



SUPREME COURT OF THE PHILIPPINES  
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Republic of the Philippines  
Supreme Court  
Manila

EN BANC

**NOTICE**

Sirs/Mesdames:

*Please take notice that the Court en banc issued a Resolution dated **JANUARY 19, 2021**, which reads as follows:*

**“A.M. No. P-20-4074 (Formerly OCA IPI No. 13-4021-P) – EXECUTIVE JUDGE MA. THERESA N. ENRIQUEZ-GASPAR, complainant, versus CLERK OF COURT IV MA. THERESA G. ZERRUDO, OFFICE OF THE CLERK OF COURT, MUNICIPAL TRIAL COURT IN CITIES, ILOILO CITY, ILOILO, respondent.**

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**RESOLUTION**

Executive Judge Ma. Theresa N. Enriquez-Gaspar (Judge Enriquez-Gaspar) charged respondent Atty. Ma. Theresa G. Zerrudo (Atty. Zerrudo) with gross dereliction of duty and grave abuse of authority in connection with Special Proceedings No. Z-037(10) entitled “*In the Matter of Release of Consigned Rentals.*” Judge Enriquez-Gaspar alleged that Sonia Jabidando-Sangalang<sup>1</sup> (Jabidando-Sangalang), in a Manifestation dated August 28, 2012, prayed for the release of ₱725,000.00 representing the balance of the consigned rentals. Jabidando-Sangalang averred that the Clerk of Court, Office of the Clerk of Court (OCC), Municipal Trial Court in Cities (MTCC) has duly confirmed the existence of the official receipts enumerated in her Manifestation.<sup>2</sup>

In an Order dated August 29, 2012, Judge Enriquez-Gaspar directed Jabidando-Sangalang to submit all pleadings and orders pertinent to the case. Jabidando-Sangalang’s submissions revealed that in a motion dated March 1, 2010, she prayed for the release of the consigned rentals in the total amount of ₱1,213,964.85. From July 21, 2010 to June 13, 2011, however, only partial releases were made on three separate occasions, to wit:

July 21, 2010	-	₱97,000.00
November 15, 2010	-	₱181,464.85

<sup>1</sup> Also appears as “Jabinadando-Sangalang” in some parts of the *rollo*.  
<sup>2</sup> See *rollo*, pp. 2-4.

June 13, 2011

- ₱135,000.00<sup>3</sup>

This was despite the fact that the original receipts were submitted by Jabidando-Sangalang to the OCC as early as April 30, 2010.<sup>4</sup>

Judge Enriquez-Gaspar also noted that her predecessor had issued an Order dated May 18, 2012 to release ₱75,000.00 of the balance of the consigned rentals, but this did not come to pass. The rentals were released only on August 28, 2012 by virtue of Judge Enriquez-Gaspar's own Order.<sup>5</sup>

Judge Enriquez-Gaspar referred the August 28, 2012 Manifestation of Jabidando-Sangalang to the OCC for appropriate action. Atty. Zerrudo and Clerk-in-Charge, Julie Felarca, allegedly replied that only the total amount of ₱122,500.00 could be released because they could not verify the other receipts as the triplicate copies thereof were still with the Commission on Audit. Judge Enriquez-Gaspar found the explanation unacceptable, noting that the subject receipts were issued on the same month and year, and entered in the same booklet, as those of the other receipts for the amounts previously released.<sup>6</sup>

Thus, Judge Enriquez-Gaspar sought the advice of the Financial Management Office of the Office of the Court Administrator (OCA) about the matter, and said Office recommended that she counter-check the official receipts with the Statement of Unwithdrawn Fiduciary Fund on file with the OCC. Judge Enriquez-Gaspar heeded the advice and consequently, the balance was released within a week after the Manifestation was filed.<sup>7</sup>

Judge Enriquez-Gaspar faulted Atty. Zerrudo for the two-year delay it took for the release of the consigned rentals. Judge Enriquez-Gaspar pointed out that it took her only half a day to secure all receipts and counter-check with the original receipts of Jabidando-Sangalang. Judge Enriquez-Gaspar also pointed out that Atty. Zerrudo would merely rely on the manifestations of Jabidando-Sangalang as to how much should be released, but the latter herself likewise relied on what the OCC presented as good for release.<sup>8</sup>

In her Comment,<sup>9</sup> Atty. Zerrudo maintained that she did what was incumbent upon her and that the standards set by Judge Enriquez-Gaspar were peculiar to her and departed from what Atty. Zerrudo's predecessors had set. She also asserted that unlike Judge Enriquez-Gaspar, she did not have ready access to other offices of the court and hence, simply went through ordinary channels. She claimed she was unaware that the consigned

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<sup>3</sup> Id. at 2, 342.

