

PEOPLE OF THE PHILIPPINES, PLAINTIFF-APPELLEE, VS. DENNIS G. LOZADA, ACCUSED-APPELLANT.

G.R. No. 278387, June 09, 2026

Ponente: LEONEN, SAJ.

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LEONEN, SAJ.:

Certifying that the expense is necessary and lawful means a public officer attests to the transaction's legality and regularity. It also signifies that a public officer "checked all the supporting documents before affixing his or her signature."^[1] Any obvious infirmity may show that a public officer had. failed to exercise the reasonable diligence required by law.^[2]

This appeal^[3] assails the Decision^[4] of the Sandiganbayan finding accused-appellant Dennis G. Lozada (Lozada) guilty beyond reasonable doubt for graft and corruption.

A complaint was filed by the Field Investigation Office 1, Office of the Ombudsman against Lozada and three others^[5] for violation of Section 3(e) of Republic Act No. 3019 (Anti-Graft and Corrupt Practices Act), as amended, and for malversation of public funds under Article 217 of the Revised Penal Code.^[6]

The Office of the Ombudsman alleged that the Department of Budget and Management (DBM) Secretary Rolando G. Andaya, Jr. issued Special Allotment Release Order (SARO) No. ROCS-07-07981 dated October 11, 2007 in favor of the Department of Agriculture (DA) for the implementation of livelihood programs and projects in the 4th District of Batangas. The PHP 5 million SARO was sourced from the 2007 Priority Development Assistance Fund (PDAF) of Batangas 4th District Representative Mark Llandro L. Mendoza (Rep. Mendoza), who also requested to transfer the PHP 5 million to National Agribusiness Corporation (NABCOR), a government-owned and -controlled corporation, for the Livestock Agribusiness Development Plan of Batangas.^[7]

On January 17, 2008, NABCOR, represented by its then Director and President Alan A. Javellana (Javellana), and Center for Mindoro Integrated Development Foundation, Inc. (CMIDFI), represented by Eulalia P. Garcia (Garcia), entered into a Memorandum of Agreement (MOA) to transfer the PHP 5 million from NABCOR to CMIDFI. The CMIDFI was incorporated to be the partner of Oriental Mindoro province in the conceptualization and implementation of projects under the Mindoro Integrated Development Program for 2001-2005.^[8] The agreement between NABCOR and CMIDFI states:

(i)

PHP 4,850,000.00 will be released to CMIDFI in two tranches:

a.

90% (PHP 4,365,000.00) upon the signing of the agreement; and

b.

10% (PHP 485,000.00) upon submission of a final report; and

(ii)

NABCOR shall monitor the status of the project to ascertain the progress, to determine proper utilization of funds, to provide necessary coordination, and to allow effective collaboration with government agencies.[9]

Accordingly, Lozada and several others signed Disbursement Voucher No. 08-01-00174 (first disbursement voucher) dated January 18, 2008 for the transfer of the PHP 4,365,000.00 to CMIDFI. That same day, NABCOR's Director for Administration and Finance signed a check covering the said amount payable to CMIDFI.[10]

On March 12, 2008, Rep. Mendoza allegedly issued a Certificate of Acceptance, but no final report appears on record.[11] Lozada then issued a Memorandum dated June 3, 2008, requesting for the release of the remaining amount in favor of CMIDFI. On the same day, they issued Disbursement Voucher No. 08-06-01870 (second disbursement voucher) for the release of PHP 485,000.00 to CMIDFI. Another check for the said amount payable was issued also on that day.[12]

By signing Box "A" of the two disbursement vouchers, Lozada certified that the expenses were necessary, lawful, and under his direct supervision.[13]

Eventually, the Commission on Audit (COA) – Special Audit Report issued a Notice of Disallowance for the amounts covered by the disbursement vouchers.[14]

Thus, Lozada, along with several co-accused, was indicted in an Information that reads:

