean such a degree of proof, excluding possibility of error, produces absolute certainty. Moral certainty only is required, or that degree of proof which produces conviction in an unprejudiced mind.[113]

In *Macayan, Jr. v. People*,[114] citing *Boac v. People*,[115] the Court thoroughly discussed the concept of presumption of innocence:

We ruled in *People v. Ganguso*:

An accused has in his favor the presumption of innocence which the Bill of Rights guarantees. Unless his guilt is shown beyond reasonable doubt, he must be acquitted. This reasonable doubt standard is demanded by the due process clause of the Constitution which protects the accused from conviction except upon proof beyond reasonable doubt of every fact necessary to constitute the crime with which he is charged. The burden of proof is on the prosecution, and unless it discharges that burden the accused need not even offer evidence in his behalf, and he would be entitled to an acquittal. Proof beyond reasonable doubt does not, of course, mean such degree of proof as, excluding the possibility of error, produce absolute certainty. Moral certainty only is required, or that degree of proof which produces conviction in an unprejudiced mind. The conscience must be satisfied that the accused is responsible for the offense charged.

Well-entrenched in jurisprudence is the rule that the conviction of the accused must rest, not on the weakness of the defense, but on the strength of the prosecution. The burden is on the prosecution to prove guilt beyond reasonable doubt, not on the accused to prove his innocence.[116] (Citations omitted)

Here, the Court finds that the prosecution failed to establish the guilt of Calabio, Marasigan, and Rellora beyond reasonable doubt for violating Section 3(e) of Republic Act No. 3019. Accordingly, they are acquitted.

The existence of conspiracy is not established in this case

At the outset, the Court deems it worthy to discuss whether conspiracy exists in this case.

To recapitulate, the Sandiganbayan found that Calabio, et al., along with co-accused Madrona, Gunnacao, Paelmar, and Fajardo, conspired to provide unwarranted benefits to themselves and to others, to the detriment of the government.

In ruling that conspiracy is established, the Sandiganbayan ruled:

The Court likewise finds that the existence of conspiracy and the indispensable participation of accused Madrona, Calabio, Cabanilla[,] and Gusi with the other accused to give unwarranted benefit, advantage[,] or preference to them, and/or to cause undue injury to the government, particularly to the PP[C]/PFO, have passed the strict test of moral certainty. The acts imputed against them as discussed above necessarily paved the way to further their own interests at the expense of the government.[117]

In their separate Briefs, Calabio, et al. argue that no evidence of conspiracy was established.

After a careful perusal of the records, the Court agrees with Calabio, et al.

Conspiracy arises when two or more individuals reach an agreement to commit a felony and resolve to carry it out.[118] To prove the existence of conspiracy, three elements must be proven: (1) an agreement between two or

more persons; (2) that the agreement pertains to the commission of a felony; and (3) the execution of the felony was decided upon.[119] Such agreement need not be explicit, as conspiracy may be inferred from conduct and circumstances.[120] However, it must be proven by clear and convincing evidence, whether direct or circumstantial, and cannot rest on mere conjecture or speculation.[121]

In *People v. Evasco*,[122] the Court discussed the two forms of conspiracy:

In terms of proving its existence, conspiracy takes two forms. The first is the express form, which requires proof of an actual agreement among all the co-conspirators to commit the crime. However, conspiracies are not always shown to have been expressly agreed upon. Thus, we have the second form, the implied conspiracy. An implied conspiracy exists when two or more persons are shown to have aimed by their acts towards the accomplishment of the same unlawful object, each doing a part so that their combined acts, though apparently independent, were in fact connected and cooperative, indicating closeness of personal association and a concurrence of sentiment. Implied conspiracy is proved through the mode and manner of the commission of the offense, or from the acts of the accused before, during and after the commission of the crime indubitably pointing to a joint purpose, a concert of action and a community of interest.[123] (Citations omitted)

The Court finds that both the express and implied forms of conspiracy do not exist in this case.

Undoubtedly, the records contain no evidence that Calabio, et al. and their co-accused entered into an actual agreement to misuse the PFO funds to by granting loans to themselves or to ineligible individuals in disregard of established procedures.

Likewise, an implied conspiracy is not sufficiently established here.

It is undisputed that Calabio, et al. are employees of the PPC. Accordingly, their involvement in the alleged fraudulent scheme may be more appropriately viewed as the performance of their official duties, rather than as evidence of conspiracy to defraud the government.

In the absence of proof of conspiracy, Calabio, et al.'s guilt must be assessed individually.

The elements of Section 3(e) of
Republic Act No. 3019

In order to convict an accused for violation of Section 3(e) of Republic Act No. 3019, the following elements must be proven beyond reasonable doubt: (1) the accused must be a public officer discharging administrative, judicial, or official functions; (2) the accused must have acted with manifest partiality, evident bad faith, or gross inexcusable negligence; and (3) that the action of the accused caused undue injury to any party, including the government, or gave any private party unwarranted benefits, advantage or preference in the discharge of the functions of the accused.[124]

Here, it is undisputed that at the time the questionable loans were granted, along with the corresponding issuance of checks and disbursement vouchers, the accused-appellants, Gusi, the Chief of PFO Administrative Division; Marasigan, the PFO Clerk; Calabio, the PFO Cashier; and Rellora, an emergency laborer, were public officers acting in the discharge of their official functions.

