

**EN BANC**

**[ G. R. No. 102508, January 30, 2002 ]**

**REPUBLIC OF THE PHILIPPINES, PETITIONER, VS.  
SANDIGANBAYAN, THIRD DIVISION, AND JOLLY R. BUGARIN,  
RESPONDENTS.**

**DECISION****DAVIDE JR., C.J.:**

Persistent in its efforts to recover the alleged unexplained wealth amassed by private respondent Jolly R. Bugarin, a government official during the Marcos regime, petitioner Republic of the Philippines implores this Court to reverse and set aside the 13 August 1991 Decision of the Sandiganbayan<sup>[1]</sup> dismissing, for insufficiency of evidence, its petition for forfeiture of properties filed pursuant to Republic Act No. 1379,<sup>[2]</sup> as amended.

In its petition<sup>[3]</sup> filed with the Sandiganbayan on 3 August 1987, petitioner, represented by the Presidential Committee on Good Government (PCGG), averred that respondent Bugarin acquired during his incumbency as Director of the National Bureau of Investigation (NBI) real and personal properties enumerated in paragraph 5 thereof whose aggregate fair market value at the time of their acquisition was P6,313,632.56. Allegedly, those properties were manifestly in excess or out of proportion to his salaries, allowances, and other emoluments from 1 July 1967 to 15 March 1986 totalling P743, 243.65 only.

In his Answer with Explanation,<sup>[4]</sup> Bugarin claimed that some of the properties enumerated in paragraph 5 of the petition were acquired by him and his wife before he became a Director of the NBI. The acquisition cost of the properties he acquired during his incumbency was P2,793,141.26 only. He likewise alleged that apart from the P743,243.65 he received for the entire period of his service as NBI Director, he also received allowances from the Dangerous Drugs Board (DDB) totalling P74,500.00; the National Police Commission (Napolcom), P148,032.24; the Central Bank, P834,700.00; and the Law Firm of San Juan, Africa, Gonzales, and San Agustin, P490,000.00. He also derived substantial income from the investments and properties he and his wife acquired before he became a Director of the NBI.

During the trial, respondent Bugarin presented fifteen witnesses, including himself, as well as documentary evidence marked as Exhibits "1" to "48." A summary of his property acquisitions follows:

<b>REAL PROPERTY</b>	<b>YEAR ACQUIRED</b>	<b>ACQUISITION COST</b>
1. Residential lot	1968	P91,140

in Dasmariñas Village, Makati <sup>[5]</sup>		
2. Nine (9) Residential lots, Tagaytay City <sup>[6]</sup>	1968	9,340
3. Residential House Dasmariñas Village, Makati <sup>[7]</sup>	1969	175,900
4. Residential Lot, Greenhills, San Juan, Metro Manila <sup>[8]</sup>	1973	87,288
5. Residential Lot, Capitol District Quezon City <sup>[9]</sup>	1972	72,750
6. Condominium Unit, Montepino  Condominium, Baguio City <sup>[10]</sup>	1973	100,000
7. Residential Lot Valle Verde, Pasig, M.M. <sup>[11]</sup>	1976	263,165
8. Residential House Valle Verde, Pasig, M.M. <sup>[12]</sup>	1978	250,000
9. Residential Lot Calapan, Oriental Mindoro <sup>[13]</sup>	1978	5,000
10. Orchard & Cocoland Puerto Galera, Oriental Mindoro <sup>[14]</sup>	1978	1,000
11. Residential House Greenhills, San Juan <sup>[15]</sup>	1980	650,000

