

ERLINDA UMALI CABRERA, PETITIONER, VS. PEOPLE OF THE PHILIPPINES, RESPONDENT.*G.R. No. 275887, March 03, 2026*

Ponente: LOPEZ, J., J.

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Public funds entrusted to court personnel are impressed with trust and accountability. A clerk of court who receives judicial collections is bound to record, deposit and remit them strictly in accordance with law and court regulations. When an audit establishes a shortage and the accountable officer fails to produce the missing funds or satisfactorily explain their absence, despite demand, Article 217 of the Revised Penal Code gives rise to a prima facie presumption of malversation. In that situation, criminal liability rests not on direct proof of personal conversion, but on the unexplained failure to account for funds held in trust for the Judiciary.

This Court resolves the Petition for Review on Certiorari[1] under Rule 45 of the Rules of Court filed by Erlinda Umali Cabrera (Cabrera), assailing the September 13, 2024 Decision[2] of the Sandiganbayan, which affirmed with modification, the January 23, 2019 Judgment[3] of the Regional Trial Court (RTC) finding Cabrera guilty beyond reasonable doubt of malversation of public funds under Article 217 of the Revised Penal Code.

The controversy stemmed from an audit conducted in 2004 of the financial accounts of the Municipal Trial Court (MTC) of Guiguinto, Bulacan, where Cabrera served as clerk of court. Cabrera was the accountable officer charged with receipt, custody, safekeeping, and remittance of court collections, including the Clerk of Court General Fund, the Judiciary Development Fund (JDF), and the Fiduciary Fund.[4] Her duties entailed the proper recording of collections in the cashbook, the issuance of official receipts, and the timely deposit and remittance of such funds in accordance with judiciary rules and circulars.

Sometime in June 2004, an audit team from the Commission on Audit (COA)-Region 3, examined the cash and accounts of the Guiguinto MTC. The audit covered the period from May 1999 to June 24, 2004. Based on the examination of the court's cashbook, official receipts, deposit slips, and related accounting records, the audit disclosed a shortage in Cabrera's accountability in the total amount of PHP 1,385,872.85.[5]

On July 12, 2004, COA issued a formal demand letter addressed to Cabrera informing her of the details of the deficiency and requiring her to immediately liquidate or surrender the missing funds. The letter also directed her to submit a written explanation for the shortage.[6]

On July 20, 2004, Cabrera submitted a written reply to COA, stating:

In compliance [with] your letter dated July 12, 2004 directing the undersigned to submit [an] explanation with regard to the unremitted collections, I humbly ask for an apology for such delay [in] remittance. As of now, I [am] exert[ing] all my efforts to remit said collections [at] the soonest possible time.

For this reason, I kneel to you and [ask] for your mercy and your indulgence that I be given a reasonable period of time within which to deposit all unremitted collections. I promise to make a deposit commencing on August

2004 until such time that the whole amount of unremitted collections be deposited.[7]

The COA findings were subsequently reported to the Office of the Court Administrator (OCA). In response, the OCA constituted a financial audit team to conduct an independent examination of the books of accounts of the Guiguinto MTC. On August 19, 2004, the financial audit team submitted its report and found that the court incurred a total shortage of PHP 1,483,351.85, broken down as follows: PHP 54,433.00 for the Clerk of Court General Fund; PHP 206,418.85 for the JDF; and PHP 1,222,500.00 for the Fiduciary Fund.[8]

The discrepancy between the amount reflected in the COA audit and that found in the judicial audit was attributed to the difference in the period covered by the respective examinations. The COA audit covered up to June 24, 2004, while the judicial audit extended to July 2004.