Although Rellora was an emergency laborer at the time material to the case, he is nonetheless considered a public officer performing official functions, as his position falls under the non-competitive or unclassified service pursuant to the Civil Service Act of 1959. The relevant provision of the Act states:

Section 5. The Non-Competitive Service. The non-competitive or unclassified service shall be composed of positions expressly declared by law to be in the non-competitive or unclassified service or those which are policy-determining, primarily confidential or highly technical in nature.

The following specific officers and employees shall be embraced in the non-competitive or unclassified service:

....

(g) Unskilled laborers whether emergency, seasonal or permanent[.][125]

Clearly, the first element is satisfied in this case.

However, as to the second and third elements, the Court finds that the same were not established by the prosecution beyond reasonable doubt with respect to Marasigan, Rellora, and Calabio.

There are three modalities for violating Section 3(e) of Republic Act No. 3019

There are three modes by which a violation under Section 3(e) of Republic Act No. 3019 is committed: (1) manifest partiality; (2) evident bad faith; or (3) gross inexcusable negligence. These modes are distinct and different from one another, and proof of the existence of any of these modes in connection with the prohibited acts under Section 3(e) should suffice to warrant a conviction.[126]

In *Martel v. People of the Philippines*,[127] the Court explained the different modes as follows:

There is "manifest partiality" when there is a clear, notorious, or plain inclination or predilection to favor one side or person rather than another. "Evident bad faith" connotes not only bad judgment but also palpably and patently fraudulent and dishonest purpose to do moral obliquity or conscious wrongdoing for some perverse motive or ill will. "Evident bad faith" contemplates a state of mind affirmatively operating with furtive design or with some motive of self-interest or ill will or for ulterior purposes. "Gross inexcusable negligence" refers to negligence characterized by the want of even the slightest care, acting or omitting to act in a situation where there is a duty to act, not inadvertently but willfully and intentionally, with conscious indifference to consequences insofar as other persons may be affected.[128] (Citations omitted)

In this case, there is no showing that Calabio, Marasigan, and Rellora acted with manifest partiality, evident bad faith, or gross inexcusable negligence.

Accused Calabio did not act with manifest partiality, evident bad faith, or gross inexcusable negligence

To recall, the Sandiganbayan rejected Calabio's defense that her role in signing the checks was merely ministerial.[129] While acknowledging that she was neither a PFO officer nor a payee of any spurious check, the Sandiganbayan underscored that this did not relieve her of the obligation to ensure the legality of all financial transactions involving the Fund.[130]

The Court does not agree with the Sandiganbayan's conclusion.

It bears emphasis that Calabio, as PPC Cashier, signed the checks only after they had undergone prior review and approval by the appropriate PFO personnel. As a cashier, she was not expected, nor authorized, to conduct a detailed review of every check and its accompanying document. To impose such a duty would not only exceed her mandate, but also render the internal control process redundant and inefficient. During her cross-examination, Calabio repeatedly stated that she had no legal duty to review the documents supporting the checks:

Q:

In your Counter-Affidavit, you mentioned that you signed the checks...in paragraph no. 7, you stated that you have no legal duty to go beyond what appears on the face of the documents supporting the checks?

A:

Yes, Ma'am.

....

Q:

Now my question is, before you sign those checks, don't you read the disbursement vouchers and [their] attachments?

A:

Actually[,] my duty is to... before I sign that, I would see to it that the checks [are] accompanied by the disbursement vouchers, but I do not have any way to determine whether the claimant is an employee of the Philippine Postal Corporation.

Q:

But then again, Ms. [W]itness, as you have said a while ago, if you would like to check[,] you can check, you can verify from the record, am I correct?

A:

I think it would be beyond my... (interrupted)

Q:

So in short, Ms. Witness, when you signed those checks, you did not verify the correctness of the details on the disbursement voucher, am I right?

A:

Ma'am, I think it is no longer my responsibility. It's beyond my responsibility.

Q:

So you did not check because you believe it is not your duty, am I right?

A:

Yes, yes. And the voucher was already approved, all the signatories from Box A, Box B, and Box C, meaning

to say, on Box A, it was approved by the Administrative Officer of that particular office; Box B it was approved, already signed and approved by the Chief Accountant of that office; and Box C, it was already approved by the Administrator of the Provident Fund Office[.][131]

No manifest partiality, evident bad faith, or gross inexcusable negligence can be imputed to a public officer who reasonably relied on the review conducted by duly authorized personnel.

In *Renales v. People of the Philippines*,^[132] the Court clarified that reliance on the expertise of appropriate personnel cannot be equated with fraudulent and corrupt design.^[133] In that case, the Court acquitted Roque, a procurement officer, and Renales, a price monitoring officer, who had issued and approved purchase orders based on certifications and specifications provided by the Medical Therapeutic Board and the Technical Personnel Division, professionals with medical expertise and greater familiarity with pharmaceutical products.^[134] The Court held that such reliance did not constitute evident bad faith or manifest partiality.^[135]

Applying the principle enunciated in *Renales*, Calabio's reliance on the review conducted by the PFO personnel cannot be deemed as evidence of bad faith, manifest partiality, or gross inexcusable negligence on her part.

