

**[ ADMINISTRATIVE ORDER NO. 259, March 04, 1996 ]**

**IMPOSING THE PENALTY OF DISMISSAL FROM THE SERVICE  
WITH FORFEITURE OF RETIREMENT OR GRATUITY BENEFITS  
UNDER THE LAW OF DEPARTMENT OF ENVIRONMENT AND  
NATURAL RESOURCES REGIONAL TECHNICAL DIRECTOR  
(REGION III) MARIANO T. MACHACON**

This refers to the complaint filed by "Friends of People Against Graft and Corruption" charging Samuel Peñafiel, Regional Executive Director, Mariano T. Machacon, Regional Technical Director for Forestry; Ely Nabua, Land Evaluation Party; Terencio Taloma, Chief, Forest Resources Development Division; all employees of the Department of Environment and Natural Resources (DENR), Regional Office III, San Fernando, Pampanga, for two (2) incidents of graft and corrupt practices.

As per report of the Presidential Commission Against Graft and Corruption (Commission) there are two incidents of graft and corrupt practices reported in the complaint allegedly involving herein respondent, namely:

*I. CORRUPTION INVOLVING REGIONAL EXECUTIVE DIRECTOR PENAFIEL, TECHNICAL DIRECTOR MACHACON AND MR. ELY NABUA.*

The complaint alleged that in consideration of the certification of the accomplishment of the latter's Surveying, Mapping and Planning (SMP) Contract for 1,000 hectares in the province of Tarlac, respondent received P160,000.00 from Greentech, Inc. despite the fact that its accomplishments therein were far below standards and that the required technical report of said company was not presented to the DENR Committee for review and acceptance and that the maps submitted by it were actually tampered with by respondent to make it appear that there was compliance with the requirements and conditions of the contract. The complaint also alleged that it was respondent Ely Nabua who encashed the check in favor of Greentech and that P100,000.00 was divided between Regional Executive director Penafiel and Machacon and the balance of P60,000.00 was pocketed by Nabua.

The Commission found no sufficient evidence to hold respondents Regional Executive Director Samuel Peñafiel, Regional Technical Director Mariano T. Machacon and Mr. Ely Nabua liable for falsification of the data/maps of Greentech, Inc.'s accomplishment report. Respondent Machacon explained that on 21 September 1993, he advised Greentech that its accomplishment report was not in accordance with existing guidelines and required it to rectify the same. (Annex "F", Counter-Affidavit, Machacon). In view thereof, he directed the Land Evaluation Party (LEP) composed of Peter Tuscano, Cartographer, Alfredo Leproso, Team Leader and respondent Ely Nabua, regional LEP coordinator to do sampling validation of the area and to evaluate Greentech's accomplishment. The LEP inspected and validated the accomplishment of Greentech and on 5 November 1993, issued a certification to

the effect that Greentech has rectified/coordinated all data/maps of their SMP. (Exhibit "4").

The charge that herein respondents divided among themselves the P160,000.00 check their office issued as payment for services rendered Greentech is not supported by evidence. Contrary to complainant's allegation that respondent Nabua encashed the said check, an examination of said check revealed that the same was made payable to Greentech, Inc. and encashed by Mr. Luis L. Laudencia, Manager of Greentech, as shown by the endorsement on the dorsal side thereof. Moreover, Laudencia himself denied respondent's alleged extortion from him.

It is worthy to note that the assistance of National Bureau of Investigation (NBI) was sought by the Commission for the investigation of this case. On 8 August 1994, NBI Agent Leopoldo G. Andrada appeared before the Commission and testified on their report of the investigation and declared that they found no sufficient evidence to hold respondent's liable."

## *II. ENTRAPMENT OF REGIONAL TECHNICAL DIRECTOR MACHACON ON 10 JANUARY 1994 CONDUCTED BY NBI MEN.*

The complaint alleged that Regional Technical Director Machacon was caught by NBI men receiving bribe money from one Vilma Battad in an entrapment conducted on 10 January 1994 in the former's office.

In his counter-affidavit, dated 25 May 1994, respondent Machacon denied that he was caught by NBI men receiving bribe money from Vilma Battad, President of Likas Lakas Kalikasan Foundation, Inc. (LLKFI), a non-government agency which was awarded an Inspection Chart Map (ICM) contract by the DENR, Region III, Machacon alleged that the 10 January 1994 incident in his office was actually a frame-up.

Upon being informed by counsel for respondent Machacon that there was also a pending administrative investigation of the entrapment case with the DENR, the Commission informed the DENR Secretary that it was taking over said investigation pursuant to Section 4 Executive Order No. 151, as amended. Accordingly the records of the DENR were submitted to this Commission on 2 September 1994. It was then revealed to us that aside from Mariano T. Machacon, there was another respondent in this incident in the person of Mr. Terencio Taloma, Forest Resources Development Division.

In the hearing conducted before the Special Committee created by the DENR Secretary, the version of the prosecution may be summarized as follows:

On 6 January 1994 — Vilma Battad went to the NBI and filed a complaint (see Sworn Statement before Atty. Rustico Vigilia, Acting Chief, Criminal Intelligence Division, Domestic Intelligence Service) against RED Penafiel and RTD Machacon for extortion. Battad related to the NBI that LLKFI was contracted by DENR, Region 3, for the inspection Chart Mapping (ICM) of reforestation projects in Olongapo City, Botolan and Zambales. The contract cost P220,000.00. Sometime in October, she went to the DENR Region III Office to follow-up the payment for LLKFI's services. She talked with Forester Taloma, Chief of the Forest Resources Development Division and was informed that the voucher was still with RTD Machacon. When she sought Machacon, he told her to go back and talk to Taloma. As instructed, she went