

FIRST DIVISION

[G.R. No. 197393, June 15, 2016]

PHILIPPINE SAVINGS BANK, PETITIONER, VS. MANUEL P. BARRERA, RESPONDENT.

DECISION

SERENO, C.J.:

This is a Petition^[1] for Review under Rule 45 of the Rules of Court. The Petition assails the Court of Appeals (CA) Decision^[2] dated 17 February 2011 and Resolution^[3] dated 15 June 2011 in C.A.-G.R. SP No. 02612, nullifying the National Labor Relations Commission (NLRC) Decision^[4] dated 29 September 2006 and Resolution^[5] dated 20 December 2006 in NLRC Case No. V-000445-2006. The CA reinstated the labor arbiter's Decision^[6] dated 16 December 2005 in RAB Case No. VI-04-10274-05.

Petitioner argues that the CA committed reversible error in overturning and setting aside the NLRC Decision and Resolution on the sole ground that the *supersedeas* bond posted was invalid.⁷ The CA concluded that the bond was irregular and had no force and effect, because the surety company's authority to transact business as a bonding company refers only to civil cases and does not include labor cases.

We do not agree with this conclusion.

THE FACTS

Petitioner is a banking institution organized and existing under the laws of the Philippines.^[8] Respondent worked for petitioner for seven years in various capacities.^[9] In 2004, he was assigned to the Bacolod branch as a marketing officer and was put in command of the loans department.^[10]

During a quality assurance review, it was discovered that respondent had allowed a contractual employee to use the former's user ID for account booking and approval in the bank's Integrated Loans System.^[11] The unauthorized disclosure of system ID and password was a violation of bank policy.^[12]

Respondent admitted that he had disclosed his user ID and password, but only to a Ms. Mary Ann Cacal - a regular employee who had to go on maternity leave.^[13] He explained that he did so for the continuity of transactions in instances when he had to go out of the bank to coordinate with dealers or interview clients.^[14] He insisted that he was merely following a precedent set by the branch head, Mr. Loubert Sajo.^[15]

While the investigation of this matter was pending, the bank discovered another infraction committed by respondent - the unauthorized issuance of bank certifications.^[16] The internal audit group found that he, along with other officers, was involved in lending the account of Spouses Armando and Grace Ong (Sps. Ong) to different individuals in order to generate bank certifications in favor of the latter.^[17] Bank policy explicitly stated that "no account shall be allowed to be opened for certification purposes only."^[18]

As a result of the investigation, it was discovered that a Request for Change was accomplished on 2 June 2004 to change the account name of Sps. Ong to that of Spouses Orville and Lolita Bautista (Sps. Bautista). The account number remained the same. Respondent was shown to be a signatory to the Certification that there existed a deposit with the bank of a sum of money as of 1 June 2004 in the name of Sps. Bautista. After two days, another Request for Change was processed to revert the account name to that of Sps. Ong. On 7 June 2004, respondent again signed and approved a bank certification in favor of a certain Karen Galoyo using the same account number.^[19] Documents showed deficiencies in the signature cards and other requirements for the processing of a request for change of account name.^[20]

On 15 February 2005, an administrative hearing was conducted.^[21] On 15 March 2005, petitioner served on respondent a Notice of Termination for grave violation of bank policies, code of conduct, and trust and confidence.^[22]

On 4 April 2005, respondent filed a Complaint for illegal dismissal.

THE RULING OF THE LABOR ARBITER

The labor arbiter ruled in favor of respondent and ordered his immediate reinstatement, as well as the payment of P476,137.39 representing back wages, 13th month pay, moral and exemplary damages, attorney's fees, quarterly bonus, and refund for travel expenses and other benefits. The labor arbiter found that the alleged infractions were never fully substantiated by clear and convincing evidence:

It appeared that complainant's failure to report the alleged bank's irregularities/anomalies was never established since there was no clear irregularities/anomalies to reckon with, nor was he apprised that failure to do so, if there is any, would constitute valid ground for dismissal.

As to complainant's unauthorized disclosure of system ID and password to an agency staff who was just assigned as replacement of an employee who was on leave is, to the mind of this Labor Tribunal, is not enough ground to constitute serious/grave misconduct to warrant outright dismissal of the complainant xxx In the instant case, this Office finds that complainant was honest enough to admit that although he shared his system ID and password to Ms. Chua, it was done in good faith and with good intention to insure that booking transactions can be made even if he was out in the field as Marketing Officer.^[23]

Petitioner appealed to the NLRC.

THE RULING OF THE NLRC

Respondent filed a Motion to Dismiss^[24] on the ground of lack of authority to file appeal memorandum and non-perfection thereof. He pointed out that the *supersedeas* bond was irregular, because the Certification of Accreditation and Authority issued by the Office of the Court Administrator (OCA) stated that the Philippine Charter Insurance Corporation (PCIC) was only authorized to issue bonds for civil cases:

PHILIPPINE CHARTER INSURANCE CORPORATION

is hereby granted the authority to transact, through its authorized agents specified herein, surety in relation to CIVIL CASES ONLY filed/pending before the Municipal Trial Courts in Cities of Bacolod City, Cebu City and Iloilo City. Valid until January 31, 2006, unless otherwise suspended or revoked.

Nevertheless, the NLRC gave due course to the appeal and reversed the Decision of the labor arbiter. It found that the complainant had been dismissed for cause and afforded due process.^[25] It went over the evidence presented and found that petitioner was able to substantiate the validity of complainant's termination.^[26] The NLRC found that respondent had violated the bank's Code of Conduct when he disclosed his user ID and password despite the strict prohibition on its disclosure.^[27] With regard to the bank certifications, it did not give credence to his defense that it was a ministerial duty on the part of the respondent to affix his signature.^[28] According to the NLRC, the reasons given by respondent revealed his laxity in protecting the interest of the bank.^[29] The management prerogative of the bank to institute measures that would curb irregularities was upheld.