Marasigan did not act with manifest partiality, evident bad faith, or gross inexcusable negligence

To recall, Marasigan, the PFO Clerk, encoded the check details. The prosecution suggests that Marasigan's act of encoding the check details was part of an elaborate scheme to defraud the government.

The Court is not convinced.

As a clerk, it was within her official duties to encode the check details, including the payee's name, the amount, and the signatories.^[136] Her actions were consistent with the responsibilities of her position. Accordingly, no manifest partiality, evident bad faith, or gross inexcusable negligence can be ascribed to one who merely performs the tasks required by her job description.

Marasigan was further said to have acted in manifest partiality, evident bad faith, or gross inexcusable negligence because she obtained loan amounts exceeding her allowable entitlement.

It is undisputed that Marasigan, a PFO Clerk with Salary Grade 6, obtained loans exceeding the allowable limits set under PF Circular No. 99-03.

To recall, PF Circular No. 99-03 set the maximum loanable amount for a multi-purpose loan at PHP 25,000.00 for individuals with Salary Grades 6 to 9. However, by her own admission, during cross-examination, she has an outstanding balance amounting to PHP 875,703.00:

Q:

You also admit that at this time, as certified by Ms. Russel Jose, the Administrator of the PFO, you have an outstanding balance of PHP 875,703.00?

A:

Yes, Ma'am.^[137]

Although she obtained loans exceeding the limits set under PF Circular No. 99-03, this alone does not establish manifest partiality, evident bad faith, or gross inexcusable negligence, particularly as she relied on the approvals granted by authorized PFO personnel. As testified by Marasigan:

Q:

You admitted, Madam witness, that you obtained several loans despite having not replenished the previous

loan?

A:

Yes, Sir.

Q:

How is that? How come [] you obtain[ed] several loans despite the fact that you did not replenish the previous loan?

A:

Pinapayagan po ako ng mga officer ng Provident Fund.

Q:

So in effect, all these loans that you obtained, they are approved by the authorities or the proper authorities of the Provident Fund?

A:

Yes, Sir.

....

Q:

You mentioned that you were allowed by authorities to repeatedly secure loans without paying your previous loans, who are these authorities you are saying?

A:

Si Ma'am Cabanilla po, the Chief Financial ng Provident Fund.

....

Q:

Madam witness, you mentioned that you were able to secure loans, notwithstanding the fact that you have not paid yet your previous loans?

A:

Yes, Sir.

Q:

And according to you, "pumapayag naman po sila"?

A:

Opo.

Q:

When you say "sila", to whom are you referring?

A:

Yun pong sa Financial po naming, si Mrs. Thelma Cabanilla.

Q:

"Sila", when you say "sila", more than one [], who are they?

A:

Si Mrs. Cabanilla po at tyaka si Mr. Gusi.

Q:

Mrs. Cabanilla and Mr. Gusi.

A:

Opo.

Q:

Will the consent of the two [] of them be the only requirements for the approval of the loan?

A:

Yes, Sir.[138]

Marasigan acted in good faith in obtaining the loans. There is no indication that she sought to unduly favor herself or exploit benefits granted to PFO employees. On the contrary, her reliance on the approval of authorized PFO personnel demonstrates a genuine belief in the legality of the transactions.

Likewise, no wrongful or malicious intent can be ascribed to Marasigan. By securing prior approval from the appropriate PFO officials, it cannot be said that she acted with the deliberate intent to commit a wrong. It bears emphasizing that manifest partiality is in the nature of *dolo*, an offense committed with wrongful or malicious intent.[139] The same cannot be said of Marasigan, who merely received the loan proceeds after obtaining the requisite approvals. Surely, Marasigan, the PFO Clerk, has no reason to doubt and question the approval of her superiors.

The lack of any ill or perverse intent is further strengthened by Marasigan's willingness to pay her outstanding balance:

Q:

How about your payments to your outstanding loans at that time from the Provident Fund, was the office or did the office continue deducting from your salary or not?

A:

Meron po ako dati na...nagbabayad po ako dati tapos nung magpapagawa po kami ng bahay, nag-request po ako na temporary na ma-stop yung deduction ko sa loan.

Q:

And can you recall when was that, Ms. Witness?

A:

Hindi ko na po, Sir, matandaan.

Q:

And even if you mentioned that the stoppage of such deduction was meant to be temporary, you know until now, you even admitted that you have not paid[,] and therefore[,] no deductions were made after that?

A:

No, Sir. Nung itong medyo nakaluwag na po kami, sumulat po ako sa Provident sa administrator na magpapa-deduct po ako ng loan kasi alam ko meron po akong balance ng loan sa Provident. Meron po akong sulat.[140]

Marasigan's actions likewise cannot be deemed grossly negligent. There is no showing that she acted with conscious indifference to legal requirements or failed to exercise even slight care. As noted, she proceeded only

after the loans were duly approved by the authorized personnel.

Rellora did not act with manifest partiality, evident bad faith, or gross inexcusable negligence

By delivering the checks from one office to another, the prosecution suggests that Rellora is part of a fraudulent scheme.

