

**SPHINX SECURITY AND FOREIGN BOAT WATCHMAN AGENCY; AND
WASHINGTON EQUIPMENT AND SUPPLY COMPANY, PETITIONERS,
VS. THE HONORABLE SECRETARY OF LABOR; AND THE REGIONAL
DIRECTOR, REGI...**

G.R. No. 93550. October 04, 1991

Ponente: SARMIENTO, J.

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SARMIENTO, J.:

This is a petition for certiorari under Section 1, Rule 65 of the Rules of Court, questioning and seeking annulment of the Compliance Order dated September 12, 1989 of the Regional Director of Region XII, Cotabato City.

The Order provided the following:

x x x x x x x x

Conformably with this, this office computed the entitlements of the thirteen (13) complainants to determine the liabilities of the respondent based on the pay rolls and other documents on file. This showed an aggregate amount of THREE HUNDRED SIXTY NINE THOUSAND EIGHTY SEVEN PESOS and 45/100 (P369,087.45) broken down as follows:

Wages

13[th] mo.

Pay

Incentive

leave pay

Total

1. Bienvenido

Alao

26,866.48

2,566.68

432.36

29,865.52

2. Edgar

Aniñon

26,818.13

2,563.45

431.86

29,813.45

3. Romeo

Aniñon

29,689.26

2,697.86

454.23

32,841.35

4. Flaviano

Aniñon

27,172.08

2,580.26

434.74

30,187.08

5. Herman

Aniñon

26,944.46

2,570.00

432.85

29,947.31

6. Pablito

Bubuli

26,315.37

2,536.80

427.15

29,279.32

7. Celerio

Sabeniano

27,234.44

2,583.58

295.23

30,113.25

8. Pedro
Gabaya

15,139.64

1,324.16

294.11

16,757.91

9. Mario
Mahinay

26,151.68

2,536.95

422.93

29,111.56

10. Fedelito
Tingcang

18,649.90

1,793.32

301.90

20,745.12

11. Cesario
Valesco

27,925.23

2,615.32

440.70

30,980.82

12. Alberto
Rible

26,646.42

2,565.02

432.57

29,644.01

13. Eugene

Rimando

26,806.18

2,563.36

431.81

29,801.35

Wherefore premises considered, respondent Sphinx Security and Foreign Boat Watchman Agency and Washington Equipment and Supply Company is (sic) hereby ordered to pay jointly and severally the following complainants namely:

Bienvenido Alao, P29,865.52

Edgar Aniñon, P29,813.45

Romeo Aniñon, P32,841.35

Flaviano Aniñon, P30,187.08

Herman Aniñon, P29,947.31

Pablito Bubuli, P29,279.32

Celerio Sabeniano, P30,113.25

Pedro Gabaya, P16,757.91

Mario Mahinay, P29,111.56

Fedelito Tingcang, P20,745.12

Cesario Valesco, P30,980.82

Alberto Rible, P29,644.01

Eugene Rimando, P29,801.35

SO ORDERED.[1]

X X X X X X X X

The herein petitioner, Sphinx Security and Foreign Boat Watchman Agency (SSFBWA), is the employer of the thirteen security guards.

The co-petitioner, Washington Equipment and Supply Company (WESCO), hired for its security needs, the thirteen guards from the petitioner SSFBW.

On November 3, 1988, the thirteen security guards of petitioner SSFBWA filed a letter-complaint addressed to the Office of the President, against the petitioner SSFBWA, for the alleged non-compliance with Republic Act No. 6640, enacted on December 20, 1987, providing among others, for an increase in the statutory minimum wage and salary rates of employees and workers in the private sector.

The letter-complaint was endorsed to the Office of the Secretary of Labor on November 18, 1988 and later to the Office of the Regional Director of Region XII in Cotabato City for action.

On January 19, 1989, the Labor Employment and Development Officers of Region XII conducted an inspection of the records and premises of petitioner SSFBWA, and as a result, reported the following violations of labor standards:

- a. underpayment of wages
- b. non-integration of ECOLA
- c. underpayment of the 13th month pay and
- d. underpayment of five days service incentive leave pay.

On March 20, 1989, the Region XII Office (Iligan City) of the Department of Labor and Employment (DOLE) conducted a summary investigation which prompted the SSFBWA to challenge the jurisdiction of the DOLE. In addition, SSFBWA said that WESCO had to settle the deficiencies since it had traditionally done so, as mandated in Section 6, Republic Act No. 6727.[2] WESCO also objected to the findings/report since it was not mentioned as a party in the complaint.

On March 30, 1989, the DOLE called for a "hearing" with all the parties present. In the position papers that were later on submitted, both parties argued that DOLE had no jurisdiction in the case at bar, in addition to their objections to the findings on the existence of deficiencies.

Finally, on September 12, 1989, the Regional Director of Region XII rendered its now disputed Compliance Order. The Motion for Reconsideration filed by the petitioner SSFBWA having been denied, this petition for certiorari is now filed.

