



Republic of the Philippines  
**Supreme Court**  
**Baguio City**

**FIRST DIVISION**

**RADM CECIL R. CHEN PCG G.R. No. 247916**  
**(Ret.),**

*Petitioner,* Present:

GESMUNDO, C.J., Chairperson,  
 CAGUIOA,  
 INTING,  
 GAERLAN,\* and  
 MARQUEZ,\*\* JJ.

- versus -

**FIELD INVESTIGATION Promulgated:**  
**BUREAU,**

*Respondent.* APR 19 2022

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**DECISION**

**INTING, J.:**

Before the Court is a Petition for Review<sup>1</sup> on *Certiorari* seeking the reversal of the Decision<sup>2</sup> dated July 30, 2018 and the Resolution<sup>3</sup> dated June 20, 2019 of the Court of Appeals (CA) in CA-G.R. SP No. 153865. The CA affirmed the Consolidated Decision<sup>4</sup> dated July 19, 2017 and the Consolidated Order<sup>5</sup> dated November 6, 2017 of the Office of the Ombudsman (Ombudsman) Special Panel that found RADM Cecil R. Chen PCG (Ret.) (petitioner) guilty of Serious Dishonesty, Grave Misconduct, and Conduct Prejudicial to the Best Interest of the Service.

\* On official leave.

\*\* Designated additional Member per Raffle dated March 23, 2022.

<sup>1</sup> *Rollo*, pp. 8-33.

<sup>2</sup> Id. at 38-54; penned by Associate Justice Franchito N. Diamante and with the concurrence of Associate Justices Jose C. Reyes, Jr. (a retired Member of the Court) and Maria Elisa Sempio Diy.

<sup>3</sup> Id. at 57-58; penned by Associate Justice Franchito N. Diamante and with the concurrence of Associate Justices Japar B. Dimaampao (now a Member of the Court) and Maria Elisa Sempio Diy.

<sup>4</sup> Id. at 242-314; signed by Panel Chairperson Maria Janina J. Hidalgo and Panel Members Lourdes S. Padre Juan, Emerita DT. Francia, Eric Anthony A. Dumpilo and Lyn L. Llamasares; and approved by Ombudsman Conchita Carpio Morales on July 24, 2017.

<sup>5</sup> Id. at 315-379; approved by Ombudsman Conchita Carpio Morales on November 22, 2017.

*The Antecedents*

On September 26, 2016, the Field Investigation Bureau of the Office of the Deputy Ombudsman for the Military and Other Law Enforcement Offices (FIB-MOLEO) filed 21 complaints<sup>6</sup> against 25 Philippine Coast Guard (PCG) officials<sup>7</sup> for Serious Dishonesty, Grave Misconduct, and Conduct Prejudicial to the Best Interest of the Service.<sup>8</sup>

The case stemmed from an anonymous complaint regarding the utilization of PCG funds, particularly as to the liquidation of cash advances and the reimbursements of expenses submitted in Calendar Year 2014, based on Audit Observation Memorandum No. PCG-2015-018 (AOM 15-018) dated April 15, 2015 issued by the Commission on Audit (COA).<sup>9</sup>

According to AOM 15-018, PCG's general ledger showed that cash advances granted to 21 Special Disbursing Officers (SDOs) totaled ₱689,640,806.06 as of December 31, 2014, with total liquidations of ₱633,612,786.45. The cash advances were authorized, recommended, and approved by VAdm. Rodolfo D. Isorena, Capt. Joeven L. Fabul, Cdr. John B. Esplana, and Rogelio F. Caguioa, in their capacities as Commandant, Deputy Chief for Comptrollership, Internal Auditor, and Accounting Head, respectively. COA's verification showed, however, that the cash advances lacked the required office orders duly designating

<sup>6</sup> Docketed as OMB-P-A-16-0540 to 57 and OMB-P-A-16-0568 to 70, id. at 242-251.

