



Republic of the Philippines
Supreme Court
Manila

FIRST DIVISION

JOSE S. RAMISCAL, JR.,
Petitioner,

G.R. Nos. 199284-85

- versus -

PEOPLE OF THE PHILIPPINES,
Respondent.

X-----X

MANUEL SE SATUITO,
Petitioner,

G.R. No. 199428

- versus -

PEOPLE OF THE PHILIPPINES,
Respondent.

X-----X

PERFECTO O. QUILICOT, JR.,
Petitioner,

G.R. No. 199473

Present:

CAGUIOA, J.,
Acting Chairperson,
LAZARO-JAVIER,
M. LOPEZ,*
ROSARIO,** and
J. LOPEZ, JJ.

- versus -

Promulgated:

PEOPLE OF THE PHILIPPINES,
Respondent.

OCT 13 2021

X-----X

* On official leave.

** Designated additional Member per Raffle dated September 22, 2021 *vice* Chief Justice Alexander G. Gesmundo.

DECISION

CAGUIOA, J.:

This involves three consolidated Petitions for Review on *Certiorari* (Petitions) under Rule 45 of the Rules of Court, assailing the Sandiganbayan Fourth Division's (Sandiganbayan) Decision¹ dated June 14, 2011 (assailed Decision) and Resolution² dated November 18, 2011 (assailed Resolution), finding Jose S. Ramiscal, Jr. (Ramiscal), Manuel Se Satuito (Satuito), and Perfecto O. Quilicot, Jr. (Quilicot) (collectively, petitioners) guilty beyond reasonable doubt of Violation of Section 3(e) of Republic Act (R.A.) No. 3019³ in Criminal Case No. 28022, and petitioner Ramiscal only guilty beyond reasonable doubt of Falsification of Public Documents under Article 171 of the Revised Penal Code (RPC) in Criminal Case No. 28023.

FACTS

The facts, as borne by the record, are as follows:

On the material date and time subject of this case, petitioners Ramiscal, Satuito, and Quilicot were holding the positions of President, Chief of Documentation of the Legal Division, and Project Officer, respectively, of the Armed Forces of the Philippines-Retirement Separation and Benefit System (AFP-RSBS). The AFP-RSBS was created by Presidential Decree No. 361 in order to manage the retirement and pension funds of those in the military service. In 1996, the AFP-RSBS Board of Trustees undertook a "Calamba Land Banking Project" (Calamba Project) involving the acquisition of properties in Tanauan and Laurel in Batangas, and in Calamba, Laguna, in the total area of about 600 hectares to be consolidated for the development of housing projects and other mixed-use developments.⁴

In furtherance of the project, a Memorandum of Understanding (MOU) was entered into between Vintage Builders Corporation (VBC) as consolidator and AFP-RSBS as buyer.⁵ The MOU, provided, in part:

The purchase price for these consolidated parcels of land, with an aggregate area of Six Hundred (600) hectares more or less, shall be the average price of TWO HUNDRED TWENTY-FIVE (P]225.00) per

¹ *Rollo* (G.R. No. 199473), pp. 34-64. Penned by Associate Justice Jose R. Hernandez and concurred in by Associate Justices Gregory S. Ong and Maria Cristina J. Comejo.

² *Id.* at 66-87.

³ ANTI-GRAFT AND CORRUPT PRACTICES ACT approved on August 17, 1960.

⁴ *Rollo* (G.R. No. 199473), pp. 39-41. See also *rollo* (G.R. No. 199428), p. 10.

⁵ *Id.* at 41.



square meter, which amount is the guaranteed price that will be paid, regardless of whatever price that may have been agreed upon by the CONSOLIDATOR and the respective land owners.

The CONSOLIDATOR is aware that purchase by the BUYER of the above-described properties is still subject to its standard investment approval procedures and therefore considered explicitly not final and demandable.

The consolidation of the above-mentioned parcels of land into a contiguous property was the sole responsibility of the CONSOLIDATOR, without the involvement whatsoever on the part of the [BUYER]. For this purpose, the CONSOLIDATOR shall solely be responsible for any and all actions that may be brought by any third party, and shall free and hold harmless the BUYER from any and all liabilities, cause or causes of which, that may be instituted against the latter in connection with or arising from the aforementioned consolidation.

The following expenses/charges shall be for the account of the lot owners, to wit:

- 1) Capital gains tax
- 2) Tenants' Disturbance Fee
- 3) Documentary Stamp Tax
- 4) Consolidated Fees

The following expenses/charges shall be for the account of the [BUYER], to wit:

- 1) Transfer Tax
- 2) Registration Fees
- 3) Attorney's Fee for the execution of the Deeds of Absolute Sale

That the manner of payment shall be as follows:

- a) For those lots covered by Transfer Certificates of Title free and clear from any and all liens or encumbrances, without restrictions and tenants: The BUYER agrees to make a downpayment equivalent to THIRTY PERCENT (30%) of the purchase price to each Seller of the property, upon the signing of the Deed of Conditional Sale, and the balance of the purchase price shall be paid in full upon the signing and execution of the Deed of Absolute Sale and delivery of the Owner's copy of the Transfer Certificate of Title by the registered owner or his/her duly authorized representatives together with the corresponding Tax Declaration, Current Tax Receipts and Tax Clearances.

The amount equivalent to FIVE PERCENT (5%) of the downpayment shall be immediately deducted by the BUYER and shall be remitted to the CONSOLIDATOR, as and for initial payment of the Consolidator's Fee. The balance of the Consolidator's Fee, also equivalent to FIVE (5%) PERCENT of the unpaid purchase price, shall likewise be deducted by the



BUYER and remitted to the CONSOLIDATOR, upon payment of the balance of the purchase price.⁶

During an Investment Committee meeting on February 14, 1996 which was attended by Ramiscal as President/Chairman and Quilicot as Project Officer, the proposal to acquire the 600 hectares offered by VBC was approved. It was also clarified that the ₱225.00 per square meter guaranteed price was not the selling price in all cases; that it was possible that actual selling prices which the individual sellers may agree upon could be lower or higher than this amount, but that any excess over ₱225.00 per square meter would be absorbed by VBC.⁷ The AFP-RSBS Executive Committee approved this arrangement on February 22, 1996,⁸ and the Board of Trustees also subsequently gave its approval in March 1996.⁹

On June 26, 1996, VBC and First Integrated Finance Corporation (FIFC) entered into a Memorandum of Agreement whereby FIFC would act as co-consolidator and financier. FIFC would advance the payment to the individual sellers, based on the schedules of payment for titled and non-titled properties.¹⁰

On July 27, 1996, in a meeting of the Board of Trustees, attended by Ramiscal, the Board approved a recommendation to re-do the documentation of transactions involving the Calamba Project in order to reflect the actual price paid for a parcel of land, instead of the average price of ₱225.00 per square meter.¹¹

On September 11, 1996, AFP-RSBS and the consolidators agreed to a new arrangement in the manner of acquisition of lots and payment. In the new arrangement, the form of transfer would be based on the gross selling price in exchange for a title already in the name of AFP-RSBS.¹²

One of the properties procured by the AFP-RSBS under the Calamba Project was Lot No. 7055 in Tanauan, Batangas, subject of this case, with an area of 7,582 square meters previously covered by Transfer Certificate of Title (TCT) No. T-65973 in the name of Glicerio V. Plaza (Glicerio), Marianito Plaza, and Petra Maunahan (the Plazas).¹³ On April 14, 1997, Glicerio, acting as attorney-in-fact for the other owners, executed a unilateral Deed of Absolute Sale (unilateral deed) in favor of AFP-RSBS involving the said parcel of land reflecting the price of ₱227,460.00 or

⁶ Id. at 42-43.

⁷ Id. at 43.

⁸ *Rollo* (G.R. Nos. 199284-85), p. 21.

⁹ Id.

¹⁰ Id. at 22.

¹¹ Id. at 22-23; *rollo* (G.R. No. 199428), p. 21; *rollo* (G.R. No. 199473), p. 47.

¹² Id. at 23-24; id. at 22.

