



Republic of the Philippines
Supreme Court
Manila

EN BANC

OFFICE OF THE COURT
ADMINISTRATOR,
Complainant,

A.M. No. P-09-2633

- versus -

ROLANDO C. TOMAS and
ANGELINA C. RILLORTA, former
Officers-in-Charge, Regional Trial
Court, Santiago City, Isabela,
Respondents.

x-----x

ANGELINA C. RILLORTA,
Complainant,

A.M. No. RTJ-12-2338

Present:

SERENO, C.J.,
CARPIO,
VELASCO, JR.,
LEONARDO-DE CASTRO,
PERALTA,
BERSAMIN,
DEL CASTILLO,
PERLAS-BERNABE,*
LEONEN,
JARDELEZA,
CAGUIOA,
MARTIRES,**
TIJAM,
REYES, JR., and
GESMUNDO, JJ.

- versus -

JUDGE FE A. MADRID,
Regional Trial Court, Branch 21,
Santiago City, Isabela,
Respondent.

Promulgated:
January 30, 2018

x-----x *[Signature]*

* On leave.
** On official leave.

DECISION**PER CURIAM:**

A.M. No. P-09-2633 stems from the result of the financial audit conducted in the Regional Trial Court, Santiago City, Isabela while A.M. No. RTJ-12-2338¹ is an offshoot of A.M. No. P-09-2633. The Financial Audit Team found, among others, shortages in the judiciary funds, tampering of official receipts, and overwithdrawal of cash bonds allegedly committed by Angelina C. Rillorta (Rillorta), Officer-in-Charge (OIC), Regional Trial Court, Santiago City, Isabela (now retired). The administrative complaint in A.M. No. RTJ-12-2338 was filed by Rillorta against Judge Fe Albano Madrid (Judge Madrid), formerly Presiding Judge, Regional Trial Court, Branch 21, Santiago City, Isabela (now retired), for dishonesty, involving the same audit findings in A.M. No. P-09-2633.

The facts, as narrated by the Office of the Court Administrator (OCA), are as follows:

A.M. No. P-09-2633

In OCA Memorandum dated March 12, 2009, the Financial Audit Team reported shortages in the Judiciary Development Fund (JDF), General Fund (GF) and Sheriff's General Fund (SGF) of the former Officers in-Charge as follows:

- a) Rolando C. Tomas – ₱18,639.50 (JDF) and ₱14,538.45 (GF)
- b) Angelina Rillorta – ₱23,839.67 (JDF); ₱7,884.65 (GF) and ₱12.00 (SGF)

A review of the court orders and acknowledgment receipts of the withdrawn cashbonds to determine the Fiduciary Funds also revealed a shortage amounting to Six Million Five Hundred Fifty-Seven Thousand Nine Hundred Fifty-Nine Pesos and 70/100 (₱6,557,959.70).

Balance per LBP SA # 1361-0025-27 as of 4/30/04	₱5,969,511.40
Add: Deposit on 5/26/04 based on the initial findings of the Audit Team	<u>936,000.00</u>
Total	₱6,905,511.40
Less: Net Interest (withdrawn on 4/26/05 ₱3,516.18)	
Unwithdrawn interest	<u>50.00</u>
Adjusted Bank Balance as of 4/30/04	₱6,901,945.22
Beginning Balance	₱32,539.30
Collections for the period 10/18/91 to 4/30/04	<u>16,419,498.96</u>
Balance	₱16,452,038.26
Less: Valid Withdrawals (same period)	<u>2,993,533.34</u>
Unwithdrawn Fiduciary Fund as of 4/30/04	₱13,458,504.92

¹ Formerly OCA IPI No. 11-3614-RTJ.

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Unwithdrawn Fiduciary Fund as of 4/30/04	₱13,458,504.92
Less: Adjusted Bank Balance as of 4/30/04	<u>6,901,945.22</u>
Balance of Accountabilities/Shortage	₱6,556,559.70

The shortage referred to above represents the cash bonds which were withdrawn but with incomplete documents such as court orders and acknowledgment receipts. However, according to the Financial Audit Team, if the supporting documents of the withdrawn cash bonds would be submitted, the shortages would be reduced to One Hundred Thirty-Six Thousand Eight Hundred Eighty-Six Pesos and 16/100 (₱136,886.16).

On April 22, 2009, the Court, through the First Division, issued a Resolution, the decretal portion of which reads:

x x x x

(2) to DIRECT Mr. Rolando C. Tomas, former Officer-in-Charge, Regional Trial Court, Santiago City, Isabela to RESTITUTE within fifteen (15) days from receipt of notice, the shortages incurred in the JDF and General Fund Amounting to Eighteen Thousand Six Hundred Thirty-Nine Pesos and 50/100 (₱18,639.50) and Fourteen Thousand Five Hundred Thirty-Eight Pesos and 45/100 (₱14,538.45) respectively, in order to finalize the audit on said accounts x x x

x x x x

(4) to DIRECT Mrs. Angelina C. Rillorta, Officer-in-Charge, Regional Trial Court, Santiago, Isabela to RESTITUTE within fifteen (15) days from receipt of notice, the shortages incurred in the JDF, General Fund and Sheriff's General Fund amounting to Twenty-Three Thousand Eight Hundred Thirty-Nine Pesos and 67/100 (₱23,839.67), Seven Thousand Eight Hundred Eighty-Four Pesos and 65/100 (₱7,884.65) and Twelve Pesos (₱12.00), respectively, in order to finalize the audit on the said accounts, x x x

(5) to require Mrs. Rillorta to SUBMIT to the Fiscal Monitoring Division, CMO, OCA the machine-validated deposit slip(s) as proof of compliance;

(6) to require Mrs. Rillorta to SUBMIT to the Fiscal Monitoring Division, Court Management Office, Office of the Court Administrator, the Court orders and acknowledgment receipts of the withdrawn cashbonds (Annexes A, B & C) to finalize the audit on the Fiduciary Fund account within thirty (30) days from receipt of notice with information that non-submission of the supporting documents will incur a shortage amounting to Six Million Five Hundred Fifty-Seven Thousand Nine Hundred Fifty-Nine Pesos and 70/100 (₱6,557,959.70) for the Fiduciary Fund, x x x