<sup>7</sup> The following are the 25 Philippine Coast Guard officials: (1) VAdm. Rodolfo D. Isorena, Commandant; (2) Cdr. John B. Esplana, Internal Auditor; (3) Capt. Joeven L. Fabul, Deputy Chief (DC) of Coast Guard (CG) for Comptrollership; (4) Rogelio F. Caguioa, Accounting Head; (5) Cdr. William O. Arquerro, DC of CG Staff for Community Relations; (6) Cdr. Jude Thaddeus M. Besinga, CG Chaplain Service; (7) Cdr. Roben N. De Guzman, DC of CG Staff for Marine Environmental Protection; (8) Cdr. Enrico Efrén A. Evangelista, Jr., Commander, CG District Palawan; (9) Capt. Angelito G. Gil, Commander, CG Base Taguig; (10) Ens. Mark Franklin A. Lim II, CG Special Service Office; (11) Capt. Angel F. Lobaton IV, CG Ready Force; (12) Capt. Ramon S. Lopez, DC of Staff for Human Resource Management & Records; (13) Lt. Mark Larsen N. Mariano, Flag Secretary, Office of the Commandant; (14) Commo. William M. Melad, Acting Commandant, CG District Eastern Visayas; (15) Cdr. Ferdinand T. Panganiban, DC of CG Staff for Maritime Safety Services; (16) Cdr. Joselito B. Quintas, DC of CG Staff for Maritime Communications, Weapons, Electronics & Information System; (17) Commo. Aaron T. Reconquista, CG Education and Training Command; (18) Cdr. Ivan Roldan, DC of CG Staff for Intelligence, Security & Law Enforcement; (19) Cdr. Rommel A. Supangan, DC of CG Staff for Maritime Safety Services; (20) Cdr. George Villareal Ursabia Jr., Commander, CG District Northern Luzon; (21) Cdr. Ferdinand M. Velasco, Commander, CG District Northern Mindanao; (22) Capt. Christopher T. Villacorte, DC of Staff for Human Resource Management; (23) Cdr. Wilfred A. Burgos, DC of CG Staff for Plans & Programs & International Affairs; (24) Radm. Cecil R. Chen, Chief of CG Fleet; and (25) Cdr. Allen J. Dalangin, DC of Staff for Intelligence; id.

<sup>8</sup> Id.

<sup>9</sup> Id. at 253.

the respective recipients as SDOs. Also, some business establishments were not found in the addresses indicated in their sales invoices (SI), cash invoices (CI) or official receipts (OR). COA's validation of liquidation documents and reports of expenses also yielded denials from some of the establishments they located, particularly with respect to the issuance of the attached SI/CI/ORs.<sup>10</sup>

### *The FIB-MOLEO Findings*

The FIB-MOLEO averred that the cash advances were irregularly issued or released. The disbursement vouchers (DVs) allegedly lacked documentary support in terms of the duly designated SDOs for special cash advances (SCAs) in violation of COA Circular No. 97-002 (COA CN 97-002), which requires heads of agencies to grant SCAs only to duly designated disbursing officers or employees, and only for purposes such as an agency field office's current operating expenditures or field activity when it is impractical to pay the same by check.<sup>11</sup>

The FIB-MOLEO further asserted that respondents violated Presidential Decree No. (PD) 1445<sup>12</sup> and Republic Act No. (RA) 9184,<sup>13</sup> as well as other rules and regulations on the grant, utilization, and liquidation of cash advances. It noted that COA CN 97-002 and PD 1445 require officials or employees to first settle or properly account all previous cash advances before any additional ones are released to him/her. SCAs in the case, however, were released on a daily or monthly basis without prior liquidation of outstanding ones. RA 9184 also generally requires all procurements to be done through competitive bidding. The SCAs here, however, were utilized for the payment of goods acquired through emergency procurement despite lack of proper justification for their exemption from the mandated procurement mode.<sup>14</sup>

As for the particular charges against petitioner, the FIB-MOLEO noted the following transactions:

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<sup>10</sup> Id. at 253-254.

<sup>11</sup> Id. at 40, 254.

<sup>12</sup> Government Auditing Code of the Philippines, approved on June 11, 1978.

<sup>13</sup> Government Procurement Reform Act, approved on January 10, 2003.

<sup>14</sup> *Rollo*, pp. 40, 255.

DV No. Date	Check No. Date	RD <sup>15</sup> No.	Amount	Items Procured
13-12-7138 12/11/13	749731 12/12/13	14-06- 239	₱1,000,000.00	Office Supplies, IT equipment
14-02-0320 02/03/14	751073 02/5/14	14-09- 406	₱1,000,000.00	Office Supplies, IT equipment <sup>16</sup>

For his defense, petitioner alleged that: (1) he was designated as SDO pursuant to special orders (SO) – SO 10 dated February 20, 2012 and SO 43 dated March 6, 2014; (2) he depended on the personnel and the Accounting Department of the PCG regarding disbursements and liquidation; and (3) he had no part in the PCG's long-standing accounting practices.<sup>17</sup>

Petitioner further averred that he had no part in the identification, selection, and approval of goods purchased; and that he never converted any public fund for purposes other than that to which it was intended. He insisted that he retired after 36 years of loyal service and lived a simple life while in public service. He invoked good faith and denied the authenticity of his purported signature relative to the cash advance covered by Check No. 749731.<sup>18</sup>

#### *The Ruling of the Ombudsman Special Panel*

On July 19, 2017, the Ombudsman Special Panel rendered its Consolidated Decision<sup>19</sup> finding all concerned PCG officials, including herein petitioner, guilty of the administrative charges filed. The *fallo* reads:

WHEREFORE, respondents are found GUILTY of Serious Dishonesty, Grave Misconduct and Conduct Prejudicial to the Best Interest of the Service and are meted the penalty of DISMISSAL, with the same accessory penalties of forfeiture of benefits and privileges and perpetual disqualification to hold office.