That on 18 January 2008, or sometime prior or subsequent thereto, in Quezon City, Metro Manila, Philippines, and within the jurisdiction of this Honorable Court, accused public officers ALAN JAVELLANA [y] ALUNAN, former President; DENNIS LOZADA y GESMUNDO, former Technical Specialist; and MA. JULIE VILLARAL VO-JOHNSON y ASOR, former Accountant, all of the National Agribusiness Corporation, a government-owned and controlled corporation under the Department of Agriculture actively engaged in agribusiness development, which served as its trading and marketing support; while in the performance of their administrative and/or official functions and taking advantage of their official positions, conspiring with one another and with private individual, EULALIO P. GARCIA, acting with manifest partiality, evident bad faith, and/or inexcusable negligence, did then and there willfully, unlawfully, and criminally cause undue injury to the Government and/or give unwarranted benefits and advantage to EULALIO P. GARCIA and/or Center for Mindoro Integrated Development Foundation, Inc., the engagement of which is non-compliant with the Government Procurement Reform Act (Republic Act No. 9184) and existing government auditing and accounting rules, in the amount of at least FOUR MILLION EIGHT HUNDRED FIFTY THOUSAND PESOS ([PHP] 4,850,000.00), representing the Priority Development Assistance Fund (PDAF) of the Representative of the 4[th] District of Batangas Mark Llandro Mendoza for the Calendar Year 2007 covered by SARO No. ROCS-07-07981 dated 11 October 2007, which was released without sufficient legal basis in two tranches, wherein PhP4,365,000.00 was released through Disbursement Voucher (DV) No. 08-01-00174 dated 18 January 2008 and the remaining PhP485,000.00 through DV No. 08-06-01870 dated 03 June 2008, to the injury and prejudice of the government in the aforesaid amount.

CONTRARYTOLAW.[15]

The Ombudsman alleged that Lozada, in conspiracy with Javellana, Ma. Julie A. Villaralvo-Johnson, and Garcia, acted with manifest partiality, evident bad faith or gross inexcusable negligence by approving the two disbursement vouchers and by allowing the eventual release of an aggregate amount of PHP 4,850,000.00 to CMIDFI. Specifically, Lozada is accused of certifying that the expenses were necessary, lawful, and under his direct supervision and for issuing a Memorandum dated June 3, 2008, which allowed the eventual release of the

remaining PHP 485,000.00.[16]

On arraignment, Lozada pleaded not guilty to the crime charged.[17]

During pre-trial, the parties agreed to the following stipulation of facts: (a) Lozada is the same person charged and arraigned under the Information; (b) the Court has jurisdiction over Lozada and the subject matter; and (c) Lozada, being then a technical specialist in the NABCOR, was a public officer at the time material to this case.[18]

After pre-trial, trial on the merits ensued.[19]

The prosecution presented the following witnesses: (a) John Zernan T. Sambajon, a Graft Investigation and Prosecution Officer III assigned at the General Investigation Bureau, Field Investigation Office I, Office of the Ombudsman; (b) Marissa A. Santos, the head of the DBM Central Records Division;[20] (c) RJ A. Bernal, chief counsel of the Corporate Filing and Records Division of the Company Registration and Monitoring Department of the Securities and Exchange Commission (SEC);[21] (d) Romeo G. Abol, corporate secretary and consultant of the corporations under RGV Group;[22] (e) Noel V. Aboboto, vice president for marketing and sales of the RGV Group;[23] (f) Joan Agnes N. Alfafaras, COA State Auditor IV assigned to the Special Audit Office;[24] (g) Eduard L. Reyes, Licensing Officer IV of the Business Permit and License Section of Calapan City, Oriental Mindoro;[25] (h) Aileen Escobido Maqueda, Associate Graft Investigation Officer III of the Office of the Ombudsman;[26] (i) Arnel L. Tiongson, Administrative Officer V, section chief of the Issuance Section of the Records Management Division of the General Services Office of the COA;[27] (j) Megan Marie Kyle M. Macaguiwa, branch manager of the Land Bank of the Philippines in Calapan City;[28] and (k) Christopher R. Natividad, executive assistant to the chairman of the board of RGV Development Corporation and corporate secretary of CMIDFI.[29]

The prosecution asserted that Lozada, in conspiracy with his co-accused, signed the disbursement vouchers as technical specialist of NABCOR for the release of funds intended for CMIDFI and sought the approval of the final release amounting to PHP 485,000.00.[30] Lozada also certified that the expenses were necessary, lawful, and incurred under his direct supervision.[31] However, there was no proof that a feasibility study was conducted nor any proof of project completion. Further, CMIDFI never operated as the intended funds for its principal project never materialized.[32] The fund disbursements were also unsupported by utilization reports, receipts, and invoices.[33]

The COA investigation also found that the transactions under SARO No. ROCS-07-07981, including the selection of nongovernmental organization, were noncompliant with existing laws and regulations. To add, the corresponding Notice of Cash Allocations was released by the DBM to the DA without the required documents.[34]

After the testimonies of the prosecution's witnesses were concluded, Lozada filed a motion, seeking leave to file demurrer to evidence, but it was denied for lack of merit. Lozada's Motion for Reconsideration of this denial was also denied. Trial on the merits then ensued.[35]

