

**[ ADMINISTRATIVE ORDER NO. 131, July 10, 1968 ]**

**EXONERATING MR. PERFECTO FAYPON, FORMERLY OF THE PHILIPPINE VIRGINIA TOBACCO**

This is an administrative case against Mr. Perfecto Faypon, former member, Board of Directors, Philippine Virginia Tobacco Administration (PVTA), based on the following charges:

1. That in 1960 and 1961, while a member of the Board of Directors of the PVTA, a government entity having official transactions with Harry Stonehill, respondent received from the latter a monthly salary of P1,000 aside from other amounts in the total sun of P71,500; and
2. That respondent conspired with the chairman and some members of the Board, the general manager and assistant general Manager of the PVTA to grant undue favors and concessions to the Philippine Tobacco Flue-Curing & Redrying Corporation (PTFCRC) and the U.S. Tobacco Corporation, both Stonwhill enterprises having transactions with the PVTA.

A formal investigation was conducted and evidence was adduced in support of and in defense against charges.

Anent the first charge, the prosecution relied mainly on the notorious "blue book" (Exh. "U") which showed the name of respondent and entries from April 11, 1960, to May 10, 1961, of different sums of money opposite various dates amounting to the total sums of money opposite various dates amounting to the total sum of P31,500. As to the two amounts of P10,000 and P30,000 where no date appears in the book, an attempt was made to correlate said sums with cribblings on a memorandum pad (Exh. "V" and "V-I") by Stonehill containing the words "difference is loss," "8,000 kilos," "other new appointees" and "15,000 clinch contract." It was noted that the word "clinch" is not in the past tense, which tended to show that at the time of the writing, the contract was still to be executed and the amounts to be given later,

Concerning the second charge, the evidence in support thereof consists principally of resolutions passed by the PVTA Board of Directors, management contracts between the PVTA and the PTFCRC and other redrying corporations, writings and notes of Stonehill and Edmund Dayan of the PTFCRC, the same "blue book" and other documents, These documents, all together, were relied upon to prove that the PVTA gave undue concessions to the PTFCRC.

After a careful consideration and evaluation of the records, this Office is inclined to believe that the evidence submitted to support the charges does not meet the