¹³ *Rollo* (G.R. No. 199473), p. 44.

₱30.00 per square meter.¹⁴ This unilateral deed was later on cited in a certified true copy (CTC) of the cancellation of the TCT in the name of the Plazas.¹⁵ A new TCT No. T-65974 over the property in the name of the AFP-RSBS was entered into the records of the Register of Deeds of Tanauan, Batangas on April 17, 1997.¹⁶

Subsequently, however, on April 23, 1997, AFP-RSBS (represented by Ramiscal) and Glicerio executed a deed of absolute sale (bilateral deed) over the same parcel of land at the price of ₱1,531,564.00 or ₱202.00 per square meter.¹⁷ Subsequently, a Status of Transaction Form¹⁸ (STF) was prepared by the AFP-RSBS project accountant to effect payment to the seller, Glicerio, in the said amount. Attached to the STF as supporting documents were the aforementioned bilateral deed, as well as the following documents:¹⁹

- a. CTC of the TCT in the Plazas' names;
- b. CTC of the cancelled Original Certificate of Title (from the original seller, cancelled when the property was transferred to the Plazas);
- c. CTC of the new TCT No. T-65974 in AFP-RSBS' name;
- d. Special Power of Attorney dated April 23, 1997 where the Plazas constituted VBC/FIFC as their attorneys-in-fact to negotiate and sell the property in question; and
- e. A Joint Venture Agreement dated April 23, 1997 entered into between the Plazas and AFP-RSBS providing, among others, that the AFP-RSBS as developer is authorized to "hold the titles to the property and to register any transaction affecting the same with the Register of Deeds and to cause the cancellation of the same and the issuance of new titles in furtherance of the purpose of this Agreement."²⁰

On the STF, Quilicot and Ramiscal affixed their signatures indicating their approval thereof in their respective capacities.²¹ Based on the foregoing documents, a Request for Voucher and Check Preparation was recommended for approval by Quilicot, while Satuito certified that the

¹⁴ *Rollo* (G.R. Nos. 199284-85), p. 24; *rollo* (G.R. No. 199428), p. 23.

¹⁵ *Rollo* (G.R. No. 199473), p. 45.

¹⁶ *Id.* at 44.

¹⁷ *Id.* at 46.

¹⁸ Status of Transaction Report in other parts of the records.

¹⁹ *Rollo* (G.R. No. 199473), pp. 44-46.

²⁰ *Id.* at 46.

²¹ *Id.* at 45.



documents were legally sufficient and in order.²² Subsequently, General Voucher No. 61789 dated May 28, 1997 was approved for payment by Ramiscal and Philippine National Bank Check No. 0-000072789, a crossed check under the account of AFP-RSBS dated June 3, 1997 in the amount of ₱1,531,564.00, was issued, payable to Glicerio. On the back of the check was what appeared to be the signature of Glicerio and an account number, which was in the name of FIFC. The check was deposited in this account.²³

The Senate Blue Ribbon Committee, in a Report dated December 23, 1998, found that there was irregularity in the Calamba Project and recommended the prosecution of those responsible therefor.²⁴ Subsequently, several Informations were filed by the Office of the Ombudsman before the Sandiganbayan against petitioners, along with other officials of the AFP-RSBS.

Subject of this instant case are Criminal Cases Nos. 28022 and 28023 which the Sandiganbayan decided. These arose from two Informations²⁵ dated October 12, 2004. One of the Informations was for Violation of Section 3(e) of R.A. No. 3019:

That on April 23, 1997 and sometime prior or subsequent thereto, in the Province of Batangas and Quezon City, Philippines, and within the jurisdiction of this Honorable Court, the abovenamed accused public officers, namely: Brigadier General Jose Servando Ramiscal, Jr., a high-ranking public official, being then the President of the [AFP-RSBS]; Atty. Meinrado Enrique A. Bello, Head of Legal Division; Atty. Manuel Se Satuito, Chief of Documentation, Legal Division; Captain Perfecto O. Quilicot, Jr., Project Officer, and certain John and Jane Does, also of the AFP-RSBS, a government entity, being a government owned or controlled corporation, while in the performance of their official functions and committing the offense in relation to their office, acting with evident bad faith, conspiring, confederating and mutually helping one another, with private individuals John Does and Jane Does, did then and there wilfully, unlawfully and criminally cause undue injury to AFP-RSBS and its members by purchasing a parcel of land covering an area of seven thousand five hundred eighty-two square meters (7,582 sq. m.), more or less, situated at Tanauan, Batangas, registered in the name of Marianito V. Plaza, Glicerio V. Plaza and Petra Maunahan and covered by OCT-11835 and TCT [No.] 65973 of the Registry of Deeds of Tanauan, Batangas, under a Bilateral Deed of Absolute Sale dated April 23, 1997, making it appear therein that the afore-described real property was sold by the said owners and purchased by the AFP-RSBS, represented by accused BGen. Jose Servando Ramiscal, Jr., for the amount of ONE MILLION FIVE HUNDRED THIRTY-ONE THOUSAND FIVE HUNDRED SIXTY-FOUR PESOS (₱1,531,564.00), Philippine Currency, paid under AFP-RSBS General Voucher No. 61789 dated May 28, 1997 with

²² Id. at 44.

²³ Id. at 46.

²⁴ *Rollo* (G.R. Nos. 199284-85), p. 12; *rollo* (G.R. No. 199428), p. 11.

²⁵ *Rollo* (G.R. No. 199473), pp. 179-186.

corresponding Philippine National Bank Check No. 72789 dated June 3, 1997, when in truth and in fact, accused knew fully well that the true and real consideration thereof is only TWO HUNDRED TWENTY-SEVEN THOUSAND FOUR HUNDRED SIXTY PESOS ([P]227,460.00) Philippine Currency, as correctly indicated in a unilateral Deed of Absolute Sale dated April 14, 1997 executed by the said owners, thereby resulting to an overprice of ONE MILLION THREE HUNDRED FOUR THOUSAND ONE HUNDRED FOUR PESOS ([P]1,304,104.00) to the damage and prejudice of AFP-RSBS and its members.

CONTRARY TO LAW.²⁶ (Emphasis omitted)

The other Information was for Estafa through Falsification of Public Documents, which alleged as follows:

That on April 23, 1997 and sometime prior or subsequent thereto, in the Province of Batangas and Quezon City, Philippines, and within the jurisdiction of this Honorable Court, the abovenamed accused public officers, namely: Brigadier General Jose Servando Ramiscal, Jr., a high-ranking public official, being then the President of the [AFP-RSBS]; Atty. Meinrado Enrique A. Bello, Head of Legal Division; Atty. Manuel Se Satuito, Chief of Documentation, Legal Division; Captain Perfecto O. Quilicot, Jr., Project Officer, and certain John and Jane Does, also of the AFP-RSBS, a government entity, being a government owned or controlled corporation, while in the performance of their official functions and committing the offense in relation to their office, acting with unfaithfulness and abuse of confidence, conspiring, confederating and mutually helping one another, with private individuals John Does and Jane Does, and with intent to defraud the AFP-RSBS and its members, did then and there wilfully, unlawfully and feloniously falsify or cause to be falsified a bilateral Deed of Absolute Sale dated April 23, 1997 covering seven thousand five hundred eighty-two square meters (7,582 sq. m.) more or less, of real property situated [in] Tanauan, Batangas, registered in the name of Marianito V. Plaza, Glicerio V. Plaza and Petra Maunahan and covered by OCT-11835 and TCT [No.] 65973 of the Registry of Deeds of Tanauan, Batangas, by making it appear therein that the aforescribed real property was sold by the said owners and purchased by the AFP-RSBS, represented by accused BGen. Jose Servando Ramiscal, Jr., for the overpriced amount of ONE MILLION FIVE HUNDRED THIRTY-ONE THOUSAND FIVE HUNDRED SIXTY-FOUR PESOS ([P]1,531,564.00), Philippine Currency, from its funds held by the accused AFP-RSBS officials in trust and for administration, when in truth and in fact, accused knew fully well that the true and real consideration thereof is only TWO HUNDRED TWENTY-SEVEN THOUSAND FOUR HUNDRED SIXTY PESOS ([P]227,460.00), Philippine Currency, as correctly indicated in a unilateral Deed of Absolute Sale dated April 14, 1997 executed by the said owners, and thereafter, to facilitate the payment of the said overpriced amount by the AFP-RSBS, the accused used the said falsified bilateral Deed of Absolute Sale as supporting document, among others, to the AFP-RSBS General Voucher No. 61789 dated May 28, 1997, and relying on said fraudulent acts, AFP-RSBS released the amount of ONE MILLION FIVE HUNDRED THIRTY-ONE

²⁶ Id. at 180-181.