The administrative aspect of the matter was docketed before this Court as A.M. No. P-05-2027 and A.M. No. P-05-2028. After evaluation and recommendation by the OCA, this Court En Banc promulgated its January 27, 2006 Resolution.[9] The dispositive portion of the Resolution reads:

WHEREFORE, the Court hereby declares the following:

- [T]he complaint against respondent Edwin C. Santos is hereby DISMISSED for insufficiency of evidence and lack of merit;
- [R]espondent Erlinda U. Cabrera is hereby found GUILTY of dishonesty and gross misconduct. She is ordered DISMISSED from the service effective immediately with prejudice to reemployment in any government agency, including government-owned and controlled corporations. All her salaries, allowances and retirement benefits that have been withheld are forfeited in favor of the government;
- [R]espondent Erlinda U. Cabrera is also hereby ORDERED to restitute within 30 days from her receipt of this resolution the amount of [PHP] 1,483,351.85 representing her shortage as follows: Judiciary Development Fund – [PHP] 206,418.85, Clerk of Court General Fund – [PHP] 54,433.00 and Fiduciary Fund – [PHP] 1,222,500.00.
- [T]he Employees Leave Division, Office of Administrative Services-OCA is hereby DIRECTED to compute the balance of respondent Erlinda U. Cabrera's earned leave credits and forward the same to the Finance Division, Fiscal Management Office-OCA which shall compute its monetary value. Whatever amount, as well as other monetary benefits, she may still be entitled to shall be applied as part of the restitution of the shortage.
- [T]he Office of the Court Administrator is hereby DIRECTED to coordinate with the prosecution arm of the government to ensure the expeditious criminal prosecution of respondent Erlinda Cabrera.
- [F]inally, the Bureau of Immigration is hereby DIRECTED to issue a hold-departure order against respondent Erlinda U. Cabrera to prevent her from leaving the country.

SO ORDERED.[10]

Pursuant to the directive for criminal prosecution, a complaint was filed before the Office of the Deputy Ombudsman for Luzon. As narrated in the Sandiganbayan Decision, the case stemmed from a complaint filed by Atty. Christopher O. Lock, then Court Administrator of this Court, against Cabrera, former Clerk of Court I of the MTC of Guiguinto, Bulacan, in connection with the alleged malversation of court fees and charges amounting to PHP 1,483,351.85.[11]

On April 23, 2007, an Information for malversation of public funds was filed before the RTC, docketed as Criminal Case No. 639-M-2010. The accusatory portion of the Information reads:

That on or about June 24, 2004, or sometime prior or subsequent thereto, in the Municipality of Guiguinto,

Bulacan, Philippines, and within the jurisdiction of this Honorable Court, the above-named accused, a public officer, being then the Clerk of Court of the Municipal Trial Court of Guiguinto, Bulacan and as such is accountable for public funds, received and/or entrusted to her by reason of her office, taking advantage of the same, did then there, willfully, unlawfully and feloniously take, misappropriate and convert to her personal use and benefit the Judiciary Development Fund, Clerk of Court General Fund and Fiduciary Funds in the total amount of [PHP] 1,483,351.85 from such public funds received by her by reason of her office, to the damage and prejudice of the government in the amount aforestated.

CONTRARY TO LAW.[12]

Upon arraignment, Cabrera entered a plea of not guilty. Pre-trial was conducted, and trial then ensued.[13] The prosecution presented COA Auditor Teresita D. Sason and Management and Audit Analyst Dindo V. Sevilla, who testified on the conduct of the audits, the service of the July 12, 2004 demand letter, and the shortage discovered in Cabrera's accountability. Documentary evidence, including the audit reports and demand letter, were formally offered and admitted. Meanwhile, Cabrera testified as the lone witness for the defense.[14]

On January 23, 2019, the RTC rendered its Judgment convicting Cabrera on malversation of public funds. The dispositive portion of the RTC Decision reads:

WHEREFORE, premises considered, the court finds the accused, Erlinda Umali Cabrera, GUILTY beyond reasonable doubt of the crime of Malversation of Public Funds, penalized under Article 217 of the Revised Penal Code, as amended. She is sentenced (1) to suffer an indeterminate penalty of imprisonment of 6 years and 1 day of prision mayor in its minimum period as minimum to 12 years, 10 months and 21 days of reclusion temporal in its minimum period as maximum; (2) to restitute to the Supreme Court the amount of [PHP] 1,385,872.85 plus 6% legal interest; (3) to pay a fine of [PHP] 1,385,872.85; and (4) to suffer perpetual disqualification from holding any public office.

