



Republic of the Philippines  
Supreme Court  
Manila

FIRST DIVISION

NOTICE

Sirs/Mesdames:

*Please take notice that the Court, First Division, issued a Resolution dated August 4, 2021 which reads as follows:*

**“G.R. No. 248915 (*People of the Philippines v. Isarme Amarillo Bosque*).**

This resolves the appeal from the July 12, 2019 Decision<sup>1</sup> and August 28, 2019 Resolution<sup>2</sup> of the *Sandiganbayan* finding Isarme Amarillo Bosque (*appellant*) guilty beyond reasonable doubt of violation of Section 3, paragraph (e) of Republic Act (*R.A.*) No. 3019; as amended (*Anti-Graft and Corrupt Practices Act*), and sentencing him to imprisonment of six (6) years and one (1) month, as minimum, to ten (10) years, as maximum.

**Antecedents**

Appellant, former Municipal Mayor of Polillo, Quezon, together with his co-accused, Carmelita Capili Marasigan (*Marasigan*), Municipal Treasurer, and Samson Mutya Ayapana (*Ayapana*), Municipal Assessor, were charged with violation of Sec. 3(e) of R.A. No. 3019 under the following Information:

That on or about 07 November 2005, or sometime prior or subsequent thereto, in the Municipality of Polillo, Quezon, Philippines, and within the jurisdiction of this Honorable Court, the above-named accused, Isarme A. Bosque, being then the Municipal Mayor and a high-ranking public officer, Carmelita C. Marasigan and Samson M. Ayapana, being then the Municipal Treasurer and Municipal Assessor, respectively, all of the municipal government of Polillo, Quezon, conspiring and

- over – fourteen (14) pages ...

88-A

<sup>1</sup> *Rollo*, pp. 117-139; penned by Associate Justice Oscar C. Herrera, Jr. with Associate Justices Michael Frederick L. Musngi and Lorifel L. Pahimna, concurring.

<sup>2</sup> *Id.* at 140.

*mt*

confederating with each other, committing the crime herein charged while in the performance of their official or administrative functions, through manifest partiality, evident bad faith and gross inexcusable negligence, did then and there willfully, unlawfully and criminally purchase or cause the purchase of a parcel of land belonging to spouses Valeriana Tiu Gavira and Jessie Tiu Gavira with an area of 3.3656 hectares covered by Transfer Certificate of Title (TCT) No. T-88507 and located in Barangay Libjo, Polillo, Quezon in the amount of FOUR HUNDRED ELEVEN THOUSAND PESOS (Php 411,000.00) purportedly for low-cost housing without the requisite authority from the *Sangguniang Bayan*, and without conducting the requisite feasibility study on the suitability of the land for the housing project, and with the accused knowing fully well that only one (1) hectare of the purchased area is suitable for the housing project while the rest of the land is in truth and in fact swamp or mangrove land, thereby giving unwarranted benefits, preference or advantage to the spouses Valeriano Tiu Gavira and Jessie Tiu Gavira and likewise, causing undue injury to the municipality of Polillo, Quezon, in the said amount of FOUR HUNDRED ELEVEN THOUSAND PESOS (Php 411,000.00).

CONTRARY TO LAW.<sup>3</sup>

During their arraignment, all the accused pleaded “not guilty” to the charge against them.

From the evidence adduced at the trial, it was established that on November 7, 2005, appellant, in behalf of the Municipal Government of Polillo, entered into a contract (*Bilhang Lampasan ng Lupa*) with Jessie V. Tiu, Jr. (*Tiu*) for the purchase of a 33,656 square meter piece of land, covered by Transfer Certificate of Title (TCT) No. T-88507 of the Registry of Deeds of the Province of Quezon, for the amount of ₱411,000.00. Marasigan and Ayapana also signed the deed of sale as witnesses.<sup>4</sup>

In a complaint-affidavit (*Salaysay ng Pagsusumbong*)<sup>5</sup> dated May 12, 2008, filed before the Office of the Ombudsman (*OMB*), complainant Efren A. Suria assailed the contract for having been executed by appellant without the requisite authority of the *Sangguniang Bayan* (*SB*). The property purchased was also found to be swamp and mangrove land, of which only 0.75 hectare is suitable for housing or cemetery/dumpsite project, and that the land was not yet covered by an appropriate zoning ordinance. He also alleged that the

- over -

88-A

<sup>3</sup> Id. at 281-282.