THOUSAND FIVE HUNDRED SIXTY-FOUR PESOS ([P]1,531,564.00) by way of Philippine National Bank Check No. 72789 dated June 3, 1997, which amount included the overprice of ONE MILLION THREE HUNDRED FOUR THOUSAND ONE HUNDRED FOUR PESOS ([P]1,304,104.00) and which the accused subsequently misappropriated and converted to their personal use and benefit, to the damage and prejudice of the AFP-RSBS and its members.

CONTRARY TO LAW.²⁷ (Emphasis omitted)

Ruling of the Sandiganbayan

In its assailed Decision, the Sandiganbayan found petitioners guilty beyond reasonable doubt of Violation of Section 3(e) of R.A. No. 3019, while it found only Ramiscal guilty beyond reasonable doubt of the lesser crime of Falsification of Public Documents. The dispositive portion states as follows:

ACCORDINGLY, in Criminal Case No. 28022, accused 1) Jose Servando Ramiscal, Jr., 2) Meinrado Enrique A. Bello, 3) Manuel Se Satuito, and 4) Perfecto O. Quilicot, Jr., are found guilty beyond a reasonable doubt of the offense committed under [R.A. No.] 3019, Sec. 3(e). They are sentenced to suffer in prison the penalty of six (6) years and one (1) month to ten (10) years. The accused are also directed to pay AFP-RSBS jointly and severally the amount of [P]1,304,104.00.

In Criminal Case No. 28023, accused Jose Servando Ramiscal is found guilty beyond a reasonable doubt of the lesser crime of Falsification of Public Documents penalized under the Revised Penal Code, Article 171. He is sentenced to suffer in prison the penalty of two (2) years and four (4) months of *prision correccional* to six (6) years and eight (8) months of *prision mayor* and a fine of [P]5,000.00 x x x.

For failure of the prosecution to prove the elements of falsification against accused Meinrado Enrique A. Bello, Manuel Se Satuito, and Perfecto O. Quilicot, Jr., they are acquitted of the charges under this case.²⁸ (Emphasis omitted)

As regards the charge of violation of Section 3(e) of R.A. No. 3019, the Sandiganbayan found that all the elements of the crime charged were proven beyond reasonable doubt. In particular, the Sandiganbayan said that petitioners' acts of approving the STF and other documents effecting payment in the amount of P1,531,564.00 per the bilateral deed exhibited their evident bad faith, given that the correct and substantially lower amount was that indicated in the unilateral deed.

²⁷ Id. at 184-185.

²⁸ Id. at 62.

On the same premise — that it is the amount in the unilateral deed which is the true and correct consideration for the purchase of the subject property — the Sandiganbayan found Ramiscal, who was the only one among the accused before it who signed the bilateral deed, to have made untruthful statements in a narration of facts. The Sandiganbayan further said that although falsification was not shown to have been committed at the date indicated on the document since it was not proved that Ramiscal drafted the bilateral deed, “falsification attached when accused Ramiscal failed to make rectifications of the false narration.”²⁹

In the assailed Resolution, the Sandiganbayan denied petitioners’ respective Motions for Reconsideration.

Hence, these consolidated Petitions.

On July 24, 2020, counsel for Ramiscal filed before the Court a Notice of Death,³⁰ attaching thereto a copy of Ramiscal’s Certificate of Death³¹ with date of death on July 17, 2019. In a Notice³² dated January 12, 2021, the Court required counsel for Ramiscal to submit a CTC of the Certificate of Death. On March 15, 2021, counsel for Ramiscal filed their Compliance³³ to the Court’s Notice.

Issues

For resolution of the Court is the issue of whether the Sandiganbayan was correct in finding petitioners guilty beyond reasonable doubt of Violation of Section 3(e) of R.A. No. 3019.

Towards the resolution of these issues, the parties argue as follows:

For petitioner Ramiscal:

- a. The Sandiganbayan erred in considering the unilateral deed as a valid document and reflecting the true consideration of the sale.
- b. The Sandiganbayan failed to apply the equipoise rule in weighing the unilateral deed as against the bilateral deed.

²⁹ Id. at 61.

³⁰ *Rollo* (G.R. Nos. 199284-85), pp. 843-844.

³¹ Id. at 845-846.

³² Id. at 852-853.

³³ Id. at 855-858.



- c. The Sandiganbayan erred in not giving weight to the testimony of Glicerio regarding his receipt of at most ₱160.00 per square meter and not ₱30.00 per square meter in consideration of the sale of the subject property to AFP-RSBS.
- d. The Sandiganbayan erred in finding that there was no additional proof to controvert the sale consideration of ₱227,460.00 in the unilateral deed, despite the prosecution's conflicting stance in the other cases pending before different divisions of the same court, which were relevant and almost identical to the instant case; the Sandiganbayan also did not consider the acquittal of the accused in these other cases.
- e. The Sandiganbayan wrongly interpreted the Minutes of the AFP-RSBS Board of Trustees meeting of July 27, 1996.

For petitioner Satuito:

- a. The Sandiganbayan erred in considering the unilateral deed as a valid document and reflecting the true consideration of the sale.
- b. The Sandiganbayan failed to apply the equipoise rule in weighing the unilateral deed as against the bilateral deed.
- c. The Sandiganbayan erred in not giving weight to the testimony of Glicerio regarding his receipt of at most ₱160.00 per square meter and not ₱30.00 per square meter in consideration of the sale of the subject property to AFP-RSBS.
- d. The Sandiganbayan erred in not taking cognizance of the prosecution's conflicting stance in the other cases pending before different divisions of the same court, which were relevant and almost identical to the instant case; the Sandiganbayan also did not consider the acquittal of the accused in these other cases.
- e. There was no evident bad faith in Satuito's certification that the documents attached to the STF were legally sufficient and in order because there were no legal defects in the documents which would prevent the transfer of title in the name of AFP-RSBS, and the said documents were executed in accordance with the agreement between AFP-RSBS and the consolidators.

For petitioner Quilicot:

- a. There was no proof that petitioners knew that the true consideration for the sale was ₱227,460.00.



- b. There was no evident bad faith and no undue injury because the alleged overprice was never proven.
- c. The unilateral deed is inexistent as far as the AFP-RSBS officers were concerned.
- d. The conspiracy in the charge for Falsification of Public Documents was never proven; hence, there should also be no finding of conspiracy in the charge for Violation of Section 3(e) of R.A. No. 3019.

For its part, respondent People of the Philippines, through the Office of the Special Prosecutor, argues that the Sandiganbayan's findings were in accord with law and the evidence on record.

Ruling of the Court

At the outset, it must be emphasized that an accused is always presumed innocent until proven guilty beyond reasonable doubt. As the Court said in *People v. Mandao*:³⁴

x x x [C]onviction must rest on hard evidence showing that the accused is guilty beyond reasonable doubt of the crime charged. In criminal cases, moral certainty—not mere possibility—determines the guilt or the innocence of the accused. Even when the evidence for the defense is weak, the accused must be acquitted when the prosecution has not proven guilt with the requisite quantum of proof required in all criminal cases.³⁵ (Citations omitted)

With this in mind, the Court finds merit in the Petitions.

On the Death of Petitioner Ramiscal

Given that Ramiscal's death transpired while this case is pending resolution, his criminal liability is totally extinguished in view of Article 89 of the RPC which states:

Art. 89. *How Criminal Liability is Totally Extinguished.* - Criminal liability is totally extinguished:

1. By the death of the convict, as to the personal penalties; and as to pecuniary penalties, liability therefor is extinguished only when the death of the offender occurs before final judgment[.]