The Court does not see any indication of such participation on Rellora's part.

In his testimony, he admits that as a part of his job, he delivers the documents pertaining to the subject checks:

Q:

Mr. witness, you mentioned that at the time material to these cases, you were an emergency laborer in the PFO?

A:

Yes, Ma'am.

Q:

And your function is you're a messenger or liaison officer?

A:

Yes, Ma'am.

Q:

In the Provident Fund Office, you act as errand boy of your superiors, where you are sent to bring documents, papers, letters[] and other form[s] of communication[] to different persons or offices for their signature[s], am I correct?

A:

Yes, Ma'am.

Q:

And that included the documents pertaining to the loans and checks subject matter of these cases?

A:

Yes, Ma'am.[141]

A person who merely follows the orders of superiors or performs assigned duties, absent any evidence of criminal

intent, cannot be deemed to have acted with manifest partiality, evident bad faith, or gross inexcusable negligence. Further, although he obtained loans despite being ineligible, he did so only upon the approval of the authorized PFO personnel. As in the preceding discussion, no manifest partiality, evident bad faith, or gross inexcusable negligence can be imputed, as the action was taken only after securing the requisite authorization. The absence of ill will or bad faith on Rellora's part is evident from his apparent lack of knowledge regarding the loan processing procedure and his good-faith belief that emergency laborers like himself were eligible to obtain such loans:

Q:

You are aware, Mr. witness, during your... in the years 2000 to 2003 being an emergency laborer that you are not allowed, you are not supposed to be allowed to obtain loans from the PFO, am I correct?

A:

At that time, Ma'am, in our time, even if we are not regular employees of the Provident Fund Office, we were allowed to obtain loans.

Q:

Who allowed you to obtain loans during that time, Mr. witness?

A:

In our time at our office, it was Mrs. Cabanilla.

Q:

Was it only her who approve[d] the loans?

A:

I do not know the processing of our loans.

Q:

So, she's not the only one approving the loans?

A:

That's it, Ma'am. I do not know how [those are] processed.[142]

Gusi acted with manifest partiality, evident bad faith, or gross inexcusable negligence

As Chief of the PFO Administrative Division, Gusi was responsible for certifying that each expense or cash

advance was necessary, lawful, and incurred under his direct supervision. He was also tasked with maintaining records of all loan transactions approved by the PFO. These responsibilities are neither clerical nor perfunctory; they are essential safeguards that protect the integrity of the Fund.

However, contrary to the responsibilities of his position, the case records reveal recurring lapses traceable to Gusi's office. A substantial number of loan transactions were found to have missing vouchers, incomplete documentation, and absent supporting papers. These deficiencies cannot be dismissed as mere oversight. Instead, they reflect a failure on the part of Gusi to enforce the basic safeguards that his office was specifically entrusted to maintain. The volume of undocumented transactions further underscores that these were not isolated errors but repeated derelictions inconsistent with the diligence expected of his position.

Compounding these omissions, Gusi failed to issue notices of deduction to a significant number of borrowers, resulting in the approval of loans despite the existence of unpaid obligations. This practice directly contravenes the explicit requirements of PF Circular No. 99-03, which prohibits the granting of new loans absent full settlement of prior ones. By disregarding this safeguard, Gusi exposed the Fund to unnecessary financial risk and undermined sound fiscal management.

More troubling, however, are Gusi 's personal loan transactions. The records show that he applied for and received loan proceeds beyond the maximum loanable amount, fully aware of the limitations and procedures governing such benefits.

Specifically, Gusi was able to obtain the following loan proceeds:[143]

Check No.

Date of Check

Amount

125865

March 29, 2000

PHP 49,970.00

139589

August 9, 2000

PHP 45,503.30

141785

October 19, 2000

PHP 48,981.78

147642

March 21, 2001

PHP 49,489.73

150444

April 17, 2001

PHP 49,612.95

150885

May 11, 2001

PHP 48,829.77

160412

July 6, 2001

PHP 49,190.00

161382

August 16, 2001

PHP 49,190.00

161787

September 6, 2001

PHP 49,580.00

163141

October 5, 2001

PHP 49,580.00

164803

December 28, 2001

PHP 49,970.00

180443

April 23, 2002

PHP 47,334.00

PHP 587,231.53

Further, Gusi not only certified his own transactions but also personally intervened by signing the checks and disbursement vouchers that released the proceeds. Such conduct goes well beyond negligence. They reveal a conscious disregard of established rules and an improper use of his position for his own benefit. Taken together—the repeated documentary deficiencies, the disregard of required notices, and the irregularities in his personal loan applications—demonstrate conduct amounting to evident bad faith. These acts show that Gusi failed to uphold even the most basic standards of his office.