The defense presented Lozada and Melody M. de Guzman (De Guzman), Lozada's co-employee at NABCOR, as its witnesses.[36]

According to the defense, Lozada was hired in 2004 and was regularized as technical specialist in 2007. He was assigned to handle NABCOR projects pertaining to the conduct of technical studies on organic fertilizers.[37]

On January 18, 2008, Lozada's immediate supervisor Roseph Castelo-Velasco[38] (Castelo-Velasco) allegedly

asked Lozada, being the most senior of technical specialists present at the time, to sign the first disbursement voucher.[39] Lozada asserted that Castelo-Velasco had asked him to sign this disbursement voucher because of its "urgency due to pressures from higher ups[.]"[40] Castelo-Velasco was on official business during this time.[41]

Lozada was allegedly informed by Evelyn Duenas (Duenas), Castelo-Velasco's secretary, that the first disbursement voucher, the MOA between NABCOR and the DA, and the MOA between NABCOR and CMIDFI, all pertained to CMIDFI in relation to the Livestock Agribusiness Development Plan for Batangas—a project directly handled by Castelo-Velasco. Lozada asserted that he had no knowledge about the said project.[42]

Sometime in June 2008, Castelo-Velasco allegedly asked Lozada again to sign the second disbursement voucher in favor of CMIDFI, saying, "This way asimilado tayo sa papers natin (This way, everything will appear regular in our papers)."[43] Afterward, Duenas brought the following documents: (1) a copy of a Memorandum addressed to NABCOR President Javellana, requesting the release of the remaining 10% balance as payment to CMIDFI; (2) the second disbursement voucher; (3) NABCOR-CMIDFI's Memorandum of Agreement; (4) Certificate of Acceptance by the Office of Rep. Mendoza; and (5) an alleged copy of the CMIDFI Final Report.[44]

Lozada asserted that he only signed the second disbursement voucher after reviewing the documents and upon instructions of Castelo-Velasco. He also noted that the Final Report had already been, accepted by the Office of Rep. Mendoza.[45]

Lozada also admitted the following: (a) certifying that the expenses or advance in the first disbursement voucher was necessary and under his direct supervision, with only the MOA between NABCOR-CMIDFI as its attachment;[46] (b) not verifying the qualifications nor asking for registration papers of CMIDFI;[47] (c) not monitoring the status and progress of the project nor the utilization of funds;[48] (d) not coordinating with the researches of CMIDFI;[49] (e) the said project was not assigned to him;[50] and (f) noticing that the draft Final Report did not contain signatures of the CMIDFI representatives, yet he did not find it improper.[51] Lozada also admitted to certifying that the expenses or advances in the second disbursement voucher was necessary and under his direct supervision.[52]

While admitting to signing the two disbursement vouchers, Lozada argued that his act of signing were made in good faith and based on instructions of his superiors.[53] He asserted that if he did not comply with Castelo-Velasco's instructions to sign the two vouchers, he may be liable for insubordination and he might lose his job.[54]

Lozada also claimed that he did not know CMIDFI's Executive Director Garcia and the importance of the latter's signature in Box "A" of the two disbursement vouchers.[55]

In a Decision[56] dated June 28, 2024, the Sandiganbayan rejected Lozada's claim of good faith[57] and convicted him for violation of Section 3(e), Republic Act No. 3019, as amended.[58] It found that the prosecution proved that Lozada acted with gross inexcusable negligence when he (a) signed Box "A" of the two disbursement vouchers without any official designation or authorization; and (b) issued the Memorandum, which resulted in the release of the full amount of PHP 4,850,000.00 in favor of CMIDFI.[59] The Sandiganbayan further ruled that this unlawful disbursement of public funds caused undue injury to the government and gave unwarranted benefit or advantage to CMIDFI.[60]

The Sandiganbayan stated that Lozada's actions were "not merely a failure to exercise necessary prudence but a clear omission to act on a situation where there is [a] duty to act. . . with a conscious indifference to the consequences." [61] His plea of good faith has no basis considering that he acted in clear violation of existing laws, rules, and COA Circulars when he approved the two disbursement vouchers. This palpable disregard of laws

and regulations amounted to gross negligence.[62]

Further, by signing the two disbursement vouchers, Lozada certified that the expenses were necessary, lawful, and under his direct supervision and accordingly attested to the legality and regularity of the transactions and verified all supporting documents.[63]

The dispositive portion of the Sandiganbayan's Decision reads:

WHEREFORE, premises considered, judgment is rendered finding accused Dennis G. Lozada GUILTY beyond reasonable doubt of violation of Section 3(e) of Republic Act No. 3019, otherwise known as the Anti-Graft and Corrupt Practices Act, as amended, and hereby sentencing him to an indeterminate penalty of imprisonment ranging from six (6) years and one (1) month, as minimum, to eight (8) years, as maximum and to suffer perpetual disqualification to hold any public office.