<sup>15</sup> Reports of Disbursements, id. at 255.

<sup>16</sup> Id. at 260.

<sup>17</sup> Id. at 281-282.

<sup>18</sup> Id. at 282.

<sup>19</sup> Id. at 242-314.

PROVIDED, that if the penalty of dismissal can no longer be enforced due to respondents' separation from the service, the alternative penalty of a FINE in the amount equivalent to respondents' salary for ONE YEAR shall be imposed, payable to the Office of the Ombudsman, and may be deductible from respondents' retirement benefits, accrued leave credits, or any receivables from their office, in addition to the accessory penalties of forfeiture of retirement benefits, cancellation of eligibility and perpetual disqualification to hold public office.

SO ORDERED.<sup>20</sup>

The Ombudsman Special Panel held that the concerned PCG officials, in performing their functions, voluntarily disregarded established rules of procurement, employed fraud in the purchase of supplies, and effectively compromised the integrity and efficiency of the government service.<sup>21</sup>

The Ombudsman approved the Consolidated Decision on July 24, 2017.<sup>22</sup> The concerned PCG officials filed motions for reconsideration, but the Ombudsman Special Panel denied them for lack of merit through a Consolidated Order<sup>23</sup> dated November 6, 2017 which was approved by the Ombudsman on November 22, 2017.<sup>24</sup>

Petitioner elevated the case to the CA through a petition for review under Rule 43.<sup>25</sup>

#### *The CA Ruling*

On July 30, 2018, the CA rendered its Decision<sup>26</sup> dismissing the petition for review. The *fallo* reads:

WHEREFORE, in view of the foregoing, the instant petition is hereby DISMISSED. The *Consolidated Decision* dated July 19, 2017 of the Office of the Ombudsman Special Panel per Office Order No. 712, Series of 2016 and *Consolidated Order* dated November 6, 2017, which were duly approved by the Office of the Ombudsman

<sup>20</sup> Id. at 311-312.

<sup>21</sup> Id. at 286.

<sup>22</sup> Id. at 312.

<sup>23</sup> Id. at 315-379.

<sup>24</sup> Id. at 41, 367, 376.

<sup>25</sup> Id. at 41.

<sup>26</sup> Id. at 38-54.

pertaining to Case No. OMB-P-A-16-0569 are AFFIRMED.

SO ORDERED.<sup>27</sup>

The CA found petitioner liable for Grave Misconduct for the following reasons:

1. Petitioner exhibited clear intent to violate the law and performed corrupt practices by allowing the repeated disbursement of public funds through the approval of Disbursement Vouchers, which supporting documents were either absent, incomplete or highly irregular; and
2. Petitioner blatantly breached and disregarded procurement rules and procedure by allowing the evasion of competitive public bidding and repeatedly resorting to “emergency” despite the lack of justification or valid and reasonable explanation.<sup>28</sup>

The CA also found petitioner to have committed Serious Dishonesty due to the following circumstances:

1. Petitioner gravely abused his authority, as Chief Fleet and SDO, by approving the disbursement of public funds despite the absence of required supporting documents;
2. The petitioner’s failure to comply with the requirements of a competitive public bidding or a justified alternative mode of procurement manifests his conscious evasion of transparency and public accountability;
3. The dishonest act caused serious damage and grave prejudice to the government;
4. The petitioner was an accountable officer, whose dishonest act directly involves the funds directly under his accountability; and
5. The petitioner committed the dishonest act several times confirming his disposition to lie, cheat, deceive or defraud.<sup>29</sup>

Finally, the CA found him liable for Conduct Prejudicial to the Best Interest in the Service for the following reasons:

1. [T]he disbursement of public funds in violation of the prescribed auditing rules and RA 9184 and its IRR; and

<sup>27</sup> Id. at 53.

<sup>28</sup> Id. at 51.

<sup>29</sup> Id.

2. There is no doubt that the image and the integrity of the petitioner's public office is tainted due to the commission thereof.<sup>30</sup>

Petitioner filed a Motion for Reconsideration,<sup>31</sup> but the CA denied it on June 20, 2019 for lack of merit.<sup>32</sup>

### *The Petition*

Petitioner is now before the Court raising the following issues:

#### I.

WHETHER THE COURT OF APPEALS COMMITTED GRAVE REVERSIBLE ERROR IN CONCLUDING THAT THE PETITIONER IS LIABLE FOR THE ALLEGED IRREGULAR GRANT OF CASH ADVANCE IN HIS CAPACITY AS DESIGNATED SDO NOTWITHSTANDING PROOF THAT HE SIMPLY SIGNED A REPORT OF DISBURSEMENT AFTER IT HAD BEEN CERTIFIED AS TRUE AND CORRECT BY THE PCG'S CHIEF ACCOUNTANT, AND AFTER HAVING LIQUIDATED ALL PREVIOUS CASH ADVANCES.