SO ORDERED.[15]

Cabrera appealed to the Sandiganbayan, contending that the prosecution failed to prove all the elements of malversation beyond reasonable doubt. She also argued that the prosecution failed to challenge the appreciation of the audit findings in her July 20, 2004 letter.[16]

On September 13, 2024, the Sandiganbayan promulgated its Decision denying Cabrera's appeal and affirming the RTC Judgment with modification as to the imposable penalty. The dispositive portion of the Decision reads:

WHEREFORE, in light of all the foregoing, the instant Appeal is hereby DENIED. The Decision dated 23 January 2019 of the Regional Trial Court of Malolos, Bulacan, Branch 20 is hereby AFFIRMED with MODIFICATION. Accused-appellant ERLINDA UMALI CABRERA is declared GUILTY beyond reasonable doubt as principal in the crime of Malversation of Public Funds under Article 217 of the Revised Penal Code, as amended.

Accused-Appellant Cabrera is hereby sentenced to an INDETERMINATE PENALTY of imprisonment of six (6) years and one (1) day of prision mayor, as minimum, to ten (10) years and one (1) day of prision mayor, as maximum, with PERPETUAL SPECIAL DISQUALIFICATION to hold public office.

In addition, accused-appellant is ordered to pay a FINE of One Million Three Hundred Eighty-Five Thousand Eight Hundred Seventy-Two Pesos and 85 centavos ([PHP] 1,385,872.85) equal to the amount malversed. Cabrera is also ordered to restitute to the Supreme Court the amount of One Million Three Hundred Eighty-Five Thousand Eight Hundred Seventy-Two Pesos and 85 centavos ([PHP] 1,385,872.85) with legal interest of six percent (6%) per annum from the date of finality of judgment until full satisfaction.

SO ORDERED.[17]

Cabrera now comes before this Court via the present Petition, imputing reversible error to the Sandiganbayan in affirming her conviction and in sustaining the application of the presumption under Article 217 of the Revised Penal Code, which came from the audit findings and her failure to account for the missing funds.[18]

This Court's Ruling

This Court finds no reversible error in the ruling of the Sandiganbayan affirming the conviction of petitioner. The prosecution proved beyond reasonable doubt that petitioner committed the crime of malversation of public funds under Article 217 of the Revised Penal Code as charged.

The present case Was brought under Rule 45 of the Rules of Court. It is well-settled in jurisprudence that a petition for review on certiorari raises only questions of law. This Court is not a trier of facts. Factual findings of the trial court, when affirmed by the Sandiganbayan, are accorded with great respect and are generally binding upon this Court. Such findings will not be disturbed unless the case falls within the recognized exceptions. In *Evangelista v. People*,[19] this Court reiterated these established exceptions:

Generally, the factual findings of the Sandiganbayan are conclusive upon this Court but there are established exceptions to that rule, such as, without preclusion, when: (1) the conclusion is a finding grounded entirely on speculation, surmise, and conjecture; (2) the inference made is manifestly an error or founded on a mistake; (3) there is grave abuse of discretion; (4) the judgment is based on misapprehension of facts; and (5) the findings of fact are premised on a want of evidence and are contradicted by evidence on record.[20] (Citation omitted)

The Petition does not bring the case within any of these exceptions. On the contrary, both the RTC and the Sandiganbayan were consistent and unequivocal in their factual determinations. They uniformly found that a shortage in petitioner's accountability was established through audit; that a formal demand dated July 12, 2004 was duly served upon her; and that she failed to have the missing funds duly forthcoming or to satisfactorily explain their absence. These findings were not speculative nor conjectural; they were anchored on documentary evidence and testimonial proof presented during trial.

