

PEOPLE OF THE PHILIPPINES, PETITIONER, VS. HON. MANUEL E. VALENZUELA AND GEORGE LAI MAN, RESPONDENTS.

G.R. Nos. 63950-60. April 19, 1985

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PER CURIAM:

The relevant facts upon which this Resolution is based may, in brief, be stated as follows:

1. Sometime during October/November, 1976, Government authorities intercepted the exportation, through eleven (11) mailed envelopes, of the following foreign currencies and foreign negotiable instruments (hereinafter referred to as the FOREIGN MONEY): VEE

A.

Foreign Currencies:

US Dollars

-

525,203.00

Canadian Dollars

-

215.00

Australian Dollars

-

5,821.00

Yen

-

7,646,500.00

British Pounds

-

7,159.00

French Franc

-

7,500.00

B.

Foreign Negotiable Instruments:

US Dollars

-

395,814.94

Canadian Dollars

-

730.00

Australian Dollars

-

400.00

Deutschemark

-

759.95

British Pounds

-

680.52

The exportation was in violation of Section 3 of CB Circular No. 534, in relation to Section 34 of Republic Act No. 265, as amended. As may be noted, what was unlawfully exported was a big sum of money, specially in terms of the Philippine peso.

2. On February 25, 1977, the Manila Collector of Customs commenced seizure proceedings against the FOREIGN MONEY. As there was evidence that the mailer of the unlawful exportation was George Lai Man (hereinafter referred to simply as LAI MAN), the latter was named as a possible "claimant" in the seizure proceedings. LAI MAN is a British subject, a Philippine resident for about 40 years, and is engaged in the travel agency business. He appeared in the proceedings through counsel, and he took the position that he had not mailed the FOREIGN MONEY, that he was not claiming the return thereof, and that he should be released as a party in the proceedings. The Collector of Customs, in an Order dated April 21, 1977, forfeited the FOREIGN MONEY in favor of the Government, and the Order became final through failure of LAI MAN or any other party to appeal therefrom.

3. On May 11, 1978, eleven (11) criminal Informations were filed against LAI MAN (hereinafter referred to as

the CRIMINAL PROCEEDINGS) which were heard jointly by Judge Manuel E. Valenzuela of the then Court of First Instance of Pasay, afterwards the Regional Trial Court in the same city. LAI MAN defended on the following allegations: A Chinese businessman gave the FOREIGN MONEY to him for deposit in a bank. He had placed the money in a bag which he left in the house of a "querida", who afterwards disappeared with the money. He was not the mailer, and he was entitled to the return of the FOREIGN MONEY.

4. After trial, Judge Valenzuela sustained the defense of LAI MAN, and acquitted him ordering, at the same time, that the peso equivalent of the FOREIGN MONEY be returned to him. There was no statement as to whether the peso equivalent should be at the exchange rate on the date of forfeiture, or on the date the peso equivalent was returned which would be considerably more.

5. The Government could not appeal from the acquittal, but it did file a Petition for Certiorari in respect of the Order directing the return of the peso equivalent of the FOREIGN MONEY to LAI MAN.

6. This Court, on February 23, 1984, annulled and set aside the portion of Judge Valenzuela's decision directing the return to LAI MAN of the peso equivalent of the FOREIGN MONEY. Further, the Court ordered Judge Valenzuela (hereinafter to be referred to as RESPONDENT) to show cause why he should not be dealt with administratively for having ordered the return of the peso equivalent of the FOREIGN MONEY to LAI MAN. RESPONDENT filed his comment and explanation on March 7, 1984. Inter alia, he stated:

"x x x in his honest belief, there being a constitutional infirmity in the confiscation — all proceedings subsequent thereto did not deprive the Court of the power to dispose of such matters which were covered by the various Informations."

He also cited the case of U.S. vs. Bruhez (28 Phil. 305), which held that "the Court has the power to determine to whom the instruments or tools should be adjudicated in case of acquittal."

The question of power is not involved herein. That is inherent in any judicial tribunal. But having found that evidence was wanting to link LAI MAN to the mailing of the foreign currencies, there can be no justification for respondent Judge to have ordered the return of the peso equivalent of the foreign currencies to said LAI MAN.