<b>TOTAL</b>		<b>P1,705,583</b>
<b><u>BUSINESS INVESTMENTS</u></b>	<b><u>YEAR</u></b>	<b><u>AMOUNT</u></b>
1. Philippine Commercial and Industrial Bank <sup>[16]</sup>	1968-1970; 1980	P24,800
2. Social Studies Publication <sup>[17]</sup>	1971	10,000
3. Admiral Investment & Financing Corp.	1965-1981	24,060
4. Admiral Development Corp.		3,200
5. Far East Bank & Trust Co. <sup>[18]</sup>	1971-1972	19,030
6. Lakeview Industrial Corp.	1973	10,000
7. Phil. Banking Corporation <sup>[19]</sup>	1970 1983	4,000 5,200
8. Mabuhay Airways Phils., Inc.	1974	10,000
9. Menzi Development Corp.	1974	5, 000
10. LRW Realty & Development	1975	300,000
11. Astra Financing Corporation <sup>[20]</sup>	1981	25,000
12. J.R. Garments Corporation <sup>[21]</sup>	1982 1983	300,000 150,0000
13. Manila Hilton		1,400
<b>TOTAL</b>		<b>P891,690</b>
<b><u>OTHER INVESTMENTS</u></b>		
1. Philippine Columbian Club	1968-1975	P24,750

2. Makati Sports Club	1975	25,000
3. Manila Polo Club	1978	32,000
4. Baguio Country Club	1985	60,000

<b>TOTAL</b>		<b>P141,750</b>
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To recapitulate, the total cost of the properties, business investments and other investments acquired by Bugarin during his incumbency as NBI Director is as follows:

Real Property	P1,705,583
Business Investments	891,690
Other Investments	141,750

<b>TOTAL</b>	<b>P2,739,023</b>
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As to his income, he attempted to prove that aside from those mentioned in his Answer, he also earned the following amounts:

Proceeds from the sale of a parcel of land in Iloilo City in 1968 <sup>[22]</sup>	P15,000.00
Proceeds from the sale of his real property in Quezon City in 1984 <sup>[23]</sup>	P300,000.00
Profits in stock transaction in 1983	P63,862.00
Pensions from the Philippine Government as veteran at P220 per month from July 1967 to March 1986	P49,000.00
Professional Fee received from the China Bank and Africa Law office <sup>[24]</sup>	P55,000.00
Outstanding balance as of 28 February 1989 of GSIS loan obtained in 1983 <sup>[25]</sup>	P775,073.38
Pension from the United States	

Government as World War I veteran	\$8,512.00
Rental income from the lease of his houses in Dasmariñas Village, Makati; Valle Verde, Pasig; and Greenhills, San Juan, from 1981 to 1986	P1,748,640

In its 71-page decision, the Sandiganbayan excluded the allowances from the DDB, Napolcom and Central Bank on the ground that they were given to Bugarin in the nature of reimbursement, which would imply that they had been spent for the purpose for which they were earmarked and could not have therefore been used in purchasing the subject properties. Anent the professional fees, the Sandiganbayan held that "while the same may be considered as unlawful income, forfeiture thereof ... or ... of the properties equivalent to said amount is not part of the subject matter of the petition." As to the amount of P63,862.50 alleged to have been his profits from stock transactions, the same turned out to be the tax paid on the gains realized by him in stock transactions in 1983 and, hence, not allowable as part of his income. Also excluded from his disposable funds were the alleged pensions from the U.S. and Philippine governments, since the evidence presented were merely checks dated 1 February 1990 in the amount of \$38<sup>[26]</sup> and 31 January 1990 in the amount of P220,<sup>[27]</sup> respectively, albeit payable to Bugarin. It then summarized respondent's lawful income and disposable funds, thus:

<b><u>Source of Income</u></b>	<b><u>Amount</u></b>
1. Salary, allowances and other emoluments of respondent as NBI Director (not disputed by the petitioner) .....	P743,243.65
2. Proceeds from sale of Quezon City lot (Exhs. 35, 35-A and 36) .....	P300,000.00
3. Proceeds from sale of Iloilo City lot (Exh. 3-B).....	P15,000.00
4. Rental Income earned by respondent from the lease of his houses in Dasmariñas Village, Makati; Valle Verde, Pasig; and San Juan (Exhs.39-A, 40-A, 41-A, 43-A and 44-A).....	P1,748,640.00
Total lawful income earned by respondent from 1967 – 1986 .....	P2,806,883.65