

Republic of the Philippines
SUPREME COURT
Manila

FIRST DIVISION

G.R. Nos. 144950-71 March 22, 2007

BLAS BALDEBRIN and PERPETUO LACEA, Petitioners,

vs.

SANDIGANBAYAN (Third Division) and PEOPLE OF THE PHILIPPINES, Respondents.

DECISION

SANDOVAL-GUTIERREZ, J.:

Assailed in the instant Petition for Review on Certiorari are the Joint Decision dated December 15, 1998 and Resolution dated August 24, 2000 of the Sandiganbayan in Criminal Case Nos. 3346 to 3400 and Nos. 1445 to 1499 convicting, among others, Blas Baldebrin and Perpetuo Lacea for violations of Section 3(e) of Republic Act (R.A.) No. 3019, otherwise known as the Anti-Graft and Corrupt Practices Act, as amended.

On August 8, 1981, the Tanodbayan (now Ombudsman) filed with the Sandiganbayan one hundred ten (110) Informations for violations of Section 3(e) of R.A. No. 3019, otherwise known as the Anti-Graft and Corrupt Practices Act, as amended. In Criminal Case Nos. 3346 to 3400, ten (10) officials of the Ministry of Public Highways (MPH), now Department of Public Works and Highways, were charged. In Criminal Case Nos. 1445 to 1499, thirty-eight (38) officials and eight (8) private contractors were indicted. Among these officials were petitioners Baldebrin and Lacea. Baldebrin was the administrative officer of the Negros Oriental Highway Engineering District (NOHED), while Lacea, a civil engineer, was the field supervisor.

The Informations in the second batch of fifty-five (55) cases (including those against petitioners) were identically worded, except for the dates of the commission of the crime, the names of the public officials and private individuals charged, the amounts involved and other data. Baldebrin was charged with thirteen (13) counts, while Lacea was charged with fourteen (14) counts. For brevity, we reproduce the Information in Criminal Case No. 1449 as sample, thus:

That on or about November 10, 1977 up to and including November 25, 1977, in the Cities of Cebu, Dumaguete and the **Province of Negros Oriental** and within the jurisdiction of the Honorable Sandiganbayan, the accused NORBERTO BERNAD, District Engineer, Negros Oriental Highway Engineering District (NOHED), Dumaguete City; MANUEL DE VEYRA, Director, MPH, Region VII, Cebu City; ADVENTOR FERNANDEZ, Highway Regional Director, MPH Region VII, Cebu City; RUFINA GREFALDE, District Accountant, NOHED, Dumaguete City; NAPOLEON CLAVANO, Supervising Civil Engineer I, NOHED, Dumaguete City; ROLANDO MANGUBAT,

Regional Accountant, MPH Region VII, Cebu City; DELIA PREAGIDO, Assistant Regional Accountant; ANGELINA ESCAÑO, Finance Officer, MPH, Region VII, Cebu City; LINDY TVS ENRIQUEZ, Property Officer/Custodian, NOHED, Dumaguete City; EFREN COYOCA, District Auditor, NOHED, Dumaguete City; HERACLEO FAELNAR, then Acting Assistant Regional Director, MPH Region VII, Cebu City; BLAS BALDEBRIN, Administrative Officer I, NOHED, Dumaguete City; JAIME OBSEQUIO, Assistant District Engineer III, NOHED, Dumaguete City; JESUS PEDROZA, JR., Laborer, NOHED, Dumaguete City; ANTIPAS PONTENILLA, Auditing Examiner, District Auditor's Office, NOHED, Dumaguete City; PERPETUO LACEA, Civil Engineer, NOHED, Dumaguete City; and others whose identities are not yet known in conspiracy with each other, all taking advantage of their official positions, with the indispensable cooperation and/or direct participation of CLODUALDO C. GOMILLA, Proprietor of C.G. Gomilla Sand and Gravel, Private Contractor, with evident bad faith, manifest partiality and/or gross inexcusable negligence did there and then willfully, knowingly and unlawfully caused undue injury to the Republic of the Philippines in the amount of THIRTY SEVEN THOUSAND EIGHT HUNDRED PESOS (₱37,800.00), Philippine Currency, by falsifying Negros Oriental Highway Engineering District General Voucher No. 1413 dated November 25, 1977 and Treasury Check No. 4215382 dated November 25, 1977 in the amount of ₱37,800.00 and its supporting documents, such as the Request for Obligation of Allotment (ROA), Request for Supplies and Equipment (RSE), Purchase Order (PO), Report of Inspection (ROI), Daily Tally Sheets (DTS) and Delivery Receipts (DR), simulating them to appear regular as payment for 1050 cubic meters of Item 200 and charging this General Voucher 1413 to Letter of Advice of Allotment No. 107-703-039-77, when in truth and in fact as all the accused knew there were no actual deliveries and receipts of the said Item 200, the foregoing documents were simulated, falsified and incorrect and that the LAA No. 107-703-039-77 is without budgetary basis and not covered by any Sub-Advice of Allotment from the Ministry of Public Highways, Manila, and further by manipulating the books of accounts of the MPH, Region VII, all for the purpose of covering their criminal act, and finally, upon receipt of the said amount of THIRTY SEVEN THOUSAND EIGHT HUNDRED PESOS (₱37,800.00), Philippine Currency, the accused misappropriated, converted and misapplied the same for their personal gain and profit.