The third element of violation of Section 3(e) of Republic Act No. 3019 is also proven with respect to Gusi

Jurisprudence provides that there are two ways by which a public official violates Section 3(e) of Republic Act No. 3019 in the performance of his or her functions, namely: (1) by causing undue injury to any party, including the Government; or (2) by giving any private party any unwarranted benefit, advantage, or preference.[144]

In *Renales*, citing *Llorente, Jr. v. Sandiganbayan*,^[145] the Court explained the concept of "undue injury":

In jurisprudence, "undue injury" is consistently interpreted as "actual damage." Undue has been defined as "more than necessary, not proper, [or] illegal" and injury as "any wrong or damaged one to another, either in his person, rights, reputation or property [that is, the] invasion of any legally protected interest of another." Actual damage, in the context of these definitions, is akin to that in civil law.^[146]

Here, Gusi obtained loans from the Provident Fund in excess of the maximum loanable amount allowed under his Salary Grade. This, in turn, resulted in actual damage to the government, given that the Fund assumes a public character, an issue that will be addressed in greater detail below.

Further, it bears emphasis that Gusi's actions, i.e., obtaining loans in excess of the allowed amount; approving loans for himself and other ineligible individuals; removing records of the fraudulent loan transactions; and failing to issue notices of deduction, show fraudulent intent and corrupt motives.

In *Soriano v. People of the Philippines*,^[147] the Court clarified that the Anti-Graft and Corrupt Practices Act was crafted as an anti-graft and corrupt measure:

As the name or title of [Republic Act No.] 3019 implies, the Anti-Graft and Corrupt Practices Act was crafted as an anti-graft and corrupt measure, where graft is understood as acquisition of gain in dishonest ways. By the very language of Section 3(e) of [Republic Act No.] 3019, "the elements of manifest partiality, evident bad faith, and gross inexcusable negligence and of giving unwarranted benefit, advantage or preference to another must go hand in hand with a showing of fraudulent intent and corrupt motives."

Graft, defined, is the fraudulent obtaining of public money unlawfully by the corruption of public officers. It also refers to advantage or personal gain received because of the peculiar position or superior influence of one holding a position of trust and confidence without rendering compensatory services or dishonesty transaction in relation to public or official acts.

Corruption, in its fundamental sense meanwhile, is defined as the act of an official or fiduciary person who unlawfully and wrongfully uses his station or charter to procure some benefit for himself or for another person, contrary to duty and the rights of others. It pertains to an act done with an intent to give some advantage inconsistent with official duty and the rights of others.

As a rule, the alleged irregular or anomalous act or conduct complained of under [Republic Act No.] 3019 must not only be intimately connected with the discharge of the official functions of an accused. It must also be accompanied by some benefit, material or otherwise, and must have been deliberately committed for a dishonest and fraudulent purpose and in disregard of public trust.

It is not enough that unwarranted benefits were given to another or that there was damage to the government as a result of a violation of a law, rule, or regulation. The acts constituting the elements of a violation of [Republic Act No.] 3019 must be effected with corrupt intent, a dishonest design, or some unethical interest.^[148] (Citations omitted)

Thus, based on the foregoing, the Court acquits Calabio, Marasigan, and Rellora of the charge of violating Section 3(e) of Republic Act No. 3019. The Court, however, maintains the Sandiganbayan's conviction for Gusi.

Section 3(e) of Republic Act No. 3019, as amended is punished with imprisonment for not less than six years and one month nor more than 15 years and perpetual disqualification from public office.^[149] Applying the Indeterminate Sentence Law, Gusi is sentenced to suffer the penalty of imprisonment for an indeterminate period of six years and one day, as minimum, to eight years, as maximum, in the absence of any aggravating or mitigating circumstance.^[150] He is likewise perpetually disqualified from public office.

The elements of Malversation of Public Funds

As discussed above, since the prosecution failed to prove that there was a conspiracy among Calabio, et al., their liabilities will be individually assessed and discussed.

Malversation of Public Funds is defined and penalized in Article 217 of the Revised Penal Code, as amended by Republic Act No. 10951, as follows:

Article 217. Malversation of public funds or property; Presumption of malversation. — Any public officer who, by reason of the duties of his office, is accountable for public funds or property, shall appropriate the same, or shall take or misappropriate or shall consent, or through abandonment or negligence, shall permit any other person to take such public funds or property, wholly or partially, or shall, otherwise, be guilty of the misappropriation or malversation of such funds or property, shall suffer:

1.

The penalty of prision correccional in its medium and maximum periods, if the amount involved in the misappropriation or malversation does not exceed [PHP 40,000.00].

2.

The penalty of prision mayor in its minimum and medium periods, if the amount involved is more than [PHP 40,000.00] but does not exceed [PHP 1,200,000.00].

3.

The penalty of prision mayor in its maximum period to reclusion temporal in its minimum period, if the amount involved is more than [PHP 1,200,000.00] but is less than [PHP 2,400,000.00].

4.

The penalty of reclusion temporal in its medium and maximum periods, if the amount involved is more than [PHP 2,400,000.00] but does not exceed [PHP 4,400,000.00].

5.

The penalty of reclusion temporal in its maximum period, if the amount involved is more than [PHP 4,400,000.00] but does not exceed [PHP 8,800,000.00]. If the amount exceeds the latter, the penalty shall be reclusion perpetua.

In all cases, persons guilty of malversation shall also suffer the penalty of perpetual special disqualification and a fine equal to the amount of the funds malversed or equal to the total value of the property embezzled.