Considering that accused Alan A. Javellana, accused Ma. Julie A. Villaralvo-Johnson and accused Eulalio P. Garcia remain at-large, despite outstanding warrants for their arrest, let this instant case be sent to ARCHIVES subject to its revival upon their arrest.

In the meantime, let alias warrants for the arrest of accused Javellana, Villaralvo-Johnson and Garcia be ISSUED forthwith.

SO ORDERED.[64]

Lozada then filed his Motion for Reconsideration, asserting that the prosecution failed to prove conspiracy among the accused and failed to prove all the elements of graft and corruption beyond reasonable doubt.[65] His motion, however, was denied by the Sandiganbayan in its Resolution[66] for lack of merit.

Thus, Lozada filed a Notice of Appeal.[67]

In its Resolution dated January 24, 2025, the Sandiganbayan gave due course to Lozada's appeal and directed that the case records be forwarded to this Court.[68]

In a Resolution dated April 21, 2025, this Court noted the records forwarded by the Sandiganbayan and required the parties to submit their respective briefs within 30 days from notice.[69]

On July 16, 2025, Lozada filed his Brief,[70] reiterating that the prosecution failed to prove not only the fact of conspiracy,[71] but also the elements of the unlawful act covered by Section 3(e) of Republic Act No. 3019.[72]

On October 15, 2025, the People of the Philippines, through the Office of the Special Prosecutor, Office of the Ombudsman, filed its Brief,[73] asserting that the Sandiganbayan did not commit any reversible error in finding Lozada guilty beyond reasonable doubt for graft and corruption.[74] Lozada was aware of the extent of his duties and responsibilities as NABCOR technical specialist and as such, he knew that it was not part of his job description and he had no authority to sign box "A" of the two disbursement vouchers.[75] His act of signing reveals his lack of concern to the consequences of his actions, which resulted not only to a procedural lapse but also gross inexcusable negligence.[76] Lozada also failed to inquire further before signing the disbursement vouchers, causing undue injury to the government through unlawful disbursement of public funds in favor of the CMIDFI.[77]

The issue for this Court's resolution is whether the Sandiganbayan erred in convicting accused-appellant Dennis G. Lozada for graft and corruption.

This Court resolves to dismiss the appeal for failure to show error in the challenged Decision.

At the outset, it must be emphasized that the Sandiganbayan ruled only on the culpability of accused-appellant, as his three co-accused remain at large.[78] Thus, this Court's review is confined to accused-appellant's individual criminal liability.

The Court finds that the prosecution proved beyond reasonable doubt the existence of all elements of Section 3(e) of Republic Act No. 3019.

To sustain a conviction for graft and corruption, the following elements must be proven:

- 1) The accused must be a public officer discharging administrative, judicial or official functions;
- 2) He must have acted with manifest partiality, evident bad faith or inexcusable negligence; and
- 3) That his action caused undue injury to any party, including the government, or gave any private party unwarranted benefits, advantage or preference in the discharge of his functions.[79]

As regards the second element, jurisprudence states that a violation of Section 3(e) of Republic Act No. 3019 may be committed through any one of these modalities: (1) manifest partiality; (2) evident bad faith; or (3) inexcusable negligence.[80] Proof of existence of any one of these modalities is sufficient.[81] In *Zausa v. People*,[82] these modes have been distinguished by the Court 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 or 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.[83]

As to the third element, the accused-appellant's action (a) has caused undue injury to any party, such as the government, and/or (b) has given any party unwarranted benefits, advantage, or preference in the discharge of his or her functions. It must be stressed that this third element refers to two separate acts that qualify as a violation of Section 3(e) of Republic Act No. 3019. As explained in *Villanueva v. People*: [84]

The third element refers to two (2) separate acts that qualify as a violation of Section 3 (e) of R.A. No. 3019. An accused may be charged with the commission of either or both. The use of the disjunctive term "or" connotes that either act qualifies as a violation of Section 3 (e) of R.A. No. 3019.

The first punishable act is that the accused is said to have caused undue injury to the government or any party when the latter sustains actual loss or damage, which must exist as a fact and cannot be based on speculations or conjectures. The loss or damage need not be proven with actual certainty. However, there must be "some reasonable basis by which the court can measure it." Aside from this, the loss or damage must be substantial. It must be "more than necessary, excessive, improper or illegal."

