

## SECOND DIVISION

[ G.R. Nos. 158694-96, March 13, 2009 ]

**PEOPLE OF THE PHILIPPINES, PLAINTIFF-APPELLEE, VS.  
TEOFILO G. PANTALEON, JR. AND JAIME F. VALLEJOS, ACCUSED-  
APPELLANTS.**

### DECISION

**BRION, J.:**

We review in this appeal the February 4, 2003 decision of the Sandiganbayan in Criminal Case Nos. 25861-63<sup>[1]</sup> finding the appellants Teofilo G. Pantaleon, Jr. (*Pantaleon*) and Jaime F. Vallejos (*Vallejos*), former Municipal Mayor and Municipal Treasurer, respectively, of the Municipality of Castillejos, Zambales, guilty beyond reasonable doubt of three (3) counts of malversation of public funds through falsification of public documents, defined and penalized under Article 217, in relation with Articles 48 and 171 of the Revised Penal Code. The Sandiganbayan sentenced the appellants to suffer the penalties of *reclusion perpetua* and perpetual special disqualification for each count, and ordered them to pay a fine in the amounts of P166,242.72, P154,634.27, and P90,464.21, respectively, and to pay the costs.

### ANTECEDENT FACTS

This case originated from the joint affidavit-complaints filed by Vice Mayor Wilma D. Billman (*Vice Mayor Billman*); Councilors Reynaldo V. Misa (*Reynaldo*), Dionisio F. Abinsay (*Dionisio*), Resty D. Vilorio (*Resty*), Ramon J. Tamoria (*Ramon*), Aurelio M. Fastidio (*Aurelio*), Enrique C. Clarin (*Enrique*), and Raymundo V. Navarro (*Raymundo*), dated December 18, 1998; and Rodolfo J. Navalta (*Rodolfo*) dated December 22, 1998, before the Office of the Special Prosecutor of Zambales, for malversation of public funds through falsification of public documents, against the appellants, Ken Swan Tiu, and Engineer Rainier J. Ramos (*Engr. Ramos*).

The joint affidavit-complaints alleged that the appellants, Ken Swan Tiu, and Engr. Ramos conspired to illegally disburse and misappropriate the public funds of the Municipality of Castillejos, Zambales in the amounts of P166,242.72 (under Disbursement Voucher No. 101-9803-328), P154,634.27 (under Disbursement Voucher No. 101-9803-349), and P90,464.21 (under Disbursement Voucher No. 101-9804-415), by falsifying the supporting documents relating to three (3) fictitious or "ghost" construction projects, namely: (a) the upgrading of *barangay* roads in *Barangays* Looc, Nagbayan, Magsaysay, and San Pablo; (b) the upgrading of *barangay* roads in *Barangays* Looc proper-Casagatan, Nagbayan proper-Angeles, and San Pablo-Sitio San Isidro; and (c) the construction of market stalls at the public market of Castillejos.

The affidavit-complaints further alleged that the disbursement vouchers were not signed by the municipal accountant and budget officer; that the *Sangguniang Bayan*

did not adopt a resolution authorizing Pantaleon to enter into a contract with La Paz Construction and/or Ken Swan Tiu; and that no projects were actually undertaken by the Municipality of Castillejos.

The Office of the Special Prosecutor (OSP) recommended the filing of an Information for Malversation of Public Funds through Falsification of Public Documents against the appellants and Ken Swan Tiu, and the dismissal of the complaint against Engr. Ramos.<sup>[2]</sup>

The Office of the Deputy Ombudsman for Luzon approved the Joint Resolution of the OSP, with the modification that the complaint against Ken Swan Tiu be dismissed for lack of probable cause.<sup>[3]</sup> The Office of the Ombudsman approved the Review Action of the Office of the Deputy Ombudsman for Luzon.<sup>[4]</sup>

The Office of the Ombudsman filed on March 10, 2000 three (3) separate Informations for Malversation of Public Funds through Falsification of Public Documents against the appellants before the Sandiganbayan. The Informations were docketed as Criminal Case Nos. 25861-63. Criminal Case Nos. 25861-62 refer to the disbursement of public funds in the upgrading of various roads in the Municipality of Castillejos, while Criminal Case No. 25863 concerns the disbursement of funds for the construction of market stalls at the Castillejos Public Market. The accusatory portions of these Informations read:

