

PEOPLE OF THE PHILIPPINES, PLAINTIFF-APPELLEE, VS. MARY GRACE CAROL FLORES, ACCUSED-APPELLANT.

G.R. Nos. 146921-22. January 31, 2002

Ponente: MENDOZA, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-nos-146921-22/>

MENDOZA, J.:

This is an appeal from the decision,[1] dated August 15, 1996, of the Regional Trial Court, Branch 50, Manila, finding accused-appellant Mary Grace Carol Flores guilty of estafa, for which it sentenced her to an indeterminate prison term of eight (8) years and one (1) day to ten (10) years, and of violation of Batas Pambansa Blg. 22, for which it sentenced her to an additional prison term of one (1) year. In its decision,[2] dated April 13, 1999, the Court of Appeals, while affirming the findings of the trial court, held that the appropriate penalty for estafa, considering that the amount is more than P22,000.00, should be 30 years of reclusion perpetua and accordingly certified this case to this Court for review pursuant to Rule 124, §13 of the Rules of Court.

The information for estafa against accused-appellant alleged:

That on or about October 19, 1992, in the City of Manila, Philippines, the said accused, did then and there wilfully, unlawfully and feloniously defraud PACITA G. DEL ROSARIO in the following manner, to wit: the said accused, well knowing that she did not have sufficient funds in the bank, drew, made Out and issued post dated PHILIPPINE COMMERCIAL INTERNATIONAL BANK Check No. 558574 dated October 20, 1992 in the amount of P662,250.00 payable to PACITA G. DEL ROSARIO in payment of one (1) man's ring with a 5.8 ct. diamond purchased and received by the said accused on the same date; that upon presentation of said check to the bank for payment, the same was dishonored and payment thereof refused for the reason "ACCOUNT CLOSED" and the said accused, notwithstanding due notice to her by said Pacita G. del Rosario of such dishonor of said check, failed and refused to deposit the necessary amount of said check, to the damage and prejudice of the said Pacita G. del Rosario in the total amount of P662,250.00, Philippine Currency.[3]

On the other hand, the information for violation of B.P. Blg. 22 against accused-appellant charged:

That on or about October 19, 199[2], in the City of Manila, Philippines, the said accused did then and there wilfully and feloniously make or draw and issued to PACITA G. DEL ROSARIO to apply on account or for value PHILIPPINE COMMERCIAL INT'L BANK Check No. 558574 dated October 20, 1992 payable to PACITA G. DEL ROSARIO in the amount of P662,250.00 said accused well knowing that at the time of issue she did not have sufficient funds in or credit with the drawee bank for payment of such check in full upon its presentment, which check when presented for payment within ninety (90) days from the date thereof, was subsequently dishonored by the drawee bank for "ACCOUNT CLOSED" and despite receipt of notice of such dishonor, said accused failed to pay said PACITA G. DEL ROSARIO the amount of the check or to make arrangement for payment of the same within five (5) banking days after receiving such notice.[4]

A warrant of arrest was issued on August 26, 1993 against accused-appellant, but it was only on November 13, 1994 when she was finally arrested.

Upon arraignment, accused-appellant pleaded not guilty to the crimes charged and thereafter she was tried.

The prosecution presented two witnesses: complainant Pacita del Rosario and Philippine Commercial International Bank (PCIB) employee Librado Manzano.

Complainant Pacita del Rosario testified that on October 19, 1992, she sold to accused-appellant a 5-karat diamond ring with a cluster of about 10 small diamonds for P662,000.00. As payment therefor, accused-appellant issued to her PCIB Check No. 558574, postdated October 20, 1992, for the amount of P662,250.00, the check also covering the amount of P250.00 which accused-appellant also received from complainant. On October 20, 1992, complainant deposited the check in her account at the Far East Bank branch in Greenhills, San Juan. Three days later, however, she was notified by the bank that the check had been dishonored because accused-appellant's account had been closed. Pacita del Rosario looked for accused-appellant, who then promised to pay the value of the check. However, despite several extensions granted to her within which to make payment, accused-appellant failed to do so.[5]

Librado Manzano, a cashier of the PCIB, testified that, according to bank records, accused-appellant opened her account in September 1992, but closed the same on October 20, 1992, which was also the date of the check issued to complainant. Manzano testified that other checks amounting to P5,000.00 and P2,000.00 which had been drawn against the said account were also returned for insufficiency of funds.[6]

Accused-appellant was the lone witness in her behalf. She said she came to know complainant through her friend, Aida Gaerlan, who was the niece of complainant. She denied that the check was in payment of a ring which she bought from complainant. Rather, she claimed that complainant invested in her drapery business. She said that in September 1992, she borrowed P50,000.00 from complainant, for which she issued the check in question in the amount of P662,250.00. According to her, she did not receive the entire amount of P662,250.00 but only the amount of P50,000.00 as a loan and P250.00 as transportation fare. The loan was payable in one year and the excess amount on the check represents the interest.[7]

