



Republic of the Philippines
Supreme Court
Manila

FIRST DIVISION

NOTICE

Sirs/Mesdames:

Please take notice that the Court, First Division, issued a Resolution dated March 1, 2023 which reads as follows:

“G.R. No. 252973 (*People of the Philippines v. Romeo Salmeo Januto, Grace A. Mediana, Carlos P. Bengil, Dominador Silao Escucha Jr., and Victor Yap Balayon*). – This appeal¹ seeks to reverse and set aside the Decision² dated 11 October 2019 and the Resolution³ dated 03 March 2020 of the Sandiganbayan in Criminal Case No. SB-16-CRM-0685. The Sandiganbayan found accused-appellants Romeo Salmeo Januto (Januto), Grace A. Mediana (Mediana), Carlos P. Bengil (Bengil), Dominador Silao Escucha, Jr. (Escucha Jr.), and Victor Yap Balayon (Balayon) (collectively, accused-appellants) guilty beyond reasonable doubt of violation of Section 3(e) of Republic Act No. (RA) 3019,⁴ otherwise known as the Anti-Graft and Corrupt Practices Act.

Antecedents

Accused-appellants were charged with violation of Section 3(e) of RA 3019 in an Information, the accusatory portion of which reads:

That on 23 June 2004 or sometime prior or subsequent thereto, the Municipality of Norala, Province of South Cotabato, Philippines and within the jurisdiction of this Honorable Court, the above-accused then Municipal Mayor ROMEO SALMEO JANUTO, Municipal Accountant GRACE A. MEDIANA, Municipal Treasurer and BAC Member CARLOS BENGIL, BAC Chairman DOMINADOR SILAO ESCUCHA, JR. and BAC member VICTOR YAP BALAYON, all of the Municipality of Norala, South Cotabato, while in the performance of their official functions, committing the offense in relation to their offices, and taking advantage of their official functions, conspiring and confederating with one another, and acting with manifest partiality, evident bad faith or gross

¹ *Rollo*, pp. 40-41.

² *Id.* at 4-39. Penned by Associate Justice Bernelito R. Fernandez and concurred in by Presiding Justice Amparo M. Cabotaje-Tang and Associate Justice Ronald B. Moreno.

³ *Id.* at 165-170. Penned by Associate Justice Bernelito R. Fernandez and concurred in by Presiding Justice Amparo M. Cabotaje-Tang and Associate Justice Ronald B. Moreno.

⁴ Entitled “ANTI-GRAFT AND CORRUPT PRACTICES ACT.” Approved: 17 August 1960.

inexcusable negligence, did there and then willfully, unlawfully and criminally give unwarranted benefits, advantage, or preference to RCS Trading by purchasing [from] the latter 1,000 boxes of “Florida Green Gold Organic Based Fertilizers” in the amount of One Million Eight Hundred Thousand Pesos (P1,800,000.00), Philippine Currency, through direct contracting and not through competitive public bidding, despite the absence of a prior determination that no suitable substitute can be obtained at more advantageous terms to the government, in utter disregard of R.A. 9184 and its Implementing Rules and Regulations.

CONTRARY TO LAW.⁵

Upon arraignment, accused-appellants pleaded not guilty to the offense charged against them.⁶ After pre-trial was terminated, trial on the merits ensued.⁷

Version of the Prosecution

The instant case stemmed from a Complaint dated 18 April 2007 filed by Neptali Espinosa against accused-appellants involving the alleged anomalous procurement, without public bidding, by the Municipality of Norala of foliar fertilizer in the amount of ₱1.8 million from Reynato C. Sarmiento Trading (RCS Trading). Allegedly, accused-appellants immediately resorted to direct contracting and the branding of the fertilizer even though this was prohibited by the procurement law.⁸

While the Complaint was dismissed in a Resolution dated 10 July 2007, the matter was nonetheless referred to the Field Investigation Unit (FIU) of the Office of the Ombudsman (OMB). This prompted the FIU Director to direct prosecution witness Dexter B. Dumukmat (Dumukmat) to conduct a fact-finding investigation. Dumukmat thereafter recommended the conduct of an audit investigation by Commission of Audit (COA).⁹

In its Audit Investigation Report dated 31 January 2012, the COA confirmed that the subject procurement was conducted without public bidding. Instead, accused-appellants resorted to direct contracting, with the specific branding of the item to be procured, namely, Florida Green Gold Organic Based Foliar Fertilizer 4-3-3 as shown in the Purchase Request No. 244 dated 19 May 2004.¹⁰

Meanwhile, Dumukmat’s fact-finding investigation revealed that there was no public bidding conducted for the subject foliar fertilizer procurement. He also found that the Minutes dated 19 May 2004 of the Bids and Awards Committee (BAC) of the Municipality of Norala merely states that the

⁵ Id. at 5.