Petitioner's submissions before this Court essentially seek a reassessment of the weight accorded to the audit findings and a re-interpretation of her July 20, 2004 letter. In substance, she invites this Court to re-evaluate the evidence and to substitute its own appreciation of the facts for that of the courts below. These are matters that are intrinsically factual. She failed to show that the RTC or the Sandiganbayan gravely misapprehended the facts or ignored material evidence of substance that would justify an acquittal. On this procedural ground alone, the petition must fail.

Nevertheless, even if this Court were to move beyond the procedural constraints of Rule 45 and examine the merits, the conviction rests on firm statutory and jurisprudential foundations.

Article 217 of the Revised Penal Code, as amended by Republic Act No. 10951, defines malversation and provides that "[t]he 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 uses." The same statute further mandates that "[i]n 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 presumption supplied by Article 217 is not a mere evidentiary convenience; it is a presumption of law that operates once its statutory requisites are met. Once a shortage is established and a demand is made by a duly authorized officer, the accountable officer's failure to produce the missing funds gives rise to prima facie evidence of misappropriation. In *People v. Reyes*: [21]

Article 217 [of the Revised Penal Code], as amended by Republic Act [No.] 1060, no longer requires proof by the State that the accused actually appropriated, took, or misappropriated public funds or property. Instead, a presumption, though disputable and rebuttable, was installed that upon demand by any duly authorized officer, the failure of a public officer to have duly forthcoming any public funds or property—with which said officer is accountable—should be prima facie evidence that [they] had put such missing funds or properties to personal use. When these circumstances are present, a "presumption of law" arises that there was malversation of public funds or properties as decreed by Article 217.[22]

Thus, the statutory scheme itself eases the prosecution's burden once shortage and demand are shown. The law recognizes the peculiar nature of accountability over public funds and the fiduciary character of such trust.

This doctrinal understanding was further clarified in *Venezuela v. People*,[23] where this Court ruled that "in the crime of malversation of public funds, all that is necessary for conviction is proof that the accountable officer had received the public funds and that he failed to account for the said funds upon demand without offering sufficient explanation why there was a shortage." [24] The emphasis, therefore, lies not on direct proof of personal conversion, but on the failure to account upon demand coupled with the existence of a shortage.

Accordingly, direct proof of personal conversion is not indispensable for a conviction under Article 217. The presumption fills the evidentiary gap, subject always to the accused's opportunity to rebut it with credible and satisfactory explanation.

The elements of malversation of public funds under Article 217 have been consistently enumerated in jurisprudence:

(1)

that the offender is a public officer;

(2)

that he/she had the custody or control of funds or property by reason of the duties of his office;

(3)

that those funds or property were public funds or property for which he/she was accountable; and

(4)

that he [or] she appropriated, took, misappropriated or consented or, through abandonment or negligence, permitted another person to take them.[25]

Applying these principles to the present case, the elements of malversation were established beyond reasonable doubt.

First, petitioner was the Clerk of Court of the MTC of Guiguinto, Bulacan. By reason of her office, she was the accountable officer charged with the custody, recording, deposit, and remittance of court collections, including the Clerk of Court General Fund, the JDF, and the Fiduciary Fund. Her status as a public officer and her accountability over these funds are undisputed.

Second, the funds involved were undeniably public funds. Court collections, by their very nature, are impressed with public character and are subject to strict regulations governing their handling and remittance. They are not private monies over which the accountable officer may exercise discretion.

Third, the COA audit covering May 1999 to June 24, 2004, based on examination of the court's cashbook, official

receipts, deposit slips, and related accounting records, established a shortage of PHP 1,385,872.85. A formal demand letter dated July 12, 2004 required petitioner to liquidate or surrender the missing funds and to explain the deficiency. It is undisputed that she did not have the funds duly forthcoming upon demand.