However, in case the following supporting documents of the cash bonds will be submitted, the shortage shall be reduced to One Hundred Thirteen Thousand Two Hundred Eighty-Six Pesos and 16/100 (₱113,286.16) x x x

J. P. Aragon - Aragon

x x x x

Complying with the above directives, Mrs. Angelina Rillorta, in her undated letter, informed the Court that she has already deposited the shortages incurred in the JDF, GF and the SGF. She argued that she did not misappropriate any money and explained that she committed a mistake in depositing her collections in the proper account for which the Commission o[n] Audit (COA) had called her attention. With regards to the submission of the orders and acknowledgment receipts in support of the withdrawn cash bonds, she claimed that she only secured copies of some orders and acknowledgment receipts because some case records were not made available to her. She also explained that she has submitted her monthly financial report from December 1994 to April 2005 together with copies of the orders and acknowledgment receipts to the Accounting Division, Financial Management Office (FMO), OCA and if there was anything wrong or irregular in her reports, the Accounting Division should have called her attention or asked her to explain. Further, she argued that if the amount of the cash bonds was not given to the persons who requested the withdrawal thereof, a lot of complaints could have been filed against her in Court. She added that in order to comply with the directive of the Court, the Accounting Division, FMO, OCA, be directed to produce the financial reports and that she be given time to follow-up the said records with the said office.

In her Supplemental Explanation dated September 3, 2009, Mrs. Rillorta narrated that when she assumed as Officer-In-Charge, OCC, on March 10, 1995, the court's financial records were not formally turned over to her. She had to figure out by herself what to do. She explained that the monthly financial reports were submitted to Executive Judge Fe Albano Madrid for approval and signature and every time the latter went over the reports, she would change or correct the entries to conform with the entries in the passbook for the fiduciary account. After the corrections were incorporated in the report, Judge Madrid would sign it.

Mrs. Rillorta further narrated that sometime in January 2003, she reviewed the financial records and discovered that the monthly report did not jibe with the bank book entries. Hence, she requested the COA, Tuguegarao City, to audit her books of account and after a preliminary audit, she was instructed to inform Judge Madrid of the discrepancies. She immediately informed Judge Madrid and the latter made some adjustments to the report. She alleged that on May 24, 2004, a team from the OCA came to conduct a financial audit. When the audit was about to be completed, an exit conference was held. She was expecting to be called to attend the conference, hence, she asked the team leaders if her presence was needed and was told "*Di ka naman pinatawag ni Judge.*" She was never required to respond to any findings and was therefore under the impression that Judge Madrid had sufficiently explained the discrepancies. It was only when she was going over the records of the court that she discovered that an Observation Memorandum dated May 17, 2004 prepared by the audit team was given to Judge Madrid. Thus, she requested the Court for a reinvestigation and hearing on the complaint which was referred to the OCA on December 16, 2009.

By [Signature]

Complying with the directive of the Court, the OCA, in its Memorandum dated May 20, 2010, recommended that the motion to conduct another investigation be denied because it was no longer necessary considering that Angelina Rillorta has already remitted her shortages and that she was directed to explain in writing why she should not be dismissed from the service for violation of OCA Circular No. 22-94 dated April 8, 1994 (*Re: Guidelines in the Proper Handling and Use of Official Receipts*), it appearing that official receipts were tampered:

x x x x

The OCA added that only the supporting documents such as court orders and acknowledgment receipts of the withdrawn cash bonds with incomplete documents should be submitted in order to finalize the accountabilities of Mrs. Rillorta in the Fiduciary fund.

On June 1, 2011, the Court adopted the OCA's recommendation and noted the Ex Parte Manifestation dated February 22, 2010 of Executive Judge Anastacio D. Anghad and Clerk of Court, Norbert Bong S. Obedoza, both of the RTC Santiago City, praying that respondent Rolando C. Tomas' death on February 10, 2010 be considered with humanitarian consideration in the resolution of this case.

In another Memorandum dated June 13, 2011, the OCA requested that (a) the recommendation in its Memorandum of May 20, 2010 denying the motion of Mrs. Rillorta for the conduct of another investigation be set aside; (b) the Land Bank of the Philippines, Santiago City, Isabela Branch, be directed to submit a certification as to the authorized signatory from August 1991 to April 30, 2004, for Savings Account No. 1361-0025-27 of the Fiduciary Fund of the RTC, Santiago City; (c) Judge Madrid be required to submit her comments on the unsigned letter and additional Supplement to the Motion for the Conduct of Another and/or Additional Investigation both dated September 28, 2010 filed by Mrs. Rillorta; and (d) the motion to conduct another investigation as well as the manifestation of the heirs of respondent Rolando Tomas be held in abeyance pending the submission of Judge Madrid's comment. OCA's recommendations were adopted by the Court in its Resolution of August 03, 2011.

In compliance with the June 1, 2011 Resolution, Mrs. Rillorta filed her Explanation with Motion for Reconsideration dated July 24, 2011 alleging that she was denied her right to due process when she was not allowed to participate in the exit conference with the Financial Audit Team. She also informed the Court that she filed a Complaint-Affidavit against Judge Madrid before the OCA x x x.

For her part, Judge Madrid, in her undated Compliance which was received by the OCA on October 20, 2011, stated that she was not aware of the unsigned letter dated September 27, 2010 and additional supplement to the motion for the conduct of another and/or additional investigation filed by Mrs. Rillorta. She claimed that the latter executed an Affidavit dated March 3, 2011 and two Supplemental Affidavits which were the basis of OCA IPI No. 11-3614-RTJ pending in the OCA, and

By Bong S. Obedoza

requested a copy thereof if the said letter referred to a different matter for her to comment thereon. On the other hand, the Land Bank of the Philippines, Santiago Branch, Isabela, issued a Certification dated October 24, 2011 stating that Account No. 1361-0025-27 RTC, Branch 21 (Fiduciary Fund) was opened on March 29, 1993 by Judge Madrid who was the authorized signatory.