The second punishable act is that the accused is said to have given unwarranted benefits, advantage, or preference to a private party. Proof of the extent or quantum of damage is not thus essential. It is sufficient that the accused has given "unjustified favor or benefit to another." [85]

In *Estrada v. Sandiganbayan*, [86] this Court interpreted "undue injury" to mean "actual damage:"

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 damage done 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. [87]

Libunao v. People[88] further stated that if the prosecution sufficiently proves the elements of the crime, public officers can rightfully be convicted of the Section 3(e) of Republic Act No. 3019 "by their acts of negligently approving the illegal transactions and signing checks for the disbursement of funds." [89]

Here, the first element is undisputed. During pre-trial, accused-appellant admitted that he was a public officer, being a technical specialist of NABCOR at the time material to the case.[90]

The second element is also present. The basis of accused-appellant's culpability is not the mere fact that his signature appeared on the disbursement vouchers, but the fact that he signed Box "A" despite knowing the existence of various infirmities.

Article XI, Section 1 of the Constitution requires public officers to remain accountable to the public and to serve them with utmost responsibility, integrity, loyalty, and efficiency.[91] This mandate is echoed in Section 4(a) of Republic Act No. 6713, which requires public officials and employees to uphold public interest and use government resources efficiently, effectively, honestly, and economically.[92]

While Section 5(c) of Republic Act No. 6713[93] requires the expeditious processing of official papers and allows the next-in-rank or officer-in-charge to sign in the absence of duly authorized signatories, such authority is not absolute. The processing of documents, particularly those involving public funds, must still be exercised in accordance with applicable laws, accounting rules, and auditing regulations.[94] Expediency does not excuse a public officer from verifying the legal and factual bases of a certification he or she signs.

Under COA Circular No. 92-389, Box "A" of a disbursement voucher shall be signed by "the responsible [o]fficer having direct supervision and knowledge of the facts of the transaction." [95] However, the same Circular recognizes that signatories may raise reasonable questions on the funding, legality, regularity, necessity, or economy of the expenditure, and may require additional supporting documents when warranted.[96]

Jurisprudence also teaches that no badge of good faith can be appreciated when an approving or certifying officer blatantly disregards applicable rules and laws.[97] Certifying that the expense is necessary and lawful means a public officer attests to the transaction's legality and regularity. It also signifies that a public officer "checked all the supporting documents before affixing his or her signature." [98] Any obvious infirmity may show that a public officer had failed to exercise the reasonable diligence required by law.[99]

Thus, if a public officer's signature on the disbursement voucher constituted a certification of legality, completeness, availability of funds, direct supervision, or propriety of the transaction, such officer had a duty to apprise himself or herself of the nature and significance of what he was signing. Blindly signing upon a superior's instruction, without verifying the supporting documents despite such duty, may constitute gross inexcusable negligence, especially when the officer had no authority over the project or where irregularities were apparent.[100] Here, Lozada signed Box "A" of the subject disbursement vouchers despite the following circumstances: he was not officially designated or authorized to sign; the project was not under his supervision; his usual duties did not involve signing disbursement vouchers for PDAF allocations; and he relied merely on the memorandum of agreement and, later, an assumed final report or certificate of acceptance. These circumstances should have prompted accused-appellant to exercise greater diligence. Instead, he signed a certification that, under COA rules, could only be made by an officer with direct supervision and knowledge of the facts of the transaction. Accused-appellant's signature was not a mere routing act, it was a part of the process that enabled the release of public funds.

It must also be emphasized that the irregularities were patent and known to accused-appellant. His knowledge that the project was not under his supervision is already a red flag. Since Box "A" of the disbursement vouchers

required certification of direct supervision, then the irregularity was not hidden in attachments; it was immediately apparent from his own lack of role. This made accused-appellant's certification reckless, if not false. His argument that he was only told to sign because his superior was out of town may explain why he signed, but it does not excuse why he assumed a certification he knew that he could not truthfully make.

Thus, accused-appellant cannot merely rely on good faith because he acted upon his superior's instructions.[101] He also cannot rely on the alleged final report that had already been accepted by the Office of Rep. Mendoza[102] as it did not sufficiently establish the legality and regularity of the transaction. Accused-appellant's act of signing the two disbursement vouchers, despite lack of authority, lack of supervision, and failure to verify, constituted palpable disregard of the Government Accounting and Audit Manual and COA issuances. This amounted to gross inexcusable negligence, clearly illustrating a deliberate omission to act in a situation where there is a duty to act "with a conscious indifference to the consequences"[103] of his actions.