*Criminal Case No. 25861*

That on or about 5 January 1998 and 20 February 1998, or sometime prior or subsequent thereto, in the Municipality of Castillejos, Province of Zambales, Philippines, and within the jurisdiction of this Honorable Court, the above-named accused, both public officers, then being the Municipal Mayor and Municipal Treasurer, respectively, both of the Municipality of Castillejos, Zambales who by reason of their said respective office, are accountable for public funds or properties, committing the complex crime charged herein while in the performance of, in relation to and/or taking advantage of their official positions and functions as such, and conspiring and confederating with one another, did then and there, willfully, unlawfully and feloniously appropriate, take or misappropriate public funds of the Municipality of Castillejos, Zambales under their charge and custody in the amount of P166,242,72, Philippine currency, under the check dated 20 February 1998 intended for the simulated disbursement and payment thereof in favor of La Paz Construction (LPC) relative to the fictitious contract for the upgrading of the barangay roads in Barangay Looc, Nagbayan, Magsaysay and San Pablo, Castillejos, Zambales; by means of falsifying the corresponding disbursement voucher no. 101-9803-328, certificates of inspection and acceptance, contract between LPC and the Municipality of Castillejos, Zambales, price quotation, purchase order, and LPC official receipt number 000999 dated 5 January 1998, to falsely make it appear that LPC entered into, undertook and completed the said contract and received the aforesaid amount as payment therefor from the Municipality of Castillejos, Zambales, when in truth and in fact, LPC neither entered into, undertook and completed the aforesaid contract nor received from the Municipality of Castillejos,

Zambales the said sum of money or any part thereof, to the damage and prejudice of the Municipality of Castillejos, Zambales and the public interest in the aforestated amount.

**CONTRARY TO LAW.<sup>[5]</sup>**

*Criminal Case No. 25862*

That on or about 23 February 1998, or sometime prior or subsequent thereto, in the Municipality of Castillejos, Province of Zambales, Philippines, and within the jurisdiction of this Honorable Court, the above-named accused, both public officers, then being the Municipal Mayor and Municipal Treasurer, respectively, both of the Municipality of Castillejos, Zambales who by reason of their said respective office are accountable for public funds or properties, committing the complex crime charged herein while in the performance of, in relation to and/or taking advantage of their official positions and functions as such, and conspiring and confederating with one another, did then and there, willfully, unlawfully and feloniously appropriate, take or misappropriate public funds of the Municipality of Castillejos, Zambales under their charge and custody in the amount of P154,634.27 Philippine currency, under the check dated 23 February 1998 intended for the simulated disbursement and payment thereof in favor of La Paz Construction (LPC) relative to the fictitious contract for the upgrading of the barangay roads in Barangay Looc proper-Casagatan, Nagbayan proper-Angeles and San Pablo-Sitio Isidro, Castillejos, Zambales; by means of falsifying the corresponding disbursement voucher no. 101-9803-349, certificates of inspection and acceptance, contract between LPC and the Municipality of Castillejos, Zambales, purchase order, and LPC official receipt, to falsely make it appear that LPC entered into, undertook and completed the said contract and received the aforesaid amount as payment therefor from the Municipality of Castillejos, Zambales, when in truth and in fact, LPC neither entered into, undertook and completed the aforesaid contract nor received from the Municipality of Castillejos, Zambales the said sum of money or any part thereof, to the damage and prejudice of the Municipality of Castillejos, Zambales and the public interest in the aforestated amount.

**CONTRARY TO LAW.<sup>[6]</sup>**

*Criminal Case No. 25863*

That on or about 20 March 1998, or sometime prior or subsequent thereto, in the Municipality of Castillejos, Province of Zambales, Philippines, and within the jurisdiction of this Honorable Court, the above-named accused, both public officers, then being the Municipal Mayor and Municipal Treasurer, respectively, both of the Municipality of Castillejos, Zambales who by reason of their said respective office are accountable for public funds or properties, committing the complex crime charged herein while in the performance of, in relation to and/or taking advantage of their official positions and functions as such, and conspiring

and confederating with one another, did then and there, willfully, unlawfully and feloniously appropriate, take or misappropriate public funds of the Municipality of Castillejos, Zambales under their charge and custody in the amount of P90,464.21, Philippine currency, under the check dated 20 March 1998 intended for the simulated disbursement and payment thereof in favor of La Paz Construction (LPC) relative to the fictitious contract for the construction of market stalls at the public market of Castillejos, Zambales, by means of falsifying the corresponding disbursement voucher no. 101-9804-415, certificates of inspection and acceptance, contract between LPC and the Municipality of Castillejos, Zambales, price quotation, purchase order, and LPC official receipt number 000995 dated 20 March 1998, to falsely make it appear that LPC entered into, undertook and completed the said contract and received the aforesaid amount as payment therefor from the Municipality of Castillejos, Zambales, when in truth and in fact, LPC neither entered into, undertook and completed the aforesaid contract nor received from the Municipality of Castillejos, Zambales the said sum of money or any part thereof, to the damage and prejudice of the Municipality of Castillejos, Zambales and the public interest in the aforestated amount.