³⁴ G.R. No. 135048, December 3, 2002, 393 SCRA 292.

³⁵ Id. at 305.

Further, the Rules of Court provides:

Section 4. *Effect of death on civil actions.* - The death of the accused after arraignment and during the pendency of the criminal action shall extinguish the civil liability arising from the delict. However, the independent civil action instituted under section 3 of this Rule or which thereafter is instituted to enforce liability arising from other sources of obligation may be continued against the estate or legal representative of the accused after proper substitution or against said estate, as the case may be. The heirs of the accused may be substituted for the deceased without requiring the appointment of an executor or administrator and the court may appoint a guardian *ad litem* for the minor heirs.

The court shall forthwith order said legal representative or representatives to appear and be substituted within a period of thirty (30) days from notice.

A final judgment entered in favor of the offended party shall be enforced in the manner especially provided in these rules for prosecuting claims against the estate of the deceased.

If the accused dies before arraignment, the case shall be dismissed without prejudice to any civil action the offended party may file against the estate of the deceased.³⁶

Hence, Ramiscal's civil liability *ex delicto* is likewise extinguished and G.R. Nos. 199284-85 are hereby **DISMISSED**. Due to the death of Ramiscal, who was the only one who assailed the finding of the Sandiganbayan in Criminal Case No. 28023 for Falsification of Public Documents, only the findings of the Sandiganbayan in Criminal Case No. 28022 for violation of Section 3(e) of R.A. No. 3019 as against petitioners Satuito and Quilicot are now for resolution by the Court.

The Validity of the Two Deeds of Absolute Sale

At the center of the controversy in this case is the existence of the two conflicting deeds of absolute sale and the difference in consideration indicated therein. Between the two, the Sandiganbayan considers the unilateral deed as the valid deed and the amount of P227,460.00 indicated therein as the true purchase price for the following reasons: (a) the unilateral deed was the basis for the transfer of title to the AFP-RSBS; (b) it was dated earlier than the bilateral deed and therefore operated to transfer title already to AFP-RSBS before the bilateral deed was even signed; (c) it is a notarized document and therefore *prima facie* evidence of the facts therein expressed;

³⁶ THE REVISED RULES OF CRIMINAL PROCEDURE, as amended on December 1, 2000, Rule 111.

and (d) while the seller, Glicerio, testified that he received more than a million pesos or about ₱160.00 per square meter, his testimony cannot be given weight because he is not a credible witness.

The Court notes that, aside from the unilateral deed, the Sandiganbayan did not consider any other piece of evidence in arriving specifically at the conclusion that the true purchase price was at ₱227,460.00. Notably, its faith in the unilateral deed is heavily anchored on presumptions in law and the rules on evidence — on the regularity of the acts of the Register of Deeds, the due execution of notarized documents, and credibility of witnesses. In its assailed Decision, the Sandiganbayan said:

The existence of the two deeds of sale mentioned in the information is not disputed. Both deeds cover the same property but they bear different execution dates: 14 April 1997 and 23 April 1997; they also indicated different purchasing costs: [₱]227,460.00 and [₱]1,531,564.00 respectively. As records show, both these documents were separately filed before different offices: the unilateral deed of sale reflecting [₱]227,460.00 as purchasing cost was the document used in the registration of the transaction as well as in the payment of the registration fee, transfer tax, capital gains tax, documentary stamp tax pertaining to the transfer of title in the Register of Deeds. The Bilateral Deed of sale, on the other hand, was the document used in seeking the disbursement by the AFP-RSBS of [₱]1,531,564.00 purportedly as payment of the purchase price of the land in question. Of these two amounts, this Court considers the [₱]227,460.00 as the actual selling price by the land owners; it was on the basis of this sale that the title was transferred to AFP-RSBS. This Court cannot give weight to the testimony of Glicerio Plaza to the effect that he received more than a million as a consideration for the property inasmuch as:

1. The deed of sale was duly recognized as the basis of the transfer of title before the Register of Deeds and the Bureau of Internal Revenue[;]
2. There was no allegation that the first deed of sale was simulated; in fact, the purpose of his testimony was not to establish that fact; [and]
3. In so far as the terms contained in the first deed of sale is concerned, the oral testimony of Glicerio Plaza cannot override what is written on the document.³⁷

First, the Sandiganbayan's reliance on the TCT in the name of AFP-RSBS in ruling that the unilateral deed contains the true selling price is misplaced. Indeed, a Torrens Title enjoys the presumption of having been regularly issued.³⁸ Its strength and value, however, is that it is conclusive

³⁷ *Rollo* (G.R. No. 199473), p. 51.

³⁸ See *Viaje v. Pamintel*, G.R. No. 147792, January 23, 2006, 479 SCRA 427, 438; *Republic v. Orfinada, Sr.*, G.R. No. 141145, November 12, 2004, 442 SCRA 342, 359; and *Ching v. Court of Appeals*, G.R. No. 59731, January 11, 1990, 181 SCRA 9, 18.

evidence with respect to the ownership of the land described therein, and other matters which can be litigated and decided in land registration proceedings.³⁹ For purposes of determining an accused's guilt beyond reasonable doubt, the presumption cannot go so far as to vouch for the particulars of the agreement between the parties and the accuracy of the details indicated in the documents. Relevantly, in *Fudot v. Cattleya Land, Inc.*,⁴⁰ the Court clarified that:

The act of registration does not validate petitioner's otherwise void contract. Registration is a mere *ministerial* act by which a deed, contract, or instrument is sought to be inscribed in the records of the Office of the Register of Deeds and annotated at the back of the certificate of title covering the land subject of the deed, contract, or instrument. While it operates as a notice of the deed, contract, or instrument to others, it *does not add to its validity nor converts an invalid instrument into a valid one as between the parties*, nor amounts to a declaration by the state that the instrument is a valid and subsisting interest in the land. The registration of petitioner's void deed is not an impediment to a declaration by the courts of its invalidity.⁴¹ (Citations omitted and emphasis, italics and underscoring supplied)

Furthermore, in *Office of the Ombudsman v. Manalastas*,⁴² the Court explained the ministerial nature of registration in this wise:

Registration is a mere ministerial act by which a deed, contract, or instrument is sought to be inscribed in the records of the Office of the Register of Deeds and annotated at the back of the certificate of title covering the land subject of the deed, contract, or instrument. **Being a ministerial act, it must be performed in any case. The public officer having this ministerial duty has no choice but to perform the specific action which is the particular duty imposed by law.** The purpose of registration is to give notice to all persons. It operates as a notice of the deed, contract, or instrument to others, but neither adds to its validity nor converts an invalid instrument into a valid one between the parties.

Since registration of documents is a ministerial act and merely creates a constructive notice of its contents against all third persons, **the Register of Deeds is not authorized to determine whether or not fraud was committed in the document sought to be registered.**

X X X X

In this case, the owner's duplicate copy of title attached to the real estate mortgage was written in an official paper of the Land Registration Authority and contained all the markings of a genuine title. **The Office of the Register of Deeds is not mandated to investigate**

³⁹ *Ungay Malobago Mines, Inc. v. Republic*, G.R. No. 187892, January 14, 2015, 746 SCRA 29, 34; see also *Urieta Vda. de Aguilar v. Alfaro*, G.R. No. 164402, July 5, 2010, 623 SCRA 130, 141; *Republic v. Orfinada, Sr.*, id.; and *Ching v. Court of Appeals*, id.

⁴⁰ G.R. No. 171008, September 13, 2007, 533 SCRA 350.

⁴¹ Id. at 361.

⁴² G.R. No. 208264, July 27, 2016, 798 SCRA 628.



further than necessary when documents presented before it appear authentic. x x x⁴³ (Citations omitted and emphasis supplied)

Precisely because of the ministerial nature of the act of registration, as well as the fact that registration was **never meant to attest to the truth or accuracy of the contents of the document or deed on the basis of which a certificate of title to land is issued**, the Court finds it injudicious to hinge a finding of guilt beyond reasonable doubt thereon.