On December 3, 2012, the Court granted the request of Mrs. Rillorta for the conduct of another and/or additional investigation and referred the matter to the Associate Justice of the Court of Appeals who was designated to investigate A.M. OCA IPI No. 11-3614-RT[J] (*Re: Angelina C. Rillorta vs. Honorable Fe A. Madrid, Presiding Judge, Branch 21, RTC, Santiago City*) [now A.M. No. RTJ-12-2338] for a joint investigation. The Court also directed the Financial Management Office, OCA, to deduct the amount of ₱33,177.95 from the equivalent money value of the total earned leave credits of the late Rolando Tomas who was dismissed from the service pursuant to the Resolution of the Court in A.M. No. P-09-2660 (*Francisco C. Taguinod vs. Deputy Sheriff Rolando Tomas, Branch 21, RTC, Santiago City*).

OCA IPI No. 11-3614-RTJ

This is an offshoot of A.M. No. P-09-2633. On March 3, 2011, Mrs. Rillorta filed the instant administrative complaint against Judge Madrid praying that an investigation be conducted and that Judge Madrid be directed to answer or explain the charges against her. In her Affidavit-Complaint, Mrs. Rillorta reiterated the allegations in her Supplemental Explanation in A.M. No. P-09-2633. She averred that the monthly reports did not dovetail with the bank book entries, that is, the amount collected appearing in the monthly report was only ₱700,000.00 while the amount appearing in the bank account was more or less ₱6,000,000.00. This discrepancy alarmed her, so she voluntarily submitted herself to an audit by the COA in Tuguegarao City. She informed Judge Madrid about the COA findings and in order to balance the discrepancies found, Judge Madrid instructed her and Susan[a] Liggayu to make some adjustments in the official receipts issued by the court. For instance, in the bail bond posted by then retired Judge Alivia of the RTC, Cauayan City for his client, Judge Madrid asked for the General Fund receipts and instructed her to write in the original receipt the true amount of the bailbond but to reflect the amount of ₱20.00 or ₱30.00 (clearance fee) in the duplicate and triplicate copies. She then asked Judge Madrid "*Ma'am, why not issue na lang Court Order para minsanan na ma-withdraw yung bina-balance mo*" to which she replied "*No, this is better.*" She claimed that every time Judge Madrid instructed her to do it, she asked Susan[a] Liggayu to make a list so that they would have a record of the amounts collected for the Fiduciary Fund. She also narrated that Judge Madrid instructed her to alter the amounts of the cash bond withdrawn. For instance, if the amount of the bail bond deposited was ₱10,000.00, the amount to be withdrawn would be ₱110,000.00. This happened on several occasions. Likewise, in Criminal Case Nos. 4161 and 4162 (*People vs. Pua*) and Criminal Case No. 21-4225 (*People vs. Alejandro Ramos*), the release orders did not indicate the Official Receipt (O.R.) number which is the usual practice of the court.

Jesús Noyen - dau

Again, in her Second Supplemental Affidavit dated April 6, 2011, Mrs. Rillorta described how Judge Madrid effected the adjustments in the official receipts issued by the court. In Criminal Case No. 3423, Judge Madrid added zero "0" in O.R. No. 10706949 in between the digits three "3" and zero to make it appear that the amount received was Thirty Thousand Pesos (₱30,000.00) and superimposed the letter "y" at the end of the word three (in the box amount in words to jibe with Thirty Thousand Pesos). She also alleged that every time there was an excess in the amount withdrawn, she or Susan[a] Liggayu delivered the same to Judge Madrid by leaving the money on her table. The amounts were always put inside an envelope which was labelled by Susan[a] Liggayu by writing the corresponding case number. There were times when the withdrawals were done in the afternoon and in those instances, the excess amounts were delivered to Judge Madrid's house. She further alleged that Judge Madrid drafted her answer in A.M. No. P-09-2633 but did not submit the same because said comment made her admit the charges. Judge Madrid even insisted that she submit the same to avoid dismissal from the service since the argument raised was that she acted in good faith. She thus suspected that she was made a sacrificial lamb. She admitted that she was not knowledgeable in accounting procedures which was why she never questioned the acts of Judge Madrid and followed her orders and instructions.

For her part, Judge Madrid, in her Comment dated April 6, 2011, alleged that Mrs. Rillorta is a stenographer but could not take stenographic notes in open court. Her work then was to assist Clerk of Court Teofilo Juguilon and to type decisions. After the retirement of Atty. Juguilon, she thought it wise to designate her as OIC-Clerk of Court because she was already familiar with the workings of the office. In the beginning, she strictly monitored the collections and disbursements until Mrs. Rillorta gained her complete trust and confidence. So she just let Mrs. Rillorta do her work with little supervision. At that time, the court was a single sala court and had many cases to attend to which left her little time for financial management. She added that she could not remember if there was a formal turnover of the court's financial reports to Mrs. Rillorta, but an inventory of the records was received by the latter. Mrs. Rillorta prepared the monthly reports which she would note and sign after a review of the attached official receipts, order and acknowledgment receipts, as well as deposit slips and withdrawal slips. Corrections were made to conform to the supporting documents or to correct wrong computations. She does not have her own separate records as alleged by Mrs. Rillorta. A separate record would be an extra work which she would not like to do. She admitted that the monthly reports did not jibe with the bank book in that, the money in the bank is more than what is stated in the monthly reports. However, this did not alarm her because there was more money which meant there was no shortage.