### **CONTRARY TO LAW.<sup>[7]</sup>**

The appellants pleaded not guilty to the charges upon arraignment. The prosecution filed a motion to suspend the accused *pendente lite* after their arraignment.<sup>[8]</sup> The Sandiganbayan (Fourth Division) granted the motion and ordered the preventive suspension of the appellants for 90 days.<sup>[9]</sup> The appellants filed a motion for reconsideration<sup>[10]</sup> which the Sandiganbayan denied.<sup>[11]</sup> The appellants filed with this Court a petition for review on *certiorari*, docketed as **G.R. No. 145030**, assailing the Sandiganbayan Resolutions of August 16, 2000 and September 12, 2000, respectively. We denied the petition for lack of merit.<sup>[12]</sup>

In the trial on the merits of Criminal Cases Nos. 25861-63 that followed, the prosecution presented the following witnesses: Engr. Ramos, Aurelio, Nida Naman (*Nida*), Alberto Domingo (*Alberto*), Engineer Eduardo Soliven (*Engr. Soliven*), Simeon Amor Vilorio (*Simeon*), Ken Swan Tiu, Resty, Vice Mayor Billman, Enrique, and Reynaldo. The appellants, Quirino Adolfo (*Quirino*), Ricardo Abaya (*Ricardo*), Crisanta Ancheta (*Crisanta*), and John Baquilat (*Baquilat*) took the witness stand for the defense.

#### *Evidence for the Prosecution*

**Engr. Ramos** testified that he was designated as acting municipal engineer of Castillejos, Zambales by Pantaleon in January 1998; and that he prepared three (3) programs of work upon the instructions of Vallejos. The first two (2) programs of work, dated January 5, 1998 and January 14, 1998, respectively, were for the upgrading of *barangay* roads; the third, also dated January 5, 1998, was for the construction of market stalls. He confirmed that the three (3) signatures affixed in these programs of work belonged to him, to Pantaleon, and to Vallejos, respectively; and declared that he never implemented any of these projects. He later discovered that these projects had already been implemented by the previous municipal engineer; hence, the programs of work and subsequent disbursements were not

really needed.<sup>[13]</sup>

On cross-examination, he stated that he was asked to prepare the programs of work in March 1998; that he submitted the programs upon completion to Vallejos who told him that he (Vallejos) would give them to Pantaleon for approval. He assumed the programs of work were disapproved because nobody coordinated with him regarding their implementation.<sup>[14]</sup>

On re-direct examination, Engr. Ramos explained that Pantaleon and Vallejos instructed him to place dates earlier than March 1998 in the three (3) programs of work, although he prepared them only in March 1998.<sup>[15]</sup>

**Aurelio**, a member of the *Sangguniang Bayan* of Castillejos, testified that the public market of Castillejos was built after the eruption of Mt. Pinatubo in 1991; and that it was renovated by Engr. Clarin during the incumbency of former mayor Enrique Magsaysay. He declared that no market stall was constructed in the public market in 1998 and 1999, and no upgrading, excavation, and back filling of any *barangay* road likewise took place in 1998 in Castillejos. He added that no infrastructure project could have been made in January 1998 because it was an election period.<sup>[16]</sup>

On cross-examination, Aurelio declared that he, together with other *Sanggunian* members, examined the disbursement vouchers and other documents related to the projects covered by the program of works after they learned that disbursements were made to La Paz Construction; that they (*Sanggunian* members) filed a case before the Provincial Prosecutor of Olongapo City after discovering that the purported transactions were anomalous. He stated that La Paz Construction never entered into a contract with the Municipality of Castillejos as confirmed by its proprietor, Ken Swan Lee Tiu. He added that the projects covered by the disbursement vouchers were not among those included in the approved development plan for the years 1996 to 1998; and that, surprisingly, the disbursement vouchers indicated that the funds used to cover these projects were charged from the 20% development fund.<sup>[17]</sup>

**Nida**, the senior bookkeeper of Castillejos, testified that Pantaleon designated her as municipal accountant in 1993, and that she occupied the position until July 1998; as a municipal accountant, she reviewed documents for the preparation of vouchers. She recalled that she reviewed Voucher Nos. 101-9804-415, 101-9803-328 and 101-9803-349 only after the indicated amounts had been paid.

She explained that a voucher is certified by the local budget officer and by the municipal accountant, and that without her signature, a voucher is defective for failure to comply with government auditing and accounting rules and regulations. She also revealed that the following irregularities attended the issuance of the vouchers:

- (a) Martin Pagaduan (*Pagaduan*), the present municipal accountant, signed Voucher No. 101-9803-328 (*Exh. "A"*) above her (Nida's) name without her authority. Pagaduan was not yet the municipal accountant at the time of the issuance of the voucher; he was only designated as municipal accountant on January 1, 1999;
- (b) Pagaduan also similarly signed some of the documents attached to