Second, the Sandiganbayan's weighing of the two deeds of absolute sale within the framework of evidentiary weight of notarized documents is not in accord with logic, evidentiary rules, and the evidence at hand. In its assailed Resolution, the Sandiganbayan says:

Both the unilateral and bilateral deeds of sale are notarized documents; as such, they are indeed both public documents. But contrary to the argument raised by accused, the legal presumption of regularity cannot be applied to its contents.

Apparent on these documents are the following data: a) the unilateral contract is dated 14 April 1997 while the bilateral deed is dated 23 April 1997; b) the unilateral deed was registered with the Register of Deeds while the bilateral deed was not. If the lot was sold by the owner on 14 April 1997, that same owner cannot sell the property again on the 23rd of the same month inasmuch as he does not own the property anymore. In fact, the title over the property was already transferred to the AFP-RSBS on 17 April 1997 by the Register of Deeds. Consequently, the bilateral deed of sale dated 23 April 1997 did not have an existing object or cause on that date. Under Article 1409 of the New Civil Code, those contracts whose objects or cause did not exist at the time of the transaction are void from the beginning. Given these considerations, the presumption of regularity cannot sustain the validity of the provisions of the bilateral deed of sale.

This leaves the unilateral deed of sale as a valid proof of its content[s]. On the notarized unilateral deed of sale, the Supreme Court ruling as to the evidentiary value of a notarized document is compelling:

“Finally, the questioned Deed of Absolute Sale in the present case is a notarized document. Being a public document, it is *prima facie evidence* of the facts therein expressed. It has the presumption of regularity in its favor and to contradict all these, evidence must be clear, convincing, and more than merely preponderant.”⁴⁴ (Citations omitted and emphasis, italics and underscoring supplied)

⁴³ Id. at 638-639, 641.

⁴⁴ *Rollo* (G.R. No. 199473), p. 72.

In the above passage, the Sandiganbayan quotes *Domingo v. Domingo*⁴⁵ (*Domingo*), a case where the primary issue was whether therein petitioner had sufficiently proven that his father's signature on a deed of absolute sale was forged, using a comparison done by the then Philippine Constabulary-Integrated National Police between signatures which were inscribed eight years apart. The facts and issues in *Domingo* are clearly not on all fours with the instant case.

The Sandiganbayan further says that:

Rule of Evidence – The unilateral deed dated 14 April 1997 is proof of its provision on the selling price at [P]227,460.00 and of the date of the deed. This is in accordance with the Rules of Court, Rule 132, section 23 which provides that “All other public documents are evidence, even against third persons, of the facts which gave rise to their execution and of the date of the latter.” To say that the *contents of this deed* does not prove what it says casually tramples on this fundamental rule and begs for its legal justification.⁴⁶ (Emphasis and italics in the original)

Certainly, the very observation by the Sandiganbayan itself that both the unilateral and bilateral deeds were notarized documents should have prompted it, in determining which document contains the truth, to look into evidence *extraneous to the deeds themselves*. Without such evidence, there would be no logical basis to favor one document over the other. Notarized deeds are merely *prima facie* evidence of their contents and the Sandiganbayan cannot rely on presumptions in the face of another notarized document which contains contradictory information. Despite this, from the above-quoted portions of the assailed Resolution, it is clear that in favoring the unilateral deed, the Sandiganbayan relied on (a) the fact that the unilateral deed is dated earlier than the bilateral deed, and (b) the unilateral deed was registered with the Register of Deeds while the bilateral deed was not. The first justification is not information extraneous to the deeds; as to the latter, the foregoing discussions have already explained why this cannot support the Sandiganbayan's conclusions.

The Court finds disturbing how the Sandiganbayan had clothed the unilateral deed with infallibility using a loose weave of presumptions which lack footing in any other evidence on the record. Glicerio, the seller, took the witness stand as witness *for the prosecution* and he unequivocally admitted that he received more than a million pesos as consideration for the sale of the subject property. Portions of the relevant transcript of stenographic notes are as follows:

⁴⁵ G.R. No. 150897, April 11, 2005, 455 SCRA 230.

⁴⁶ *Rollo* (G.R. No. 199473), pp. 73-74.

Pages 12-13, TSN, 05 June 2006

PROS. TURALBA:

Mr. witness, I have noticed that in these two (2) Deed of Sale there are different considerations, in the Deed of Sale dated April 14, 1997 and marked as Exhibit "H", there appear the consideration in the sum of [P]227,460.00, while in the Deed of Absolute Sale executed on April 23, 1997 marked as Exhibit "G" for the prosecution, the consideration is in the total amount of [P]1,531,564.00, can you tell this Honorable Court, which of the two (2) considerations or the sums were received by you?

Pages 13-15, TSN, 05 June 2006

WITNESS:

A I could not tell you exactly which is the correct amount, sir, but I am sure that the amount of the land that I have sold is around [P]150.00 per square meter, it could be [P]153.00, [P]150.00 or [P]155.00 but not more than [P]160.00. So, whatever amount that will tally to the area of the land, I believed, sir, it is the two [sic] Deed of Sale.

PROS. TURALBA:

Q So, it did not exceed the amount of [P]153.00 per square meter?

A I think so, sir, because when we talked with Ms. Velayo, if I could still remember, it was already 1997, it was already a long time ago. I believe that the consideration of the price of the land is around [P]153.00 per square meter. So, after that she issued a check to me, and then I signed the Deed of Sale.

x x x x

AJ HERNANDEZ:

Q So, how much did you receive?

A I am only after, Your Honor, is the amount that we agreed, so, after I received the amount, I signed the document.

Q So, how much did you receive?

A I could not exactly remember, Your Honor, but it was a check issued under the Luzon Development Bank. It was Mrs. Velayo, Your Honor, who gave me the check.

Q You cannot remember the amount?

A I think it was more than ONE MILLION, Your Honor, because [P]7,580.00 [sic; this value is the total area of the land] if you will multiply it by 10 x 150, that's the consideration, Your Honor.

x x x x

Page 18, TSN, 05 June 2006

PROS. TURALBA:

Q Now, you mentioned of the check paid to you by Miss Trining Velayo, can you not recall, nor can you recall the exact amount reflected in that check issued to you by Miss Trining Velayo?

A I could no longer remember, sir, but it is the amount that we agreed, because we agreed in the amount of more than [P]150.00 per square meter, sir.⁴⁷

While the witness admits that he cannot recall the precise amount he was paid in consideration of the sale of the subject land, he consistently testified, in response to questions of both the prosecution and the Sandiganbayan, that he received more than a million pesos, or around P150.00 to P153.00 (but not more than P160.00) per square meter — a far cry from the consideration indicated in the unilateral deed of only P227,460.00 or P30.00 per square meter.

Despite this, the Sandiganbayan still defended the unilateral deed, saying that it could not give weight to the testimony of Glicerio because:

1. The deed of sale was duly recognized as the basis of the transfer of title before the Register of Deeds and the Bureau of Internal Revenue[;]
2. There was no allegation that the first deed of sale was simulated; in fact, the purpose of his testimony was not to establish that fact; [and]
3. In so far as the terms contained in the first deed of sale is concerned, the oral testimony of Glicerio Plaza cannot override what is written on the document.⁴⁸

On the first justification, as already discussed above, the mere fact that the unilateral deed was recognized by the Bureau of Internal Revenue and the Register of Deeds as the basis of the transfer of title to the land cannot categorically assure the Court that the same deed captures the truth of the agreement between the parties, in the face of other evidence which contradicts the same.

On the second and third justifications, the Sandiganbayan, in its assailed Resolution, further explains as follows:

D. that the Court did not consider the testimony of the seller, a prosecution witness, that he received more than a million and that the price per sqm was somewhere between 150 to 160/sqm.

⁴⁷ Rollo (G.R. Nos. 199284-85), pp. 44-45.

⁴⁸ Rollo (G.R. No. 199473), p. 51.

