

# **FIRST DIVISION**

**[ G.R. No. 232844, July 07, 2020 ]**

**HEIRS OF NELSON CABRERA BUENAFLO, NAMELY, PURA R. BUENAFLO, KAREVA R. BUENAFLO, KENNETH R. BUENAFLO, PAUL R. BUENAFLO AND MARK R. BUENAFLO, PETITIONERS.  
VS. FIELD INVESTIGATION OFFICE, OFFICE OF THE OMBUDSMAN, RESPONDENT.**

## **DECISION**

**REYES, J. JR., J.:**

This Petition<sup>[1]</sup> filed under Rule 45 of the Rules of Court assails the Decision<sup>[2]</sup> dated January 18, 2017 and the Resolution<sup>[3]</sup> dated July 13, 2017, respectively, of the Court of Appeals (CA) in CA-G.R. SP No. 138415. The CA found no grave abuse of discretion amounting to lack or excess of jurisdiction on the part of the Office of the Ombudsman (Ombudsman) in rendering its Decision<sup>[4]</sup> dated January 27, 2014 finding Nelson Cabrera Buenaflor (Buenaflor) guilty of Grave Misconduct.

### **The Facts**

On March 18, 2004, Buenaflor, then President and Chief Executive Officer of Quedan and Rural Credit Guarantee Corporation (QUEDANCOR),<sup>[5]</sup> issued Memorandum Circular No. 270<sup>[6]</sup> also known as the Consolidated Guidelines on QUEDANCOR Swine Program (CG-QSP) establishing a credit program to support the swine industry by providing affordable credit for swine raisers to aid them on their fattening and breeding activities. Under the QSP, QUEDANCOR would issue Purchase Orders (POs) to the borrowers upon approval of their loan application.<sup>[7]</sup> The borrowers then present the POs to an accredited Input Supplier (IS) for the delivery of swine inputs such as hogs, gilts, medicines, feeds, and technical assistance.<sup>[8]</sup> Thereafter, upon receipt of the swine inputs, the borrowers sign a Joint Acceptance and Delivery Receipt (Receipt).<sup>[9]</sup> By virtue of said Receipt, the IS collects payment from QUEDANCOR and the sum paid by the latter shall be the borrowers' loan amount.<sup>[10]</sup>

One such QUEDANCOR-accredited IS was Metro Livestock Incorporated (MLI). QUEDANCOR, through its Regional Office No. 4 and Calapan District Office, issued a Certificate of Accreditation No. R-IV-IS-009<sup>[11]</sup> to MLI on August 25, 2003.

Subsequently, the Field Investigation Office (FIO) of the Ombudsman filed a Complaint<sup>[12]</sup> dated June 23, 2009 charging Buenaflor and several other officials and employees of QUEDANCOR for Serious Dishonesty and Conduct Prejudicial to the Best Interest of the Service under Rule IV, Section 52A(1) and (20) of the Civil Service Commission Resolution No. 99-1936 entitled Uniform Rules on

## Administrative Cases in the Civil Service.

In said complaint, the FIO alleged, inter alia, that the implementation of the QSP in the province of Oriental Mindoro was tainted with irregularities. Specifically, QUEDANCOR's failure to comply with the requirements of competitive bidding pursuant to Section 10 of Republic Act (R.A.) No. 9184<sup>[13]</sup> when it awarded contracts amounting to a total of P48,606,750.00 in favor of MLI.<sup>[14]</sup> Moreover, the FIO stated that MLI was allowed to participate in the QSP despite non-compliance with the accreditation and eligibility requirements, and limited financial and technical capabilities.<sup>[15]</sup> According to the FIO, there were borrowers who confirmed that MLI committed a series of breach thereby affecting the quality of their produce and expected income such as late or non-delivery of feeds and medicines; poor quality of piglets/gilts and non-replacement thereof; insufficient technical assistance; lack of assurance of the quality of inputs being delivered; and difficulty of reimbursing the amount advanced by borrowers for the purchase of feeds/medicines when deliveries were late.<sup>[16]</sup> The FIO added that its findings were corroborated by the Commission on Audit (COA) in its Audit Observation Memorandum dated February 29, 2008.<sup>[17]</sup> The complaint was docketed as OMB-C-A-09-0690-K.