CONTRARY TO LAW.

Evidence for the prosecution, oral and documentary, shows that upon investigation conducted by the Commission on Audit (COA) Regional Office No. VII in 1978, it was found that the personnel in the fifteen (15) Highway Engineering Districts of the MPH (now Department of Public Works and Highways) in that Region were involved in the irregular disbursements of "ghost" deliveries of materials used in various highway projects. The illegal disbursements were made possible through the falsification of public and commercial documents.

Due to the seriousness of the irregularities then being committed by the personnel in those fifteen (15) Highway Engineering Districts, then President Ferdinand E. Marcos created a Special Cabinet Committee in the MPH Region VII "Ghost Project Anomalies" which, in turn, organized a Special Task Force (hereinafter referred to as the team) to conduct a wider and more extensive investigation in the said Highway Engineering Districts, including the NOHED. The

team was composed of representatives from the Finance Ministry (now the Department of Finance) Intelligence Bureau, National Bureau of Investigation, the Bureau of Treasury, and the COA.

During the investigation conducted by the team in the NOHED, it found twenty six (26) vouchers funded on the bases of **fake supporting documents**,¹ twelve (12) of which were charged against Accounts Payable (8-81-400) or Prior Years' Obligation; and fourteen (14) were charged against Current Obligations (101-83). The team reported that the payments of obligations for the transactions entered into during the period from March to September, 1978 were attended by irregularities. These were transactions which should have been charged against the Current Account. The team also noted that there was splitting of requisitions, in violation of COA Circular No. 76-41 dated July 30, 1976.² The splitting of requisitions is prohibited to prevent the circumvention of control measures promulgated by the government.³ In these cases, each requisition indicated the same date, the same items, the same purpose, site or area, and only one person as claimant. The amount in each requisition was always less than ₱50,000.00 so that it would no longer be approved by the Regional Director.⁴ Some of the Requisition Issue Vouchers were not numbered for purposes of identification in order that they could be used again to support other claims. The team also found that some of the reports of inspection attached to the vouchers were undated.^{1a}*vvphi1.nét*

After collating its findings, the team reported these total disbursements based on fake allotments: ₱745,957.00 for 1977 and ₱1,321,664.44 for 1978.⁵

Delia Preagido,⁶ one of those involved in the perpetuation of fraud and who later became a state witness,⁷ narrated the events that led to the investigation,⁸ thus:

Sometime in February 1977, she, together with accused Rolando Mangubat (Chief Accountant), Jose Sayson (Budget Examiner), and Edgardo Cruz (Clerk II), all of the MPH Region VII, met at the Town and Country Restaurant in Cebu City and hatched an ingenious plan to siphon off large sums of money from government coffers. Mangubat found a way to withdraw government money through the use of fake LAAs, vouchers and other documents, and to conceal traces thereof, with the connivance of other government officials and employees. In fine, the fraudulent scheme involved the splitting of LAAs and RSEs so that the amount covered by each general voucher is less than ₱50,000.00 to do away with the approval of the Regional Director, the charging of disbursements to unliquidated obligations due the previous year to provide the supposed source of funds, and the manipulation of the books of account by negation or adjustment, *i.e.*, the cancellation of checks through journal vouchers to conceal disbursements in excess of the CDC, so that such disbursements are not reflected in the trial balances submitted by the Regional Office to the MPH Central Office in Manila.