Relevant portions of the Sandiganbayan Decision read:

The Government Accounting and Audit Manual (GAAM) provides for the basic requirements applicable to all classes of disbursements, to wit:

SEC. 168. Basic requirements applicable to all classes of disbursements. – The following basic requirements applicable to all classes of disbursements shall be complied with:

a)

Certificate of Availability of Fund. – Existence of lawful appropriation, the unexpended balance of which, free from other obligations, is sufficient to cover the expenditure, certified as available by an accounting officer or any other official required to accomplish the certificate.

Use of moneys appropriated solely for the specific purpose for which appropriated, and for no other, except when authorized by law or by a corresponding appropriating body.

b)

Approval of claim or expenditure by head of office or his duly authorized representative.

c)

Documents to establish validity of claim. – Submission of documents and other evidence to establish the validity and correctness of the claim for payment.

d)

Conformity of the expenditure to existing laws and regulations.

e)

Proper accounting treatment.

Moreover, COA Circular No. 92-389 dated November 3, 1992 provides that Box "A" of a disbursement voucher shall be signed by the responsible officer having direct supervision and knowledge of the facts of the transaction.

....

A careful review of the records of the case and the evidence presented herein reveals that the second element, specifically gross inexcusable negligence, was established by the prosecution beyond reasonable doubt when

accused Lozada signed Box "A" of Disbursement Voucher Nos. 08-01-00174 (Exh. "I") dated January 18, 2008 and 08-06-01870 (Exh. "L") dated June 3, 2008 and his issuance of the Memorandum dated June 3, 2008 (Exh. "K"), resulting in the release of the full amount of [PHP] 4,850,000 to CMIDFI.

....

Additionally, this Court clearly observes – (1) that accused Lozada was never officially designated and authorized to sign Box "A" of the Subject [Disbursement Vouchers]; (2) that he was unaware of the Project involved in said [Disbursement Vouchers]; (3) that his usual job description at that time does not entail the signing of the [Disbursement Vouchers] in relation to the PDAF allocations; (4) that he found that the [Memorandum of Agreement] dated January 17, 2008 (Exh. "5") between NABCOR and CMIDFI was an attachment to Disbursement Voucher Nos. 08-01-00174 (Exh. "I") dated January 18, 2008, and, concluded that this was sufficient to authorize the release of funds; and (5) that, as to Disbursement Voucher No. 08-06-01870 (Exh. "L") dated June 3, 2008, he assumed that a final report was already submitted because of the Certificate of Acceptance issued by the office of Rep. Mendoza.

These circumstances should have immediately prompted accused Lozada to exercise due diligence, however, he failed[.]

....

Clearly, the signatures of accused Lozada in Box "A" of the subject [Disbursement Vouchers] are a vital and critical part of the process leading to the ultimate conclusion of the transaction. Without his signature, the funds could not have been transferred to CMIDFI.

This Court cannot give credence to his persistent claim of good faith, especially when he also signed the [Second Disbursement Voucher], paving the way for the release of the whole amount.

Likewise, weight cannot be given to his insistence that the [NABCOR-CMIDFI Memorandum of Agreement] was sufficient basis for him to sign Box "A" thereof.

In the first place, the [NABCOR-CMIDFI Memorandum of Agreement] relied upon by accused Lozada did not comply with the requirements enumerated in COA Circular No. 2007-001, series of 2007, dated October 25, 2007, specifically Item 4.5 thereof[.]

....

This Court also noted that accused Lozada was not precluded from raising questions on the legality and regularity of the transaction involved. It was immediately apparent from the certification in Box "A" of the [Subject Disbursement Vouchers] that a determination of the legality, or the legal basis, of the expense was necessary.[104]

The third element is also established. The unlawful release of PHP 4,850,000.00 to CMIDFI caused undue injury to the government and gave unwarranted benefit or advantage to CMIDFI. Based on COA audit, CMIDFI's existence was questionable and the disbursements lacked legal basis and supporting documents, including utilization reports, receipts, and invoices.[105] Despite these deficiencies, accused-appellant still signed Box "A" on the disbursement vouchers and issued a memorandum that resulted in the release of PHP 4,850,000.00 in favor of CMIDFI.[106]

Accordingly, this Court affirms the Sandiganbayan's finding that accused-appellant acted with gross inexcusable negligence for signing Box "A" of the disbursement vouchers without official designation or authorization and for issuing the Memorandum that resulted in the release of PHP 4,850,000.00 in favor of CMIDFI.[107]

Given the foregoing, this Court finds that the prosecution established all the elements of Section 3(e) of Republic Act No. 3019 beyond reasonable doubt. Pursuant to Section 9 of the same law, as amended by Batas Pambansa Blg. 195, the penalty for such violation is imprisonment for not less than six years and one month nor more than fifteen years and perpetual disqualification from public office, among others. Thus, the Sandiganbayan correctly imposed on accused-appellant the indeterminate penalty of imprisonment ranging from six years and one month, as minimum, to eight years, as maximum and to suffer perpetual disqualification from public office.