Judge Madrid further claimed that she did not know that Mrs. Rillorta had voluntarily submitted herself for audit to the COA but knew that the COA has always been auditing the financial records of the court because Mrs. Rillorta has been regularly submitting the monthly reports to the COA Office in Ilagan, Isabela. She was then informed by Mrs. Rillorta about the discrepancy between the monthly reports and the money

Judge Madrid

in the bank but denied instructing Mrs. Rillorta and Susan[a] Liggayu to make some adjustments on the official receipts. She could not remember asking Mrs. Rillorta to give her the GF receipts in connection with the bail bond posted by retired Judge Alivia. She could have asked for the GF receipts to check on something but not to show how to tamper the bail bond receipts. Also, after the financial audit, the audit team informed her of the ₱900,000.00 shortage in the court's collection. She told the audit team to call Mrs. Rillorta so that she could be given a chance to produce the money and conduct a cash count. However, the audit team said that no cash count could be done because some receipts were tampered. She immediately talked to Mrs. Rillorta about the audit team's observations and told her to deposit the shortage right away. In addition, she could not remember if she was given an Observation Memorandum by the audit team except for a piece of paper that was shown to her by the audit team. She also confirmed that she is the signatory of the LBP account and that the withdrawals she signed were supported by official receipts and court orders. She also confirmed that she helped Mrs. Rillorta prepare her answer to the administrative charge against her but did so only upon her request and that she only included those statements which Mrs. Rillorta told her and of her fear of dismissal because of the charge of dishonesty and told her that she could plead good faith because there was no intention on her part to be dishonest.

Judge Madrid also argued that all instructions given to Mrs. Rillorta and the other court employees were lawful and proper and expected that the instructions be carried out. The corrections she made in the monthly reports were all proper and did not make any alterations or adjustments on any official receipts, deposit slips, withdrawal slips or acknowledgment receipts.

In her Comment on the Supplemental Complaint dated April 28, 2011, Judge Madrid maintained that the same is a repetition of her original affidavit to which a comment had already been made. She claimed that she only signs the orders of release and it was Mrs. Rillorta who processed the documents which presented to her for signature. The order of release is a standard form and it was the duty of the OIC to check that the documents are complete before they are brought to her for signature. With regards to the undertaking attached to the complaint, she claimed that she did not know who prepared it but the blanks were filled up with the use of Mrs. Rillorta's typewriter. She does not usually scrutinize the word and every document presented in connection with the bail bond and if she noticed the typewritten insertions, she could have asked what they meant considering that the typewritten insertions are alien to the documents.

Refuting the allegations in the Supplemental Affidavit-Complaint, Judge Madrid, in her Comment dated June 6, 2011, denied that she inserted the letter "O" and superimposed the letter "Y" in Official Receipt No. 10706946. She claimed that she had no access to the documents which were in the custody of the monitoring team as they did not show her any documents when they talked to her after the audit. She also vehemently denied that the alleged excess in the withdrawn amount was delivered to her by Mrs. Rillorta or Susan[a] Liggayu either in the office

J. A. Madrid

or in her house. The only money she received were those withdrawn from the bank when she requested Mrs. Rillorta to encash her salary checks. When she confronted Susan[a] Liggayu about the tampering and withdrawals, the latter denied any knowledge about them and even executed an affidavit to that effect. In addition, she admitted to be the lone signatory of withdrawals but this was not by any sinister design as alluded to by Mrs. Rillorta. When the Clerk of Court retired from the service, the money was transferred to the RTC which is represented by her being then the Executive Judge. However, she did not personally make withdrawals and has always authorized Mrs. Rillorta to do the withdrawals instead.

In her Reply Affidavit dated June 13, 2011, Mrs. Rillorta narrated that Judge Madrid called her in her chambers on May 26, 2004, at around 1:30 [p.m.] to 2:00 p.m. Judge Madrid told her to go to the bank and deposit the money wrapped in a newspaper and placed inside a plastic bag. She also handed her a piece of paper indicating the amount of ₱947,000.00 – ₱11,200.00 = ₱936,000.00 in her own handwriting. When she went out of Judge Madrid's room, Susan[a] Liggayu was waiting and handed her the piece of paper which Judge Madrid gave and they both counted the money. Susan[a] Liggayu then prepared the deposit slip based on the amount they counted and what was written on the piece of paper, after which she gave the prepared deposit slip to Judge Madrid who affixed her signature. This incident proved that monies were delivered to Judge Madrid and when the amount was needed to be deposited, it was readily and immediately produced by Judge Madrid for deposit and return.²

In his Report, Investigating Justice Elihu Ybañez detailed how Judge Madrid manipulated the Fiduciary Fund, to wit:

First. In Criminal Case No. 21-4225, entitled People vs. Alejandro Ramos, for Violation of COMELEC Resolution No. 6076, the Undertaking executed by the accused and his Bondsman, appears that the cash bail posted is only ₱20,000.00 without the Official Receipt issued was stated in the Undertaking but a marginal note 'NO RECEIPT ISSUED' admitted by respondent Judge as her own handwriting. Despite the fact that the bailbond posted was only ₱20,000.00 and respondent Judge [wrote a] marginal note that no proper receipt was issued for the cash bond of ₱20,000.00, respondent Judge still authorized the withdrawal and release of ₱120,000.00 which is over and above the actual amount of the cash bail posted of ₱20,000.00. How could respondent Judge in good faith sign the withdrawal slip after checking on the Undertaking which stated that cash bail posted was only ₱20,000.00 and by her own handwriting even noted in the same Undertaking that there was no Official Receipt issued for the cash bond posted. Per admission of respondent-complainant, she tampered with Official Receipt No. 1721363 dated 2 June 2003 to make the ₱120,000.00 upon the instruction of respondent Judge. Repondent-complainant testified further that from the withdrawn amount of ₱120,000.00, ₱100,000.00 went to respondent Judge and ₱20,000.00 was released to the Bondsman.

² Rollo (Folder No. 3), unpagged. OCA Memorandum, pp. 1-10.

Ybañez

Second. Respondent Judge signed the withdrawal slip despite the fact that the original Official Receipt which is being presented by the Bondsman/Party and attached to the documents for the release of the cash bonds provides for a much smaller amount or different in amount than the amount for withdrawal for the refund/release of the cash bond posted.

Third. Respondent Judge transferred the RTC Santiago City Bank Accounts by her as the lone signatory. This, without following the guidelines set by the Supreme [C]ourt requiring a co-signatory to the account who are the Executive Judge and the Clerk of Court/OIC. Being the lone signatory to the RTC Santiago City General Fund, Fiduciary Fund and JDF Bank Accounts, respondent Judge had full control of the amount[s] deposited to and withdrawn from the RTC Bank Accounts. It would be far[-]fetched that funds of the court would be dissipated without respondent Judge knowing what is happening because she is the sole signatory to the bank deposits of the Fiduciary Funds of the RTC, Santiago City. In fact, respondent Judge on cross examination acknowledged full responsibility of the deposits to and withdrawals from the accounts.