#### II.

WHETHER THE COURT OF APPEALS COMMITTED GRAVE REVERSIBLE ERROR IN FINDING THAT PETITIONER IS ADMINISTRATIVELY LIABLE FOR THE OFFENSES OF SERIOUS DISHONESTY, GRAVE MISCONDUCT, AND CONDUCT PREJUDICIAL TO THE BEST INTEREST OF THE SERVICE DESPITE PROOF THAT HE HAD NO HAND IN THE CANVASS, PREPARATION, PURCHASE, AND RECEIPT OF SUPPLIES FOR THE PCG.<sup>33</sup>

Petitioner avers that he already submitted the duly approved SOs which designated him as SDO.<sup>34</sup> Also, the SCAs given to him were properly liquidated as proven by the PCG Accounting Service Office Certification dated September 3, 2018.<sup>35</sup> For him, the documentation for SCAs appeared regular on its face. He claims to have relied wholly on

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<sup>30</sup> Id. at 51-52.

<sup>31</sup> Id. at 60-76.

<sup>32</sup> See Resolution dated June 20, 2019 of the Court of Appeals, id. at 57-58.

<sup>33</sup> Id. at 13.

<sup>34</sup> Id. at 14.

<sup>35</sup> Id. at 15.

his subordinates and the Chief Accountant.<sup>36</sup> Furthermore, the transactions in the case are allowed under RA 9184.<sup>37</sup>

Moreover, petitioner argues that: (1) the discharge of his duties enjoys presumption of regularity and that there was no bad faith on his part;<sup>38</sup> (2) he was forced to follow the flawed financial system of the PCG and the chain of command;<sup>39</sup> (3) in any event, the AOM of the COA is just an initiatory step in the investigative audit;<sup>40</sup> (4) he had no participation in the procurement of supplies and materials subject of the case;<sup>41</sup> (5) no evidence was presented showing that he unlawfully used his position to gain benefit for himself;<sup>42</sup> and (6) he was merely made to believe that the documents he was signing, such as the Certificate of Emergency Purchase, were the official documents required under existing government auditing and accounting rules and regulations to support the disbursement of funds under his custody.<sup>43</sup>

Petitioner asserts that he was the unfortunate fall guy in a conspiracy by others who altered receipts, which he relied on when these were submitted to him by his subordinates; and while the abstract of canvass of bona fide suppliers is not required by the Procurement Law, he was made to sign them to implicate him in a procurement chain that never required his participation or assent.<sup>44</sup> He further asserts that he never had any intent to deceive anyone, especially the government, and that his actions did not cause any undue injury to any party.<sup>45</sup>

Meanwhile, respondent, through the Office of the Solicitor General (OSG) asserts that: (1) the jurisdiction of the Court is limited only to reviewing errors of law; (2) the CA did not commit any reversible error in affirming the Consolidated Decision of the Ombudsman; and (3) substantial evidence was presented to support the finding that petitioner, in conspiracy with his co-respondents in the administrative case, committed Serious Dishonesty, Grave Misconduct, and Conduct Prejudicial to the Best Interest of the Service.<sup>46</sup>

<sup>36</sup> Id.

<sup>37</sup> Id. at 16.

<sup>38</sup> Id. at 17.

<sup>39</sup> Id. at 17-21.

<sup>40</sup> Id. at 21-22.

<sup>41</sup> Id. at 23.

<sup>42</sup> Id. at 26.

<sup>43</sup> Id.

<sup>44</sup> Id.

<sup>45</sup> Id. at 30-31.

<sup>46</sup> Id. at 219-220.



### *The Issue*

The issue to be resolved is whether petitioner is administratively liable for Serious Dishonesty, Grave Misconduct, and Conduct Prejudicial to the Best Interest of the Service.

### *Our Ruling*

The Court denies the petition.

Petitions for review under Rule 45 are limited to questions of law. The Court, not being a trier of facts, is not duty bound to analyze or weigh all over again evidence already passed upon in the proceedings below.<sup>47</sup> While there are recognized exceptions,<sup>48</sup> none exists in the case at bar.

In administrative cases, the findings of fact of the Ombudsman are generally conclusive when supported by substantial evidence, *i.e.*, such relevant evidence which a reasonable mind might accept as adequate to support a conclusion, even if other minds, equally reasonable, might opine differently.<sup>49</sup>

The Ombudsman's factual findings are accorded great weight and respect, if not finality by the courts, due to its special knowledge and expertise on matters within its jurisdiction.<sup>50</sup> When affirmed by the CA,

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<sup>47</sup> *Diaz v. The Office of the Ombudsman*, 834 Phil. 735, 742 (2018), citing *Miro v. Mendoza Vda. de Erederas*, 721 Phil. 772, 785 (2013) and *Office of the Ombudsman v. Atty. Bernardo*, 705 Phil. 524, 534 (2013).