<sup>4</sup> Id. at 179-180.

<sup>5</sup> Id. at 197-200.

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purchase price was too high and, reportedly, only ₱50,000.00 was paid to the owner. He further averred that funds for the illegal transaction would not have been disbursed without the participation of Marasigan and Ayapana, along with the budget officer and municipal accountant.

For his part, appellant asserted that the purchase of land for socialized housing project was authorized under Resolution No. 091-2005 and Appropriation Ordinance No. 02-2005 passed by the SB. Moreover, he relied on Legal Opinion No. 9, series of 2006, of the Department of the Interior and Local Government (*DILG*) which bolstered his position that an appropriations ordinance was sufficient authorization for the Chief Executive of a local government unit to enter into a contract. As to the purchase price of ₱411,000.00, he found this to be a good deal as it was twenty times cheaper than the prevailing market price. He claimed that his office conducted a due diligence study of the project by checking out the title and tax payments; requesting the Community Environment and Natural Resources (*CENRO*) to evaluate the land with respect to its feasibility as site for the municipality's socialized housing program and to make recommendations for compliance with environmental laws; and instructing then Acting Municipal Planning and Development Coordinator Samuel Sardua (*Sardua*) to conduct an ocular inspection to verify the actual condition of the property. On the strength of Sardua's recommendation, he pushed through with buying the lot. He contended that there was no undue injury caused to the local government despite only one hectare being available for housing purposes because the area purchased far exceeded the 2,000 square meters projected acquisition given the budget of the municipality.<sup>6</sup>

### **The *Sandiganbayan* Ruling**

In its decision, the *Sandiganbayan* found the charge of irregularities in the purchase transaction as well-substantiated, and accordingly convicted appellant of violation of Sec. 3(e) of R.A. No. 3019.

On the lack of prior authority from the local *sanggunian*, the *Sandiganbayan* applied the ruling in *Quisumbing v. Garcia (Quisumbing)*<sup>7</sup> which held that Appropriation Ordinance No. 02-2005 has couched the line item in a generic manner such that it demands a subsequent specification adequately detailing the terms, bounds and

- over -

88-A

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<sup>6</sup> Id. at 125-126.

<sup>7</sup> 593 Phil. 655 (2008).

limitations of the intended capital outlay. In fact, the SB consequently issued Resolution No. 026-2006 on April 3, 2006, which, in gist, requests Mayor Isarme Bosque to refrain from proceeding with the improvement of the lot purchased from the Tiu family on grounds that: 1) the SB did not yet grant him authority to purchase said property and to make improvements thereon because the legislative council was still awaiting information on the technical specifications of the property; and 2) the subject parcel of land was not suitable for the intended projects of the local government, such as: *Gawad Kalinga* low-cost housing, municipal cemetery, and dumpsite, having been found the same to be covered by nipa and mangrove.<sup>8</sup>

Appellant's reliance on DILG Opinion No. 9, series of 2006, was held as misplaced because it was rendered in a case involving a provincial government that had commenced the bidding process for the engagement of security services pursuant to R.A. No. 9184, but the winning bidder could not proceed because the *Sangguniang Panlalawigan* "sat" on the governor's request for authority prior to signing the contract. Besides, the matter of prior authorization from the pertinent *sanggunian* had already been addressed by the *Quisumbing* ruling, and the case before the DILG concerned a process of procurement not applicable to the present case.<sup>9</sup>

Considering that the applicable law in this case is Executive Order (*E.O.*) No. 1035 (Providing the Procedures and Guidelines for the Expeditious Acquisition by the Government of Private Real Properties or Rights Thereon for Infrastructure and Other Government Development Projects), the *Sandiganbayan* found that the subject purchase contract failed to comply with the requirements therein, such as: feasibility studies, information campaign, detailed engineering/surveys, and project cost/funding. Worse, evidence presented by the prosecution showed that the parcel of land covered by TCT No. T-88507 actually belongs to the State because, as early as 1972, the vendors Tiu were divested of any right therein when in Civil Case No. 0066- M, TCT No. T-88507 was ordered cancelled in favor of the Republic of the Philippines. The *Sandiganbayan* said that appellant's only attempt at compliance with the relevant procurement statute smacks of negligence that is gross and inexcusable and also attended by bad faith, as he even asked the DENR-CENRO "to facilitate the exemption of the subject lot from any existing rule or

- over -

88-A

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<sup>8</sup> *Rollo*, pp. 132-133.