Mangubat enticed Preagido, Cruz and Sayson to join him. All three agreed to help him carry out his plan. They typed the fake LAAs during Saturdays. Cruz and Sayson also took charge of negotiating or selling the fake LAAs to contractors at 26% of the gross amount. On her part,

Preagido manipulated the General Ledger, Journal Vouchers and General Journal through negative entries to conceal the illegal disbursements.

The four formed the nucleus of the conspiracy. Other government employees tempted by the prospect of earning big money, allowed their names to be used and signed spurious documents.

The defense presented nineteen (19) witnesses, including petitioners Baldebrin and Lacea, to prove that road construction materials were actually delivered; that the road projects were properly undertaken and fully accomplished; that accused public officers only performed their duties without any knowledge of the irregularities that had been going on; and that they did not receive any money derived from the anomalies.

Specifically, Baldebrin testified that all the bidding reports signed by him involved in fourteen (14) cases were conducted in accordance with the rules. As a member of the Bidding and Award Committee (BAC), he saw to it that the bidders had prequalified; that fifteen (15) minutes before the opening of bids, prospective bidders were called to attend and observe; and that the award was given to the lowest bidder. He stressed that he was not duty-bound to see to it that the items purchased were actually delivered; that he had no reason to suspect that there were irregularities because the materials being purchased were within the normal volume ordered by the district.⁹

For his part, petitioner Lacea testified that as field supervisor of the NOHED, it was his duty to check and inspect the materials delivered in his area and to sign reports of inspection, delivery receipts, and tally sheets of all materials purchased and delivered.¹⁰ Concerning the fourteen (14) documents he signed for which he was indicted, the materials specified therein were actually delivered. He inspected them and found that the volume delivered corresponded to that stated in the inspection reports he signed.¹¹ He denied having taken part in the conspiracy.

On December 15, 1998, the Sandiganbayan rendered its Decision finding that all the accused "connived and cooperated with each other to defraud the government, each performing his or her assigned task to attain their common objective." Both petitioners and their co-accused were found guilty beyond reasonable doubt of the crime charged. They were sentenced in each case to a penalty ranging from four (4) years and one (1) day of *prision correccional*, as minimum, to seven (7) years of *prision mayor*, as maximum; to suffer perpetual disqualification from public service; to indemnify jointly and severally the Republic of the Philippines of the amounts involved in each case; and to pay their proportionate shares of the costs.

In convicting petitioner Baldebrin, the Sandiganbayan held:

The Abstracts of Bids signed by him, aside from being so many (14 in all), were opened in groups and each group had the same date. From the contents of the Abstracts of Bids, it could readily be noticed that they involved the same material (Item 200), the same suppliers or contractors, and in quantities valued at less than ₱50,000.00 each. The splitting of transactions

or accounts was clearly evident and Baldebrin could not have failed to notice it because he signed the Abstracts of Bids in groups. "Why are there so many separate bids for the same material, from the same suppliers/contractors, for the same project on the same day?" Surely this question must have cropped up in his mind, assuming he really had no inkling of what was going on, for he knew fully well that splitting of accounts was prohibited.

To be more specific, the Abstracts of Bids (Exhibits "N-5-f", "N-6-f", "N-8-f", "N-9-f", and "N-1-f") clearly show that the bids were opened on the same date (November 17, 1977), were for the same material (Item 200); were participated in by the same suppliers; and were for quantities valued at less than ₱50,000.00 each. Similarly, the Abstracts of Bids marked as Exhibits "N-16-f", "N-20-f", "N-22-f" were opened on the same date (December 20, 1977), for the same material (Item 200) and for quantities valued at less than ₱50,000.00 each. This holds true with the rest of the Abstracts of Bids signed by him. Assuming that Baldebrin was in good faith and unaware of the anomalies going on, as he claimed to be, as Administrative Officer and member of the BAC, he could not have failed to notice that there was a splitting of accounts. He nonetheless allowed the same to be committed, thereby causing undue injury to the government through his gross negligence.¹²

In convicting petitioner Lacea, the Sandiganbayan found that:

The overwhelming documentary evidence presented by the prosecution, however, clearly established the fact that no deliveries were made insofar as materials covered by the fake documents are concerned. Mere denial or general allusion to deliveries based on genuine transactions is not enough to overturn it. Accused failed to prove the deliveries mentioned by him were the ones covered by the fake documents or that the documents were not fake after all. What then was the point in faking LAAs, SACDCs and General Vouchers and their supporting documents?¹³

On January 15, 1999, petitioners filed a motion for reconsideration, but it was denied in a Resolution dated August 14, 2000.