⁶ Id.

⁷ Id. at 6.

⁸ Id. at 7.

⁹ Id.

¹⁰ Id.

contract be awarded to RCS Trading, being the exclusive distributor, without any explanation. Purchase Request No. 244 also named the particular brand to be procured.¹¹

Dumukmat also laid down accused-appellants' individual participation in the scheme.¹² Januto signed Purchase Request No. 244, Purchase Order No. 146 dated 20 May 2004, and Disbursement Voucher No. 401-0406-068 dated 23 June 2004 for the payment of the foliar fertilizer in the amount of ₱1.8 million. Mediana, the Municipal Accountant, participated by certifying not only Disbursement Voucher No. 401-0406-068, but also as to the completeness and propriety of the supporting documents. On the other hand, Bengil, Escucha, and Balayon all signed the BAC Minutes dated 19 May 2004, recommending the procurement of the foliar fertilizer from RCS Trading. The same BAC Resolution also recommended that the procurement be made through direct contracting without further explanation.¹³

Version of the Defense

Mediana denied the accusation against her. She testified that the foliar fertilizers procured were not overpriced and that they were delivered and distributed to the farmer-beneficiaries and fully accounted for. She maintained that since there was no evidence of overpricing and the fertilizers were delivered to the farmer-beneficiaries, there was no fraud or anomaly in its purchase. Thus, accused-appellants cannot be considered to have acted with manifest partiality, evident bad faith, or gross inexcusable negligence. She also testified that the prosecution failed to present any proof that the foliar fertilizers were of inferior quality or more expensive than other fertilizers; hence, there can be no undue injury on the government.¹⁴

Additionally, Mediana averred that the purchase of the foliar fertilizers was made in June 2004, barely eight months after the effectivity of RA 9184,¹⁵ or the Government Procurement Act, and that she never attended any seminar or training on this new law or its implementing rules and regulations. She also cited the OMB's Decision dated 20 February 2015 in an administrative case based on to the same issue finding her guilty of simple neglect of duty.¹⁶ The OMB held that malice or wrongful intent on her part was not proven and that she only committed an error in judgment.¹⁷ She added that her signature depended on the decision of the BAC, though she did not seek further guidance prior to doing so. However, she claimed that she requested the pre-audit team verify the completeness of the documents

¹¹ Id. at 7-8.

¹² Id. at 8.

¹³ Id.

¹⁴ Id. at 20-21.

¹⁵ Entitled "AN ACT PROVIDING FOR THE MODERNIZATION, STANDARDIZATION AND REGULATION OF THE PROCUREMENT ACTIVITIES OF THE GOVERNMENT AND FOR OTHER PURPOSES." Approved: 10 January 2003.

¹⁶ Id. at 79-80.

¹⁷ Id. at 21.

attached to the Disbursement Voucher.¹⁸

Escucha Jr., the Municipal Planning and Development Coordinator of the Municipality of Norala and concurrent Chairman of its BAC, testified that the decision to purchase Florida Green Gold foliar fertilizer from RCS Trading was based on its proven quality and performance as tested by some of the farmers in their Municipality. The brand was also recommend by Puti Communal Irrigators Association (PCIA) in a Letter dated 03 March 2004. Thus, the BAC believed that this specific fertilizer was the best and that no other suitable substitute would be more advantageous to the government.¹⁹

Likewise, the BAC decided to purchase the foliar fertilizer through direct contracting because of the need to immediately distribute them to the farmers since it was already planting season. Escucha, Jr. was also under the impression that procurement using direct contracting qualified under Article XVI, Section 50, paragraph (c) of RA 9184²⁰ because RCS Trading presented documents to show that not only was it the sole and exclusive distributor of Florida Green Gold foliar fertilizer, but was also duly authorized by Good Earth Technologies International, Inc. (Good Earth Technologies). He also reiterated that the COA never issued a Notice of Suspension or Disallowance for the transaction.²¹

