

MALACAÑANG  
MANILA

BY THE PRESIDENT OF THE PHILIPPINES

ADMINISTRATIVE ORDER NO. 131

EXONERATING MR. PERFECTO FAYPON, FORMERLY OF THE PHILIPPINE VIRGINIA TOBACCO ADMINISTRATION.

This is an administrative case against Mr. Perfecto Faypon, former member, Board of Directors, Philippine Virginia Tobacco Administration (PVTA), based on the following charges:

1. That in 1960 and 1961, while a member of the Board of Directors of the PVTA, a government entity having official transactions with Harry Stonehill, respondent received from the latter a monthly salary of ₱1,000 aside from other amounts in the total sum of ₱71,500; and

2. That respondent conspired with the chairman and some members of the Board, the general manager and assistant general manager of the PVTA to grant undue favors and concessions to the Philippine Tobacco Flue-Curing & Redrying Corporation (PTFCRC) and the U.S. Tobacco Corporation, both Stonehill enterprises having transactions with the PVTA.

A formal investigation was conducted and evidence was adduced in support of and in defense against the charges.

Anent the first charge, the prosecution relied mainly on the notorious "blue book" (Exh. "U") which showed the name of respondent and entries from April 11, 1960, to May 10, 1961, of different sums of money opposite various dates amounting to the total sum of ₱31,500. As to the two amounts of ₱10,000 and ₱30,000 where no date appears in the book, an attempt was made to correlate said sums with scribblings on a memorandum pad (Exh. "V" and "V-1") by Stonehill containing the words "difference is loss," "8,000 kilos," "other new appointees" and "15,000 clinch contract." It was noted that the word "clinch" is not in the past tense, which tended to show that at the time of the writing, the contract was still to be executed and the amounts to be given later.

Concerning the second charge, the evidence in support thereof consists principally of resolutions passed by the PVTA Board of Directors, management contracts between the PVTA and the PTFCRC and other redrying corporations, writings and notes of Stonehill

and Edmund Dayan of the PTFCRC, the same "blue book" and other documents. These documents, all together, were relied upon to prove that the PFTA gave undue concessions to the PTFCRC.

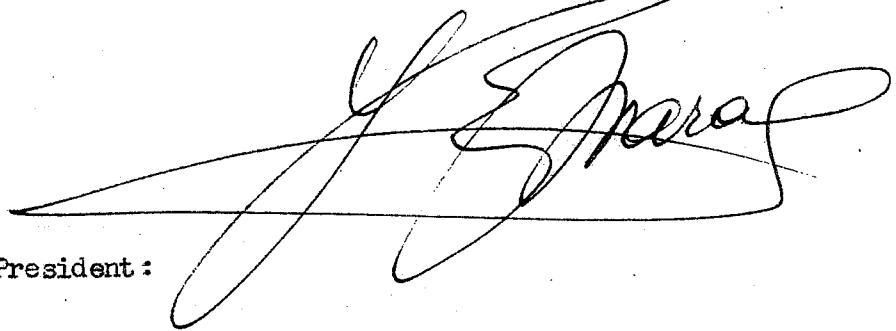
After a careful consideration and evaluation of the records, this Office is inclined to believe that the evidence submitted to support the charges does not meet the standard required for a finding of guilt. The entries in the "blue book," standing alone as they do, cannot sustain the conclusion that what is indicated therein is true.

Moreover, the probative value of said entries is obviously doubtful, partaking as they do of hearsay evidence. Scribblings, notes and other alleged writings of Stonehill, taken together with some PFTA records such as resolutions of the Board, are not enough from which to infer that respondent acted to the prejudice of the Government by favoring the PTFCRC. Any action of the Board which tended to favor the PTFCRC to the prejudice of the Government could not be blamed wholly on respondent, constituting as it did the collective action of the Board and therefore cannot be attributed to any single member thereof nor to the latter's influence or pressure.


In fine, the evidence against the respondent cannot serve as sufficient basis for conviction, the same being essentially conjectural and speculative, not to mention of doubtful competency.

In view of the foregoing, Mr. Perfecto Faypon, former Director of the Philippine Virginia Tobacco Administration, is hereby exonerated from the charges against him.

Done in the City of Manila, this 10th day of July, in the year of Our Lord, nineteen hundred and sixty-eight.



By the President:



RAFAEL M. SALAS  
Executive Secretary