

SECOND DIVISION

[G. R. No. 209845, July 01, 2015]

**MELCHOR G. MADERAZO AND DIONESIO R. VERUEN, JR.,
PETITIONERS, VS. PEOPLE OF THE PHILIPPINES AND
SANDIGANBAYAN, RESPONDENTS.**

R E S O L U T I O N

CARPIO, J.:

The Case

Assailed in this petition for review^[1] are the Decision^[2] dated 30 May 2013 and the Resolution^[3] dated 13 November 2013 of the Sandiganbayan in Criminal Case No. 27916, which found petitioners Melchor G. Maderazo (Maderazo) and Dionesio R. Veruen, Jr. (Veruen) guilty beyond reasonable doubt of violation of Section 3(e) of Republic Act No. (RA) 3019, or the *Anti-Graft and Corrupt Practices Act*.

The Facts

The facts, as culled from the records, are as follows:

On 21 January 1998, the Sangguniang Bayan of Caibiran, Biliran, composed of Victor Maderazo (Victor), Jovencio Pantas, Camilo Go, Nestorio Rosario, Cesar Almen, Florentino Banquillay, Camilo Brasil and Imelda Cuevas (collectively, SB Members), unanimously passed and approved Resolution No. 01, Series of 1998, authorizing the municipal mayor to enter into a negotiated contract with a local fabricator of tapping saddles for the improvement of the water system of Caibiran, Biliran.

On 28 January 1998, Maderazo, the Acting Mayor due to the suspension of Mayor Rodito Ramirez (Ramirez), entered into a Job Contract with Artemio Vermug (Vermug), proprietor of Vermug Welding Shop. The Job Contract provided that: (a) Vermug Welding Shop would fabricate 400 pieces of two-diameter tapping saddles; (b) the Local Government Unit (LGU) of Caibiran would pay Vermug Welding Shop P400.00 for each tapping saddles fabricated; (c) Vermug Welding Shop would complete the fabrication within 30 days after the signing of the Job Contract; and (d) the LGU of Caibiran would pay Vermug Welding Shop the whole amount due upon completion of the orders.

On the same day, Acting Municipal Treasurer Domingo Vidal (Vidal) issued Land Bank Check No. 21408930 with an amount of P454,036.37 in the name of Vermug, upon submission of the following documents to him: (1) Request for Obligation and Allotment; (2) Disbursement Voucher; (3) Official Receipt No. 0020 issued by Vermug Welding Shop; and (4) undated Inspection Report certified correct by Victor and Veruen, and noted by Maderazo.

On 8 February 1998, Ramirez resumed his position as mayor and found that there were no tapping saddles delivered despite the payment made. On 18 June 1998, Ramirez filed an Affidavit-Complaint, docketed as OMB-VIS CRIM-98-0475, before the Office of the Ombudsman charging Maderazo, Veruen and the SB members with Malversation and violation of RA3019.

On 20 August 1998, Biliran Provincial Auditor Rogelio C. Abiera directed State Auditor Evangeline C. Bernil (Bernil) and Narciso Brun (Brun) to conduct a physical inventory and inspection of the tapping saddles. In their report, Bernil and Brun stated that: (a) on 25 August 1998, they counted 188 pieces of tapping saddles, consisting of 156 pieces measuring 20 x 1/2" and 32 pieces measuring 40 x 1/2", in the Office of the Municipal Engineer; (b) the tapping saddles were delivered on 10 August 1998 as alleged by Ramirez and Municipal Engineer Arnulfo Y. Camarines (Camarines); (c) one of the supporting documents was an undated Inspection Report certified correct by Victor and Veruen, and noted by Maderazo; (d) a Job Contract was signed between Maderazo and Vermug on 28 January 1998; (e) the creditor was paid on the same day that the Job Contract was executed; and (f) there were no Purchase Request, Purchase Order, Delivery Receipts and Acceptance Report attached to the voucher as supporting documents.