The failure of a public officer to have duly forthcoming any public funds or property with which he is chargeable, upon demand by any duly authorized officer, shall be prima facie evidence that he has put such missing funds or property to personal use.[151]

The elements of malversation of public funds are: (1) the offender is a public officer; (2) the offender has custody

or control of the funds or property by reason of the duties of their office; (3) the funds or property are public funds or property for which the offender is accountable; and, most importantly, (4) the offender has appropriated, taken, misappropriated, or consented, or through abandonment or negligence, permitted another person to take them.[152]

The Funds are public in nature

The Court deems it proper to first discuss whether the Funds in question are public funds.

Calabio, et al. collectively argue that the Provident Funds are private in nature, since they are comprised of the contributions of the members. They noted that there was a stoppage of the contribution of public funds starting in 1997.

Calabio, et al.'s argument fails to convince.

The Court notes that while the COA ordered the discontinuance of the 10% corporate contribution in 1997, the PFO, through Board Resolution No. 99-74, established an interim fund of PHP 10 million to be utilized in the grant of its multi-purpose loan. The PHP 10 million fund was the one used in the issuance of loans to its members.

Further, even assuming that the Provident Fund has been sourced solely from member contributions since 1997, this does not negate its public character. Notably, the Fund is administered by a Board of Trustees composed of public officers, underscoring its public character.

Moreover, the Court agrees with the Sandiganbayan's ruling that the COA's authority over the Provident Fund affirms its public character. As ruled by the Court in *Republic of the Philippines v. COCOFED*,^[153] the coconut levy funds are prima facie public in character because the funds have been subjected to a COA audit.^[154]

The offenders are public officers; however, not all of them have control or custody of the Funds

It is undisputed that Calabio, et al. are public officers. However, among them, only Calabio and Gusi had control or custody of the funds.

Calabio, as the PFO Cashier, receives funds of a public nature, for which she is legally bound to account. On the other hand, Gusi, as the Chief of the PFO Administrative Division, had the responsibility to approve and supervise the lawful disbursement, expense, or cash advance transpiring in his office.

No such similar responsibility is imposed upon Marasigan, a clerk whose responsibility is to encode check details, or upon Rellora, an emergency laborer, whose responsibility is to act as a messenger.

Gusi misappropriated for his personal use portions of the Provident Fund; the same cannot be said of Calabio

It is worth noting that Calabio did not obtain any personal loans from the Provident Fund. Accordingly, there is no basis to conclude that she misappropriated any portion of the Fund for her own benefit. However, it is undisputed that she signed checks and disbursement vouchers, including those issued to ineligible borrowers. Despite this, she cannot be held liable for malversation of public funds.

As previously discussed, her act of signing these documents was not attended by negligence, ill will, or evident bad faith. On the contrary, the checks had already undergone prior review and approval by the appropriate PFO personnel. To reiterate, Calabio was neither expected nor authorized to conduct a detailed verification of each check and its supporting documents.

The same cannot be said of Gusi, who despite knowledge of the procedures and limitations in place, signed and approved loans for himself in excess of what was allowed under PF Circular No. 99-03. The signed checks were

also encashed, indicating that Gusi benefited from the fraudulent and irregular transactions.

Based on the foregoing, the Court acquits Calabio, Marasigan, and Rellora of the charge of violating Article 217 of the Revised Penal Code. The Court, however, maintains the Sandiganbayan's conviction for Gusi.

Here, Gusi misappropriated the amount of PHP 587,231.53 to himself. Under Article 217 of the Revised Penal Code, as amended by Republic Act No. 1060, the penalty is prision mayor in its minimum and medium periods, the duration of which is six years and one day to 10 years. Applying the Indeterminate Sentence Law, Gusi is sentenced to suffer the indeterminate penalty of six years of prision correccional in its maximum period, as minimum, to eight years and eight months of prision mayor in its medium period, as maximum.[155] He is also imposed the accessory penalty of perpetual special disqualification from holding any public office, and is likewise ordered to pay a fine equal to the amount malversed, i.e., PHP 587,231.53. The amount shall earn interest at the rate of 6% per annum from the date of finality of this Decision, until fully paid.[156]

While the Court acquits Marasigan and Rellora, it bears emphasis that their civil obligations remain. The records show and the Sandiganbayan found that Marasigan obtained loans amounting to PHP 529,688.72, and Rellora obtained loans totaling PHP 510,018.87, none of which have been settled.

It is doctrinal that the extinction of criminal liability does not necessarily carry with it the extinction of civil liability.[157] Civil liability survives an acquittal in at least three instances: (a) when the acquittal is grounded on reasonable doubt, as civil liability requires only preponderance of evidence; (b) when the court expressly declares that the liability of the accused is purely civil in nature; and (c) when the civil liability does not arise from, nor depend on, the criminal act charged but stems from a separate source of obligation.[158]

Here, the acquittal of Marasigan and Rellora is based solely on the prosecution's failure to establish guilt beyond reasonable doubt, not on a finding that the acts did not occur. Further, their civil liability arises not from the criminal charge but from their loan obligations—a contractual undertaking independent of the offense of which they have been acquitted.

Thus, their exoneration from criminal liability does not relieve them of the duty to repay amounts they had undeniably received. Marasigan and Rellora are thus ordered to pay their unpaid loan obligations to PPC or PFO. The amounts shall earn interest at the rate of 6% per annum from the date of finality of this Decision, until fully paid.