On August 15, 1996, the trial court rendered a decision, the dispositive portion of which reads:

WHEREFORE, premises considered, accused MARY GRACE CAROL FLORES is hereby found guilty of the charges of estafa and violation of BP 22 and is hereby sentenced applying the Indeterminate Sentence Law to suffer the penalty of imprisonment from Eight (8) years and One (1) day to Ten (10) years for estafa and an additional One (1) year of imprisonment and a fine of ONE HUNDRED THOUSAND (P100,000.00) PESOS, for violation of BP 22 and to pay the complainant the amount of P662,250.00.

No costs.

SO ORDERED.[8]

Accused-appellant appealed to the Court of Appeals, which rendered a decision, dated April 13, 1999, affirming the conviction of accused-appellant for the crimes of estafa and of violation of B.P. Blg. 22 with the modification that accused-appellant was sentenced to suffer the penalty of thirty (30) years of reclusion perpetua.[9] Hence, this appeal.

Accused-appellant contends that the Court of Appeals erred in affirming the judgment of the trial court and in modifying the assailed judgment by increasing the penalty to thirty (30) years of reclusion perpetua.

We affirm the findings of the trial court and the Court of Appeals that accused-appellant is guilty of the crimes of estafa, defined and penalized under Art. 315, par. 2(d) of the Revised Penal Code, and of violation of B.P. Blg. 22. However, we hold that the appellate court erred in ruling that the Indeterminate Sentence Law was not applicable to accused-appellant because the penalty imposable on the latter was reclusion perpetua.

First. The elements of estafa, as defined under Art. 315, par. 2(d) of the Revised Penal Code and amended by Republic Act No. 4885, are: (1) that the offender postdated or issued a check in payment of an obligation contracted at the time of the postdating or issuance; (2) that at the time of the issuance of the check, the offender had no funds in the bank or the funds deposited were insufficient to cover the amount of the check; and (3) that the payee has been defrauded.[10]

These elements are present in this case. Accused-appellant admitted that she issued PCIB Check No. 558574, dated October 20, 1992, for P662,250.00 to Pacita G. Del Rosario.[11] The check was issued as payment for a ring and the P250.00 transportation fare which accused-appellant received from complainant. Accused-appellant testified during direct examination that the check was issued merely as a security for the loan, which was payable within one year. During cross-examination, however, accused-appellant contradicted her statement by testifying that the excess amount indicated in the check represented interest for the whole year. According to her testimony:

q

Now, where did you obtain the loan of P662,250.00 from the private complainant if this check was really issued in a cash loan?

a

The P50,000.00 on September.

q

Do you mean to tell this Court you did not actually receive the amount of P662,250.00 as indicated in this check

a

No, sir. It was supposed to be the capital interest for the whole year na gagamitin ko ang pera niya.

q

And by the way, what is your highest educational attainment?

a

Third year college, sir.

q

And you know the implication considering your educational attainment, third year college and I also notice your proficiency testifying in English. You know the implication of issuing a check amounting to P662,250.00 when in fact you stated that you were extended a loan of P50,000.00?

a

I knew its implication, I notice it in the first place, sir.

q

And you also testified that the [o]ther account or the excess of the loan will correspond to the alleged interest for the time for all the time you are going to use that money?

a

Yes, sir.

q

And you testified you obtained the loan on September 1992?

a

Yes, sir. Me and my mother at that time.

q

And the date of your check October 2[0], 1992?

a

Yes, sir.

q

Do you mean to tell this Court and you want this court to believe that for a month period the P50,000.00 will earn an interest of more than P600,000.00?

a

The agreement is for a year period, sir.

q

Even assuming you agreed on one year term loan, do you want the court to believe you that for a one year period, the P50,000.00 loan extended to you earn more than P6,000.00?

a

By September, she went Out of the country around that time, she went back.

q

And considering that the alleged loan that you obtained is around P50,000.00, how did you arrive[d] at this figure of P662,250.00?

a

She was the one who gave that amount, she was the one who required me to place that amount of P662,250.00.

q

And you place and wrote this amount as you said required, asked by her?

a

Yes, sir.

q

Is it not true madam witness that this amount of P662,250.00 is the prize or the amount corresponding payment of a diamond ring that you obtained from the complainant?

a

I never bought a jewelry because my husband used to buy all our jewelry.

q

Is it not true that as indicated in the check there is an additional P250.00 because at the time that you issued the check, the private complainant you informed her that you have no money for transportation is it not?

a

That is true, sir.

q

So that the complainant loaned to you gave you P250.00 and for said amount you added this in this check, is it not?