ACCORDINGLY, the appeal is DISMISSED. The Decision of the Sandiganbayan in Crim. Case No. SB-22-CRM-0193 is AFFIRMED. Accused-appellant Dennis G. Lozada is GUILTY beyond reasonable doubt of violation of Section 3(e) of Republic Act No. 3019, as amended by Republic Act No. 10910. He is sentenced to suffer the indeterminate penalty of imprisonment ranging from six years and one month, as minimum, to eight years, as maximum, and to suffer perpetual absolute disqualification to hold any public office.[108]

SO ORDERED.

Lazaro-Javier, J. Lopez, and Villanueva, JJ., concur.
Kho, Jr.,[*] J., on leave.

[*] On leave.

[1] Libunao v. People, 919 Phil. 734, 754 (2022) [Per J. J. Lopez, First Division], citing Umipig v. People, 691 Phil. 272-313 (2012) [Per J. Villarama Sr., First Division].

[2] Id.

[3] Rollo, pp. 4-6.

[4] Id. at 8-54.

[5] Id. at 39-40. The three other people indicted in the complaint are the following: (1) then Director and President of National Agribusiness Corporation Alan A. Javellana; (2) National Agribusiness Corporation Accountant Ma. Julie A. Villaralvo-Johnson; and (3) Executive Director and representative of Center for Mindoro Integrated Development Foundation, Inc. Eulalio P. Garcia.

[6] Id. at 39.

[7] Id. at 40.

[8] Id.

[9] Id.

[10] Id. at 40-41.

[11] Id. at 41.

[12] Id. at 40-41.

[13] Id.

[14] Id.

[15] Id. at 9-10.

- [16] Id. at 44.
- [17] Id. at 10.
- [18] Id.
- [19] Id.
- [20] Id. at 15.
- [21] Id. at 16.
- [22] Id. at 17.
- [23] Id. at 18.
- [24] Id. at 19.
- [25] Id. at 29.
- [26] Id. at 29-30.
- [27] Id. at 30.
- [28] Id. at 31-32.
- [29] Id. at 32.
- [30] Id. at 14.
- [31] Id. at 15.
- [32] Id. at 13.
- [33] Id. at 23.
- [34] Id. at 23-24.
- [35] Id. at 34.
- [36] Id. at 34, 38.
- [37] Id. at 35.
- [38] Id. at 65.
- [39] Id. at 35.
- [40] Id.
- [41] Id.
- [42] Id.
- [43] Id.
- [44] Id. at 35-36.
- [45] Id.
- [46] Id. at 36.

[47] Id. at 36, 37.

[48] Id. at 36.

[49] Id.

[50] Id.

[51] Id.

[52] Id.

[53] Id. at 37.

[54] Id. at 38.

[55] Id. at 36.

[56] Id. at 8-54. The Sandiganbayan Decision in Crim. Case No. SB-22-CRM-0193 was penned by Associate Justice Bernelito R. Fernandez and concurred in by Presiding Justice and Chairperson Amparo M. Cabotaje-Tang and Associate Justice Ronald B. Moreno of the Third Division, Sandiganbayan.

[57] Id. at 50.

[58] Id. at 53-54.

[59] Id. at 46.

[60] Id. at 53.

[61] Id. at 51.

[62] Id. (Citations omitted)

[63] Id. at 46.

[64] Id. at 53-54.

[65] Id. at 56.

[66] Id. at 55-67. The Sandiganbayan Resolution in Crim. Case No. SB 22-CRM-0193 was penned by Associate Justice Bernelito R. Fernandez and concurred in by Presiding Justice and Chairperson Amparo M. Cabotaje-Tang and Associate Justice Ronald B. Moreno of the Third Division, Sandiganbayan.

[67] Id. at 3-6.

[68] Id. at 7.

[69] Id. at 70.

[70] Id. at 80-104.

[71] Id. at 85-92.

[72] Id. at 92-102.

[73] Id. at 116-150.

[74] Id. at 130-143.

[75] Id. at 135-136.

[76] Id. at 136.

[77] Id. at 138.

[78] Id. at 54.

[79] *Zausa v. People*, G.R. No. 258968, July 8, 2025 [Per J. Leonen, Second Division], citing *Reyes v. People*, 863 Phil. 611, 627 (2019) [Per J. Leonen, Third Division] at 9. This pinpoint citation refers to the copy of the Decision uploaded to the Supreme Court website.