<sup>4</sup> Id. at 2.

<sup>5</sup> Id. at 3.

<sup>6</sup> Id. at 3, 343.

<sup>7</sup> Id.

<sup>8</sup> Id. at 3-4, 343.

<sup>9</sup> Id. at 8-11.

rentals could be released on the basis of the Statement of Unwithdrawn Fiduciary Fund.<sup>10</sup>

Atty. Zerrudo also claimed that when a strong earthquake hit the province in February 2012, her office was severely damaged. As such, they had to relocate to the second floor of a wet market, which entailed difficulties in rendering better public service.<sup>11</sup>

The case was thereafter assigned to Executive Judge Victor E. Gelvezon (Judge Gelvezon) of the Regional Trial Court (RTC), Iloilo City, who conducted a formal investigation on the matter. Subsequently, as was agreed during the hearing of the case, the parties filed supplemental pleadings. Judge Enriquez-Gaspar filed a Supplemental Administrative Complaint<sup>12</sup> where she reiterated her previous allegations and emphatically raised the fact of Atty. Zerrudo's indefinite suspension by the Court since 2013 pending the resolution of an administrative case filed against her by the OCA relative to her financial reports.<sup>13</sup>

For her part, Atty. Zerrudo filed an Answer to the Supplemental Complaint<sup>14</sup> where she stated, in the main, that whatever lapses or shortcomings attributed to her work were due to inevitable human error and were clerical in nature. She stressed that there was never any bad faith or willful commission of any infraction on her part.<sup>15</sup>

In his Investigation Report,<sup>16</sup> Judge Gelvezon found that while there was, indeed, an unnecessary delay in the release of the full amount of the consigned rentals, there was no evidence that it was due to any misappropriation by Atty. Zerrudo of the money. He also observed that no damage was caused to Jabidando-Sangalang as she eventually collected the full amount and that, in fact, her counsel informed Judge Gelvezon that Jabidando-Sangalang did not harbor any ill-feelings about the matter. Judge Gelvezon characterized the act, however, as uncalled for and should not be repeated because it tarnishes the image of the Court.<sup>17</sup>

In its Report and Recommendation,<sup>18</sup> the OCA agreed with the findings of Judge Gelvezon that while there was delay in the release of the consigned rentals, there was neither any allegation nor showing that Atty. Zerrudo was moved by malice, bad faith, or corrupt motive in failing to act timely. Thus, the OCA concluded that there was no basis to hold Atty. Zerrudo liable for gross dereliction of duty and grave abuse of authority.<sup>19</sup>

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<sup>10</sup> Id. at 8, 10.

<sup>11</sup> Id. at 10.

<sup>12</sup> Id. at 80-84.

<sup>13</sup> Id. at 83. This administrative case against respondent remains pending to date.

<sup>14</sup> Id. at 90-97.

<sup>15</sup> Id. at 94.

<sup>16</sup> Id. at 285-290.

<sup>17</sup> Id. at 289-290.

<sup>18</sup> Id. at 342-350.

<sup>19</sup> Id. at 346-347.

Insofar as the fact of delay was concerned, however, the OCA found that the act constituted inefficiency on the part of Atty. Zerrudo. Considering further that she had already retired from government service, the OCA saw it fit to recommend that the penalty of fine in the amount of ₱50,000.00 be imposed against Atty. Zerrudo, to be deducted from her accrued leaves, if any, and with any deficiency to be paid by her personally.<sup>20</sup>

The Court affirms the findings and recommendation of the OCA.

At the outset, the Court agrees with the OCA that the compulsory retirement of Atty. Zerrudo *after* the filing of the complaint and during the pendency of the case did not divest the Court of jurisdiction over it. The Court has, in the past, consistently laid down the rule that once jurisdiction has attached, the same is not lost by the mere fact that the public official or employee was no longer in office during the pendency of the case.<sup>21</sup>

While recently, the Court in *In Re Abul*<sup>22</sup> has abandoned the doctrine that the death of the respondent during the pendency of the administrative case against him does not result in the outright dismissal of the case, this has no bearing on cessation from office by reason of causes other than death. In revisiting the doctrine in *In Re Abul*, the Court ratiocinated that to allow the case to proceed would go against the Constitutional principles of presumption of innocence and due process afforded the respondent, for the obvious reason that he or she would no longer be around to mount a defense if need be. This nuance is significantly absent in the other causes of cessation from office such as compulsory retirement. Verily, as applied here, despite the supervening retirement from service of Atty. Zerrudo, she still has the capacity to defend herself from the allegations of Judge Enriquez-Gaspar, which in fact she did when she filed her Answer to the latter's Supplemental Complaint after her retirement, as well as from the ensuing decision of this Court.

