

MANILA ELECTRIC COMPANY, PETITIONER, VS. NATIONAL LABOR RELATIONS COMMISSION AND JIMMY MEGINO, RESPONDENTS.

G.R. No. 90030. June 25, 1990

Ponente: GRINO-AQUINO, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-90030/>

GRINO-AQUINO, J.:

This petition for certiorari seeks to review the decision of respondent National Labor Relations Commission (NLRC for short) dated July 26, 1989 in NLRC Case No. 7-2901-86 entitled, "Jimmy A. Megino v. Manila Electric Company," ordering the reinstatement of private respondent Jimmy Megino, thereby reversing the order dated June 28, 1988 of Labor Arbiter Quintin C. Mendoza who found that Megino was dismissed for cause.

Megino was employed as a teller of the petitioner, Manila Electric Company (MERALCO for short), at its San Pedro Branch Office, in San Pedro, Laguna. His job was to collect and/or receive electric bill payments from Meralco's customers and to remit the same to the company before the end of each day (p. 5, Rollo).

On December 2, 1985, Megino was placed under preventive suspension pending the results of an administrative investigation of his unremitted collections amounting to P1,864.89 as of September 10, 1985, and for his delayed/withheld remittances in the total amount of P3,763.51. On December 14, 1985, Megino, assisted by a Union representative, Juanito Rivera, appeared at the administrative investigation conducted by officers of the company (p. 7, Rollo).

While the administrative investigation was pending, petitioner's auditors proceeded with their task of ascertaining the extent of Megino's shortage (p. 7, Rollo).

Megino admitted having collected the sums of P1,864.89 and P3,763.51 but imputed to Myle Calayag (a former bill collector of the company's San Pedro Branch Office, who had earlier been dismissed for dishonesty) his failure to remit the funds (p. 7, Rollo).

Having been found guilty as charged, Megino was dismissed on February 12, 1986.

On April 10, 1986, Myle Calayag came forward with an admission that he was responsible for the anomalies imputed to Megino (p. 101, Rollo). Myle Calayag declared that:

"Q: As per Audit Report No. 85-046 dated Nov. 27, 1985, it appears that Mr. Megino failed to remit the amount of P1,864.89. Having assisted Mr. Megino on several occasions in the preparation of stubs and collection lists as well as taping, do you know of any reason why this amount was not remitted?

"A: Kasi kapag ako ang nagtatape niyan ng stub ni Megino, pinapalitan ko ang ibang stub niya sa mga stub ko.

"Q: I am showing to you the unremitted collections, will you please look over the same and confirm or tell whether or not these are the bills which you said were replaced by you such that the amount of P1,864.89 was not remitted?

"A: Maaring ito na nga at meron pang iba.

"Q: I am likewise showing to you a separate list of account collected during the month of July, 1985 but was remitted only on August 1985 or a span of one month or more, will you please go over the same and state the cause, if you know why there was a withholding?

"A: Ang ginagawa ko dito, pinapali-tan ko ang stub na bago at papasok ko ang lumang stub para hindi maging outstanding, kayat nagkakaroon ng one month or less na delay. Sa pagpapaliwanag pa, ang ibig kong sabihin doon sa lumang stub ay iyong mga stubs na nakuha ko noon nakaraang buwan at saka ko lang ipapasok kapalit ng bago para hindi ma omission.

"Q: On the basis of your answers are we made to understand that you personally cause the delay in the remittances of these lists shown to you through the technics which you have just stated?

"A: Yes, sir." (pp. 154-155, Rollo.)

On April 28, 1986, petitioner's audit team rendered a Final Audit Report No. 86-012 disclosing that over the years Megino had in fact misappropriated the total sum of P63,967.15 (p. 8, Rollo).

On July 16, 1986, Meralco denied Megino's request for reconsideration of the order for his dismissal from the company. It held that he violated the company's Code of Employee Discipline, particularly Section 7, paragraph 1, by "misappropriating or withholding Company funds," the penalty for which is dismissal from the service (p. 10, Rollo).

On July 23, 1986, Megino filed a complaint for illegal dismissal against Meralco. It was docketed as NLRC Case No. NCR-7-2901-86 (pp. 100-101, Rollo). On June 28, 1988, Labor Arbiter Quintin C. Mendoza dismissed the complaint for lack of merit. The Labor Arbiter pointed out:

"Noteworthy is the fact that with respect to these charges, he was given all the opportunity to defend and absolve himself. As a matter of fact, in every investigation that took place against him, he was given the full opportunity to explain his side and was shown the different derogatory reports and exhibits against him and for all those investigations he was assisted by a representative of the MERALCO Employees and Workers Association (MEWA) to (sic) which he is a member. Indeed, from the text of the investigation reports - even if he insists on being innocent, he cannot absolve himself from the implication of the charges and for that reason, nobody including this Official can blame respondent for having withdrawn its trust and confidence on (sic) the complainant, and for having dismissed him on that basis which is a just cause for dismissal under the Labor Code.

"For all the foregoing reasons, decision is hereby issued dismissing the complaint for lack of merit.

"SO ORDERED." (pp. 102-103, Rollo.)