<sup>48</sup> See Footnote 30 of *Diaz v. The Office of the Ombudsman*, *id.* at 742-743, citing *Office of the Ombudsman v. Atty. Bernardo*, 705 Phil. 524, 534-535 (2013). The following are the exceptions: (1) When the conclusion is a finding grounded entirely on speculation, surmises and conjectures; (2) When the inference made is manifestly mistaken, absurd or impossible; (3) When there is a grave abuse of discretion; (4) When the judgment is based on a misapprehension of facts; (5) When the findings of fact are conflicting; (6) When the Court of Appeals, in making its findings, went beyond the issues of the case and the same is contrary to the admissions of both appellant and appellee; (7) When the findings are contrary to those of the trial court; (8) When the findings of fact are conclusions without citation of specific evidence on which they are based; (9) When the findings set forth in the petition as well as in the petitioner's main and reply briefs are not disputed by the respondents; and (10) When the findings of fact of the Court of Appeals are premised on the supposed absence of evidence and contradicted by evidence on record.

<sup>49</sup> *Fact-Finding Investigation Bureau Military and Other Law Enforcement Offices v. Jandayan*, G.R. No. 218155, September 22, 2020.

<sup>50</sup> *Ombudsman-Mindanao v. Ibrahim*, 786 Phil. 221, 234 (2016), citing *Miro v. Vda. de Erederas*, 721 Phil. 772 (2013).

the findings of fact of the Ombudsman are conclusive and binding upon the Court, unless there is grave abuse of discretion on the part of the Ombudsman.<sup>51</sup>

Here, both the Ombudsman and the CA found substantial evidence that petitioner, together with his co-respondents, is guilty of serious dishonesty, grave misconduct, and conduct prejudicial to the best interest of the service.<sup>52</sup>

The Court finds no reason to rule differently.

*Disbursement of Public Funds  
Without Proper Supporting  
Documents*

The COA in AOM No. 15-018 dated April 15, 2015 observed that the grant of cash advances to the SDOs, including herein petitioner, was not supported by office orders but by mere photocopies of an abstract of the SO in violation of COA CN. 97-002.<sup>53</sup>

Even before the Court, what petitioner presented as proof that he was designated as a special disbursement officer was a document denominated as “Extract”<sup>54</sup> dated February 20, 2012, which reported several incidents in PCG. As correctly pointed out by the Ombudsman, petitioner has failed to produce the original and full copies of the alleged office orders which authorized him to be an SDO and consequently authorized him to receive SCAs.<sup>55</sup>

This falls short of the standard set by COA CN. 97-002,<sup>56</sup> which requires that only duly appointed or designated disbursing officers may perform disbursing functions.<sup>57</sup> The circular provides that SCAs are

<sup>51</sup> *Fajardo v. Office of the Ombudsman*, 693 Phil. 269, 281 (2012), citing *Tolentino v. Atty. Loyola*, 670 Phil. 50, 64 (2011).

<sup>52</sup> *Rollo*, pp. 46-50.

<sup>53</sup> See Annex 3 of Comment; *id.* at 382.

<sup>54</sup> *Id.* at 78-79.

<sup>55</sup> *Id.* at 225.

<sup>56</sup> Commission on Audit Circular No. 97-002 (1997), available at <[https://www.coa.gov.ph/phocadownloadpap/userupload/Issuances/Circulars/Circ1997/COA\\_C97-002.pdf](https://www.coa.gov.ph/phocadownloadpap/userupload/Issuances/Circulars/Circ1997/COA_C97-002.pdf)> (last visited January 27, 2022).

<sup>57</sup> 4. GRANTING AND UTILIZATION OF CASH ADVANCES

granted on the explicit authority of the head of the agency only to duly designated disbursing officers or employees for legally authorized purposes.<sup>58</sup>

*Improper Accounting of SCAs  
Before Release of Additional Ones*

PD 1445 requires:

Section 89. *Limitations on cash advance.* — No cash advance shall be given unless for a legally authorized specific purpose. A cash advance shall be reported on and liquidated as soon as the purpose for which it was given has been served. No additional cash advance shall be allowed to any official or employee unless the previous cash advance given to him is first settled or a proper accounting thereof is made.

COA CN 97-002 similarly states:

4.1.2. No additional cash advances shall be allowed to any official or employee unless the previous cash advance given to him is first settled or a proper accounting thereof is made.

Following these provisions, it is clear that cash advances can only be disbursed for legally authorized and specific purposes and cannot be given to officials whose previous cash advances have not been settled or properly accounted for.<sup>59</sup>

According to petitioner, he should be cleared of violating these provisions on the ground that the PCG Accounting Service Office issued a Certification dated September 3, 2018 and signed by its Acting Head, Melissa R. Ciria, which stated that petitioner “has already liquidated all his cash advances from year 2011-2014.”<sup>60</sup>

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4.1.5. Only duly appointed or designated disbursing officers may perform disbursing functions. Officers and employees who are given cash advances for official travel need not be designated as Disbursing Officers.

