

[ADMINISTRATIVE ORDER NO. 38, November 20, 1998]

**IMPOSING THE PENALTY OF SUSPENSION FOR ONE MONTH
UPON LULU V. MACANDOG, ASSISTANT REGIONAL DIRECTOR
FOR LIVESTOCK, ADMINISTRATION AND FINANCE, DEPARTMENT
OF AGRICULTURE, REGION FIELD UNIT NO. 5**

This refers to the administrative complaint filed with the President Commission Against Graft and Corruption (PCAGC or Commission) by Crisanto J. Ortega, charging respondent Lulu V. Macandog, Assistant Regional Director of the Department of Agriculture (DA), Regional Field Unit No. 5 (DA-RFU5), San Agustin, Pili, Camarines Sur, with connivance in the overpayment of a contract between the DA and the Philippine Rural Reconstruction Movement (PRRM).

The findings of the Commission are herein quoted as follows:

"In sum, complainant charges respondent and her co-employees at the DA-RFU5 with conspiracy in the overpayment of a contract worth P3,150,000.00 between the DA and the PRRM. The sum actually paid to PRRM totaled P4,851,000.00. Complainant alleges that the overpaid sum of (P1,701,000.00) was used by respondent and her cohorts for their own ends before the said money was eventually returned by PRRM to the account of the DA.

"In her Counter-Affidavit, respondent did not controvert the charge of overpayment and averred the following:

'4. It is true that a contract for Coastal Resources Management (CRM) component of the Fishery Sector Program was entered into between the DA Central Office and the PRRM on October 22, 1992. However, the consideration and the amount paid to PRRM was P2,835,000.00 and not P3,150,000.00 as erroneously alleged in the complaint;

'5. It so innocently happened that the office misappreciated the facts behind those payments at a time when everyone seems (sic) to be too pre-occupied in facilitating for payment the numerous obligations for purposes of the closing the books of accounts and preparing the year-end report, which led to the honest mistake of payment to PRRM, but strictly not a case of overpayment in the amount of P1,701,000.00. However, as evidence of good faith the said amount was timely and fully recovered and deposited to DA's depository bank (Development Bank of the Philippines-Naga Branch) in a very short period of time upon its discovery, thereby causing no damage to the government . . .

'x x x x x x

'10. Even the fact finding committee created in our office finds no liability on our part as it was clearly a case of an honest mistake. If ever a slight form of negligence did set in, it can only be attributed to the Accounting Section which has direct access to the records of payment. My approving signature was in the form of a ceremonial act as relying upon the certification of prior signatories as usually in any other similar cases.

x x x x x x xxx.'

"Considering the fact that the parties do not dispute the return to the DA of the overpaid amount of P1,701,000.00 about a month later after it was paid, the remaining issue is whether respondent Macandog is culpable for the subject overpayment and the allegedly delayed return of the amount so overpaid.

"A perusal of the evidence presented by respondent shows that the controversy was investigated by the DA. The Regional Director of DA-RFU5 created a Fact-Finding Committee and the said Committee submitted its Report on August 22, 1995.

"The said Report stated thus:

"x x x x x x

'It was gathered that on October 22, 1992, a "Contract for NGO Services" was entered into by and between the DA and PRRM for the purpose of managing and coordinating the Coastal Resources Management (CRM) component of the FOP in Lagoon Gulf . . . in consideration of the amount of P2,835,000.00 . . . which was made payable in six (6) different modes of payments.

'The following payments were as follows:

'x x x x x x x x x

'4. 20% representing the 2nd Quarter payment in the amount of P567,000.00 (Check No. RP 488221F, dated October 11, 1993)

'5. 10% representing the 3rd Quarter payment in the amount of P283,500.00 (Check No. RP 489290F, dated December 20, 1993)

'It totaled in (sic) the amount of P2,835,000.00 representing the full amount payable to PRRM under the contract.

'It was however, noted that on December 20, 1993, four (4) more vouchers were processed for payment in duplication of the last four payments indicated above but embodied in four different vouchers all dated December 4, 1992, as follows:

<u>Amount</u>	<u>Check No.</u>	<u>Date of Check</u>
P 567,000.00	RP489284F	December 20, 1993
567,000.00	RP489285F	December 20, 1993
283,500.00	RP489286F	December 20, 1993
<u>283,500.00</u>	RP489287F	December 20, 1993
P1,701,000.00		

`This was the alleged overpayment amounting to exactly P1,701,000.00 in favor of PRRM.

`Upon clarificatory inquiries, it was shown that the vouchers used in the alleged overpayment were the ones prepared and submitted in December of 1992 . . . They bore the marks of regular vouchers and even bearing the initials from COA representatives indicating that they were in order. However, these were not considered for payment during the calendar year 1993 as they were kept as filed by the Bookkeeper and instead payments corresponding on (sic) the amounts thereon were made on staggered dates under currently prepared vouchers upon due demands.

`Unfortunately those claim vouchers were considered for payment at a time when the Bookkeeper was not around to forewarn anybody that those were mere file vouchers, although not clearly indicated on its (sic) face, . . . It was coupled with the indications that enough funds were available for that purpose to guarantee such payments, and during the time when everything was in for the rush as occasional (sic) by the holiday season. It so coincided, as in any other agency, when all possible payments of claims are being facilitated for the closing of books of accounts and for the year-end reports (sic).

`The alleged overpayment was promptly and properly noticed or discovered by the Bookkeeper herself when she already reported for work during the early part of January 1993, the ensuing year.

`Immediately, thereafter, necessary representations were made to PRRM in Tabacco, Albay, although it also noticed the overpayment, which facilitated the return of the said amount in January 25, 1993 to the DA and correspondingly deposited with the DA's depository bank (DBP Naga Branch the following day, January 26, 1993. These are all evidenced by the records on hand.