Although the financial audit later reflected a higher amount due to extended coverage, the courts found the shortage proven beyond reasonable doubt in the amount of PHP 1,385,872.85 based on the evidence admitted in the criminal proceedings. It is this proven amount that properly fixes both civil restitution and the statutory fine. The variance in audit coverage does not negate the existence of the shortage within the charged period; rather, it reinforces the finding that petitioner's accounts were deficient.

Fourth, petitioner's July 20, 2004 letter does not constitute a satisfactory explanation that would rebut the statutory presumption. Instead of asserting lawful disbursement supported by vouchers, timely remittance evidenced by deposit slips, or loss due to force majeure, petitioner apologized for "delay in remittance" and requested time to deposit the "unremitted collections." The tenor of the letter acknowledges nonremittance rather than refutes it. At trial, petitioner failed to present competent documentation of lawful disbursement, authorized use, or complete accounting sufficient to overcome the presumption created by Article 217.

The shortage was established through a formal COA audit grounded on primary accounting documents. Petitioner failed to demonstrate any material irregularity, computational error, or incompleteness in the audit sufficient to cast doubt on its findings. The audit findings were not shown to be speculative or unreliable. On these established facts, Article 217's prima facie presumption properly attached. Once demand and nonproduction were shown, the burden shifted to petitioner to present credible proof of full accounting. She failed to discharge that burden.

Even assuming, for the sake of argument, that petitioner later intended to reimburse or actually reimbursed portions of the shortage, such payment does not extinguish criminal liability. As this Court held in *People v. Dapitan*:^[26]

The payment, indemnification, or reimbursement of, or compromise on the amounts or funds malversed or misappropriated, after the commission of the crime, does not extinguish the accused's criminal liability or relieve the accused from the penalty prescribed by the law. At best, such acts of reimbursement may only affect the offender's civil liability and may be credited in his favor as a mitigating circumstance analogous to voluntary surrender. This is because damage is not an element of malversation.^[27]

In light of the foregoing, both procedurally and substantively, petitioner's conviction is fully supported by the evidence on record and by the governing law.

With respect to the proper penalty, Article 217 of the Revised Penal Code has undergone substantial amendment under Republic Act No. 10951. Pursuant to Article 22 of the Revised Penal Code, penal laws shall have retroactive effect insofar as they are favorable to the accused.

Under the version of Article 217 prior to Republic Act No. 10951, if the amount involved exceeded PHP 22,000.00, "the penalty shall be reclusion temporal in its maximum period to reclusion perpetua." Considering that the amount adjudged in this case is PHP 1,385,872.85, petitioner would have been exposed to the graver penalty of reclusion temporal in its maximum period to reclusion perpetua under the former statutory framework.

Republic Act No. 10951, however, re-tiered the monetary thresholds and now provides that "[t]he 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 does not exceed [PHP 2,400,000.00]."

It is readily apparent that the amended law significantly reduced the severity of the imprisonment range applicable

to petitioner's case. Accordingly, pursuant to Article 22 of the Revised Penal Code, Republic Act No. 10951 must be applied retroactively as it is more favorable to the accused.

Therefore, the Sandiganbayan correctly applied the amended penalty bracket and imposed an indeterminate sentence of six years and one day of prision mayor, as minimum, to 10 years and one day of prision mayor, as maximum. The said indeterminate penalty falls within the proper statutory range and reflects a correct application of both Republic Act No. 10951 and the Indeterminate Sentence Law.

The fine equal to the amount malversed and the accessory penalty of perpetual special disqualification are expressly mandated by the malversation statute. In any event, the fine of PHP 1,385,872.85 merely corresponds to the exact amount proven to have been malversed and does not result in a harsher pecuniary penalty than that imposed by the courts below.