<sup>9</sup> *Id.* at 133-134.

28

regulation prohibiting said area from further development,” thus revealing what appears as foreknowledge on his part that the subject property falls under regulated premises.<sup>10</sup>

Finding the irregularity laden purchase transaction to have given unwarranted benefit to the Tius and concomitantly causing undue injury to the municipal government of Polillo, Quezon, which had to pay the purchase price for a property whose conveyance is not even valid, the *Sandiganbayan* rendered judgment convicting appellant, the dispositive portion of which reads:

**WHEREFORE**, in light of the foregoing, the Court finds accused ISARME AMARILLO BOSQUE guilty beyond reasonable doubt of *Violation of Section 3, par.(e) of Republic Act No. 3019, as amended*, as charged in the Information dated August 17, 2012.

In accordance with the provisions of the *Indeterminate Sentence Law* he is hereby sentenced to suffer the penalty of imprisonment of six (6) years and one (1) month, as minimum, to ten (10) years as maximum. The penalty of perpetual disqualification from public office is likewise imposed, as provided by law.

With regard to his civil liability, accused Bosque is ordered to restitute the amount of Four Hundred Eleven Thousand Pesos (₱411,000.00) to the Municipality of Polillo, Quezon, with legal interest until its full satisfaction.

Accused CARMELITA CAPILI MARASIGAN and SAMSON MUTYA AYAPANA are hereby ACQUITTED, there being no showing of culpability on their part. As to these two, the Hold Departure Order is LIFTED and SET ASIDE, and the bonds they posted ordered RELEASED, subject to the usual accounting and auditing procedures.

SO ORDERED.<sup>11</sup>

Appellant filed a motion for reconsideration which was denied under the *Sandiganbayan's* Resolution dated August 28, 2019.<sup>12</sup>

### Issue

WHETHER OR NOT APPELLANT IS GUILTY BEYOND REASONABLE DOUBT OF VIOLATION OF SEC. 3(E) OF R.A. NO. 3019, AS AMENDED.

- over -

88-A

<sup>10</sup> Id. at 134-137.

<sup>11</sup> Id. at 138.

<sup>12</sup> Id. at 140.

*Appellant's Arguments*

Appellant assails his conviction on the following grounds:

WITH ALL DUE RESPECT, THE HONORABLE *SANDIGANBAYAN* COMMITTED GRAVE AND REVERSIBLE ERROR WHEN IT RENDERED THE ASSAILED DECISION AND THE ASSAILED MINUTE RESOLUTION, DUE TO THE FOLLOWING:

1. The Honorable *Sandiganbayan* misappreciated the facts of the case, which clearly established good faith and lack of malice on the part of accused-appellant; and
2. The Honorable *Sandiganbayan* gravely erred in finding accused-appellant guilty beyond reasonable doubt of violation of *Section 3(e) of [R.A. No. 3019]*.<sup>13</sup>

Appellant stresses that the Local Government Code of 1991 does not define the form of authorization needed from the *Sangguniang Bayan* and that the *Quisumbing* ruling squarely applies to the present case, focusing on the explanation therein that the requirement was deliberately added as a measure of check and balance. This purpose was satisfied during the regular session of the SB on September 5, 2005, when its members probed appellant about the subject lot, including from whom said property would be purchased. After being satisfied with the details, the SB approved Ordinance No. 02-2005 covering the capital outlay of ₱500,000.00 for the purchase of the lot. He further points out that one month after the purchase of the lot, the SB passed Resolution No. 04-2005<sup>14</sup> allocating the amount of ₱600,000.00 for the improvements of the newly acquired municipal lot. On these two occasions, no *Sanggunian* member interposed any objection, the measures passed having been approved by all except for one abstention.<sup>15</sup>

On the required feasibility study, appellant reiterated that he had instructed Mr. Sardua to conduct an ocular inspection over the subject lot. Mr. Sardua's findings were: 1) that the property is a titled lot; 2) there were no squatters staying thereon; and 3) that a portion is suitable for a housing project while the other portion may be used as agricultural plantation, fishpond, crab fattening, and the like. Appellant even diligently attended the trainings and seminars in relation to the execution of *Gawad Kalinga's* low-cost housing

- over -

88-A

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<sup>13</sup> Id. at 94.