a

Yes, sir.

q

And at the time that you are transacting business with the complainant, the complainant is a labor arbiter at NLRC department of labor and employees, is it not?

a

Yes, sir.

q

And do you want to impress this Court that a person like the private complainant occupying a very dignified position of labor arbiter which correspond to this position of a judge in civil court will force you to issue something or will force you to do something which is illegal?

a

I don't consider that as illegal because the money was for my use for a period of a year because that was a loan with her. I consented, I agreed to that. I don't consider anything against her regarding that money because I fully consented to that.

q

How did you and complainant arrived to this amount of P662,250.00?

a

She was the one who made the computation.

q

In your presence?

a

Yes, your Honor.

q

What was the basis?

a

I actually do not know how she compute.

q

This is for one year?

a

Yes, your Honor.[12]

It is improbable for a businesswoman like accused-appellant to agree to pay an interest of more than P600,000.00 for a loan of P50,000.00. Indeed, if the loan, which she incurred in September 1992, was payable in one year, the check should have been postdated a year later, in September 1993, and not on October 20, 1992. These glaring contradictions and improbabilities make accused-appellant's claim implausible.

The testimony of complainant that the check represented payment for a ring which she sold to accused-appellant must be given credence. Complainant would not have given the ring to accused-appellant had the latter not issued the check and assured complainant that it was fully funded.[13] Nor has it been shown that complainant had ill motive in filing this case against accused-appellant. Complainant, it appears, was a labor arbiter in the Department of Labor and Employment. It is hard to believe she would fabricate the charges against accused-appellant. Indeed, accused-appellant herself admitted that she had a good relationship with complainant prior to the filing of the case.[14]

The fraudulent intent of accused-appellant had been proven to exist at the time of the issuance of the check. She misrepresented to complainant that she was financially stable and that her business was flourishing.[15] In reality, however, accused-appellant had no funds sufficient to cover the check she issued to complainant.[16] It is thus clear that she obtained the amounts of P662,000.00 and P250.00 through deceit. As already stated, the account was closed on the very date of the postdated check issued to complainant.

Article 315, par. 2(d) of the Revised Penal Code expressly provides that the failure of the drawer of the check to deposit the amount necessary to cover his check within three (3) days from receipt of notice from the bank and/or the payee or holder that the said check has been dishonored for lack or insufficiency of funds shall be prima facie evidence of deceit constituting false pretenses or fraudulent act. In this case, accused-appellant received two demand letters, dated November 10, 1992, from complainant for the payment of the value of the check. She never contested the contents of the letters.[17] Despite extensions granted to her, she failed to pay the value of the check. Her refusal to make good her obligation is indicative not only of her inability to pay but also that she employed false pretenses in incurring her obligation in the first place.

Second. Accused-appellant was likewise guilty of violation of B.P. Blg. 22. The elements of this crime are: (1) the accused makes, draws, or issues any check to apply to account or for value; (2) the accused knows at the time of issue that he does not have sufficient funds in or credit with the drawee bank for the payment of such check in full upon its presentment; and (3) the check is subsequently dishonored by the drawee bank for insufficiency of funds or credit or would have been dishonored for the same reason had not the drawer, without any valid reason, ordered the bank to stop payment.[18]

These elements are present in this case. Accused-appellant issued PCIB Check No. 558574, dated October 20, 1992, in the amount of P662,250.00 payable to Pacita G. Del Rosario as payment for the diamond ring sold to her. Accused-appellant admitted she did not have sufficient funds to cover the check at the time she issued it. The check, which was deposited on the date indicated therein, was subsequently dishonored because the account from which the money should have been drawn against was closed by her on the same date. Despite demands made on her by complainant to pay the value of the check, accused-appellant failed to pay. Nor did she make arrangements for payment in full of the checks by the bank within five banking days after notice of dishonor so as to absolve her of any liability for issuing a bouncing check.[19]

Third. The Court of Appeals held that the Indeterminate Sentence Law does not apply because the amount defrauded was P662,250.00 and the consequent penalty imposable on accused-appellant for the crime of estafa is imprisonment of thirty (30) years of reclusion perpetua.[20] This is based on Art. 315, par. 2(d) of the Revised Penal Code, as amended by P.D. No. 818, which provides:

SECTION 1. Any person who shall defraud another by means of false pretenses or fraudulent acts as defined in paragraph 2(d) of Article 315 of the Revised Penal Code, as amended by Republic Act No. 4885, shall be punished by:

1st. The penalty of reclusion temporal if the amount of the fraud is over 12,000 pesos but does not exceed 22,000 pesos, and if such amount exceeds the latter sum, the penalty provided in this paragraph shall be imposed in its maximum period, adding one year for each additional 10,000 pesos but the total penalty which may be imposed shall be no case exceed thirty years. In such cases, and in connection with the accessory penalties which may be imposed under the Revised Penal Code, the penalty shall be termed reclusion perpetua;

We have recently ruled that the term reclusion perpetua, as used in the above quoted provision, is not the penalty prescribed for the offense but a mere description of the penalty imposed where the amount defrauded exceeds P22,000.00.[21] Rather, the prescribed penalty under §1, par. 1 of P.D. No. 818 is reclusion temporal. Thus, even if the amount of fraud involved exceeds P22,000.00, the Indeterminate Sentence Law is applicable in determining

the imposable penalty.