<sup>58</sup> 3. DEFINITIONS AND SCOPE

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3.2. Special cash advances are those granted on the explicit authority of the Head of the Agency only to duly designated disbursing officers or employees for other legally authorized purposes.

<sup>59</sup> *Bacamas v. Sandiganbayan*, 713 Phil. 639, 655 (2013), citing Section 89 of Presidential Decree No. 1445.

<sup>60</sup> *Rollo*, pp. 15, 93.

The Court is not persuaded.

The subject provisions clearly require the liquidation of previous cash advances *before* another one is released to the concerned official. While the certification by the Acting Head of the PCG Accounting Service Office states that by 2018, petitioner had already liquidated his cash advances for the years 2011 to 2014, this does not prove compliance with the above-quoted rules requiring the liquidation of existing cash advances prior to the release of new disbursements to the concerned officer or employee.

*Unnecessary Resort to Emergency  
Purchase*

Petitioner contends that they resorted to negotiated procurement for the purchase of office supplies and information technology (IT) equipment because these were urgently needed by the PCG National Capital Region-Central Luzon to perform its duties, especially in the defense of the national territory and the pursuit of intelligence gathering in the West Philippine Sea.<sup>61</sup>

Section 53 of the 2009 Revised Implementing Rules and Regulations (IRR)<sup>62</sup> of RA 9184, which was in effect at the time of the emergency purchases, provides:

Section 53. Negotiated Procurement

Negotiated Procurement is a method of procurement of goods, infrastructure projects and consulting services, whereby the procuring entity directly negotiates a contract with a technically, legally and financially capable supplier, contractor or consultant in any of the following cases:

x x x x

53.2. Emergency Cases. In case of imminent danger to life or property during a state of calamity, or when time is of the essence arising from natural or man-made calamities or other causes where immediate action is necessary to prevent damage to or loss of life or property, or to restore vital public services, infrastructure facilities and other public utilities. In the case of infrastructure projects, the

<sup>61</sup> Id. at 16.

<sup>62</sup> Repealed by the 2016 Revised Implementing Rules and Regulations of Republic Act No. 9184.

procuring entity has the option to undertake the project through negotiated procurement or by administration or, in high security risk areas, through the AFP. (Emphasis, italics and underscoring omitted.)

In the case, office supplies and IT equipment were made through emergency procurement.<sup>63</sup>

The Ombudsman observed that based on the frequency of occurrence, the disbursement of SCAs constantly included office supplies, communication expenses, and facilities maintenance, all of which are regular office expenses. Such regularity in the release of cash advances for these purchases negates a claim of urgency that would justify the PCG's resort to the emergency mode of purchase. The regular and foreseeable requirements should have been procured through competitive bidding.<sup>64</sup>

The Ombudsman further found that the SCAs were utilized for the payment of goods acquired not through negotiated procurement on account of an emergency, but through "Shopping" which may only be employed in specified instances.<sup>65</sup>

Section 52 of RA 9184 reads:

SEC. 52. *Shopping*. – Shopping may be resorted to under any of the following instances:

(a) When there is an unforeseen contingency requiring immediate purchase: *Provided, however*, That the amount shall not exceed Fifty thousand pesos (P50,000); or

(b) Procurement of ordinary or regular office supplies and equipment not available in the Procurement Service involving an amount not exceeding Two Hundred Fifty Thousand Pesos (P250,000): *Provided, however*, That the Procurement does not result in Splitting of Contracts: *Provided, further*, That at least three (3) price quotations from bona fide suppliers shall be obtained.

Section 52.1 of the 2009 IRR of RA 9184 further states:

SEC. 52.1. *Shopping* is a method of procurement of goods

<sup>63</sup> *Rollo*, p. 260.

<sup>64</sup> *Id.* at 303-304.

<sup>65</sup> *Id.* at 304.

whereby the procuring entity simply requests for the submission of price quotations for readily available off-the-shelf goods or ordinary/regular equipment to be procured directly from suppliers of known qualifications. This method of procurement shall be employed in any of the following cases:

- a) When there is an unforeseen contingency requiring immediate purchase: *Provided, however*, That the amount shall not exceed the thresholds prescribed in Annex "H" of this IRR.
- b) Procurement of ordinary or regular office supplies and equipment not available in the Procurement Service involving an amount not exceeding the thresholds prescribed in Annex "H" of this IRR.<sup>66</sup>

Annex "H" of the 2009 IRR of RA 9184, prior to its amendment, further provides that the threshold for Shopping should not exceed ₱500,000.00, thus:

1. Shopping [Section 52.1. (b)] and Small Value Procurement [Section 53.9]. Procurement shall not exceed the following:

- a) For NGAs, GOCCs, GFIs, and SUCs, Five Hundred Thousand Pesos (₱500,000).<sup>67</sup>

Here, petitioner failed to present evidence that the office supplies procured through Shopping were unforeseen and not available in the Procurement Service.<sup>68</sup> The amounts of the purchases also exceeded the ₱500,000.00 limit set at the time by the 2009 IRR of RA 9184. As the purchases in the case did not fall under any of the valid alternative modes of procurement, either through Emergency Purchase or Shopping, then the procurement activities should have been done through competitive bidding.