The issue now before us is whether or not the Secretary of Labor committed grave abuse of discretion in assuming jurisdiction over the complaint for deficiency in wages filed against the SSFBWA.

We grant the petition.

Under the law, the Labor Arbiters have original and exclusive jurisdiction over the claims of the petitioners.

Article 217(a), Section 6 provides:

X X X X X X X X

Art. 217. Jurisdiction of Labor Arbiters and the Commission. — (a) Except as otherwise provided under this Code, the Labor Arbiters shall have original and exclusive jurisdiction to hear and decide, within thirty (30) calendar days after the submission of the case by the parties for decision without extension, even in the absence of stenographic notes, the following case involving all workers, whether agricultural or non-agricultural:

X X X X X X X X

(6) Except claims for employees compensation, social security, medicare and maternity benefits, all other claims arising from employer-employee relations, including those of persons in domestic or household service, involving an amount exceeding Five thousand pesos (P5,000.00), whether or not accompanied with a claim for reinstatement.

X X X X X X X X

This exclusive jurisdiction of the Labor Arbiter is confirmed by the provisions of Article 129 which exclude from the jurisdiction of the Regional Director or any hearing officer of the Department of Labor the power to hear and decide claims of employees arising from employer-employee relations exceeding the amount of P5,000.00 for each employee.

Article 129 provides:

X X X X X X X X

Art. 129. Recovery of wages, simple money claims and other benefits. - Upon complaint of any interested party, the Regional Director of the Department of Labor and Employment or any other duly authorized hearing officers of the Department is empowered, through summary proceeding and after due notice, to hear and decide any matter involving the recovery of wages and other monetary claims and benefits, including legal interest, owing to an employee or person employed in domestic or household service or househelper under this Code, arising from employer-employee relations: Provided, That such complaint does not include a claim for

reinstatement: Provided, further, that the aggregate money claims of each employee or househelper do not exceed Five thousand pesos (P5,000.00) x x x (Italics supplied).

As held in *Servando's Incorporated v. Secretary of Labor and Employment*.^[3]

To construe the visitatorial power of the Secretary of Labor to order and enforce compliance with labor laws as including the power to hear and decide cases involving employees' claims for wages, arising from employer-employee relations, even if the amount of said claims exceed P5,000.00 for each employee, would, in our considered opinion, emasculate and render meaningless, if not useless, the provisions of Article 217 (a) (6) and Article 129 of the Labor Code which, as above-pointed out, confer exclusive jurisdiction on the Labor Arbiter to hear and decide such employees' claims (exceeding P5,000.00 for each employee).

In addition,

x x x x x x x x

We further hold that to harmonize the above-quoted three (3) provisions of the Labor Code, the Secretary of Labor should be held as possessed of his plenary visitatorial powers to order the inspection of all establishments where labor is employed, to look into all possible violations of labor laws and regulations but the power to hear and decide employees' claims exceeding P5,000.00 for each employee should be left to the Labor Arbiter as the exclusive repository of the power to hear and decide such claims. In other words, the inspection conducted by the Secretary of Labor, through labor regulation officers or industrial safety engineers, may yield findings of violations of labor standards under labor laws; the Secretary of Labor may order compliance with said labor standards, if necessary, through appropriate writs of execution but when the findings disclose an employee claim of over P5,000.00, the matter should be referred to the Labor Arbiter in recognition of his exclusive jurisdiction over such claims.^[4]

Moreover, we disagree with the private respondents who may want to give the impression that the provisions of R.A. 6715 do not affect the case at bar simply because its antecedents date back to November 3, 1988. Like its predecessors, E.O. No. 111 and Article 217 as amended, R.A. 6715 has retroactive application.^[5]

Thus, without going into the merits of the petitioners' contentions against the respondents, the referral of this case to the appropriate Labor Arbiter becomes a juridical necessity.

WHEREFORE, premises considered, the proceedings conducted before the Office of the Secretary, Department of Labor and Employment in IGN-CI-02-89-016 are hereby NULLIFIED and SET ASIDE. The parties are hereby given fifteen (15) days, from the date of the receipt of the promulgated copies of this order, to submit their respective pleadings before the Labor Arbiter.

SO ORDERED.

Melencio-Herrera, (Chairman), Paras, Padilla, and Regalado, JJ., concur.

[1] Rollo, 21.

[2] June 9, 1989.

[3] G.R. No. 85840, June 5, 1991.

[4] Ibid.

[5] *Briad Agro Development Corporation v. De la Cerna*, G.R. No. 82805 and *Camus Engineering Corporation v. The Secretary of Labor*, G.R. No. 83225, November 9, 1988, 179 SCRA 274. See also *Brokenshire Memorial*

Hospital, Inc. v. The Hon. Minister of Labor, G.R. No. 74621, February 7, 1990, 182 SCRA 10-12.

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