

**[ ADMINISTRATIVE ORDER NO. 202, December  
12, 1990 ]**

**IMPOSING THE PENALTY OF REPRIMAND ON EMMA E. HIZON,  
CHIEF, MANAGEMENT INFORMATION SERVICE, DEPARTMENT OF  
TRANSPORTATION AND COMMUNICATIONS**

This refers to the administrative complaint filed by the Department of Transportation and Communications (DOTC) against Ms. Emma E. Hizon, Chief, Management Information System (MIS), that Department, for alleged gross violation of reasonable office rules and regulations, gross misconduct, dishonesty and usurpation of official functions.

Records show that the DOTC, thru then Secretary Rainerio O. Reyes, entered into a contract with MECO Enterprises, Inc., (MECO, for brevity) for the comprehensive preventive and remedial maintenance of certain DOTC computer units and printers. After the expiration of the contract in May, 1987, the same was renewed by Secretary Reyes upon recommendation of Ms. Cynthia Ordan, then Officer-In-Charge (OIC) of the Computer System Division, DOTC, and herein respondent at a total cost of P127,500.00 covering the period from June 1, 1987 to May 31, 1988. It appears that said recommendation was made by Ordan, despite the fact that another contractor, the Computer Engineering Corporation, had been declared as the lower bidder in the bidding conducted in June 1987.

Sometime in August 1987, Ordan was re-placed as Officer-In-Charge of the Computer Systems Division (CSD) by Millard Villaverde who undertook a study of the MECO-DOTC Computer Service Contract and found the contractual cost of P127,500.00 exorbitant.

Hence, Villaverde sought respondent's approval to renegotiate the said contract with a view to lowering the contract cost, which approval respondent readily gave. Thus, through Villaverde's initiative, MECO lowered the maintenance cost from P127,500.00 to P68,000.00 by excluding some of the hardware items from the original contract coverage and placing them on "on call basis".

In the ensuing renegotiation, MECO, on the assumption that the approval of DOTC higher authorities had been obtained, accepted Villaverde's proposal that the original maintenance cost of P127,500.00 be reduced to P68,000.00 and the difference to be rebated to the Department in the form of computer equipment and implements. A revised DOTC-MECO Maintenance Service Contract embodying the agreement was, therefore, prepared, signed by Villaverde and Matthew Tan, MECO President and General Manager, and thereafter presented to respondent who acquiesced to the terms incorporated therein and unilaterally approved said contract.

Pursuant to the revised contract, MECO, in the guise of a donation, delivered on

October 8, 1987, and August 19, 1988, to the Computer System Division, DOTC, computer equipment and accessories. As there remained a balance of the supposed rebates, Villaverde requested that computer books and other materials be bought by MECO to complete the rebate. However, MECO rejected the request for being impractical and instead offered to give Villaverde P10,000 for him to purchase the needed materials. Villaverde accepted said amount and deposited it with the PNB Ortigas Branch, Pasig, Metro Manila, in his personal account, with respondent's knowledge and approval. This was done, as Villaverde was unable to deposit said amount in CSD's name which has no legal personality. Thereafter, part of the cash rebate was used to purchase computer manuals, books, snacks, etc., for the use of the CSD staff, likewise with the respondent's approval. Said disbursement was supported by corresponding receipts and were duly recorded by the Division Secretary.

Acting upon an unsigned letter-complaint received in February 1988 denouncing respondent and Villaverde's actuations, Secretary Reyes directed the Investigation, Security and Law Enforcement Staff (ISLES), DOTC, to conduct an investigation thereof.

In its Investigation Report of March 6, 1989, the ISLES found respondent Hizon and Villaverde liable for usurpation of functions by performing acts beyond the scope of their authority, improper receipt and use of government funds, and attempting to cover up said irregularities. Hence, it recommended that appropriate administrative charges be filed against the two.

Conformably thereto, Secretary Reyes, on March 10, 1989, filed a complaint against respondent and Villaverde for violation of reasonable office rules and regulations, gross misconduct, dishonesty, and usurpation of official functions. On the same day, Secretary Reyes forwarded to my office the complaint against respondent Hizon for appropriate action, she being a presidential appointee.

On April 25, 1989, I placed respondent under preventive suspension for a period of ninety (90) days pending investigation of the charges against her, as requested by Secretary Reyes. Said suspension order (memorandum) was, however recalled by me on September 8, 1989, thru then Deputy Executive Secretary Magdangal B. Elma (now Presidential Assistant for legal and Judicial Affairs), upon the expiration of respondent's 90-day preventive suspension.

Likewise, on March 10, 1989, respondent and Villaverde were jointly charged by Secretary Reyes before the Office of the Ombudsman on the basis of the same facts and circumstances. In its resolution of April 3, 1989, however, the Ombudsman dismissed said complaint upon finding that the facts charged therein do not constitute a criminal offense. In its subsequent order of May 10, 1989, the Ombudsman denied Secretary Reyes' motion for reconsideration of its aforementioned resolution.

On April 18, 1989, an amended complaint was filed against respondent and Villaverde containing basically the same allegations as the original complaint, this time signed by DOTC Undersecretary Romeo I. De Vera.

In her Answer, dated April 29, 1989, respondent denied the accusations against her and alleged, among others, that (a) the DOTC and/or the government benefited