Fourth. Respondent Judge had the final say on what should be stated in the Monthly Report of Collections/Deposits/Withdrawals and Disbursements such that she had full knowledge early on if and when any amounts have been receipted, deposited, and/or withdrawn. Respondent-complainant Angelina Rillorta, witnesses Jaime Gumpal, Virginia Manuel and Susan[a] Liggayu all confirmed that respondent Judge would change the data contained in the Monthly Report before she signed it.

Fifth. The evidence points to the fact that after the OCA Audit Team completed the court financial audit, respondent Judge returned the amount of ₱936,000.00 which respondent-complainant Rillorta and witness Susan[a] Liggayu deposited to the Landbank. Respondent-complainant testified on cross-examination that respondent Judge called her in the Judge's Chamber and gave her the blue SM plastic bag containing the ₱900,000.00 plus money. Respondent Judge also wrote in a piece of paper $\text{₱}947,200.00 \text{ minus } \text{₱}11,200[.00] = \text{₱}936,000.00$, which is the amount to be deposited representing the missing funds. The testimony of respondent-complainant is corroborated by witness Susan[a] Liggayu who testified on cross examination that she saw Judge Albano Madrid hand to Angelina Rillorta a blue plastic bag containing money which she and Angelina Rillorta counted. She further testified that she prepared the corresponding deposit slip and handed it to Angelina Rillorta which the latter in turn gave to Judge Madrid for the Judge's signature. Afterwards, she and Angelina Rillorta deposited the money to Landbank. While respondent Judge claims that it was respondent-complainant who returned the ₱936,000.00 money, however, respondent-complainant could not have returned the amount as she was not the one informed by the OCA Audit Team but respondent Judge who in return did not tell respondent-complainant of the amount. x x x.

Handwritten signature: 7/2/12 by Judge Albano Madrid

Sixth. Respondent Judge took undue interest in preparing the pleadings for respondent-complainant or even went the extra mile to control what will be written in the pleadings. The first draft answer made by respondent Judge for respondent-complainant was that the latter kept the money which was not agreed to by respondent-complainant. Respondent Judge forced respondent-complainant to submit to the Supreme Court the answer (Exhibit 14) she made for her but respondent-complainant refused, and submitted a different answer without saying that she kept the money.

While respondent Judge claims that she only took pity on respondent-complainant, so she prepared the pleadings for her, the draft pleadings tell that respondent Judge wanted to make it appear that it was respondent-complainant who took the missing funds. She was also discouraged by [respondent Judge] in approaching DCA Villanueva when the latter was in Tuguegarao City; also prevented respondent-complainant from telling anyone about the shortages. Withal, respondent Judge also encouraged if not stopped respondent-complainant from consulting a lawyer after she received the notice from the OCA re the missing Judiciary Funds.

Seventh. The assurances of respondent Judge on respondent-complainant that the latter won't be accused of malversation because respondent Judge already returned the money, referring to the ₱936,000.00 deposited after the audit conducted by the SC, is also indicative of her hand in the loss and return/deposit of the fiduciary funds.

Eighth. The testimony of respondent Judge's witness Arcelio F. [De] Castillo, former Legal Researcher of RTC Branch 21, Santiago City, who testified on the strict and meticulous character of respondent Judge only bolstered the fact that the incidents of tampering, non-deposit and overwithdrawal could not have passed respondent Judge without her knowledge and understanding.

x x x x³

The same Report highlighted Judge Madrid's telling admissions:

x x x [R]espondent Judge admitted that: (1) General Fund, Fiduciary Fund and JDF Accounts are by the Judge only; (2) she was the lone signatory to the Fiduciary Funds and the General Fund Accounts explaining that the decision was made at the time when the Clerk of Court retired and the latter had to transfer to her the account; (3) she was also the lone signatory not only to the bank accounts and likewise to the reports; (4) she did not bother to change the signatory to the accounts after COC Atty. Suguilon retired because the RTC only had an OIC not a Clerk of Court; (5) respondent Judge knew and was aware of the SC Circular re the required signatories to the court funds; (6) notwithstanding the guidelines set by the Supreme Court requiring a co-signatory for the account saying that the said circular was only issued

³ Id. (Folder No. 1), unpagged. Report, pp. 58-61.

J. S. Burgos - Agnes

after [the] RTC Santiago City became a multiple sala court emphasizing that the OIC was not a Clerk of Court; (7) respondent Judge being the only signatory, acknowledged full responsibility of the deposits and withdrawals thereon[.]⁴

The Investigating Justice recommended the following:

(1) Judge Fe Albano Madrid be held liable for SERIOUS DISHONESTY and GROSS MISCONDUCT. All her retirement benefits, except her accrued leave benefits be ordered forfeited in favor of the government, if any, with prejudice to re-employment in any branch of the government, including government-owned or controlled corporations. Any computed shortages of the Fiduciary Fund yet to be restituted be charged against said accrued leave benefits.