The other accused-appellants testified to corroborate Escucha's testimony.²²

Ruling of the Sandiganbayan

On 11 October 2019, the Sandiganbayan rendered its Decision finding accused-appellants guilty beyond reasonable doubt of the crime charged, *viz.*:

WHEREFORE, in view of the foregoing, judgment is hereby rendered finding accused Romeo Salmeo Januto, Grace Argonza Mediana, Carlos Prospero Bengil, Dominador Silao Escucha Jr. and Victor Yap Balayon, **GUILTY** beyond reasonable doubt of violation of Section 3(e) of Republic Act No. 3019, otherwise known as the Anti-Graft and Corrupt Practices Act, as amended, and are each sentenced to suffer an indeterminate penalty of imprisonment of six (6) years and one (1) month as minimum to ten (10) years as maximum. Additionally, the said accused are to suffer perpetual disqualification from holding public office.

¹⁸ Id. at 22.

¹⁹ Id.

²⁰ SEC. 50. Direct Contracting. – Direct Contracting may be resorted to only in any of the following conditions:

x x x x

(c) Those sold by an exclusive dealer or manufacturer, which does not have subdealers selling at lower prices and for which no suitable substitute can be obtained at more advantageous terms to the Government.

²¹ *Rollo*, pp. 22-23.

²² Id. at 24-27.

SO ORDERED.²³

The Sandiganbayan held that accused-appellants themselves admitted the absence of public bidding and resorted to direct contracting for the purchase of Florida Green Gold foliar fertilizer. Likewise, the Sandiganbayan found that: (1) accused-appellants failed to prove that the instant case falls under the exception to the public bidding requirement under Section 48 of RA 9184; (2) accused-appellants failed to prove that any of the conditions set forth in Section 50, Article XVI of RA 9184 to resort to direct contracting have been met; and (3) no evidence was adduced to prove the conduct of a survey to determine if there were any sub-dealers selling at lower prices for which no suitable substitute can be obtained, belying their defense of good faith founded on the belief that RCS Trading was an exclusive dealer or manufacturer.²⁴

It found Mediana and Januto to be grossly negligent in their respective duties by approving and, subsequently, processing the procurement of the foliar fertilizer for the Municipality of Norala. Januto should have exercised proper care and caution before approving the procurement while Mediana should have duty-bound to ensure that the procurement was lawful. Balayon, Bengil, and Escucha, on the other hand, revealed their manifest partiality in approving and recommending the purchase of the specific foliar fertilizer from RCS Trading to the damage and prejudice of the government.²⁵

Accused-appellants' Motion for Reconsideration was denied by the Sandiganbayan in its Resolution dated 03 March 2020.²⁶ Hence, this appeal.

Issue

The issue in this case is whether accused-appellants are guilty beyond reasonable doubt for violation of Section 3(e) of RA 3019.²⁷

Ruling of the Court

Accused-appellants insist that they resorted to direct contracting under Section 50(c) of RA 9184 because RCS Trading presented documents to show that not only was it the sole and exclusive distributor of Florida Green Gold foliar fertilizer, but was also duly authorized by Good Earth Technologies.²⁸ They also underscored that the COA never issued a Notice of Suspension or Disallowance for this specific transaction. They reiterate that mere violation of the procurement law does not automatically amount to a criminal violation under Section 3(e) of RA 9184. It must be shown that such violation caused

²³ Id. at 38.

²⁴ Id. at 27-37.

²⁵ Id. at 37-38.

²⁶ Id. at 166-170.

²⁷ Id. at 101-105.

²⁸ Id. at 104-105.

undue injury or unwarranted benefits or advantage or preference, and the accused acted with evident bad faith, manifest partiality, or gross inexcusable negligence. This, the prosecution failed to do. There is no evidence that proved bad faith. There is also no evidence of overpricing, nor is there proof of undue damage.²⁹

The appeal is impressed with merit.