The NLRC Decision, however, did not address the argument raised in the Motion to Dismiss regarding the irregularity of the appeal bond. Respondent therefore filed a Petition for Certiorari with the CA.

THE RULING OF THE CA

The CA held that the NLRC had committed grave abuse of discretion amounting to lack or excess of jurisdiction when the latter gave due course to the bank's appeal even if it was apparent that the appeal had not been perfected owing to a defective and irregular appeal bond.^[30]

The CA observed that the certification and accreditation issued by the OCA did not state that the PCIC was allowed to issue bonds relative to labor cases filed before the NLRC.^[31] The appellate court further held that the appeal should not have been given due course because of its non-perfection within the reglementary period.^[32]

The CA did not see the need to resolve the other issue - whether the NLRC gravely abused its discretion in reversing the Decision of the labor arbiter - because "to do

so is tantamount to allowing a lost remedy to prosper."^[33]

Petitioner's Motion for Reconsideration was denied.

Petitioner attributes grave and reversible error to the CA in granting respondent's Petition for Certiorari based solely on an erroneous technical ground without adjudicating the case on the merits. Petitioner prays that this Court reinstate the Decision of the NLRC.

In his Comment,^[34] respondent asserts that the CA properly found that the appeal before the NLRC had not been perfected; hence, the Decision of the labor arbiter has become final and executory.

OUR RULING

The Petition is meritorious.

The Court was confronted with a similar question in *U-Bix Corp. v. Hollero*.^[35] In that case, both the NLRC and the CA held that the *supersedeas* bond posted by petitioners had no force and effect, because a perusal of the bond revealed that the Certification of Accreditation and Authority issued by the OCA covers an authority to transact surety business in relation to "civil/special proceedings cases only" and does not include labor cases filed before the NLRC. The Court therein ruled that the bonds may also be used for labor cases.

In the present case, the CA overlooked the fact that it is within the province of the NLRC to accredit surety companies for cases it hears. The Supreme Court only accredits surety companies for judicial courts:

II. ACCREDITATION OF SURETY COMPANIES: In order to preclude spurious and delinquent surety companies from transacting business with the courts, no surety company or its authorized agents shall be allowed to transact business involving surety bonds with the Supreme Court, Court of Appeals, the Court of Tax Appeals, the Sandiganbayan, Regional Trial Courts, Shari'a District Courts, Metropolitan Trial Courts, Municipal Trial Courts in Cities, Municipal Trial Courts, Municipal Circuit Trial Courts, Shari'a Circuit Courts and other courts which may thereafter be created, unless accredited and authorized by the Office of the Court Administrator.

^[36]

This fact explains why labor cases were not enumerated in the Certification of Accreditation and Authority issued to the PC1C. This is not to say that the certification issued by the OCA is worthless before the NLRC. On the contrary, the 2005 Revised Rules of Procedure of the NLRC expressly provided that bonds issued by a reputable bonding company duly accredited by the Supreme Court are acceptable.^[37]

In addition, the Court has relaxed the requirement of posting a supersedeas bond for the perfection of an appeal when there has been substantial compliance with the

rule.^[38] For example, in *Del Rosario v. Philippine Journalists, Inc.*,^[39] the Court allowed the appeal to proceed despite the subsequent revocation of the authority of a bonding company, because "technical rules of procedure should not hamper the quest for justice and truth."

We find that the purpose of the appeal bond - to ensure, during the period of appeal, against any occurrence that would defeat or diminish recovery by the aggrieved employees under the judgment if subsequently affirmed^[40] - has been met. Records show that as of 22 January 2011, the supersedeas bond in the amount of P476,137.39 was still in existence.^[41]

We now resolve the prayer to reinstate the NLRC Decision.

Generally, only errors of law are reviewed by this Court in petitions for review. However, there are well-recognized exceptions^[42] to this rule, as in this case, when the factual findings of the NLRC contradict those of the labor arbiter.

In the interest of judicial economy and efficiency, and given that the records are sufficient to make a determination of the validity of respondent's dismissal, the Court has decided to reevaluate and review the factual findings.

We uphold the finding of the NLRC that respondent was validly dismissed.

***The unauthorized disclosure of
username and password exposed
the bank to incalculable losses.***

The loss of confidence had sufficient basis. As an account and marketing officer, respondent was tasked with the approval of loans, which is an element of a core banking function.^[43] Without a doubt, he was entrusted with delicate matters, including the custody, handling, care and protection of the bank's assets. Given the sensitive functions of his position, he was expected to strictly observe and comply with the bank's standard operating procedures.

This he failed to do.

The bank has an existing policy on user IDs and passwords: BOPD Code 003-01-04.2^[44] dated 6 August 2002, obligating designated branch personnel to keep their passwords confidential at all times. The purpose was to establish accountabilities and limit control over transactions and/or functions.^[45] Respondent, who was one of those branch personnel so designated, disclosed his password to another employee, who later disclosed it to a contractual employee.

Respondent tried to excuse his action by pointing out that the branch head was also guilty of the same offense. (After investigation, this allegation proved to be false.) Although respondent later attempted to seek understanding on account of his heavy workload, we cannot force the employer to accept these excuses. We understand that the failure of respondent to report irregularities being committed in the branch, coupled with his disregard of the control procedure, allowed unauthorized access into the bank system. To a great degree, it exposed the bank to unauthorized