[80] *Abubakar v. People*, 834 Phil. 435, 471 (2018) [Per J. Leonen, First Division], citing *Sison v. People*, 628 Phil. 573, 583 (2010) [Per J. Corona, Third Division].

[81] Id.

[82] G.R. No. 258968, July 8, 2025 [Per SAJ. Leonen, Second Division], citing *Abubakar v. People*, 834 Phil. 435, 472 (2018) [Per J. Leonen, Third Division].

[83] Id. 9. This pinpoint citation refers to the copy of the Decision uploaded to the Supreme Court website.

[84] 920 Phil. 122 (2022) [Per J. Hernando, Second Division].

[85] Id. at 135-136.

[86] G.R. Nos. 228374-84, 236268, 249296, 249919, 254892 & 254906-15, October 28, 2025 [Per J. Singh, En Banc].

[87] Id. at 31, citing *Llorente v. Sandiganbayan*, 350 Phil. 820 (1998) [Per J. Panganiban, First Division]. This pinpoint citation refers to the copy of the Decision uploaded to the Supreme Court website.

[88] 919 Phil. 734 (2022) [Per J. J. Y. Lopez, First Division].

[89] Id. at 754.

[90] *Rollo*, pp. 10, 43.

[91] CONST., art. 11, sec. 1 provides: Public office is a public trust. Public officers and employees must, at all times, be accountable to the people, serve them with utmost responsibility, integrity, loyalty, and efficiency; act with patriotism and justice, and lead modest lives.

[92] Republic Act No. 6713 (1989), sec. 4 reads: Norms of Conduct of Public Officials and Employees...

(a) Commitment to public interest. – Public officials and employees shall always uphold the public interest over and above personal interest. All government resources and powers of their respective offices must be employed and used sufficiently, effectively, honestly and economically, particularly to avoid wastage in public funds and revenues.

[93] Republic Act No. 6713 (1989), sec. 5(c) reads: Duties of Public Officials and Employees...

(c) Process documents and papers expeditiously. – All official papers and documents must be processed and completed within a reasonable time from the preparation thereof and must contain, as far as practicable, not more than three (3) signatories therein. In the absence of duly authorized signatories, the official next-in-rank or officer in charge shall sign for and in their behalf.

[94] Presidential Decree No. 1445 (1978), Government Auditing Code of the Philippines, Chapter 4, sec. 84 reads: Disbursement of Government Funds.

....

(2) Trust funds shall not be paid out of any public treasury or depository except in fulfillment of the purpose for which the trust was created or funds received, and upon authorization of the legislative body, or head of any other agency of the government having control thereof, and subject to pertinent budget law, rules and regulations.

[95] COA Circular No. 92-389 (1992), Item 2(i).

[96] COA Circular No. 92-389 (1992), Item 3 reads:

Document Checklist at the Back of the Voucher

The checklist at the back of the voucher enumerates the mandatory minimum supporting documents for the selected transactions. It should be clear, however, that the submission of the supporting documents enumerated under each type of transaction does not preclude reasonable questions on the funding, legality, regularity, necessity or economy of the expenditure or transaction. Such questions may be raised by any of the signatories to the voucher. The demand for additional documents or equivalents should be in writing. A blank space is provided for additional requirements, if any, and if authorized by any law or regulation. If the space is insufficient, separate check may be used and attached to the voucher.

[97] *Ngalob v. Commission on Audit*, 892 Phil. 849, 862-863 (2021) [Per J.M. V. Lopez, En Banc]. (Citations omitted).

[98] *Libunao v. People*, 919 Phil. 734, 754 (2022) [Per J. J. Lopez, First Division]. (Citation omitted)

[99] *Id.*

[100] Presidential Decree No. 1445 (1978), Government Auditing Code of the Philippines, sec. 106 provides: Even accountable officers cannot be relieved from liability merely by reason of his having acted under the direction of a superior officer in paying out, applying or disposing funds or property with which he is chargeable. He may only escape liability when prior to his action, he notified the superior officer in writing of the illegality of the payment, application, or disposition. In such case, the officer directing any illegal payment or disposition of the funds or property shall be primarily liable for the loss, while the accountable officer who fails to serve the required notice shall be secondarily liable.

[101] *Id.* at 36.

[102] *Id.* at 35-36.

[103] *Id.* at 51.

[104] *Id.* at 45-51.

[105] *Id.* at 23-29.

[106] *Id.* at 46.

[107] *Id.*

[108] *Id.* at 53, 54.

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