<sup>14</sup> Id. at 181-183.

<sup>15</sup> Id. at 96-98.

project, as attested to by Mr. Danilo Ornedo (Provincial Shelter Head) in his affidavit. Even the prosecution's witness, MPDO Amebel Soltura Azagra, confirmed that one hectare of the subject lot was suitable for the housing project. Relying on the recommendations of his subordinates, appellant believes he acted in good faith which is a valid defense to the criminal charge of violation of Sec. 3(e) of R.A. No. 3019.<sup>16</sup>

As appellant neither acted with manifest partiality (he was unaware of the cancellation of Tiu's title and he was also a victim of fraud perpetrated by Tius), evident bad faith or inexcusable negligence, he claims that the SB erred in convicting him of the charge. The transaction was a negotiated sale and the amount paid therefor was below market price. Notably, the element of gross inexcusable negligence under Sec. 3(e) connotes lack of even the slightest care, hence setting a high standard of culpability. As to the element of causing undue injury to the government, appellant emphasizes that this has not been proven with moral certainty considering that the prosecution never presented a copy of the supposed court order declaring the cancellation of TCT No. T-88507. Indeed, undue injury cannot be presumed even after a wrong or violation of a right has been established.<sup>17</sup>

#### *Appellee's Arguments*

The OMB contends that no reversible error was committed by the *Sandiganbayan* in convicting the appellant of violation of Sec. 3(e) of R.A. No. 3019, consistent with the ruling in *Quisumbing*. DILG Opinion No. 9, series of 2006, is based on a different factual setting, as pointed out in the assailed decision. Appellant's liability for noncompliance with the requisites under E.O. No. 1035 was sufficiently established, particularly his ordering of a mere ocular inspection of the subject lot as this fell short of the preparatory activities provided in E.O. No. 1035. Moreover, appellant's admission that he knew that only one hectare was suitable for housing project proves that the transaction gave unwarranted benefits to the Tius and caused undue injury on the part of the government. There is no doubt on the presence of all the elements of the crime defined and penalized in Sec. 3(e) of R.A. No. 3019, and appellant's guilt was proven by proof beyond reasonable doubt.<sup>18</sup>

- over -

88-A

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<sup>16</sup> Id. at 99-103.

<sup>17</sup> Id. at 108-110.

<sup>18</sup> Id. at 430-435.

### The Court's Ruling

The appeal is without merit.

Section 3(e) of R.A. No. 3019 provides:

SECTION 3. *Corrupt practices of public officers.* - In addition to acts or omissions of public officers already penalized by existing law, the following shall constitute corrupt practices of any public officer and are hereby declared to be unlawful:

x x x x

(e) Causing any undue injury to any party, including the Government, or giving any private party any unwarranted benefits, advantage or preference in the discharge of his official administrative or judicial functions through manifest partiality, evident bad faith or gross inexcusable negligence. This provision shall apply to officers and employees of offices or government corporations charged with the grant of licenses or permits or other concessions.

x x x x

The elements of the above offense are: (a) the accused must be a public officer discharging administrative, judicial or official functions; (b) he must have acted with manifest partiality, evident bad faith or gross inexcusable negligence; and (c) his action caused undue injury to any party, including the government, or gave any private party unwarranted benefits, advantage or preference in the discharge of his functions.<sup>19</sup>

There is "manifest partiality" when there is a clear, notorious, or plain inclination or predilection to favor one side or person rather than another. "Evident bad faith" connotes not only 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. "Evident bad faith" contemplates a state of mind affirmatively operating with furtive design or with some motive or self-interest or ill will or for ulterior purposes. "Gross inexcusable negligence" refers to negligence characterized by the want of even the slightest care, acting or omitting to act in a situation where there is a duty to act, not

- over -

88-A

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<sup>19</sup> *Dela Cruz v. People*, G.R. Nos. 236807 & 236810, January 12, 2021, citing *Sr. Insp. Marzan and P03 Lihay-Lihay v. People*, G.R. No. 201942, February 12, 2020.

inadvertently but willfully and intentionally, with conscious indifference to consequences insofar as other persons may be affected.<sup>20</sup>

All the elements were satisfactorily established by the prosecution.