Upon finding probable cause for violation of Section 3(e) of RA 3019, the Ombudsman issued an Information dated 22 October 2003:

That [o]n or about the period from 21 to 28 January 1998, in the Municipality of Caibiran, Province of Biliran, Philippines, and within the jurisdiction of this Honorable Court, above-named accused MELCHOR G. MADERAZO, a high ranking public officer, being then the Acting Mayor, VICTOR MADERAZO, JR., JOVENCIO PANTAS, CAMILO GO, NESTORIO ROSARIO, CESAR ALMEN, FLORENTINO BANQUILAY, CAMILO BRASIL AND IMELDA CUEVAS, being then Sangguniang Bayan (SB) Members and DIONESIO R. VERUEN, JR., then Acting Municipal Accountant, all of Caibiran, Biliran, commit[t]ing the offense in relation to their official duties and taking advantage of their official positions, conniving and confederating with each other, thru evident bad faith and manifest partiality, (or, at the very least, with gross inexcusable negligence), did then and there willfully, unlawfully and criminally cause[d] undue injury to the government by enacting SB Resolution No. 01 Series of 1998 authorizing the Municipal Mayor to enter into a negotiated contract with any local fabricator of tapping saddles and thereafter, enter[ed] into a Job Contract with one Artemio Vermug, the Proprietor of Vermug Welding Shop for the fabrication of four hundred (400) pieces of tapping saddles, worth ONE HUNDRED SIXTY THOUSAND (PI 60,000.00) PESOS, Philippine Currency to be used in the water system of the Municipality of Caibiran, when in truth and in fact said tapping saddles are not yet needed and despite non-compliance with the requirements of the negotiated contract and the non-delivery of the tapping saddles the accused prepare[d] the corresponding Disbursement Voucher and release[d] the corresponding Check in the amount of PI54,036.37 and thereafter receive[d] the proceeds thereof for their own personal benefit, to the damage and prejudice of the government.

CONTRARY TO LAW.^[4]

Upon arraignment, Maderazo, Veruen, Victor, Nestorio Rosario, Florentino Banquilay, and Imelda Cuevas entered a plea of not guilty. The other accused, Jovencio Pantas, Camilo Go, Cesar Almen and Camilo Brasil, are still at large. The Sandiganbayan dismissed the case against Florentino Banquilay on 30 July 2006 upon submission by the prosecution of his death certificate.

The Ruling of the Sandiganbayan

In a Decision dated 30 May 2013,^[5] the Sandiganbayan convicted Maderazo and Veruen for violation of Section 3(e) of RA 3019. The Sandiganbayan found that all the elements of Section 3(e) of RA 3019 were present. The Sandiganbayan held that both Maderazo and Veruen, who were then public officers, acted in evident bad faith for disbursing the amount of P160,000, without the delivery of the tapping saddles. According to the Sandiganbayan, their actions violated the pecuniary interest of the LGU of Caibiran and caused undue injury in the said amount.

The Sandiganbayan held that conspiracy existed between Veruen and Maderazo, since the crime would not have been possible without each other's participation as shown by their execution and approval of the Disbursement Voucher, check, and undated Inspection Report. The Sandiganbayan, however, found no sufficient evidence to link the SB members to the crime, considering that their participation was limited to the collective passage and approval of Resolution No. 1, Series of 1998.

The dispositive portion of the Sandiganbayan decision states:

WHEREFORE, judgment is hereby rendered finding accused MELCHOR G. MADERAZO and DIONESIO R. VERUEN, JR. GUILTY beyond reasonable doubt as charged in the Information and sentencing each of them to suffer the indeterminate penalty of six (6) years and one (1) month as minimum to ten (10) years as maximum, and to suffer the perpetual disqualification from public office, and to indemnify, jointly and severally, the Municipality of Caibiran, Biliran, the amount of PhP 160,000.00 representing the losses that it suffered by reason of the non-delivery of the 400 pieces [of] tapping saddles with legal interest from the finality of this decision until the same is fully paid, and to proportionately pay the costs; and for insufficiency of evidence, ACQUITTING accused JOVENCIO PANTAS, NESTORIO ROSARIO, VICTOR MADERAZO, and IMELDA CUEVAS with cost de oficio. In this connection, the respective cash bonds posted by the said accused are hereby RELEASED to them subject to the usual accounting and auditing procedures, and the Hold Departure Orders issued against them are hereby LIFTED and SET ASIDE.

With respect to accused CAMILO GO, CESAR ALMEN and CAMILO BRASIL, who are at-large and beyond the jurisdiction of the court, this Case is ordered ARCHIVED.

SO ORDERED.^[6]