In his Counter-Affidavit,<sup>[18]</sup> Buenaflor argued that there was no violation of existing laws since the provisions on competitive bidding under R.A. No. 9184 applies only if there was actual procurement of infrastructure projects, goods, and consulting services by any branch or instrumentality of the government. He claimed that QUEDANCOR did not engage in any procurement and that the CG-QSP did not contemplate any procurement of goods. Thus, he prayed that the administrative charge against him be dismissed.

### **The Ombudsman Ruling**

In its Decision dated January 27, 2014, the Ombudsman found Buenaflor and five others namely Luis Ramon Paez Lorenzo, Jr., Wilfredo Borreros Domo-Ong, Romeo Cabibi Lanciola, Nellie Mintu Has, and Jesus M. Simon, administratively liable for Grave Misconduct. Buenaflor, in particular, for signing, approving, and issuing the CG-QSP.<sup>[19]</sup> The dispositive portion reads:

WHEREFORE, this Office finds substantial evidence to hold x x x [Buenaflor] x x x GUILTY of GRAVE MISCONDUCT, x x x and hereby orders their DISMISSAL from office with FORFEITURE of retirement benefits, and perpetual disqualification from reemployment in government service.

xxxx

SO ORDERED.<sup>[20]</sup>

The Ombudsman denied the Motion for Reconsideration filed by Buenaflor in an Order<sup>[21]</sup> dated November 4, 2014.

Hence, Buenaflor filed an appeal before the CA.

## **The CA Ruling**

In the herein assailed Decision, the CA sustained the finding of the Ombudsman that the QSP was, in reality, a loan in kind and not in money. As such, the CA opined that QUEDANCOR should have complied with the requirements of public bidding under R.A. No. 9184. On Buenaflor's contention that he was denied due process as he was found guilty of Grave Misconduct when the charge was for Serious Dishonesty and Conduct Prejudicial to the Best Interest of the Service, the CA concurred with the ruling of the Ombudsman in that the designation of the offense with which a person is charged in an administrative case is not controlling and one may be found guilty of another offense where the substance of the allegations and evidence presented sufficiently proves one's guilt.<sup>[22]</sup>

Consequently, Buenaflor's counsel filed a Motion for Reconsideration<sup>[23]</sup> dated February 16, 2017 and a Manifestation<sup>[24]</sup> dated March 17, 2017 informing the CA that Buenaflor died on June 11, 2016<sup>[25]</sup> due to Congested Heart Failure.

In a one-page Resolution dated July 13, 2017, the CA denied the motion for reconsideration.

Unsatisfied, Buenaflor's heirs filed the present Petition for Review on Certiorari asserting their common interest in the retirement benefits of the late Buenaflor which were ordered forfeited by the Ombudsman and affirmed by the CA.<sup>[26]</sup>

## **The Issue**

The basic issue is whether the late Buenaflor may be held administratively liable for issuing the CG-QSP.

## **The Court's Ruling**

There is merit in the Petition.

At the outset, Buenaflor's death during the pendency of the instant case does not necessarily preclude the disposition of his reconsideration or appeal with finality. Certainly, the Court retains its jurisdiction either to pronounce the respondent official innocent of the charges or declare him guilty thereof because a contrary rule would be fraught with injustices and pregnant with dreadful and dangerous implications.<sup>[27]</sup> The Court reiterates that the demise of the respondent in administrative cases does not generally preclude the finding of administrative liability, and while there are jurisprudentially recognized exceptions<sup>[28]</sup> to the rule, none are present in this case.

In one case<sup>[29]</sup> the Court proceeded to resolve respondent public official's administrative case notwithstanding his death to the end that respondent's heirs may not be deprived of any retirement gratuity and other accrued benefits that they may be entitled to receive as a result of respondent's death, as against a possible forfeiture thereof should his guilt have been duly established at the investigation.

Indeed, the resolution of an administrative case may continue notwithstanding the death of the respondent if the latter has been given the opportunity to be heard, or