On the substantive aspect of the case, the Court agrees with the findings of the OCA that Atty. Zerrudo is liable for the grave offense of inefficiency and incompetence with her failure to timely cause the release of the full amount of the consigned rentals due Jabidando-Sangalang.

Inefficiency involves specific acts or omission on the part of the employee which results in the damage to the employer or to the latter's business. The Court has equated this offense to neglect of duty, which is the failure of an employee or official to give proper attention to a task expected

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<sup>20</sup> Id. at 349-350.

<sup>21</sup> *Masion v. Valderrama*, A.M. No. P-18-3869, October 8, 2019, p. 4, citing *OCA v. Grageda*, 706 Phil. 15, 21 (2013).

<sup>22</sup> *Re: Investigation Report on the Alleged Extortion Activities of Presiding Judge Godofredo B. Abul, Jr., Branch 4, Regional Trial Court, Butuan City, Agusan del Norte*, A.M. No. RTJ-17-2486 (Formerly A.M. No. 17-02-45-RTC), September 8, 2020.

of him or her, signifying a disregard of a duty resulting from carelessness or indifference.<sup>23</sup> Atty. Zerrudo's actions fall squarely into this definition.

As correctly observed by the OCA, which observation was culled in turn from the Investigation Report of Judge Gelvezon, there was no reasonable explanation why Atty. Zerrudo had to resort to the piecemeal release of the consigned rentals. The fact that the entire amount of ₱1,213,964.85 was requested for release as far back as March 1, 2010 was uncontroverted. Likewise, it was revealed that all receipts pertaining to the whole amount were duly attached to the request of Jabidando-Sangalang. Hence, the claim of Atty. Zerrudo that she merely relied on the *requests* of Jabidando-Sangalang in releasing the rentals in installments, while true, should not have been the case in the first place. The only logical conclusion was she herself was the author of the irregular pattern and Jabidando-Sangalang was constrained to move for the release of the balance every so often.

Further, upon inspection, Judge Gelvezon discovered that most of the receipts were issued consecutively, which only proves the ease of verifying the receipts for the initial releases and disproves at the same time any purported undue hardship in verifying the rest of the receipts.<sup>24</sup>

Another revelation during the investigation of Judge Gelvezon was the confirmation of the Clerk-in-Charge at the OCC in RTC, Iloilo City that the Statement of Unwithdrawn Fiduciary Fund and the Cash Book for Fiduciary Fund can be used to verify the receipts. Said Clerk-in-Charge also confirmed that hundreds of receipts can be ordinarily and easily verified for release within a week.<sup>25</sup>

Verily, while the Court agrees that there is no substantial evidence to prove that the delay occasioned by the acts of Atty. Zerrudo was done intentionally or with malice, the Court takes exception to the conclusion of Judge Gelvezon and the OCA that there was no damage to Jabidando-Sangalang, considering that she was able to receive the full amount of the consigned rentals ultimately. This is an oversimplification. It cannot be gainsaid that Jabidando-Sangalang was unduly inconvenienced with the long period of two years that it took for all the rentals due her to be released by Atty. Zerrudo, especially in light of the fact that verification of receipts can be accomplished without much difficulty and was essentially ministerial.

To be sure, the Court has, time and again, reminded that administrative functions of the Clerk of Court are vital to the prompt and sound administration of justice, viz.:

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<sup>23</sup> *Office of the Court Administrator v. Saguyod*, 825 Phil. 98, 103 (2018).

<sup>24</sup> *Rollo*, p. 282.