At the outset, the Court is not persuaded by appellant's assertion of good faith, particularly his claimed lack of knowledge regarding the flaw in the title of the Tius. While it is possible that the Tius could have presented to him a clean title over the subject lot, a simple verification with the records on file with the Registry of Deeds would have readily disclosed that TCT No. T-88507 had already been cancelled as early as 1972. By virtue of a court order in Civil Case No. 0066-M entitled "*Republic of the Philippines v. Isabel Pumarada, Jesse Tiu Gavira, Valeriana Tiu de Gavira and the Register of Deeds*," the property was ordered reverted in favor of the government and the certificate of title declared as null and void, and without force and effect, as per the Decision rendered by Judge Fulomeno Juntareal on September 29, 1972. Such fact constitutes Entry No. 6671, duly registered and annotated on TCT No. T-88507 on September 16, 1974. This is clear evidence of gross inexcusable negligence on the part of appellant.

As a rule, public officials are entitled to the presumption of good faith in the discharge of official duties.<sup>21</sup> Good faith is a state of mind which denotes "honesty of intention, and freedom from knowledge of circumstances which ought to put the holder upon inquiry; and honest intention to abstain from taking any unconscientious advantage of another, even through technicalities of law, together with absence of all information, notice, or benefit or belief of facts which render transaction unconscientious."<sup>22</sup> The lack of any showing of bad faith or malice also gives rise to a presumption of regularity in the performance of official duties.<sup>23</sup> However, this presumption fails in the presence of an explicit rule that was violated.<sup>24</sup>

- over -

88-A

<sup>20</sup> *Villarosa v. People*, G.R. Nos. 233155-63, June 23, 2020, citing *Garcia v. Sandiganbayan*, 730 Phil. 521, 535 (2014) and *Fuentes v. People*, 808 Phil. 586, 594 (2017).

<sup>21</sup> *Fernandez v. Commission on Audit*, G.R. No. 205389, November 19, 2019, citing *Blaquera v. Hon. Alcala*, 356 Phil. 678, 765 (1998).

<sup>22</sup> *Id.*, citing *Development Bank of the Philippines v. Commission on Audit*, 827 Phil. 818, 833 (2018).

<sup>23</sup> *Id.*, citing *Blaquera v. Alcala*, supra note 21.

<sup>24</sup> *Id.*, citing *Sambo, Jr. v. Commission on Audit*, 811 Phil. 344, 357 (2017).

Section 444(b)(1)(vi) of R.A. No. 7160, otherwise known as the Local Government Code (*LGC*) of 1991, empowered the Municipal Mayor “[u]pon authorization by the *sangguniang bayan*, [to] represent the municipality in all its business transactions and sign on its behalf of all bonds, contracts, and obligations, and such other documents made pursuant to law or ordinance.”

Sec. 22. Corporate Powers. — (a) Every local government unit, as a corporation, shall have the following powers:

x x x x

(c) Unless otherwise provided in this Code, no contract may be entered into by the local chief executive in behalf of the local government unit **without prior authorization by the *sanggunian*** concerned. A legible copy of such contract shall be posted at a conspicuous place in the provincial capitol or the city, municipal or barangay hall. (emphasis supplied)

In *Quisumbing v. Garcia*,<sup>25</sup> the Court was confronted with the issue of whether Cebu Governor Gwen Garcia (*Gov. Garcia*) could have validly entered into the contracts committing the provincial government to monetary obligations without prior authorization of the *Sangguniang Panlalawigan*. The decision rendered by the Regional Trial Court (*RTC*) of Cebu City, Branch 9, declared that such was not necessary because the *Sangguniang Panlalawigan* had already given its prior authorization when it passed the appropriation ordinances which authorized the expenditures in the questioned contracts. Gov. Garcia filed the petition for declaratory relief with the *RTC* after the *COA* found her in violation of Sec. 22(c) of R.A. No. 7160. The Court said that beyond its declaration to the effect that no prior authorization is required when there is a prior appropriation ordinance enacted, the *RTC* should also have determined the character of the questioned contracts, *i.e.*, whether they were, as Gov. Garcia claims, mere disbursements pursuant to the ordinances supposedly passed by the *sanggunian* or, as petitioners claim, new contracts which obligate the province without the provincial board’s authority.