Megino appealed to the NLRC which reversed the Labor Arbiter's decision, reasoning that:

"x x x. We hold that complainant was illegally dismissed since there was no factual and legal basis for his dismissal. An employee cannot be deprived of his employment without just cause. We should be slow in disturbing or cutting down the tenurial security of employees which is protected by the law and the Constitution." (pp. 32-33, Rollo.)

The NLRC ordered Meralco:

"1. x x x to reinstate complainant [Megino] to his former position, without loss of seniority rights and other privileges from the time of his dismissal on February 12, 1986 with three (3) years backwages without qualification or deduction.

"2. x x x to pay complainant his salary and other benefits in excess of the thirty (30) days period of preventive

suspension from January 2, 1986 up to February 11, 1986." (p. 34, Rollo.)

The NLRC denied Meralco's motion for reconsideration (p. 35, Rollo). Hence, this petition for certiorari and prohibition alleging that the NLRC committed grave abuse of discretion amounting to lack of jurisdiction in reversing the decision of the Labor Arbiter and in holding that Megino was illegally dismissed.

The central issue is whether Megino's infractions of the Code of Discipline were sufficient grounds for terminating his employment for loss of confidence or breach of trust.

We find merit in the petition.

Article 282 of the Labor Code provides:

"Art. 282. Termination by employer. - An employer may terminate an employment for any of the following just causes:

"(a) Serious misconduct or willful disobedience by the employee of the lawful orders of his employer or representative in connection with his work;

"xxx xxx xxx

"(c) Fraud or willful breach by the employee of the trust reposed in him by his employer or duly authorized representative;

"xxx xxx xxx."

Myle Calayag's admission that he authored the misappropriation of company funds did not relieve Megino as custodian of the funds, of liability for the defalcation, for it was he, not Calayag, who was accountable for them. It appears that he connived and conspired with Calayag to steal his collections. Calayag prepared the collection list and validation tapes, which enabled Megino to secrete the funds in his possession. Megino occupied a very sensitive position which required a high degree of honesty and trust-worthiness (p. 187, Rollo). His acts of dishonesty justified the company's loss of trust and confidence in him and his consequent discharge.

In *Lepanto Consolidated Mining Co. v. Court of Appeals* (1 SCRA 1251), we held that where an employee occupies a position of trust and confidence, as where he is entrusted with confidential or delicate matters, or with the custody, handling, or care and protection of the employer's property, acts tending to show unworthiness may constitute a just cause for dismissal, or loss of employer's confidence.

It is fairly well settled in this jurisdiction that, for loss of trust and confidence to constitute a just and valid cause for an employee's dismissal, proof beyond reasonable doubt of the latter's commission of irregularities is not needed. It is sufficient that there be some basis for the same, or that the employer has reasonable ground to believe that the employee is responsible for the misconduct and his participation therein renders him unworthy of the trust and confidence demanded of his position (*Reyes v. Zamora*, 90 SCRA 92).

"Similarly, we stated in *Nevans v. Court of Industrial Relations* (23 SCRA 1321):

"Loss of confidence is a valid ground for dismissing an employee and proof beyond reasonable doubt of the employee's misconduct - apparently demanded by the Minister of Labor - is not required to dismiss him on this charge (See *National Organization of Laborers and Employees vs. Roldan*, 95 Phil. 727; *Phil. Refining Co. vs. Garcia*, 18 SCRA 107; *Gatmaitan vs. MRR*, 21 SCRA 191). It is sufficient if there is 'some basis' for such loss of confidence (*Galsim vs. PNB*, 29 SCRA 293) or if the employer has reasonable grounds to believe, if not to entertain the moral conviction that the employee concerned is responsible for the misconduct and that the nature of his participation therein rendered him absolutely unworthy of the trust and confidence demanded by his

position (see *Reyes vs. Zamora*, 90 SCRA 92; *San Miguel Corporation vs. The Deputy Minister of Labor and Employment*, G.R. No. 61232-33, 29 December 1983)." (Emphasis supplied; *San Miguel Corp. v. NLRC*, 128 SCRA 180, 187-188.)

Likewise, in *Itogon Suyoc Mines, Inc. v. NLRC, et al.*, 117 SCRA 523, 524, we ruled:

"x x x. It has been repeatedly held that an employer cannot be legally compelled to continue with the employment of a person who admittedly was guilty of breach of trust towards his employer and whose continuance in the service of the latter is patently inimical to its interest x x x."

The worker's right to security of tenure, is not an absolute right for the law provides that he may be dismissed for cause. "The law, in protecting the rights of the laborers, authorizes neither oppression nor self-destruction of the employer" (*Philippine Air Lines vs. PALEA*, 57 SCRA 489).

This is a clear case where the erring employee forfeited his right to security of tenure by acts of dishonesty prejudicial to the interests of his employer. His dismissal is, therefore, justified (*PLDT vs. NLRC, et al.*, 122 SCRA 618, 621).

WHEREFORE, the decision of respondent National Labor Relations Commission in NLRC Case No. 7-2901-86, entitled "*Jimmy A. Megino vs. Manila Electric Company*," is reversed and set aside. The decision dated June 28, 1988 of the Labor Arbiter granting the petitioner clearance to terminate the employment of respondent Jimmy A. Megino, is reinstated. Costs against the private respondent.

SO ORDERED.

Narvasa, (Chairman), Cruz, Gancayco, and Medialdea, JJ., concur.

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.