We cannot sustain this argument as it is violative of the rule that evidence can only be considered for the purpose it was offered. Offer of evidence is precisely designed to enable the courts to know for what purpose it is being presented. Rule 132, Sec. 34 of the Rules of Court commands that the “purpose for which the evidence is offered must be specified.” The testimony of the prosecution witness Plaza was not offered to prove that the selling price was probably pegged between [P]150.00 to [P]160.00 per sqm. To appreciate evidence for purposes different from the offer of evidence certainly violates this rule of evidence.

Assuming *arguendo* that this fundamental rule does not exist and courts are allowed to appreciate evidence for just about any purpose conceivable, the probative value of this witness’ testimony on the amount he received, *in the absence of additional proof to corroborate it*, cannot sufficiently controvert the unilateral deed. Here is a witness who does not value the ordinary formality of a sales transaction; here is a witness who has no qualms in signing two contracts (unilateral and bilateral deed) pertaining to one and the same property; here is a witness testifying that his motivation for not bothering with the documents is that the money agreed upon is [in] his hand anyway. Here and now, the testimony of the seller-witness as to the amount he received lacks reliability owing to his tendency at dubious representations. Consequently, his testimony on this amount cannot sufficiently controvert the amount indicated in the unilateral deed in the absence of additional proof such as, for instance his copy of the deed of sale bearing the amount he claims as the real price or the receipt of the amount he claimed he received. At this juncture, a cross-reference to the rules mentioned earlier on prima facie evidence and burden of evidence is relevant. If the purpose is to assail the unilateral deed of sale or controvert its contents, the burden of evidence lies with the defense.⁴⁹ (Italics in the original)

The Court is not unaware of the established rule that the trial court’s assessment of the credibility of a witness is entitled to great weight, sometimes even with finality. But this rule holds only “where there is no showing that the trial court overlooked or misinterpreted some material facts or that it gravely abused its discretion.”⁵⁰ In this case, the Court finds that the Sandiganbayan significantly erred in its appreciation not only of the testimony of Glicerio, but also the rest of the material evidence presented by the prosecution.

As mentioned earlier, while the exact value per square meter of the property escaped the witness’ memory, during direct testimony and even upon several clarifications by the Sandiganbayan itself, he consistently and categorically declared under oath that the consideration he received was more than one million pesos, based on the computation of around P150.00 to P160.00 per square meter. On cross-examination, he again affirmed that he

⁴⁹ Id. at 74.

⁵⁰ *People v. Gabrino*, G.R. No. 189981, March 9, 2011, 645 SCRA 187, 194, citing *People v. Combate*, G.R. No. 189301, December 15, 2010, 638 SCRA 797.

received more than a million pesos for the subject property.⁵¹ Another established rule on the credibility of a witness is that “a witness who testifies in a categorical, straightforward, spontaneous and frank manner and remains consistent on cross-examination is a credible witness.”⁵²

Moreover, the Court emphasizes that Glicerio is a witness *for the prosecution*. Despite being in the prosecution’s control, Glicerio still testified consistently in a manner which directly contradicted the prosecution’s stance that the unilateral deed reflected the true purchase price for the subject land.

The Court strongly disapproves of the Sandiganbayan’s finding that:

x x x Rule 132, Sec. 34 of the Rules of Court commands that the “purpose for which the evidence is offered must be specified.” The testimony of the prosecution witness Plaza was not offered to prove that the selling price was probably pegged between [P]150.00 to [P]160.00 per sqm. To appreciate evidence for purposes different from the offer of evidence certainly violates this rule of evidence.⁵³

This is a strained and unreasonable reading of Rule 132, Section 34 of the Rules of Court. That the testimony of Glicerio was not offered for the extremely narrow and unnecessarily specific purpose of proving “that the selling price was probably pegged between [P]150.00 to [P]160.00 per sqm”⁵⁴ does not mean that the Sandiganbayan is now allowed to selectively turn deaf when it comes to the correctness of the price indicated in the unilateral deed. Without doubt, this is grave abuse of discretion by the Sandiganbayan, which becomes even more glaring when the prosecution’s offer of Glicerio’s testimony is considered:

PROS. TURALBA:

Your Honor, the testimony of this witness is being offered to prove the following: that the witness was the owner and the attorney-in-fact of the land owners Marianito Plaza and Petra Maunahan of the property which was sold to AFP-RSBS; and the subject matter of this case, Your Honors. Second, to prove the execution of two (2) Deed[s] of Sale dated respectively, April 14, 1997 and April 23, 1997 with the following amount[s], Your Honors. For April 14, 1997[,] the amount reflected was [P]227,460.00, while on April 23, 1997, the amount reflected on the Deed of Sale was [P]1,531,564.00, and this Deed of Sale of April 23, 1997, was executed despite the fact that the [TCT] No. T-65904 was already

⁵¹ *Rollo* (G.R. Nos. 199284-85), p. 43.

⁵² *People v. Clores*, G.R. No. 82362, April 26, 1990, 184 SCRA 638, 643, citing *People v. Barros*, No. L-34249, May 3, 1983, 122 SCRA 34.

⁵³ *Rollo* (G.R. No. 199473), p. 74.

⁵⁴ *Id.*

issued in the name of AFP, Your Honors. And the testimony of this witness will also prove that the land owners already paid before the Government for check of [P]1,531,000.00... (interruption)...

CHAIRMAN:

Let me interrupt you[,] Mr. Prosecutor. Make it briefly, because you are like testifying already.

PROS. TURALBA:

In the amount of [P]1,531,000.00, which is processed by the Personnel of AFP? The testimony will prove the alleged material allegations in the Information and corroborate the testimony of prosecution witness Carolyn Mercado, Your Honors.⁵⁵ (Citations and emphasis omitted, and italics and underscoring supplied)

Given the foregoing purpose of the offer, the Sandiganbayan was free to consider the testimony of Glicerio in its evaluation of whether the allegation in the Information that “the true and real consideration thereof is only TWO HUNDRED TWENTY-SEVEN THOUSAND FOUR HUNDRED SIXTY PESOS ([P]227,460.00), Philippine Currency, as correctly indicated in a [unilateral deed]”⁵⁶ was duly established beyond reasonable doubt. This, the Sandiganbayan unreasonably failed to do.

All told, the Sandiganbayan erred in finding that the unilateral deed contained the true understanding between AFP-RSBS and the seller; and that the bilateral deed was void. As borne by the records, these have not been proven beyond reasonable doubt.

Not all of the elements of violation of Section 3(e) of R.A. No. 3019 were proven beyond reasonable doubt

The elements of a violation of Section 3(e) of R.A. No. 3019 are as follows:

1. The accused must be a public officer discharging administrative, judicial or official functions;
2. He must have acted with manifest partiality, evident bad faith or [gross] inexcusable negligence; and

⁵⁵ Rollo (G.R. Nos. 199284-85), pp. 38-39.

⁵⁶ Rollo (G.R. No. 199473), pp. 35-36.

3. That his action caused any undue injury to any party, including the government, or giving any private party unwarranted benefits, advantage or preference in the discharge of his functions.⁵⁷

In its assailed Decision, the Sandiganbayan made the following findings on the existence of the elements of the crime charged, particularly on the element of causing undue injury to any party, including the government, or giving any party unwarranted benefits, advantage or preference in the discharge of the public officer's functions:

Undue injury required under this element is held to be synonymous to actual injury. "Unlike in actions for torts, undue injury in Sec. 3(e) cannot be presumed even after a wrong or a violation of a right has been established." Its existence must be proven as one of the elements of the crime. In fact, the causing of undue injury or the giving of any unwarranted benefits, advantage or preference through manifest partiality, evident bad faith or gross inexcusable negligence constitutes the very act punished under this section. Thus, it is required that the undue injury be specified, quantified and proven to the point of moral certainty."

The [P]1,304,104.00 difference between the disbursed [P]1,532,564.00 and the actual selling price of [P]227,460.00 constitute the actual injury suffered by the AFP-RSBS.