RESPONDENT, however, maintains that he had not acted with malice and bad faith. It is difficult to accept this at face value taking into account the following critical factors: (1) The temptingly substantial amount of the FOREIGN MONEY; (2) RESPONDENT upheld the "inverosimil" defense of LAI MAN in the CRIMINAL PROCEEDINGS; (3) RESPONDENT completely disregarded the position taken by LAI MAN in the seizure proceedings that he was not the exporter of the FOREIGN MONEY and should be excluded from the said seizure proceedings; (4) Insofar as LAI MAN's disclaimer in the seizure and forfeiture proceedings is concerned, RESPONDENT asserts that "he does not recall any such evidence during the criminal proceedings before the Court." His own Decision will show, however, that he found an "element of compulsion or at least moral coercion" in the waiver made by LAI MAN, who was anxious to be freed from military custody, for which reason he discredited the same; (5) RESPONDENT also disregarded previous Decisions of this Court regarding the jurisdiction of Courts over properties confiscated in favor of the Government by Customs authorities, specially the clarification made in Commissioner of Customs vs. Hon. Encarnacion, et al., 95 Phil. 439, to the effect that after the order of the Collector of Customs decreeing the forfeiture of dutiable goods had become final, the goods had passed to the control of the government and the court can not decree that said articles be returned; and (6) RESPONDENT, in ordering the return of the peso equivalent of the FOREIGN MONEY to LAI MAN, did not even indicate the applicable rate of exchange.

Under the principle of *res ipsa loquitur*, there is no need to conduct further hearings in this administrative phase of the Certiorari case.

Mention should be made of the fact that this Resolution started to be circulated for concurrence on March 22, 1985 after the Court had deliberated on the case and arrived at a consensus on March 19, 1985. However, on March 23, 1985, the President had accepted RESPONDENT's resignation as Judge of the Regional Trial Court in Pasay City "conformably with (the latter's) request". The Chief Justice was so informed in a Memorandum, dated March 28, 1985, signed by Deputy Presidential Executive Assistant, Joaquin T. Venus, Jr. Because of the Holy Week Court recess from April 1 to 10, the rest of the Court was officially apprised of this development during the resumption of its sessions on April 11, 1985.

We have held in *Perez vs. Abiera*[1] cited in *Pesole vs. Rodriguez*[2], that the rule that the resignation or retirement of a respondent Judge in an administrative case renders the case moot and academic, is not a hard and fast rule. Each case is to be resolved in the context of the circumstances present thereat. It was there explained:

" * * * (T)he jurisdiction that was Ours at the time of filing of the administrative complaint was not lost by the mere fact that the respondent public official had ceased to be in office during the pendency of his case. The Court retains its jurisdiction either to pronounce the respondent official innocent of the charges or declare him guilty thereof. A contrary rule would be fraught with injustices and pregnant with dreadful and dangerous implications. * * * If innocent, respondent official merits vindication of his name and integrity as he leaves the government which he has served well and faithfully; if guilty, he deserves to receive the corresponding censure and a penalty proper and imposable under the situation."

Under the circumstances of this case, the Court has deemed it best to promulgate this Resolution nonetheless, for the guidance of Bench and Bar, and for the attainment of the broader objective of maintaining the people's faith in our Courts of justice.

ACCORDINGLY, the Court finds RESPONDENT Regional Trial Court Judge, Manuel E. Valenzuela, guilty of grave and serious misconduct affecting his integrity and efficiency, and considering the responsibility of this Court for the just and orderly functioning of this country's Judiciary, with power of discipline, and although recent developments now preclude us from dismissing him from the service, it is hereby ordered that all leave and retirement benefits and privileges to which he may be entitled are hereby forfeited with prejudice to being reinstated in any branch of public service, whether pertaining to local or national government, including government-owned and/or controlled agencies or corporations.

Let the record of this case be endorsed to the Ministry of Justice for such action as it may deem proper to take in regards to George Lai Man.

This Resolution is immediately executory.

SO ORDERED.

Fernando, C.J., Teehankee, Makasiar, Abad Santos, Melencio-Herrera, Relova, Gutierrez, Jr., Cuevas, and Alampay, JJ., concur.

Aquino, Plana, and De La Fuente, JJ., no part.

Concepcion, Jr., and Escolin, JJ., on leave.

[1] Adm. Matter No. 223-J, 64 SCRA 302 [1975].

[2] 81 SCRA 208 [1978].

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