<sup>25</sup> *Id.*

x x x A number of non-judicial concerns connected with trial and adjudication of cases is handled by the clerk of court, demanding a dynamic performance of duties, with the prompt and proper administration of justice as the constant objective. The nature of the work and of the office mandates that the clerk of court be an individual of competence, honesty and integrity. The Clerks of Court perform a very delicate function as custodian of the court's funds, revenues, records, property and premises. They wear many hats – those of treasurer, accountant, guard and physical plant manager of the court, hence, they are “entrusted with the primary responsibility of correctly and effectively implementing regulations regarding fiduciary funds” and are thus, “liable for any loss, shortage, destruction or impairment of such funds and property.”<sup>26</sup>

In this case, while the consigned rentals were technically not the court's funds, they were nonetheless fiduciary in nature for having been entrusted to the temporary custody of the court. As such, it was incumbent upon the court, through Atty. Zerrudo, to release these funds promptly in favor of the rightful party adjudged by the court.

As for the imposition of penalty against Atty. Zerrudo, the 2017 Rules on Administrative Cases in the Civil Service prescribes suspension of six months and one day to one year for the grave offense of inefficiency and incompetence.<sup>27</sup> However, given the retirement of Atty. Zerrudo, a fine in lieu of suspension is appropriate under the circumstances. In this regard, the Court finds the recommended straight penalty of fine in the amount of ₱50,000.00 commensurate with the degree of infraction of Atty. Zerrudo in this present case and with the appreciation of her previous infractions. The OCA pointed out that this was not the first administrative offense of Atty. Zerrudo and that she, in fact, had faced three administrative cases in the past. In *Carman v. Zerrudo*,<sup>28</sup> the Court found Atty. Zerrudo guilty of conduct unbecoming a court employee and was meted the penalty of censure. In *Lozada v. Zerrudo*,<sup>29</sup> she was found guilty of discourtesy and was reprimanded by the Court. The OCA finally mentioned A.M. No. P-15-3354 where Atty. Zerrudo was found guilty by the Court for violating Circular No. 49-2003 on the Guidelines on Requests for Travel Abroad and Extensions for Travel/Stay Abroad and was fined in the amount of ₱10,000.00.<sup>30</sup>

**WHEREFORE**, the Court finds respondent, Ma. Theresa G. Zerrudo, Clerk of Court IV, Office of the Clerk of Court, Municipal Trial Court in Cities, Iloilo City, Iloilo, **GUILTY** of inefficiency and incompetence in the performance of official duties. The Court imposes a **FINE** against her in the amount of ₱50,000.00, to be deducted from her leave or retirement benefits. Should these benefits be proven insufficient to cover the fine, respondent is

<sup>26</sup> *OCAD v. Lometillo*, 662 Phil. 106, 123 (2011).

<sup>27</sup> 2017 RULES ON ADMINISTRATIVE CASES IN THE CIVIL SERVICE, Rule 10, Sec. 50(B)(4).


<sup>28</sup> 466 Phil. 569 (2004).

<sup>29</sup> 708 Phil. 353 (2013).

<sup>30</sup> *Rollo*, p. 349.

**ORDERED** to pay the balance directly to the Court.” Rosario, J., on official leave. (adv15)

By authority of the Court:

  
**EDGAR O. ARICHETA**  
Clerk of Court

Court Administrator

HON. JOSE MIDAS P. MARQUEZ (x)

Deputy Court Administrators

HON. RAUL B. VILLANUEVA (x)

HON. JENNY LIND R. ALDECOA-DELORINO (x)

HON. LEO T. MADRAZO (x)

Assistant Court Administrators

HON. LILIAN BARRIBAL-CO (x)

HON. MARIA REGINA ADORACION

FILOMENA M. IGNACIO (x)

Supreme Court

ATTY. CARIDAD A. PABELLO (x)

Chief, Office of Administrative Services

ATTY. RUBY E. GARCIA (x)

Chief, Financial Management Office

ATTY. MARILOU MARZAN-ANIGAN (x)

Chief, Court Management Office

ATTY. WILHELMINA D. GERONGA (x)

Chief, Legal Office

OCA, Supreme Court

HON. MA. THERESA N. ENRIQUEZ-GASPAR (reg)

Executive Judge

Municipal Trial Court in Cities

Iloilo City

~~PUBLIC INFORMATION OFFICE (x)~~

~~LIBRARY SERVICES (x)~~

Supreme Court

**[FOR UPLOADING PURSUANT TO A.M. No. 12-7-1-SC]**

ATTY. VENER PIMENTEL (x)

Documentation Division

OCA, Legal Office

Supreme Court

A.M. No. P-20-4074

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Office of the Clerk of Court, MTCC

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-and-

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THE EXECUTIVE JUDGE (reg)

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5000 Iloilo City

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