Hence, the instant petition for review on certiorari.

The issue raised by petitioners is whether the Sandiganbayan erred in convicting them of the crime charged despite the failure of the prosecution to present evidence to prove their guilt beyond reasonable doubt.

Petitioner Baldebrin contends that he did not participate in the splitting of accounts or bids and that he signed the Abstracts of Bids in good faith. His contention lacks merit. As administrative officer and member of the BAC, he knew fully well that splitting of accounts was done obviously to do away with the approval by the Regional Director. Each abstract he signed was in an amount less than ₱50,000.00 and prepared on the same day, specifying the same construction materials, the same suppliers, and the same road projects. The splitting of accounts is too glaring to be ignored. He could not have failed to notice the splitting because the abstracts

were opened, read and signed in groups. Taken singly, each abstract may appear to be regular, but when considered in groups, the abstracts clearly show splitting of accounts prohibited by COA Circular No. 76-41.

Petitioner Lacea maintains that during the delivery of materials, he was actually present. However, he admitted there were times that when he arrived at the site, delivery had already been made. Nevertheless, as soon as he reached the jobsite, he immediately conducted an inspection in the presence of the property custodian and representatives from the COA. Thereupon, he signed the delivery receipts.

The Sandiganbayan, in finding that no deliveries of materials were made, ratiocinated as follows:

The plea of guilty made by a supplier¹⁴ of materials in Criminal Case No. 1448 is an admission that he did not deliver the materials. It should also be borne in mind that the fraud was committed on a regionwide scale (DPWH Region VII) and the same modus operandi was adopted in each of the engineering districts. We take judicial notice of the fact that Juliana de los Angeles (a material supplier) and Florencio Masecampo (an administrative officer) by their plea of guilty in the other highways cases already decided by this Court, admitted that no materials were delivered. Barangay officials also testified in those cases that no materials were delivered. This same finding of non-delivery of materials can safely be made in these cases because the same accused (Mangubat, Sayson, Cruz and Preagido) are involved, the same modus operandi was used, and the Oriental Highway Engineering District is part of DPWH Region VII.

In appeals to this Court from the Sandiganbayan, only questions of law may be raised, not issues of fact.¹⁵ **The factual findings of the Sandiganbayan are binding upon this Court.** Admittedly, this general rule is subject to some exceptions, among them are: (1) when the conclusion is a finding grounded entirely on speculation, surmise or conjecture; (2) the inference made is manifestly mistaken; (3) there is a grave abuse of discretion on the part of the lower court or agency; (4) the judgment is based on a misapprehension of facts; (5) said findings of facts are conclusions without citation of specific evidence on which they are based; and (6) the findings of fact by the Sandiganbayan are premised on the absence of evidence on record.¹⁶ However, petitioners failed to establish any of these exceptional circumstances.

Petitioners' roles in the irregularities are indispensable link to the attainment of their and their co-accused's common objective to defraud the government. As held by this Court in *Alvizo v. Sandiganbayan*,¹⁷ "while it is true that the fake Letters of Advice of Allotment (LAAs) and the Cash Disbursement Ceilings originated from the Regional Office, the falsity of such allotments would be useless if the district officials and employees did not consent to its implementation by making it appear that there were valid requisitions, deliveries, inspections, processing, pre-auditing, and approval of the general vouchers and the checks paid to the contractor/supplier. The individual acts of the petitioners x x x pointed to a single criminal intent, one performing one part of the transaction, and the others, another part of the same transaction, so as to

complete it with a view to attaining the object which they were pursuing, i.e., to defraud the government."

In *Mangubat v. Sandiganbayan*,¹⁸ the Court said, "no doubt the defraudation of the government would not have been possible were it not for the cooperation respectively extended by all the accused, including herein petitioner. The scheme involved both officials and employees from the Regional Office. Some made the falsifications, others worked to cover-up the same to consummate the crime charged. Petitioner's role was indubitably an essential ingredient especially so because it was he who issued the false LAAs, which as previously mentioned, initiated the commission of the crime. When the defendants by their acts aimed at the same object, one performing one part, and the other performing another part so as to complete it, with a view to the attainment of the same object, and their acts though apparently independent, were in fact concerted and cooperative, indicating closeness of personal association, concerted action and concurrence of sentiments, the court will be justified in concluding that said defendants were engaged in a conspiracy."