*Reliance on Subordinates and the  
PCG Procedures Not a Valid  
Defense*

Petitioner admitted having signed several documents, such as the certificate of emergency purchase and abstract of canvasses of bona fide

<sup>66</sup> Revised Implementing Rules and Regulations of Republic Act 9184 (2009), available at <<https://ps-philgeps.gov.ph/home/images/legalbases/RevisedIRR.RA9184.pdf>> (last visited on January 27, 2022).

<sup>67</sup> Id.

<sup>68</sup> *Rollo*, p. 50.

suppliers. However, he claimed that he merely relied on the representations of his subordinates and the PCG's Accounting Department that everything was in order. He even alleged having been forced by the chain of command to follow the flawed financial system of the PCG.<sup>69</sup>

The Court is not persuaded.

Petitioner, as head of office, is well aware of his responsibilities before affixing his signatures on the subject documents. Yet, he still chose to disregard the requirements laid down by the rules.

Pleading innocence on the ground that it was the PCG system that was flawed, and that he was merely "forced" to comply with it does not merit sympathy from the Court. The Court finds such defense preposterous considering that petitioner and his co-respondents are public officers required to perform and discharge their duties with the highest degree of excellence, professionalism, intelligence, and skill.<sup>70</sup>

Petitioner also cannot find solace in *Arias v. Sandiganbayan*<sup>71</sup> (*Arias*), which held that heads of office could rely to a reasonable extent on their subordinates. As we have clarified, when a matter is irregular on the document's face, so much so that a detailed examination becomes warranted, the *Arias* doctrine is unavailing.<sup>72</sup>

Petitioner cannot escape liability by passing the buck to his subordinates. The position he occupied required him to be more circumspect in his actions and to be in the discharge of his official duties. He cannot trivialize his role in the disbursement of funds and blindly adhere to the findings and opinions of his subordinates, lest he be reduced to a mere clerk with no authority over the personnel and the sections he oversees.<sup>73</sup>

As found by the Ombudsman, which the CA agreed with:

<sup>69</sup> Id. at 17-21 and 26-27.

<sup>70</sup> *Bacasmás v. Sandiganbayan*, *supra* note 59 at 661, citing Section 4(b) of Republic Act No. 6713.

<sup>71</sup> 259 Phil. 794 (1989).

<sup>72</sup> *García v. Office of the Ombudsman*, 747 Phil. 445, 464 (2014).

<sup>73</sup> *Office of the Ombudsman v. Fronda*, G.R. No. 211239, April 26, 2021.

[T]he subject DVs did not have the required supporting documents when respondent-movants affixed their signatures. Despite the lack of supporting documents, none of them requested the submission of the same. Respondent-movants performed their respective vital roles in the processing and the consequent disbursement of public funds. They cannot rely on good faith when the documents to support the liquidation of cash advances are incomplete or imbued with irregularities. Ordinary diligence in the performance of their duties should have prompted them to ensure that the cash advance requested is “necessary” and properly spent up to the last centavo. The continuous release of irregular cash advances to SDOs on a weekly or monthly basis belies their claim of good faith.

Respondent-movants’ slant of buck-passing in the face of the irregularities in the vouchers and the absence of supporting documents and their indifference to their individual and collective duties to ensure that laws and regulations are observed in the disbursement of the public funds can only lead to a finding of conspiracy of silence and inaction as ruled in the case of *Siztoza v. Desierto*[.]<sup>74</sup>

Considering the sheer amount of taxpayer’s money entrusted to petitioner’s care, he should have exercised utmost care before signing the subject documents. Petitioner’s careless reliance on the representations of his subordinates betrays his diligence or good faith. He was unmindful of the high position he occupied, the responsibilities it carried, and the millions of pesos in taxpayers’ money involved.

Public office is a public trust and public officers and employees must at all times be accountable to the people, serve them with utmost responsibility, integrity, loyalty, and efficiency. This high constitutional standard of conduct is not intended to be a mere rhetoric because those in the public service are enjoined to fully comply with the standard or run the risk of facing administrative sanctions, ranging from reprimand to the extreme penalty of dismissal from the service.<sup>75</sup>

Here, the two SCAs issued in petitioner’s name were not compliant with RA 9184, and the supporting documents attached to the DVs were either incomplete or replete with irregularities.<sup>76</sup> These should have alerted petitioner and prompted him to determine whether what he was approving was legal and aboveboard. As petitioner was entrusted to

<sup>74</sup> *Rollo*, p. 47.