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As it turned out, the documentation of the transaction was manipulated purposely to allow the disbursement of amounts over and above the actual purchase price. In the transaction in question, [P]1,531,564.00 was disbursed to pay for a purchase price that was actually just [P]227,460.00. There lies a big chunk of difference between [P]1,531,564.00 and [P]227,460.00 which could have been kept as savings of AFP-RSBS. The lost savings in the amount of [P]1,304,104.00 constitutes the actual injury on the part of AFP-RSBS.⁵⁸ (Citations omitted and underscoring in the original)

Evidently, the foregoing findings are based on the conclusion that the ₱227,460.00, as indicated in the unilateral deed, is the true purchase price, and the ₱1,531,564.00 indicated in the bilateral deed is a fabricated purchase price. As already discussed, however, this conclusion was unwarranted, having been drawn merely from a comparison between the two deeds and an erroneous application of presumptions under the law. Hence, the element of undue injury has not been proven beyond reasonable doubt.

⁵⁷ *Cabrera v. People*, G.R. No. 191611-14, July 29, 2019, 910 SCRA 578, 587, citing *Cabrera v. Sandiganbayan*, G.R. Nos. 162314-17, October 25, 2004, 441 SCRA 377, 386.

⁵⁸ *Rollo* (G.R. No. 199473), pp. 57-59.

Even assuming this element was sufficiently established, still, conviction cannot be upheld because the element of having acted with manifest partiality, evident bad faith, or gross inexcusable negligence was also not proven beyond reasonable doubt. The Sandiganbayan made the following findings on this particular element:

The individual acts of the accused in the disbursement of [P]1,531,564.00 showing evident bad faith are:

[I.] Accused Quilicot signed the Status of Transaction Report as the verifying project officer. According to him, his signature attested to the correctness of the mathematical computation for [P]1,531,564.00: the figures being, the [P]202.00 cost per square meter provided under the MOU multiplied by the 7,589 square meters land area purchased.

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Decisively, it was accused Quilicot himself as Project Officer who made the presentation of the project proposal, including its costing, to the Investment Committee headed by accused Ramiscal. As the Project Officer, his participation and involvement [were] established from the proposal stage. In other words, his working knowledge and familiarity with the project extended back to matters of costing. Under the circumstances, his signature on the Status of Transaction Report cannot simply be reduced to verifying the correctness of some mathematical computation. As the question of costing was within the purview of his involvement, his signature was bound to be taken as an attestation/verification that the amount claimed for disbursement correctly reflects the actual purchase price. It was a breach of sworn duty constituting evident bad faith for him to affix his signature notwithstanding the fact that the amount sought for disbursement do [sic] not reflect the actual purchase price of the land acquired from the Plazas. Negotiations regarding the purchase of properties fell under the jurisdiction of the Real Estate Management Department under which accused Quilicot was the Project Officer of the project in question.

[II.] Accused Satuito also signed the Status of Transaction Report certifying that the documents are legally sufficient and in order. He persistently pointed out that it was the responsibility of the consolidator to determine the selling price and that his function was just to check that the title to the property was transferred to AFP-RSBS.

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As printed on the Status of Transaction Report, the endorsement for payment was based on the findings of the Legal Department; this department was headed by accused Bello and under which department accused Satuito was the head of the Documentation Division. Accused Satuito signed the document upon the ground that the project was approved by the Board. The Status of Transaction Report, however, did not require the legal department to verify whether or not the project was approved by the Board. Clearly, the subject matter of this document was the payment of the cost of acquisition; and whether or not accused officials should sign the document depended on the correctness and



legality of the amount and the supporting documents. The cancelled TCT of the seller - with the annotation of the amount of [P]277,460.00 by the Register of Deeds as the consideration of its transfer to AFP-RSBS was attached to the Status of Transaction Report. Given the attached document, it is difficult to believe that this information escaped the attention of accused Satuito being the chief of the Documentation Division. When he signed the document without regard to the information in the documents attached, he failed to make any findings as to the legality and sufficiency of the documents in wanton breach of his sworn duty. It was done with evident bad faith.⁵⁹ (Citations omitted and underscoring supplied)

The foregoing findings of the Sandiganbayan are premised on the belief that petitioners knew about the execution of the unilateral deed. In turn, the Sandiganbayan made this conclusion because of the supporting documents attached to the STF which petitioners signed, and which facilitated the payment of P1,531,564.00 as purchase price of the subject property. The Sandiganbayan pointed to the following documents attached to the STF when petitioners signed the same, particularly the cancelled TCT in the name of the Plasas, which should purportedly have alerted them to the existence of the unilateral deed:

1. cancelled TCT in the name of seller Plasas, with annotation that the title was cancelled on the basis of the absolute deed of sale dated April 14, 1997 at [P]227,460.00 selling price.
2. New TCT in the name of AFP-RSBS as the buyer, with registration date as 17 April 1997.
3. bilateral deed of sale dated April 23, 1997 indicating the selling price of Lot 7055 to be [P]1,531,564.00.⁶⁰ (Emphasis omitted and underscoring supplied)

Notably, the unilateral deed was not attached to the STF, and this was undisputed before the Sandiganbayan.⁶¹

The Sandiganbayan's observations on petitioners' act of signing the STF, at best, would only support the suspicion that either petitioners knew about the existence of the unilateral deed but approved the payment based on the bilateral deed anyway; or, out of negligence, petitioners did not meticulously read through the supporting documents attached to the STF. These alternative facts, nevertheless, do not support a finding of evident bad faith. In the absence of categorical proof that they participated in the execution of the unilateral deed, these suspicions are not enough to support a finding that petitioners committed the acts charged in the Information:

⁵⁹ Id. at 54-56.

⁶⁰ Id. at 83.

⁶¹ Id. at 82.

x x x [D]id then and there wilfully, unlawfully and criminally cause undue injury to AFP-RSBS and its members by purchasing a parcel of land covering an area of seven thousand five hundred eighty-two square meters (7,582 sq. m.), more or less, situated at Tanauan, Batangas, registered in the name of Marianito V. Plaza, Glicerio V. Plaza and Petra Maunahan and covered by OCT-11835 and TCT [No.] 65973 of the Registry of Deeds of Tanauan, Batangas, under a bilateral Deed of Absolute Sale dated April 23, 1997, **making it appear** therein that the afore-described real property was sold by the said owners and purchased by the AFP-RSBS, represented by accused BGen. Jose Servando Ramiscal, Jr., for the amount of ONE MILLION FIVE HUNDRED THIRTY-ONE THOUSAND FIVE HUNDRED SIXTY-FOUR PESOS ([P]1,531,564.00), Philippine Currency, paid under AFP-RSBS General Voucher No. 61789 dated May 28, 1997 with corresponding Philippine National Bank Check No. 72789 dated June 3, 1997, **when in truth and in fact, accused knew fully well that the true and real consideration thereof is only TWO HUNDRED TWENTY-SEVEN THOUSAND FOUR HUNDRED SIXTY PESOS ([P]227,460.00), Philippine Currency, as correctly indicated in a unilateral Deed of Absolute Sale dated April 14, 1997 executed by the said owners**, thereby resulting to an overprice of ONE MILLION THREE HUNDRED FOUR THOUSAND ONE HUNDRED FOUR PESOS ([P]1,304,104.00) to the damage and prejudice of AFP-RSBS and its members.⁶² (Emphasis supplied)

Verily, a finding that petitioners *should have known about the existence of the unilateral deed* cannot be equated to a finding that, as charged, they fabricated a second deed of sale to make it appear that the property was sold for a different price. Neither does it prove that the real consideration is that in the unilateral deed. Again, just because the unilateral deed was used to transfer title to the AFP-RSBS does not mean that it contains the true agreement between the parties, especially when there is no categorical proof that the AFP-RSBS participated in the execution thereof. The transfer of title could have been achieved even without action whatsoever on the part of AFP-RSBS, as the Register of Deeds would not have inquired as to whether AFP-RSBS participated in or consented to the transfer *via* unilateral deed — the register’s duty being ministerial in nature.