Judge Albano Madrid be likewise DISBARRED for violation of Canon[s] 1 and 7 and Rule 1.01 of the Code of Professional Responsibility and her name ORDERED STRICKEN from the Roll of Attorneys; and

(2) Angelina C. Rillorta be liable for SIMPLE NEGLIGENCE OF DUTY and be meted a fine of Ten Thousand Pesos (₱10,000.00) with a stern warning that repetition of the same or similar acts shall be dealt with more severely.⁵

The OCA recommended the following:

1. Judge Fe Albano Madrid (formerly Presiding Judge, Branch 21, Regional Trial Court, Santiago City, Isabela, now retired) be found GUILTY of serious dishonesty and gross misconduct and that all her retirement benefits, except her accrued leave benefits, be ordered FORFEITED, with prejudice to re-employment in any branch of the government, including government-owned or controlled corporations;

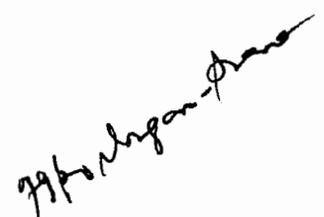
2. Judge Fe Albano Madrid be DIRECTED to SHOW CAUSE why she should not be DISBARRED for violation of Canons 1 and 7 and Rule 1.01 of the Code of Professional Responsibility;

3. Angelina C. Rillorta, Officer-in-Charge, Office of the Clerk of Court, Regional Trial Court, Santiago City, Isabela, now retired, be found GUILTY of gross misconduct and that all her retirement benefits and accrued leave benefits be FORFEITED, with prejudice to re-employment in any branch of the government, including government-owned or controlled corporations;

4. The Employees Leave Division, Office of Administrative Services, Office of the Court Administrator be DIRECTED to compute the balance of the earned leave credits of Angelina Rillorta and forward the same to the Finance Division, Financial Management Office, Office of the Court Administrator, for the computation of the monetary value of

⁴ Id. Report, pp. 51-52.

⁵ Id. Report, pp. 66-67.



her earned leave credits. The amount as well as other benefits Angelina Rillorta may be entitled to shall be applied as partial restitution of the computed shortages in the amount of ₱6,555,559.70;

5. Angelina C. Rillorta be DIRECTED to RESTITUTE her shortages in the Fiduciary Fund after deducting the money value of her accrued leave credits and other benefits; and

6. [T]he Legal Office, Office of the Court Administrator be DIRECTED to initiate appropriate criminal proceedings against Judge Fe Albano Madrid and Angelina C. Rillorta in light of the above findings.⁶

The issues in this case are whether Judge Madrid is guilty of grave misconduct and serious dishonesty and whether Rillorta is guilty of grave misconduct.

The Court adopts the findings of the OCA and agrees in its recommendations, except as to the computation of the amount to be restituted by Rillorta.

***Judge Madrid is Guilty of
Grave Misconduct and Serious Dishonesty***

Public office is a public trust. This constitutional principle requires a judge, like any other public servant and more so because of his exalted position in the Judiciary, to exhibit at all times the highest degree of honesty and integrity. As the visible representation of the law tasked with dispensing justice, a judge should conduct himself at all times in a manner that would merit the respect and confidence of the people.⁷

Judge Madrid failed to live up to these exacting standards. In this case, the Court agrees with the findings of the OCA, which affirmed the evaluations of the Investigating Justice, “that official receipts were tampered and that there were overwithdrawals from the Fiduciary Fund account amounting to Nine Hundred Thirty Six [Thousand] (₱936,000.00) Pesos. The Audit Team’s findings were not refuted by Judge Madrid and Mrs. Rillorta during the investigation.”⁸ These acts of tampering of official receipts and overwithdrawals from court funds clearly constitute grave misconduct and serious dishonesty.

Misconduct is defined as a transgression of some established and definite rule of action, a forbidden act, a dereliction of duty, unlawful

⁶ Id. (Folder No. 3), unpag. OCA Memorandum, pp. 26-27.

⁷ *Office of the Court Administrator v. Judge Indar*, 685 Phil. 272, 286 (2012).

⁸ *Rollo* (Folder No. 3), unpag. OCA Memorandum, pp. 10-11.

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behavior, willful in character, improper or wrong behavior.⁹ The misconduct is grave if it involves any of the additional elements of corruption, willful intent to violate the law, or to disregard established rules, which must be established by substantial evidence. As distinguished from simple misconduct, the elements of corruption, clear intent to violate the law, or flagrant disregard of established rule must be manifest in a charge of grave misconduct.¹⁰

Dishonesty, on the other hand, is defined as a disposition to lie, cheat, deceive, or defraud; untrustworthiness; lack of integrity; lack of honesty, probity or integrity in principle; lack of fairness and straightforwardness; disposition to defraud, deceive or betray.¹¹

The Court agrees with the OCA in rejecting Judge Madrid's contention that she did not include Rillorta as co-signatory because the latter is only an OIC. Being designated as acting Clerk of Court or OIC, Rillorta had the same duties and responsibilities of a regular clerk of court.¹² Indeed, if Judge Madrid were uncomfortable that only an OIC was assigned to the Office of the Clerk of Court, she, as then Executive Judge, should have declared the position open so that a regular clerk of court could be appointed. However, Judge Madrid did not do so.

The Court likewise sustains the OCA's finding that Judge Madrid's only witness, Arcelio F. De Castillo (De Castillo), then Court Legal Researcher, did not help her case as the latter had no knowledge of the tampering of official receipts. In his Judicial Affidavit,¹³ De Castillo stated that payments of bailbonds were made in the office of the OIC-Clerk of Court; that he had not seen payments of bailbonds made inside the office or chambers of Judge Madrid; that he had not participated in any transactions involving the payment of bailbond; and that it was the criminal docket clerk Jaime U. Gumpal (Gumpal) who attended to the posting of bonds and his only participation was the review of documents after the requirements were completed.

On the other hand, the Judicial Affidavits¹⁴ of Gumpal, Court Interpreter, and Susana B. Liggayu (Liggayu), Clerk III, both of Branch 21, Regional Trial Court, Santiago City, bolstered the fact that Judge Madrid manipulated the Fiduciary Fund collections and reports submitted to the OCA. Liggayu testified, among others, that Judge Madrid ordered the

⁹ *Re: Administrative Charge of Misconduct Relative to the Alleged Use of Prohibited Drug of Castor*, 719 Phil. 96, 100 (2013), citing *Dalmacio-Joaquin v. Dela Cruz*, 604 Phil. 256, 261 (2009).

¹⁰ *Id.* at 100-101, citing *Office of the Court Administrator v. Lopez*, 654 Phil. 602, 608 (2011).

¹¹ *Office of the Court Administrator v. Viesca*, 758 Phil. 16, 27 (2015), citing *Rojas, Jr. v. Mina*, 688 Phil. 241, 249 (2012), citing further *Japson v. Civil Service Commission*, 663 Phil. 665 (2011).