Now, the Indeterminate Sentence Law provides that if an offense is punished by the Revised Penal Code or its amendments, the court shall sentence the accused to an indeterminate penalty, the maximum term of which shall be that which, in view of the attending circumstances, can be properly imposed under the rules of the Revised Penal Code, while the minimum term of which shall be within the range of the penalty next lower to that prescribed by the Code for the offense.[22]

Hence, as the amount involved (P662,250.00) exceeds P22,000.00, accused-appellant should be sentenced to suffer an indeterminate penalty, the maximum term of which shall be reclusion temporal, to be imposed in its maximum period, plus one year for each additional P10,000.00 of the amount of fraud in excess of P22,000.00. The total penalty, however, shall not exceed thirty (30) years. The minimum term of the indeterminate penalty shall be within the range of penalty next lower to that prescribed by law for the offense, without considering in the meantime the modifying circumstance, which in this case refers to the incremental penalty for the amount of fraud in excess of P22,000.00.[23] Such penalty is prision mayor, with a duration of six (6) years and one (1) day to twelve (12) years.[24] In line with this Court's rulings,[25] the minimum term shall be fixed in this case at twelve (12) years.

WHEREFORE, the decision of the Court of Appeals convicting accused-appellant for estafa under Art. 315, par. 2(d) of the Revised Penal Code and for violation of B.P. Blg. 22 is hereby AFFIRMED, with the MODIFICATION that in the case of estafa, accused-appellant is sentenced to suffer an indeterminate penalty of twelve (12) years of prision mayor, as minimum, to thirty (30) years of reclusion perpetua, as maximum.

SO ORDERED.

Bellosillo, (Chairman), Quisumbing, Buena, and De Leon, Jr., JJ., concur.

[1] Per Judge Urbano C. Victorio, Sr.

[2] Per Justice Oswaldo D. Agcaoili and concurred in by Justices Corona Ibay-Somera and Eloy R. Bello, Jr.

[3] Records, p.2.

[4] Id., p. 12.

[5] TSN, pp. 2-6, April 20, 1995; TSN, pp. 2-5, 13-14, June 18, 1995.

[6] TSN, pp. 2-5, July 11, 1995; Exhs. A, D, E, and F.

[7] TSN, pp. 2-11, Jan. 9, 1996.

[8] RTC Decision, p. 13; Records, p. 112.

[9] CA Decision, p.9; CA Rollo, p. 74.

[10] People v. Holzer, 336 SCRA 319 (2000); People v. Panganiban, 335 SCRA 354 (2000); Pacheco v. Court of Appeals, 319 SCRA 595 (1999).

[11] TSN, pp. 6-8, Jan. 9, 1996.

[12] Id., pp. 8-11 (emphasis added).

[13] TSN, p. 4, April 20, 1995; TSN, pp. 8-9, June 8, 1995.

[14] TSN, p. 13, Jan. 9, 1996.

[15] TSN, p. 4, April 20, 1995; TSN, p. 3, June 8, 1995.

[16] TSN, p. 6, Jan. 9, 1996.

[17] *Id.*, pp. 11-12.

[18] *King v. People*, 319 SCRA 654 (1999); *Nieva v. Court of Appeals*, 272 SCRA 1 (1997).

[19] See B.P. 22, §2. Evidence of knowledge of insufficient funds.— The making, drawing and issuance of a check payment of which is refused by the drawee because of insufficient funds in or credit with such bank, when presented within ninety (90) days from the date of the check, shall be prima facie evidence of knowledge of such insufficiency of funds or credit unless such maker or drawer pays the holder thereof the amount due thereon, or makes arrangements for payment in full by the drawee of such check within five (5) banking days after receiving notice that such check has not been paid by the drawee.

[20] CA Decision, p.9; CA Rollo, p. 74.

[21] *People v. Panganiban*, 335 SCRA 354 (2000); *People v. Hernando*, 317 SCRA 617 (1999).

[22] Art. 4103, §1, as amended by Act No. 4225.

[23] *People v. Hernando*, *supra*.

[24] REVISED PENAL CODE, Art. 27.

[25] *People v. Panganiban*, *supra*; *People v. Hernando*, *supra*.

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.