At the outset, settled is the rule that the appellate jurisdiction of the Court over decisions and final orders of the Sandiganbayan is limited only to questions of law. It does not review the factual findings of the Sandiganbayan which are generally conclusive upon the Court. However, this rule admits of exceptions, as laid down in *People v. Adana*³⁰:

(1) the conclusion is a finding grounded entirely on speculation, surmise[s,] and conjectures; (2) the inference made is manifestly mistaken; (3) there is grave abuse of discretion; (4) the judgment is based on misapprehension of facts; and (5) the findings of fact of the Sandiganbayan are premised on a want of evidence and are contradicted by evidence on record.³¹

The issues raised in the present petition warrant a reevaluation of the evidence presented before the Sandiganbayan and the application of the above-stated exceptions.

Accused-appellants were charged with violation of Section 3(e) of RA 3019, which 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.

To sustain a conviction for violation of Section 3 (e) of RA 3019, the following elements must be established: (1) the offender is a public officer; (2) the act was done in the discharge of the public officer's official, administrative, or judicial functions; (3) the act was done through manifest

²⁹ Id. at 106-127.

³⁰ G.R. No. 250445, 29 March 2022.

³¹ Id.

partiality, evident bad faith, or gross inexcusable negligence; and (4) the public officer caused any undue injury to any party, including the government, or gave any unwarranted benefits, advantage, or preference.³²

The prosecution duly established the first two elements. *First*, at the time material to the case, accused-appellants were holding public offices in the Municipality of Norala, South Cotabato. Januto was the Municipal Mayor and the head of procuring entity, Mediana was the Municipal Treasurer, Escucha was the BAC Chairman, and Bengil and Balayon were BAC members.

Second, they were performing their official functions as the head (Januto) and member (Mediana) of procuring entity and members of the BAC (Escucha, Bengil, and Balayon) when they awarded the procurement of the foliar fertilizers to RCS Trading.

The issue now revolves on whether the third and fourth elements are present.

In *Coloma, Jr. v. Sandiganbayan*³³ (*Coloma, Jr.*), the Court enunciated that Section 3(e) of RA 3019 may be committed in three ways, that is, through manifest partiality, evident bad faith, or gross inexcusable negligence. The Court defined these concepts in relation to Section 3 (e) as follows:

“Partiality” is synonymous with “bias” which “excites a disposition to see and report matters as they are wished for rather than as they are.” “Bad faith does not simply connote bad judgment or negligence; it imputes a dishonest purpose or some moral obliquity and conscious doing of a wrong; a breach of sworn duty through some motive or intent or ill will; it partakes of the nature of fraud.” “Gross negligence has been so defined as negligence characterized by the want of even slight care, acting or omitting to act in a situation where there is a duty to act, not inadvertently but wilfully and intentionally with a conscious indifference to consequences in so far as other persons may be affected. It is the omission of that care which even inattentive and thoughtless men never fail to take on their own property.”³⁴

The Court further stated in *Coloma, Jr.* that proof of any of the three ways in connection with the prohibited acts mentioned in Section 3(e) of RA 3019 is enough to convict an accused.³⁵

In this regard, the Sandiganbayan found Mediana and Januto guilty of gross negligence in approving and processing the procurement of the foliar fertilizer. On the other hand, Balayon, Bengil, and Escucha were convicted due to their alleged manifest partiality as BAC members in approving and recommending the purchase of the specific foliar fertilizer from RCS Trading

³² Id.

³³ 744 Phil. 214 (2014).

³⁴ Id. at 229.

³⁵ Id.

to the damage and prejudice of the government.

Accused-appellants justify dispensing with the competitive bidding with the necessity to immediately distribute the fertilizers to the farmers because it was already planting season. Further, they insisted that they had carefully vetted the quality of the specific fertilizer. More importantly, they resorted to direct contracting qualified under paragraph c, Article XVI, Section 50 of RA 9184 because RCS Trading had established that it was the sole and exclusive distributor of Florida Green Gold foliar fertilizer, as well as being duly authorized by Good Earth Technologies.