¹² *Re: Report on the Financial Audit Conducted at the Municipal Trial Court, Baliuag, Bulacan*, 753 Phil. 31, 37 (2015).

¹³ *Rollo* (Folder No. 4), pp. 409-411.

¹⁴ *Id.* at 228-231, 235-238.

J. Gumpal

tampering of official receipts; and that she and Rillorta made a list to monitor Judge Madrid's overwithdrawals and undeposited amounts because Rillorta was already worried how much Judge Madrid would still order withdrawn.

As recommended by the OCA, this administrative case against Judge Madrid for grave misconduct and serious dishonesty shall also be considered as a disciplinary proceeding against her as a member of the Bar,¹⁵ in accordance with A.M. No. 02-9-02-SC, which provides:

Some administrative cases against Justices of the Court of Appeals and the Sandiganbayan; judges of regular and special courts; and court officials who are lawyers are based on grounds which are likewise grounds for the disciplinary action of members of the Bar for violation of the Lawyer's Oath, the Code of Professional Responsibility, and the Canons of Professional Ethics, or for such other forms of breaches of conduct that have been traditionally recognized as grounds for the discipline of lawyers.

In any of the foregoing instances, the administrative case shall also be considered a disciplinary action against the respondent Justice, judge or court official concerned as a member of the Bar. The respondent may forthwith be required to comment on the complaint and show cause why he should not also be suspended, disbarred or otherwise disciplinarily sanctioned as a member of the Bar. Judgment in both respects may be incorporated in one decision or resolution.

Accordingly, Judge Madrid is directed to show cause why she should not be disbarred for violation of the Code of Professional Responsibility, particularly Canons 1¹⁶ and 7¹⁷ and Rule 1.01¹⁸ thereof.

Rillorta is Guilty of Grave Misconduct

Rillorta is liable for grave misconduct for her participation in the tampering of receipts, non-deposit to and overwithdrawals from the Fiduciary Fund.

Rillorta admitted having tampered some official receipts. However, she claims that the tamperings were upon the instructions of Judge Madrid. This does not excuse her from any liability because obviously tampering of

¹⁵ See *Office of the Court Administrator v. Judge Indar*, supra note 7.

¹⁶ This Canon reads:

Canon 1 - A lawyer shall uphold the Constitution, obey the laws of the land and promote respect for law and legal processes.

¹⁷ This Canon reads:

Canon 7 - A lawyer shall at all times uphold the integrity and dignity of the legal profession and support the activities of the integrated bar.

¹⁸ This Rule provides:

Rule 1.01 - A lawyer shall not engage in unlawful, dishonest, immoral or deceitful conduct.

J. B. Salazar

such official documents is unlawful which should never be countenanced. The Court sustains the OCA's statement that "as a public officer, her duty was not only to perform her assigned tasks, but to prevent the commission of acts inimical to the judiciary and to the public, in general."¹⁹ It is grave misconduct when Rillorta participated or consented to the commission of the unlawful acts of tampering receipts and overwithdrawals from court funds simply because of following the orders or instructions of her superior, Judge Madrid.

As correctly found by the OCA, "[w]hen Judge Madrid ordered [Rillorta] to alter an official receipt at the first instance, Mrs. Rillorta should have reported the matter to the OCA who has supervision over all judges and court personnel of the lower court[s]. Rather, she kept silent and allowed herself to be used by Judge Madrid and even facilitated the tampering of official receipts and overwithdrawals on several occasions. She knew the repercussions of her acts because she kept a record of the transactions on the tampering of bail bond receipts which, according to her, was a precautionary move and to keep track of the balances in the Fiduciary Fund account. She also failed to prove during the investigation that she was threatened, coerced or terrorized by Judge Madrid into doing such unlawful acts."²⁰

The Court likewise rejects Rillorta's claim that when she assumed the position of OIC, the court's financial records were not formally turned over to her and she was not knowledgeable in accounting procedures. Unfamiliarity with procedures will not exempt Rillorta from liability. As a Clerk of Court, she is expected to keep abreast of all applicable laws, jurisprudence and administrative circulars pertinent to her office.²¹ Further, Rillorta had been the OIC for nine years when the financial audit was conducted, and therefore, she was presumed to know her functions and responsibilities.²²

Penalties on Judge Madrid and Rillorta

As this Court has repeatedly stated, the conduct and behavior of everyone connected with an office charged with the dispensation of justice, from the presiding judge to the lowest clerk, should be circumscribed with the heavy burden of responsibility.²³ The Court has not hesitated to impose the ultimate penalty on those who have fallen short of their accountabilities. Any conduct that violates the norms of public accountability and diminishes, or even tends to diminish, the faith of the people in the justice system has never been and will never be tolerated or condoned by this Court.²⁴

¹⁹ *Rollo* (Folder No. 3), unpag. OCA Memorandum, p. 22.

²⁰ *Id.* OCA Memorandum, p. 23.

²¹ See *OCA v. Bernardino*, 490 Phil. 500, 526 (2005).

²² *Rollo* (Folder No. 3), unpag. OCA Memorandum, p. 23.

²³ *OCA v. Bernardino*, *supra* at 531.

²⁴ *Office of the Court Administrator v. Nacuray*, 521 Phil. 32, 39 (2006), citing *Re: Report of the Financial*

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Officer-in-Charge, Office of the Clerk of Court,²⁸ Rillorta was found guilty of gross misconduct for performing her duties/reporting for work while under preventive suspension by the Court.

Since Rillorta's grave misconduct, aside from her previous infractions, undermined the people's faith in the courts and, ultimately, in the administration of justice, the OCA's recommended penalty of dismissal is proper.

In *Office of the Court Administrator v. Pacheco*,²⁹ the Court found Pacheco guilty of dishonesty, grave misconduct, and gross neglect of duty and consequently dismissed her from the service when she tampered with receipts and incurred cash shortages.