<sup>75</sup> *Office of the Ombudsman v. Santidad*, G.R. No. 207154, December 5, 2019.

<sup>76</sup> *Rollo*, p. 47.



oversee the disbursement of ₱2,000,000.00, it was incumbent upon him to ensure that the funds were disbursed within the parameters set by law. His excuse that he merely relied upon the representation of his subordinates is contrary to a claim of good faith and incongruous with the exercise of ordinary diligence in the performance of his duties. The presumption of regularity “obtains only when there is no deviation from the regular performance of duty. Where the official act in question is irregular on its face, no presumption of regularity can arise.”<sup>77</sup>

The CA also correctly observed that the documents which he admittedly signed, *i.e.*, the abstract of canvass from the bona fide suppliers and the certification that the purchases fell under emergency procurement, belie his claims that he did not participate in the procurement process and that he lacked knowledge of the irregularity of the procurement process. His signatures on several abstract of canvass sheets show that he was part of the procurement proceedings and was not a mere approving authority in the issuance of DVs and the payment of purchases.<sup>78</sup>

In view of the attending circumstances, the Court agrees with the Ombudsman and the CA’s findings that petitioner is guilty of Serious Dishonesty, Grave Misconduct, and Conduct Prejudicial to Best Interest of the Service.

Dishonesty, defined, is the concealment or distortion of truth, which shows a lack of integrity or a disposition to defraud, cheat, deceive or betray, or intent to violate the truth. It is qualified as serious dishonesty if any of the following circumstances are present: (1) the dishonest act caused serious damage and grave prejudice to the government; (2) the respondent gravely abused his/her authority to commit the dishonest act; (3) where the respondent is an accountable officer, the dishonest act directly involves property, accountable forms, or money for which he/she is directly accountable and the respondent shows an intent to commit material gain, graft, and corruption; (4) the dishonest act exhibits moral depravity on the part of respondent; (5) the respondent employed fraud and/or falsification of official documents in the commission of the dishonest act related to his/her employment; (6) the dishonest act was committed several times or in various occasions; (7) the dishonest act involves a civil service examination; and (8) other

<sup>77</sup> *Sarion v. People*, G.R. Nos. 243029-30, March 18, 2021.

<sup>78</sup> *Rollo*, p. 48.

analogous circumstances.<sup>79</sup>

Misconduct, meanwhile, is a transgression of some established and definite rule of action; more particularly, it pertains to unlawful behavior or gross negligence by a public officer. As an administrative offense, the misconduct should relate to or be connected with the performance of the official functions and duties of a public officer. It is considered grave in cases where the elements of corruption and clear intent to violate the law or flagrant disregard of established rules are present.<sup>80</sup>

Finally, Conduct Prejudicial to the Best Interest of the Service deals with a demeanor of a public officer which tarnished the image and integrity of his/her public office.<sup>81</sup>

Under Section 46(A) of the Revised Rules on Administrative Cases in the Civil Service, the penalty for the grave offenses of Serious Dishonesty and Grave Misconduct is dismissal for the first offense. Under Section 46(B), the penalty for Conduct Prejudicial to the Best Interest of the Service is suspension for six (6) months and one (1) day to one (1) year for the first offense and dismissal from the service for the second offense.<sup>82</sup>

Considering that herein petitioner had already retired, the penalty of dismissal may no longer be imposed on him. Thus, the penalty of a fine equivalent to his one year salary, which may be deductible from petitioner's receivables from his office, and the accessory penalties of forfeiture of retirement benefits, cancellation of eligibility, and perpetual disqualification to hold public office are in order.

**WHEREFORE**, the petition is **DENIED** for lack of merit. The Decision dated July 30, 2018 and the Resolution dated June 20, 2019 of the Court of Appeals in CA-G.R. SP No. 153865 are **AFFIRMED**.

<sup>79</sup> *Office of the Ombudsman v. Fronda*, supra note 73.

<sup>80</sup> *Fact-Finding Investigation Bureau Military and Other Law Enforcement Offices v. Jandayan*, supra note 49.

<sup>81</sup> *Loreño v. Office of the Ombudsman*, G.R. No. 242901, September 14, 2020.


<sup>82</sup> *Id.*

**SO ORDERED.**



**HENRI JEAN PAUL B. INTING**  
*Associate Justice*

WE CONCUR:



**ALEXANDER G. GESMUNDO**  
*Chief Justice*  
*Chairperson*



**ALFREDO BENJAMIN S. CAGUIOA**  
*Associate Justice*


(On official leave)  
**SAMUEL H. GAERLAN**  
*Associate Justice*



**JOSE MIDAS P. MARQUEZ**  
*Associate Justice*

**CERTIFICATION**

Pursuant to Section 13, Article VIII of the Constitution, 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*