It bears stressing that under Section 24 of COA Circular No. 92-386, “[t]he description and specification of the supplies or property called for in the requisition shall include only the technical specifications which will fill and satisfy the needs of the requisitioner.” Similarly, under Section 18 of RA 9184, “[s]pecifications for the Procurement of Goods shall be based on relevant characteristics and/or performance requirements. Reference to brand names shall not be allowed.”³⁶

COA Circular No. 92-386 itself provides the definition of *specification* as the “technical description of supplies or property being requisitioned or ordered, which should be clear and complete, including if necessary, the specific uses therefor and how acceptability thereof can be determined.”³⁷

Hence, when the LGU [local government unit] undertakes the process of requisition of supplies or properties, which the procurement law defines as the formal requesting of supplies or property made through a written request or order, only the technical description of the supplies or properties shall be indicated. The particular brand names of the goods cannot be specified in the requisition.³⁸

In this case, the requisition of the subject fertilizer indicated the specific brand. Verily, it is evident that there were irregularities in the procurement of the foliar fertilizers, in violation of the applicable procurement laws. Be that as it may, it should be emphasized that accused-appellants were charged and convicted for violating Section 3(e) of RA 3019.³⁹

Thus, the next question is whether the foregoing lapses constitute manifest partiality, evident bad faith, or gross inexcusable negligence that would satisfy the third element of Section 3(e) of RA 3019.

³⁶ *Martel v. People*, G.R. No. 224720-23, 02 February 2021.

³⁷ *Id.*

³⁸ *Id.*

³⁹ *Id.*

In *Martel v. People*⁴⁰ (*Martel*), the Court ruled that in criminal cases involving Section 3(e) of RA 3019 in relation to alleged irregularities in procurement committed by public officers, “findings of violations of procurement laws, rules and regulations, on their own, do not automatically lead to the conviction of the public officer under the said special penal law. It must be established beyond reasonable doubt that the essential elements of Section 3(e) of RA 3019 are present.”⁴¹

As the Court explained in *Martel*:

Thus, in order to successfully prosecute the accused under Section 3 (e) of R.A. 3019 based on a violation of procurement laws, the prosecution cannot solely rely on the fact that a violation of procurement laws has been committed. The prosecution must prove beyond reasonable doubt that: (1) the violation of procurement laws caused undue injury to any party, including the government, or gave any private party unwarranted benefits, advantage or preference, and (2) the accused acted with evident bad faith, manifest partiality, or gross inexcusable negligence. This the prosecution failed to do. Specifically, the prosecution miserably failed to prove beyond reasonable doubt that petitioners acted with evident bad faith, manifest partiality, or gross inexcusable negligence in relation to the subject procurements.

Admittedly, accused-appellants committed procedural lapses in the exercise of their official functions during the conduct of the public bidding. However, there was no sufficient evidence to prove beyond reasonable doubt that they acted with malicious and fraudulent intent tantamount to bad faith or manifest partiality. Neither can their acts be characterized as wanting of even slight care with conscious indifference to consequences.⁴²

It must be stressed that accused-appellants complied with the relevant provisions of the 2003 IRR-A of RA 9184, albeit with procedural lapses. They believed that the Certifications submitted by RCS Trading were sufficient to resort to direct contracting under Section 50 of RA 9184. However, other than allegations that lapses or irregularities attended the conduct of the bidding, there was no sufficient evidence to prove that the acts of the accused-appellants were done with manifest partiality, evident bad faith, or gross inexcusable negligence. Verily, these conclusions cannot simply be based on mere conjectures and presumptions.⁴³

To be sure, the testimony of the prosecution’s witness was able to demonstrate that violations of procurement law were committed by accused-appellants. However, that was all that the evidence proved. There was no other proof showing that accused-appellants were animated by fraudulent motives. On the contrary, the evidence showed that accused-appellants

⁴⁰ Id.

⁴¹ *People v. Adana*, supra note 30, citing *Martel v. People*, supra note 36.

⁴² Id.

⁴³ Id.



honestly believed that their resort to direct purchase was proper. It cannot be said that accused-appellants were spurred by any ill or corrupt motive in resorting to direct purchase of the subject foliar fertilizers. After studying the documents submitted by RCS Trading, accused-appellants deemed direct purchase to be a viable and permitted mode of procurement for the subject fertilizers in this case.⁴⁴

Among the documents presented in evidence by accused-appellants is the Certification dated 30 April 2004, which indicates that:

To Whom It May Concern:

This is to certify that GOOD EARTH TECHNOLOGIES INTERNATIONAL, INC. is the manufacturer of FLORIDA GREEN GOLD FOLIAR FERTILIZER.

This also certifies that RCS TRADING, with office address at 470 Malay St., Plainview Subdivision, Mandaluyong City, is the exclusive distributor of FLORIDA GREEN GOLD FOLIAR FERTILIZER for government accounts.