Similarly, in *Office of the Court Administrator v. Recio*,³⁰ Recio was found guilty of gross misconduct, dishonesty, and gross neglect of duty for failing to remit cash collections and misappropriating the same. She was also found to have tampered with receipts and the cash book and failed to submit the required monthly reports which the Court considered as acts which "evinced a malicious and immoral propensity."³¹

The circumstances which the Investigating Justice considered mitigating do not overcome the fact that Rillorta repeatedly committed offenses which aggravated the grave offense she committed in this case. However, since Rillorta has already retired from the service, the penalty of dismissal can no longer be imposed. Instead, all of her retirement benefits, except accrued leave benefits, are forfeited, with prejudice to re-employment in any branch of the government, including government-owned or controlled corporations.

The Court notes that there is a finding in the report of the Financial Audit Team that "in case the following supporting documents of the cashbonds will be submitted, the shortages would be reduced to One Hundred Thirteen Thousand Two Hundred Eighty-Six Pesos and 16/100 (₱113,286.16)."³² Rillorta insists that with regard to the submission of the orders and acknowledgment receipts in support of the withdrawn cash bonds, she only secured copies of some orders and acknowledgment receipts because some case records were not made available to her. She also explained that she had submitted her monthly financial report from December 1994 to April 2005 together with copies of the orders and

²⁸ 536 Phil. 373 (2006).

²⁹ 641 Phil. 1, 9, 14 (2010), cited in *Office of the Court Administrator v. Baltazar*, 771 Phil. 516, 534 (2015).

³⁰ 665 Phil. 13, 33, 35 (2011), cited in *Office of the Court Administrator v. Baltazar*, 771 Phil. 516, 534 (2015).

³¹ Id. at 34.

³² *Rollo* (Folder No. 1), p. 3. In some parts of the records, this amount appears as ₱136,886.16.

J. Baltazar - Pano

acknowledgment receipts to the Accounting Division, Financial Management Office, OCA.³³

If the copies of the orders and acknowledgment receipts are indeed in the custody of the Accounting Division, Financial Management Office of the OCA, then the amount of the shortages Rillorta incurred will certainly be reduced. There is no doubt that Rillorta has been remiss in her duty to retain copies of the supporting documents of the withdrawn cash bonds; however, this does not automatically carry with it the restitution of ₱6,557,959.70³⁴ if this is not the exact amount of the shortages. It appears that there are means to reconcile the records available to Rillorta with the records available to the Financial Audit Team and the Accounting Division, Financial Management Office of the OCA and to compute the exact amount of the shortages. The finding that the shortages would be reduced to ₱113,286.16 if the supporting documents of the withdrawn cash bonds would be submitted clearly means that the Financial Audit Team was able to compute a much reduced amount of shortages based on available records. To order Rillorta to restate the amount of ₱6,557,959.70 as shortages when in fact this amount is incorrect is without basis. Therefore, in the interest of justice, Rillorta should be given the opportunity to reconcile the records available to her, including the supporting documents already submitted to this Court, and the monthly reports allegedly containing the orders and acknowledgment receipts supposedly in the custody of the Accounting Division, Financial Management Office of the OCA for the computation of the exact amount of the shortages that should be restituted.

WHEREFORE, the Court finds Judge Fe Albano Madrid, formerly Presiding Judge, Regional Trial Court, Branch 21, Santiago City, Isabela, now retired, **GUILTY** of grave misconduct and serious dishonesty and all her retirement benefits, except her accrued leave benefits, are **FORFEITED**, with prejudice to re-employment in any branch of the government, including government-owned or controlled corporations. Judge Fe Albano Madrid is further **DIRECTED** to **SHOW CAUSE** why she should not be **DISBARRED** for violation of Canons 1 and 7 and Rule 1.01 of the Code of Professional Responsibility.

The Court finds Angelina C. Rillorta, Officer-in-Charge, Office of the Clerk of Court, Regional Trial Court, Santiago City, Isabela, now retired, **GUILTY** of grave misconduct and all her retirement benefits, except her accrued leave benefits, are **FORFEITED**, with prejudice to re-employment in any branch of the government, including government-owned or controlled corporations. Angelina C. Rillorta is **DIRECTED** to **RESTITUTE** her shortages in the Fiduciary Fund after the computation of the exact amount of the shortages.

³³ Id. at 19-20.

³⁴ Id. at 3. In some parts of the records, this amount appears as ₱6,555,559.70 or ₱6,556,559.70.

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The Accounting Division, Financial Management Office of the Office of the Court Administrator is DIRECTED to produce the orders and acknowledgment receipts in its custody, if there are any, related to these consolidated cases and forward the same to the Office of the Court Administrator for reconciliation and computation of the exact amount of the shortages within ten (10) days from receipt of this Decision.

The Office of the Court Administrator is DIRECTED to recompute the amount of the shortages incurred by Angelina C. Rillorta after the submission of the orders, acknowledgment receipts and other supporting documents for reconciliation and to submit its findings within ten (10) days from receipt of the documents, if any, from the Financial Management Office, Office of the Court Administrator.

The Legal Office, Office of the Court Administrator is DIRECTED to initiate the appropriate criminal proceedings against Judge Fe Albano Madrid and Angelina C. Rillorta in view of the foregoing findings.

SO ORDERED.



MARIA LOURDES P. A. SERENO
Chief Justice



ANTONIO T. CARPIO
Associate Justice



PRESBITERO J. VELASCO, JR.
Associate Justice

Teresita Leonardo de Castro
TERESITA J. LEONARDO-DE CASTRO
Associate Justice

Diosdado M. Peralta
DIOSDADO M. PERALTA
Associate Justice

Lucas P. Bersamin
LUCAS P. BERSAMIN
Associate Justice

Mariano C. Del Castillo
MARIANO C. DEL CASTILLO
Associate Justice

(on leave)
ESTELA M. PERLAS-BERNABE
Associate Justice

Marvic M.V.F. Leonen
MARVIC M.V.F. LEONEN
Associate Justice

Francis H. Jardeleza
FRANCIS H. JARDELEZA
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ALFREDO BENJAMIN S. CAGUIOA
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SAMUEL R. MARTIRES
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ANDRES B. REYES, JR.
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Alexander G. Gesmundo
ALEXANDER G. GESMUNDO
Associate Justice

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SUPREME COURT