ACCORDINGLY, the Court resolves to:

1.

GRANT the appeal filed by accused-appellant Francisca P. Calabio. The Decision, dated September 18, 2020, of the Sandiganbayan in SB-15-CRM-0133 to 0134, is REVERSED. Consequently, accused-appellant Francisca P. Calabio is ACQUITTED of the crime charged, for failure of the prosecution to prove her guilt beyond reasonable doubt.

2.

PARTIALLY GRANT the appeal filed by accused-appellants Alberto Gusi y Sotejo, Rosalina Marasigan y Aguila, and Hubert Rellora y Suelila. The Decision, dated September 18, 2020, of the Sandiganbayan in SB-15-CRM-0133 to 0134, is REVERSED, insofar as accused-appellants Rosalina Marasigan y Aguila and Hubert Rellora y Suelila are concerned. Consequently, accused-appellants Rosalina Marasigan y Aguila and Hubert Rellora y Suelila are ACQUITTED of the crime charged, for failure of the prosecution to prove their

guilt beyond reasonable doubt.

Insofar as accused-appellant Alberto Gusi y Sotejo is concerned, the appeal is DENIED. Consequently, the Decision, dated September 18, 2020, of the Sandiganbayan in SB-15-CRM-0133 to 0134, finding accused-appellant Alberto Gusi y Sotejo GUILTY beyond reasonable doubt of violating Section 3(e) of Republic Act No. 3019 and of Malversation of Public Funds punishable under Article 217 of the Revised Penal Code, is AFFIRMED.

In SB-15-CRM-0133, accused-appellant Alberto Gusi y Sotejo is SENTENCED to suffer the penalty of imprisonment for an indeterminate period of six years and one day, as minimum, to eight years, as maximum, with perpetual disqualification to hold any position in public office.

In SB-15-CRM-0134, accused appellant Alberto Gusi y Sotejo is SENTENCED to suffer the indeterminate penalty of six years of prision correccional in its maximum period, as minimum, to eight years and eight months of prision mayor in its medium period, as maximum, and the accessory penalty of perpetual special disqualification to hold any position in public office. Alberto Gusi y Sotejo is likewise ORDERED to pay a fine of PHP 587,231.53 which is equal to the amount of misappropriated funds, which shall earn interest at the rate of 6% per annum from the date of finality of this Decision until fully paid.

3.

ORDER accused-appellants Rosalina Marasigan y Aguila and Hubert Rellora y Suelila to settle their unpaid loan obligations in Philippine Postal Corporation and/or in Provident Fund Office, immediately from the date of the release of this Decision. The amounts shall earn interest at the rate of 6% per annum from the date of finality of this Decision until fully paid.

SO ORDERED."

Caguioa (Chairperson), Inting, Gaerlan, and Dimaampao, JJ., concur.

[*] Also referred to as Alberto Gusi y Sotelo in some parts of the rollo.

[*][*] Also referred to as Suelita in some parts of the rollo.

[1] Rollo, pp. 8-87. Penned by Associate Justice Efren N. De La Cruz and concurred in by Associate Justices Geraldine Faith A. Econg and Edgardo M. Caldona of the First Division of Sandiganbayan.

[2] Republic Act No. 3019 (1960).

[3] Rollo, p. 57.

[4] Id.

[5] Id.

[6] Id.

[7] Id.

[8] Id.

[9] Id. at 57-58.

[10] Id.

[11] Id. at 220.

[12] Id. at 58.

[13] Id.

[14] Id.

[15] Id. at 60.

[16] Id. at 61.

[17] Id. at 61-62.

[18] Id. at 58-60.

[19] Id. at 9.

[20] Id. at 9-14.

[21] Id. at 14-18.

[22] Id. at 18.

[23] Id. at 19.

[24] Id.

[25] Id.

[26] Id. at 21.

[27] Id.

[28] TSN, Prosecutor Citadel L. Cosmiano-Transmontero, September 9, 2019, p. 64.

[29] Rollo, p. 66.

[30] Id.

[31] Id.

[32] Id.

[33] Id.

[34] Id.

[35] Id.

[36] Id.

[37] Id. at 18.

[38] Id.

[39] Id. at 67.

[40] Id. at 65, 66, 67.

[41] Id. at 49.

[42] Id. at 51.

[43] Id. at 52.

[44] Id.

[45] Id.

[46] Id. at 45.

[47] Id.

[48] Id.

[49] Id. at 48.

[50] Id.

[51] Id.

[52] Id. at 85.

[53] Id. at 85-87.

[54] Id. at 69.

[55] Id.

[56] Id. at 71.

[57] Id. at 72.

[58] Id.

[59] Id. at 73-74.

[60] Id.

[61] Id.

[62] Id. at 75.

[63] Id.

[64] Id.

[65] Id.

[66] Id.

[67] Id.

[68] Id. at 77.

[69] Id. at 78.