As to interest, controlling jurisprudence dictates that legal interest shall be imposed only on the amount to be restituted, not on the fine. In *People v. Dapitan*,^[28] this Court deemed it proper to delete the imposition of legal interest on the fine. This Court considered that "while fine is among the pecuniary liabilities which may be imposed against a convict, it is not considered as a civil liability from which an award of interest may spring."^[29]

Accordingly, 6% legal interest per annum shall be imposed only on the restitution amount from finality of judgment until full payment. No legal interest shall attach to the fine.

All told, petitioner failed to overcome the statutory presumption of misappropriation under Article 217. The shortage in public funds under her accountability was established by regular audit; a formal demand was duly made; and she failed to have the funds duly forthcoming or to present credible proof of full accounting. The Sandiganbayan correctly applied the governing statute and controlling jurisprudence in sustaining her conviction.

ACCORDINGLY, the Petition for Review on Certiorari is DENIED. The Decision dated September 13, 2024 of the Sandiganbayan in SB-19-A/R-003 is AFFIRMED.

Petitioner Erlinda Umali Cabrera is GUILTY beyond reasonable doubt of malversation of public funds under Article 217 of the Revised Penal Code, as amended. Accordingly, she is sentenced to suffer an indeterminate penalty of imprisonment of six years and one day of prision mayor, as minimum, to 10 years and one day of prision mayor, as maximum, and to suffer the accessory penalty of PERPETUAL SPECIAL DISQUALIFICATION from holding public office.

Petitioner is further ORDERED to: (1) PAY a fine in the amount of PHP 1,385,872.85, equal to the amount malversed; and (2) RESTITUTE the amount of PHP 1,385,872.85. The amount to be restituted shall earn legal interest at the rate of 6% per annum from finality of this Decision until fully paid. No legal interest shall be imposed on the fine.

SO ORDERED."

Leonen, SAJ. (Chairperson), Kho, Jr., and Villanueva, JJ., concur.
Lazaro-Javier,^[*] J., on official business.

[*] On official business.

[1] Rollo, pp. 12-28. Dated October 28, 2024.

[2] Id. at 33-52. The September 13, 2024 Decision in SB-19-A/R-003 was penned by Associate Justice Kevin Narce B. Vivero and concurred in by Associate Justices Sarah Jane T. Fernandez and Karl B. Miranda of the Sixth

Division, Sandiganbayan, Quezon City.

[3] Id. at 207-214. The January 23, 2019 Judgment in Criminal Case No. 639-M-2010 was penned by Presiding Judge Mirasol O. Dychingco, Branch 20, Regional Trial Court, Malolos City, Bulacan, 3rd Judicial Region

[4] Transcript of Stenographic Notes (TSN), Erlinda Umali Cabrera, September 25, 2018, p. 4.

[5] Rollo, p. 173.

[6] Id.

[7] Id.

[8] Id. at 174-175.

[9] Id. at 172-182.

[10] Id. at 180-181.

[11] Id. at 183-185.

[12] Id. at 54-56.

[13] Id. at 207.

[14] Id. at 208-210.

[15] Id. at 214.

[16] Id. at 38-39.

[17] Id. at 50-51.

[18] Id. at 18-25.

[19] G.R. No. 241587, August 6, 2025 [Per J. Rosario, First Division].

[20] Id.

[21] G.R. Nos. 246783-84, July 29, 2025 [Per J. Rosario, First Division].

[22] Id.

[23] 826 Phil. 11 (2018) [Per J. Reyes, Jr., Second Division].

[24] Id. at 25.

[25] G.R. No. 254652, August 27, 2025 [Per J. Inting, Third Division].

[26] 911 Phil. 114 (2021) [Per J. Perlas-Bernabe, Second Division].

[27] Id. at 122.

[28] 911 Phil. 114 (2021) [Per J. Perlas-Bernabe, Second Division].

[29] Id. at 124.

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