It is settled in jurisprudence that the “evident bad faith” necessary for a conviction under Section 3(e) of R.A. No. 3019 does not simply connote bad judgment, “but also palpably and patently fraudulent and dishonest purpose to do moral obliquity or conscious wrongdoing for some perverse motive or ill will.”⁶³ It contemplates “a state of mind affirmatively operating with furtive design or with some motive or self-interest or ill will or for ulterior purposes.”⁶⁴ No such malicious intent or design can be inferred from

⁶² Id. at 180-181.

⁶³ *Jose Tapales Villarosa v. People of the Philippines*, G.R. Nos. 233155-63, June 23, 2020, p. 8. See also *Richard T. Martel, et al. v. People of the Philippines*, G.R. Nos. 224720-23, February 2, 2021, pp. 21-22; *People of the Philippines v. Lionel Echavez Bacaltos*, G.R. No. 248701, July 28, 2020; and *Tiongco v. People*, G.R. Nos. 218709-10, November 14, 2018, 885 SCRA 480, 507.

⁶⁴ Id.

what seems to be a failure to scrutinize the minute details of the cancelled deed of sale. Indeed, those in the public service are expected to be competent and judicious in the performance of their official duties. They are not, however, mandated to be infallible. "Mistakes committed by a public officer are not actionable absent any clear showing that they were motivated by malice or gross negligence amounting to bad faith."⁶⁵

Time and again, the Court has adhered to the rule that to sustain a conviction, the prosecution must prove the guilt of the accused beyond reasonable doubt, relying on the strength of its own evidence and not banking on the weakness of the defense.⁶⁶ Mere suspicion, no matter how strong, cannot sustain a conviction, and every reasonable doubt must be resolved in the accused's favor.⁶⁷ The particulars of this case have certainly inspired many such doubts in the Court's mind. Hence, mindful of the overwhelming presumption of petitioners' innocence, they must be acquitted.

*The acquittal of petitioners benefits
co-accused who did not assail the
Sandiganbayan's Decision and
Resolution*

The Court notes that among those found guilty by the Sandiganbayan of Violation of Section 3(e) of R.A. No. 3019 was Meinrado Enrique A. Bello (Bello), who was, at the time of the facts involved in this case, Head of the Legal Division of AFP-RSBS. The Sandiganbayan anchored Bello's liability on his act of signing the STF, thereby recommending approval of the payment for ₱1,531,564.00 based on the second deed of sale, "even if the lot was actually bought at the price of [₱]227,460[.00] under the deed of sale dated 14 April 1997."⁶⁸ Based on the records of these consolidated cases, Bello did not file a petition assailing the Sandiganbayan's findings against him.

Section 11, Rule 122 of the Rules of Criminal Procedure provides:

Section 11. *Effect of appeal by any of several accused.* —

- (a) An appeal taken by one or more of several accused shall not affect those who did not appeal, except insofar as the judgment of the appellate court is favorable and applicable to the latter[.]

X X X X

⁶⁵ *Collantes v. Marcelo*, G.R. Nos. 167006-07, August 14, 2007, 530 SCRA 142, 145.

⁶⁶ *Jose Tapales Villarosa v. People of the Philippines*, supra note 63, at 7.

⁶⁷ *People v. Comesario*, G.R. No. 127811, April 29, 1999, 306 SCRA 400, 406.

⁶⁸ *Rollo* (G.R. No. 199473), p. 81.

The same principle has been applied even in cases where the Court was being called to resolve not an appeal but a petition for *certiorari* or a petition for review on *certiorari*.⁶⁹ In *Constantino v. Sandiganbayan (First Division)*,⁷⁰ the Court said:

Although the rule states that a favorable judgment shall benefit those who did not appeal, we have held that a literal interpretation of the phrase “did not appeal” will not give justice to the purpose of the provision. It should be read in its entirety and should not be myopically construed so as to defeat its reason, *i.e.*, to benefit an accused who did not join in the appeal of his co-accused in case where the appellate judgment is favorable.

In fact, the Court has at various times applied the foregoing provision without regard to the filing or non-filing of an appeal by a co-accused, so long as the judgment was favorable to him. In such cases, the co-accused already withdrew his appeal, failed to file an appellant’s brief, or filed a notice of appeal with the trial court but eventually withdrew the same. Even more, in these cases, all the accused appealed from the judgment of conviction but for one reason or another, their conviction had already become final and executory. Nevertheless, the Court still applied to them the favorable judgment in favor of their co-accused. Therefore, we cannot find a reason to treat Lindong differently, especially so in this case where the public officer accused of violating the anti-graft law has been acquitted, and the appeal by Lindong was dismissed on a technicality.⁷¹ (Citations omitted)

Given that Bello’s supposed liability is anchored on the same erroneous findings of the Sandiganbayan, the acquittal of Quilicot and Satuito should also benefit Bello, consistent with the foregoing rule.

On a final note — given the circumstances of this case, involving as it does the sale of real properties, the Court deems it necessary to clarify that the acquittal of petitioners will not preclude the filing, in the proper forum, of an action for collection of any relevant taxes or registration fees arising from the sale between the Plazas and AFP-RSBS which may remain unpaid or which were not settled in full.

WHEREFORE, in view of the foregoing, the Court **RESOLVES** to:

1. **DISMISS** the cases against petitioner Jose S. Ramiscal, Jr. in view of his death; and

⁶⁹ See *Diosdado Sama y Hinupas, et al. v. People of the Philippines*, G.R. No. 224469, January 5, 2021; *People v. Yanson*, G.R. No. 238453, July 31, 2019, 912 SCRA 1; and *Fuentes v. People*, G.R. No. 228718, January 7, 2019, 890 SCRA 75.

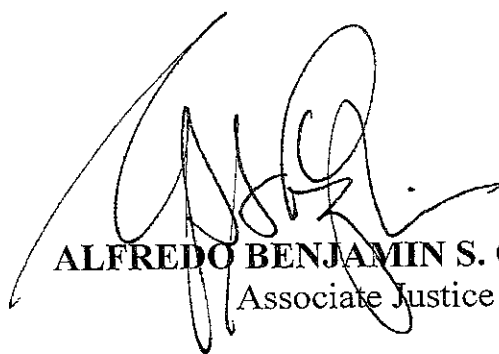
⁷⁰ G.R. No. 140656, September 13, 2007, 533 SCRA 205.

⁷¹ *Id.* at 233-234.

2. **GRANT** the instant Petitions. The Decision dated June 14, 2011 and Resolution dated November 18, 2011 of the Sandiganbayan Fourth Division in Criminal Case No. 28022 finding petitioners guilty beyond reasonable doubt of violation of Section 3(e) of Republic Act No. 3019 are **REVERSED** and **SET ASIDE**. Consequently, petitioners Manuel Se Satuito, Perfecto O. Quilicot, Jr., and Meinrado Enrique A. Bello are **ACQUITTED** of the crimes charged, for failure of the prosecution to prove their guilt beyond reasonable doubt.

Let an entry of judgment be issued immediately.

SO ORDERED.



ALFREDO BENJAMIN S. CAGUIOA
Associate Justice

WE CONCUR:



AMY C. LAZARO-JAVIER
Associate Justice

(On official leave)
MARIO V. LOPEZ
Associate Justice



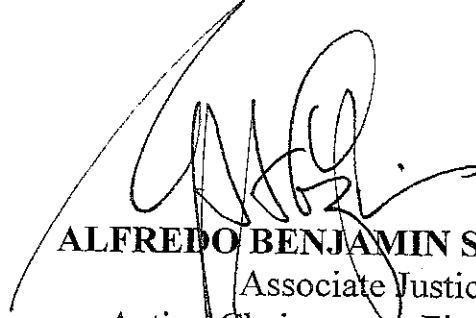
RICARDO R. ROSARIO
Associate Justice



JHOSEP Y. LOPEZ
Associate Justice

ATTESTATION

I attest that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

**ALFREDO BENJAMIN S. CAGUIOA**

Associate Justice

Acting Chairperson, First Division

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution and the Division Acting Chairperson's Attestation, I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

**ALEXANDER G. GESMUNDO**

Chief Justice