- [70] Id.
- [71] Id.
- [72] Id.
- [73] Id. at 80.
- [74] Id.
- [75] Id.
- [76] Id.
- [77] Id. at 81.
- [78] Id.
- [79] Id. at 82.
- [80] Id.
- [81] Id. at 97.
- [82] Id. at 88.
- [83] Id. at 107.
- [84] Id.
- [85] Id. at 120.
- [86] Id. at 122.
- [87] Id.
- [88] Id. at 123.
- [89] Id.
- [90] Id.
- [91] Id.
- [92] Id.
- [93] Id. at 125.
- [94] Id. at 124.
- [95] Id. at 129.
- [96] Id.
- [97] Id. at 136.
- [98] Id.
- [99] Id. at 137.
- [100] Id.

- [101] Id. at 139.
- [102] Id.
- [103] Id. at 231.
- [104] Id. at 241.
- [105] Id. at 332.
- [106] Id. at 357.
- [107] Id.
- [108] Id. at 358.
- [109] *Cagang v. Sandiganbayan*, 837 Phil. 815, 848 (2018) [Per J. Leonen, En Banc].
- [110] 837 Phil. 815 (2018) [Per J. Leonen, En Banc].
- [111] Id. at 855.
- [112] *People v. Belmonte*, 835 Phil. 719, 734 (2018) [Per J. Martires, Third Division].
- [113] RULES OF COURT, Rule 133, sec. 2.
- [114] 756 Phil. 202 (2015) [Per J. Leonen, Second Division].
- [115] 591 Phil. 508 (2008) [Per J. Velasco, Jr., Second Division].
- [116] *Macayan, Jr. v. People*, 756 Phil. 202, 213-214 (2015) [Per J. Leonen, Second Division].
- [117] *Rollo*, p. 78.
- [118] *People of the Philippines v. De Guzman*, 905 Phil. 378, 387 (2021) [Per J. Delos Santos, Third Division].
- [119] Id.
- [120] Id.
- [121] *People v. Evasco*, 839 Phil. 612, 622 (2018) [Per J. Bersamin, First Division].
- [122] 839 Phil. 612 (2018) [Per J. Bersamin, First Division].
- [123] Id. at 622-623.
- [124] *Renales v. People of the Philippines*, 904 Phil. 456, 467 (2021) [Per J. Carandang, First Division].
- [125] Republic Act No. 2260 (1959), The Civil Service Act of 1959.
- [126] *Soriano v. People of the Philippines*, 922 Phil. 726, 735 (2022) [Per J. Inting, First Division].
- [127] 895 Phil. 270 (2021) [Per J. Caguioa, En Banc].
- [128] Id. at 287.
- [129] *Rollo*, p. 75.
- [130] Id.
- [131] TSN, Francisca P. Calabio, September 4, 2019, pp. 35-38.

[132] 904 Phil. 456 (2021) [Per J. Carandang, First Division].

[133] *Id.* at 469.

[134] *Id.*

[135] *Id.*

[136] Rollo, p. 47.

[137] TSN, Rosalina A. Marasigan, November 19, 2019, p. 19.

[138] *Id.* at 20-26.

[139] *Arcelo v. People*, G.R. Nos. 253870 et al., February 5, 2025 [Per J. Marquez, First Division] at 35. This pinpoint citation refers to the copy of the Decision uploaded to the Supreme Court website.

[140] TSN, Rosalina A. Marasigan, November 19, 2019, p. 23.

[141] TSN, Hubert Rellora, November 19, 2019, pp. 37-38.

[142] *Id.* at 38.

[143] Rollo, p. 63.

[144] *Renales v. People of the Philippines*, 904 Phil. 456, 470 (2021) [Per J. Carandang, First Division].

[145] 350 Phil. 820 (1998) [Per J. Panganiban, First Division].

[146] *Renales v. People of the Philippines*, 904 Phil. 456, 470 (2021) [Per J. Carandang, First Division].

[147] 922 Phil. 726 (2022) [Per J. Inting, First Division].

[148] *Id.* at 740-741.

[149] See Republic Act No. 3019 (1960), sec. 9.

[150] See *Ruiz v. People*, G.R. Nos. 209073-74, January 27, 2025 [Per J. Hernando, First Division] at 27. This pinpoint citation refers to the copy of the Decision uploaded in the Supreme Court website.

[151] REV. PEN. CODE, art. 217, as amended by Republic Act No. 10951.

[152] *Arcelo v. People*, G.R. Nos. 235870 et al., February 5, 2025 [Per J. Marquez, First Division] at 36-37. This pinpoint citation refers to the copy of the Decision uploaded to the Supreme Court website.

[153] 423 Phil. 735 (2001) [Per J. Panganiban, En Banc].

[154] *Id.* at 770-771.

[155] See *Ruiz v. People*, G.R. Nos. 209073-74, January 27, 2025 [Per J. Hernando, First Division] at 27. This pinpoint citation refers to the copy of the Decision uploaded in the Supreme Court website.

[156] *Id.*, citing *Sarion v. People of the Philippines*, 899 Phil. 346 (2021) [Per J. Gaerlan, First Division]; *Corpuz v. People*, 873 Phil. 601, 620 (2020) [Per J. J. Reyes, Jr., First Division].

[157] *Motabato, Sr. v. People of the Philippines*, 919 Phil. 805, 808 (2022) [Per J.M. Lopez, First Division].

[158] *Id.* at 808-809.

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