Indeed, both petitioners' participation in the irregularities in question is clear. We thus find no reversible error committed by the Sandiganbayan.

WHEREFORE, we deny the petition and AFFIRM the assailed Joint Decision of the Sandiganbayan in Criminal Case Nos. 3346 to 3400 and in Criminal Case Nos. 1445 to 1499 insofar as the conviction of petitioners BLAS BALDEBRIN and PERPETUO LACEA is concerned.

Costs against petitioners.

SO ORDERED.

ANGELINA SANDOVAL-GUTIERREZ

Associate Justice

WE CONCUR:

REYNATO S. PUNO

Chief Justice

Chairperson

RENATO C. CORONA

Associate Justice

ADOLFO S. AZCUNA

Associate Justice

CANCIO C. GARCIA

Associate Justice

CERTIFICATION

Pursuant to Article VIII, Section 13 of the Constitution, it is hereby certified that the conclusions in the above Decision were reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

REYNATO S. PUNO

Chief Justice

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¹ These documents were: general vouchers, treasury checks, requests for obligation of allotment (ROA), requests for supplies and equipment (RSE), purchase orders (PO), reports of inspection (ROI), daily tally sheets (DTS), delivery receipts (DR), and letters of advice of allotment (LAA).

² Pertinent portions of COA Circular No. 76-41 read:

SUBJECT: Prohibition against splitting of requisitions, purchase orders, vouchers and others.

x x x

Actually, some control measures have already been instituted by the Government in the form of laws, rules and regulations, particularly on public biddings, inspection of deliveries of equipment, supplies and materials, including the policy of prescribing appropriate action on certain government contracts.

It has been observed, however, that these control measures are frequently being circumvented by procurement officials to the prejudice of the government. A common practice resorted to by these officials is to split requisitions, purchase orders, vouchers, and the like.

What is "Splitting"?

Splitting, in its literal sense, means dividing or breaking up into separate parts or portions, or an act resulting in a fissure, rupture, breach. Within the sphere of government procurement, splitting is associated with requisitions, purchase orders, deliveries and payments.

Forms of splitting:

1. Splitting of Requisitions consists in the non-consolidation of requisitions for one or more items needed at or about the same time by the requisitioner;
2. Splitting of Purchase Orders consists in the issuance of two or more purchase orders based on two or more requisitions for the same or about the same time by different requisitions; and,
3. The Splitting of Payments consists in making two or more payments for one or more items involving one purchase order.

The above-enumerated forms of splitting are usually resorted to in the following cases:

1. Splitting of requisitions and purchase orders to avoid inspection of deliveries;

2. Splitting of requisitions and purchase orders to avoid action, review or approval by higher authorities; and,

3. Splitting of requisitions to avoid public bidding.

³ Rollo, pp. 105-106.

⁴ Vouchers not exceeding ₱50,000.00 are approved only by the Auditor of the Engineering District concerned.

⁵ Rollo, p. 97.

⁶ Formerly employed as Accountant III of the MPH based in Cebu City in 1977 and 1978.

⁷ In Criminal Case Nos. 1647 to 1789, entitled "People of the Philippines v. Rocilo Neis, et al." involving similar irregularities in the Danao City Highway Engineering District. In addition to her testimony in the Danao cases, she also testified on the particular transactions involving fake documents used as basis of disbursements by the NOHED.

⁸ Sandiganbayan Decision, *Rollo*, pp. 147-148.

⁹ *Id.*, p. 148.

¹⁰ *Id.*, p. 126.

¹¹ *Id.*, p. 179.

¹² *Id.*, pp. 189 and 190.

¹³ Sandiganbayan Decision, *id.*, p. 179.

¹⁴ Manuel Mascardo.

¹⁵ *Escara v. People*, G.R. No. 164921, July 8, 2005, 463 SCRA 239.

¹⁶ *Alvizo v. Sandiganbayan*, G.R. Nos. 98494-98692, July 17, 2003, 406 SCRA 311.

¹⁷ *Supra*, a related case also involving anomalies in the Highway Engineering District, Region VII.

¹⁸ Nos. L-52872-52997, January 30, 1987, 147 SCRA 478. This is another case involving anomalies in the Highway Engineering District in Region VII.