The Court then ruled:

The question of whether a *sanggunian* authorization separate from the appropriation ordinance is required should be resolved depending on the particular circumstances of the case. Resort to the appropriation ordinance is necessary in order to determine if there is a provision therein which specifically covers

- over -

88-A

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<sup>25</sup> *Supra* note 7.

the expense to be incurred or the contract to be entered into. **Should the appropriation ordinance, for instance, already contain in sufficient detail the project and cost of a capital outlay such that all that the local chief executive needs to do after undergoing the requisite public bidding is to execute the contract, no further authorization is required, the appropriation ordinance already being sufficient.**

On the other hand, **should the appropriation ordinance describe the projects in generic terms** such as “infrastructure projects”, “inter-municipal waterworks, drainage and sewerage, flood control, and irrigation systems projects”, “reclamation projects” or “roads and bridges”, **there is an obvious need for a covering contract for every specific project that in turn requires approval by the *sanggunian*.** Specific *sanggunian* approval may also be required for the purchase of goods and services which are neither specified in the appropriation ordinance nor encompassed within the regular personal services and maintenance operating expenses.<sup>26</sup> (emphases supplied)

Consequently, the case was remanded to the RTC to be treated as an ordinary civil action and for reception of evidence in order to determine the nature of the questioned contracts entered into by Gov. Garcia, and the existence of ordinances authorizing her acts.

The Court’s declaration in *Quisumbing* was further elucidated in *Verceles, Jr. v. Commission on Audit*,<sup>27</sup> as follows:

Explained simply, the LGC requires the local chief executive to secure prior authorization from the *sanggunian* *before he can enter into contracts on behalf of the LGU*. A separate prior authorization is no longer required if the specific projects are covered by appropriations in the annual budget of the LGU. The appropriation ordinance passed by the *sanggunian* *is the local chief executive’s authority to enter into a contract implementing the project*.

As required in *Quisumbing*, the local chief executive must inquire if the provisions in the appropriation ordinance specifically cover the expense to be incurred or the contract to be entered into.

**If the project or program is identified in the appropriation ordinance in sufficient detail, then there is no more need to obtain a separate or additional authority from the *sanggunian*. In such case, the project and the cost are already identified and approved by the *sanggunian* through the**

- over -

88-A

<sup>26</sup> Id. at 676-677.

<sup>27</sup> 794 Phil. 629 (2016).

*appropriation ordinance. To require the local chief executive to secure another authorization for a project that has been specifically identified and approved by the sanggunian is antithetical to a responsive local government envisioned in the Constitution and in the LGC.*

On the other hand, the need for a covering contract arises when the project is identified in *generic terms*. The covering contract must also be approved by the *sanggunian*. *We will discuss this requirement below.*

In summary and to harmonize the two provisions: Section 22(c) of the LGC requires the local chief executive to obtain prior authorization from the *sanggunian* before he can enter into contracts in behalf of the LGU Section 465(b)(1)(vi), on the other hand, allows the local chief executive to implement specific or specified projects with corresponding appropriations without securing a separate authority from the *sanggunian*. In the latter provision, the appropriation ordinance is the authority from the *sanggunian* required in the former provision.<sup>28</sup> (citations omitted; additional emphases supplied)

Examining Appropriation Ordinance No. 02-2005<sup>29</sup> enacted by the SB of Polillo, Quezon, the Court concurs with the *Sandiganbayan's* ruling that the line item "Purchase of Lot" with allocated budget of ₱500,000.00 is couched in generic terms, therefore, a separate authorization from the *sanggunian* is required before appellant can validly enter into the purchase transaction. The intended purpose, which is a low-cost housing project, was not mentioned; neither were the potential site/s, approximate area, and character of land with corresponding zoning classification specified.