This certification is being issued upon the request of RCS TRADING for whatever legal purpose it may serve them.

Ferdinand B. Masi
General Manager⁴⁵

Another document they relied on was the Distributorship Agreement⁴⁶ dated 05 April 2004 between Good Earth Technologies and Reynaldo Sarmiento, thus:

x x x

1. **APPOINTMENT.** GOOD EARTH hereby constitutes the DISTRIBUTOR as the exclusive distributor of its Florida Green Gold Foliar Fertilizer (1 gallon label) product for and in Government Agencies (referred to as "the Territory").⁴⁷

x x x

Indeed, the consistent testimonies of accused-appellants before the Sandiganbayan revealed that their decision not to follow the competitive bidding requirement of the procurement law was motivated not by any evil scheme to profit, but by their honest, albeit mistaken, belief that the alternative mode of direct contracting was warranted. It also bears stressing that RA 9184 was newly issued at the time of the procurement.⁴⁸ Moreover,

⁴⁴ See *Martel v. People*, supra note 36.

⁴⁵ Records, Vol. I, p. 94.

⁴⁶ Id. at 95-97.

⁴⁷ Id. at 95.

⁴⁸ TSN dated 09 October 2018, pp. 8-39; TSN dated 10 October 2018, pp. 4-27; TSN dated 15 November 2018, pp. 3-19; TSN dated 22 January 2019, pp. 4-17; TSN dated 23 January 2019, pp. 4-14.

the absence of any adverse findings from the COA should be considered in their favor.⁴⁹

Accused-appellants maintain that Florida Green Gold foliar fertilizer was specifically indicated in the procurement documents due to its proven quality and performance as tested by the farmers in their Municipality and as recommended by the PCIA.⁵⁰ Further, there was an immediate need to purchase the same for the farmer-beneficiaries since it was already planting season.⁵¹

While there was an overt preference for that specific brand, this preference does not rise to the level of *manifest* partiality that would show an ulterior motive or purpose on the part of accused-appellants. To stress, there is manifest partiality “when there is a clear, notorious, or plain inclination or predilection to favor one side or person rather than another.” Hence, it must be proven that the accused-appellants had *malicious and deliberate intent* to bestow unwarranted partiality upon RCS Trading, which the prosecution failed to do. Therefore, the conviction of accused-appellants, specifically Balayon, Bengil, and Escucha, based on manifest partiality cannot stand given that the prosecution failed to meet the required threshold of proof beyond reasonable doubt.⁵²

Moreover, while it is arguable that a more thorough study would have led accused-appellants to conclude that direct purchase was not proper for the subject procurement, their actions cannot be characterized as being *without even slight care and conscious indifference as to the compliance with their duties*, certainly not enough to make them liable for gross inexcusable negligence. Indeed, the records show that accused-appellants did conduct a study, albeit limited and not reduced to writing.⁵³ Further, they asked for advice from the COA regarding the procurement method they employed. Notably, the COA replied that such discretion lies with accused-appellants.⁵⁴ Hence, accused-appellants, particularly Januto and Mediana, cannot be held liable for violation of Section 3(e) of RA 3019 on this account.⁵⁵

Additionally, while accused-appellants may have violated the pertinent laws and rules on procurement, there is reasonable doubt that they consciously and intentionally did so in order to commit fraud, to purposely commit a crime, or to gain profit for themselves so as to amount to fraud.⁵⁶ Likewise, there was no sufficient evidence to prove beyond reasonable doubt

⁴⁹ *Martel v. People*, supra note 36.

⁵⁰ *Rollo*, p. 104.

⁵¹ *Id.*

⁵² *See Martel v. People*, supra note 36.

⁵³ Records, Vol. I, p. 140; *Rollo*, p. 122; TSN dated 9 October 2018, pp. 8-39; TSN dated 10 October 2018, pp. 4-27; TSN dated 15 November 2018, pp. 3-19; TSN dated 22 January 2019, pp. 4-17; TSN dated 23 January 2019, pp. 4-14.

⁵⁴ TSN dated 10 October 2018, p. 21.

⁵⁵ *See Martel v. People*, supra note 36.

⁵⁶ *Id.*

that accused-appellants acted with malicious and fraudulent intent tantamount to bad faith or manifest partiality, nor to gross negligence.

