

PHILIPPINE GEOTHERMAL, INC., PETITIONER, VS. NATIONAL LABOR RELATIONS COMMISSION AND VICENTE ERNESTO, RESPONDENTS.

G.R. Nos. 55249-50. October 19, 1982

Ponente: AQUINO, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-nos-55249-50/>

AQUINO, J.:

This is a review of the decision of Commissioners Diego P. Atienza and Geronimo Q. Quadra of the National Labor Relations Commission, ordering the reinstatement of Vicente Ernesto as warehouseman of Philippine Geothermal, Inc. with backwages equivalent to one year, six months and twenty-six days computed at the hourly rate at the time of his dismissal.

From that decision, Commissioner Cleto T. Villatuya dissented. He opined that Ernesto's participation in the theft of the company's property was proven by substantial evidence and, therefore, the dismissal was justified.

At about four o'clock in the afternoon of August 15, 1978 a Petrophil tanker driven by Juan Reyes with Marcos Geralde as helper arrived at the company's project site located at Barrio Bitin, Bay, Laguna to deliver ten thousand liters of Petron diesel oil which were purchased by the company from Petrophil for P11,737.

Warehouseman Vicente Ernesto acknowledged the receipt of the shipment by signing the corresponding delivery invoice. The oil was supposed to be unloaded at Well No. 26 in the project site at Sitio Bulalo. However, the tanker, instead of proceeding to Bulalo, went out of the gate, still loaded. It was accompanied by Ernesto who informed the security guard, Roberto Solis, that there was a misdelivery because what was brought by the tanker was diesel oil instead of gasoline. That misrepresentation was entered by Solis in his logbook (pp. 4-5, 41, Rollo).

Thus, the oil was not delivered at the drilling area although according to the delivery invoice signed by Ernesto it was received by the company. The oil was diverted and sold to another person.

Reyes in his extrajudicial confession revealed that the oil was sold for P9,000 in Caloocan City and that he gave Ernesto P4,500 and Geralde P1,000 as their shares in the proceeds of the sale (p. 5, Rollo). Reyes said that Ernesto connived (nakipagsabutan) with him in the diversion and sale of the oil.

The fiscal charged Ernesto, Reyes and Geralde with qualified theft in the Court of First Instance of Laguna. However, after a reinvestigation, wherein Reyes and Solis did not testify, the fiscal exonerated Ernesto and filed a motion for the dismissal of the case against him. The court granted the motion.

The company's appeal from the fiscal's finding, which was based on the technicality that Reyes' confession was not admissible against Ernesto, was dismissed by the Minister of Justice in his resolution dated January 14, 1981.

Nevertheless, despite that exoneration, Philippine Geothermal, Inc. dismissed Ernesto and on August 31, 1978 filed with the Ministry of Labor an application for clearance to dismiss him for his involvement in the theft of the oil.

About seven months later, or on March 28, 1979, Ernesto filed a complaint against the company for reinstatement

with backwages. The two cases were tried jointly in the NLRC's San Pablo City branch. The Labor Arbiter ordered the reinstatement of Ernesto with backwages. The NLRC affirmed that decision with some modification.

We hold that the Labor Arbiter and the NLRC committed a grave abuse of discretion amounting to lack of jurisdiction in disregarding the testimonies of Solis, the security guard, and Reyes, the driver, in these two cases, proving that Ernesto was implicated in the theft of the diesel oil. Ernesto did not rebut those testimonies.

Hence, the fiscal's exoneration of Ernesto does not justify his reinstatement. Petitioner's evidence shows that Ernesto committed a fraud or breach of trust which is a statutory ground for his dismissal (Art. 283[c]), Labor Code).

"The conviction of an employee in a criminal case is not indispensable to warrant his dismissal by his employer." If there is sufficient evidence to show that the employee has been guilty of a breach of trust, or that his employer has ample reason to distrust him, the labor tribunal "cannot justly deny to the employer the authority to dismiss such an employee". The fact that a criminal complaint for theft against an employee was dropped by the fiscal is not binding and conclusive on the labor tribunal (*National Labor Union, Inc. vs. Standard Vacuum Oil Company*, 73 Phil. 279).

In the *National Labor Union* case, *supra*, the foreman and the checker of the lubricating oil department of an oil company, who were involved in the shortage of the oil stock in the company warehouse, were dismissed although the fiscal had dismissed the charge of theft filed against them. See similar holding in *National Organization of Laborers and Employees vs. Roldan*, 95 Phil. 727, 733 and *Phil. Education Co., Inc. vs. Union of Phil. Education Employees and CIR*, 107 Phil. 1003.

WHEREFORE, the decision of the National Labor Relations Commission is reversed and set aside and the dis-missal of Vicente Ernesto as petitioner's warehouseman is hereby decreed. No costs.

SO ORDERED.

Makasiar, (Chairman), Concepcion, Jr., Guerrero, Abad Santos, De Castro, and Escolin, 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.