The Court likewise agrees with the *Sandiganbayan* in holding that appellant cannot justify the subject purchase contract on the basis of DILG Opinion No. 9, series of 2006, which stated that "once a budget for a particular contract is already authorized by the *sanggunian panlalawigan* via an annual or supplemental appropriation ordinance, the governor, as head of the procuring entity, no longer needs to secure any further authorization from his/her *sanggunian* to enter into a contract with the winning bidder x x x." As clarified by the *Sandiganbayan*, this legal opinion involves a procurement contract already in the bidding process, pursuant to the provisions of R.A. No. 9184. The present case is governed by E.O. No. 1035, the provisions of which were clearly disregarded by the appellant.

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88-A

<sup>28</sup> Id. at 645-647.

<sup>29</sup> *Rollo*, pp. 131-132; as cited in the July 12, 2019 *Sandiganbayan* decision.

Thus, the *Sandiganbayan* found no evidence of compliance with preparatory activities for such acquisition of private real property, namely: feasibility studies, information campaign, detailed engineering surveys and project cost/funding. Lamentably, the sole attempt at compliance made by appellant was the ocular inspection done by Mr. Sardua, a geodetic engineer. His brief report was found inadequate and certainly could not serve as the equivalent of a feasibility study.

As it turned out, only one hectare of the entire 3.3656 hectares bought by the municipal government can be utilized for a housing project considering that the lot was swampy with mangroves, the foreshore land being subject to DENR regulations. The inherent limitation of use in the larger portion of the property surfaced when appellant tasked the CENRO of Polillo, Quezon, with the conduct of an ocular inspection of the area for the purpose of "exemption from any existing rule or regulation prohibiting said area from further development."<sup>30</sup> This also demonstrated appellant's evident bad faith in pursuing a transaction that already faced legal obstacles.

We concur with the *Sandiganbayan's* observation that appellant's lack of even basic due diligence is most telling in the fact that the Tius actually never had any right over the subject property they had sold to the municipal government since their title thereto had long reverted to the Government. Since the purchase transaction was funded and the purchase paid by the municipal government for the sum of ₱411,000.00, the transaction caused injury and damage to the government which should not have paid even a centavo for its own property. Appellant's defense that proof of the existence of the court order ordering the cancellation of the Tius' title should have been presented by the prosecution, is unavailing. The cancellation of TCT No. T-88507 was simply the consequence of the court order duly annotated on the memorandum of encumbrances on said title. Such annotation constitutes the official record of government action to reflect the present condition of the land covered by the certificate of title.

In view of the foregoing, the Court holds that the totality of the evidence satisfactorily established the presence of all the elements of violation of Sec. 3(e) of R.A. No. 3019, and that appellant's culpability for having entered into the purchase contract laden with irregularities was proven with moral certainty. The Court thus finds no reason to overturn the ruling of the *Sandiganbayan* that appellant is guilty of violating Sec. 3(e) of R.A. No. 3019.

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88-A

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<sup>30</sup> Id. at 193.

Sec. 103 of Presidential Decree No. 1445 declares that expenditures of government funds or uses of government property in violation of law or regulations shall be a personal liability of the official or employee found to be directly responsible therefor. The public official's personal liability arises only if the expenditure of government funds was made in violation of law.<sup>31</sup> Given the irregularities in the purchase transaction, the *Sandiganbayan* correctly ordered appellant to reconstitute the amount of ₱411,000.00 paid by the municipal government for the property.

**WHEREFORE**, the appeal is hereby **DISMISSED** for lack of merit. The July 12, 2019 Decision and August 28, 2019 Resolution of the *Sandiganbayan* in Crim. Case No. SB-14-CRM-0357 are hereby **AFFIRMED**.

**SO ORDERED.”**

**By authority of the Court:**

  
**LIBRADA C. BUENA**  
Division Clerk of Court

by:

**MARIA TERESA B. SIBULO**  
Deputy Division Clerk of Court   
**88-A**

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<sup>31</sup> *Fernandez v. Commission on Audit*, supra note 21, citing *Verceles v. Commission on Audit*, supra note 27, at 660.