As to the last element, it is settled that there are two ways by which Section 3(e) of RA 3019 may be committed: (a) by causing undue injury to any party, including the government; or (b) by giving any private party any unwarranted benefit, advantage, or preference.⁵⁷

Upon assiduously studying the records of the present case, We find that no undue injury to any party was established by the prosecution under the first mode. On the contrary, there was no evidence of overpricing; nor was it proven that the fertilizers were undelivered or unaccounted for. In fact, it was unassailably established that no determination was made if the price of the subject foliar fertilizers was disadvantageous, and that there was complete delivery of the procured fertilizers.⁵⁸

On the other hand, “in order to be found guilty under the second mode, it suffices that the accused has given unjustified favor or benefit to another in the exercise of his [or her] official, administrative, or judicial functions.” In the second mode, “the word ‘unwarranted’ means lacking adequate or official support; unjustified; unauthorized or without justification or adequate reason. ‘Advantage’ means a more favorable or improved position or condition; benefit, profit or gain of any kind; benefit from some course of action. ‘Preference’ signifies priority or higher evaluation or desirability; choice or estimation above another.”⁵⁹

In this case, there was no sufficient evidence to prove that accused-appellants accorded unwarranted benefit, advantage, or preference in favor of RCS Trading. Mere allegation without proof would not suffice to prove their guilt for violation of Section 3(e) of RA 3019. “To hold otherwise is to let suppositions based on mere presumptions, not established facts, constitute proof of guilt. That holding is constitutionally impermissible, for suppositions would not amount to proof beyond reasonable doubt by virtue of their nature as conjectural and speculative.”⁶⁰

It also bears stressing that the Sandiganbayan failed to expound on how the last element for violation of Section 3(e) of RA 3019 was established by the prosecution. The assailed Decision merely stated that accused-appellants were convicted solely on the ground of violating RA 9184.

At this point, it must be emphasized that conviction in criminal actions demands proof beyond reasonable doubt under Rule 133, Section 2 of the Rules of Court. “While not impelling such a degree of proof as to

⁵⁷ *People v. Adana*, supra note 30.

⁵⁸ TSN dated 15 August 2017, pp. 4-21; *Rollo*, p. 91.

⁵⁹ *People v. Adana*, supra note 30.

⁶⁰ *Id.*


establish absolutely impervious certainty, the quantum of proof required in criminal cases nevertheless charges the prosecution with the immense responsibility of establishing moral certainty, a certainty that ultimately appeals to a person's very conscience." Here, the Court finds such moral certainty to be lacking. The State failed to establish the guilt of the accused-appellants beyond reasonable doubt, which warrants their acquittal.⁶¹

WHEREFORE, the appeal is hereby **GRANTED**. The Decision dated 11 October 2019 and Resolution dated 03 March 2020 of the Sandiganbayan in Crim. Case. No. SB-16-CRM-0685 are **REVERSED** and **SET ASIDE**. Accused-appellants Romeo Salmeo Januto, Grace A. Mediana, Carlos P. Bengil, Dominador Silao Escucha, Jr., and Victor Yap Balayon are **ACQUITTED** for failure of the prosecution to prove their guilt beyond reasonable doubt.

Let entry of judgement be issued immediately.

SO ORDERED."

By authority of the Court:


LIBRADA C. BUENA
Division Clerk of Court *3/2/23*

by:

MARIA TERESA B. SIBULO
Deputy Division Clerk of Court

259

MAR 3 0 2023

OFFICE OF THE SPECIAL
PROSECUTOR
4th Floor, Ombudsman Building
Agham Road, Diliman, 1101 Quezon City

SANDIGANBAYAN
Centennial Building
Commonwealth Avenue cor. Batasan Road
1126 Quezon City
(Crim. Case No. SB-16-CRM-0685)
3rddiv.sb@judiciary.gov.ph
opj.sandiganbayan@judiciary.gov.ph

AGUIRRE APORTADERA SANDICO
LAW OFFICES
Counsel for Accused-Appellants
AAA Building, 9265-A Dita Street
San Antonio Village, 1203 Makati City

⁶¹ Id.

Public Information Office (x)
Library Services (x)
Supreme Court
(For uploading pursuant to A.M.
No. 12-7-1-SC)

Philippine Judicial Academy (x)
Supreme Court

Judgment Division (x)
Supreme Court



259

UR

NAF