

## THIRD DIVISION

[ G.R. No. 100579, June 06, 2001 ]

**LEANDRO P. GARCIA, PETITIONER, VS. THE HONORABLE COURT OF APPEALS, THE PHILIPPINE COCONUT AUTHORITY GOVERNING BOARD, AND JOSEFEL P. GRAJEDA, RESPONDENTS.**

### D E C I S I O N

**VITUG, J.:**

The instant petition is one of the old cases recently re-raffled, pursuant to A.M. No. 00-9-03-SC, dated 27 February 2001, to the herein *ponente*. The case involves a petition for review of the decision, dated 17 September 1990, of the Court of Appeals in CA-G.R. SP No. 20384, entitled "Philippine Coconut Authority (PCA), et al., vs. Honorable Pedro Santiago, et al.," setting aside the orders, dated 29 June 1989 and 25 September 1989, of the Regional Trial Court ("RTC") of Quezon City, Branch 101, in Civil Case No. Q-89-2695 and the subsequent resolution of 16 May 1991 denying petitioner's motion for reconsideration.

On 18 October 1988, the PCA Governing Board (the "Board" for brevity) passed Resolution No. 109-88, creating an "Investigation Committee" which would look into the complaint made by one Antonio Pua against petitioner, then administrator of the Philippine Coconut Authority, for supposed irregularities committed by him. On 07 February 1989, the Board passed its Resolution No. 011-89, amending Resolution No. 109-88, that changed the composition of the members of the Investigation Committee.<sup>[1]</sup> On 14 February 1989, further changes were made on the composition of the Investigation Committee.<sup>[2]</sup>

On 28 February 1989, the Investigation Committee, after conducting formal hearings on the charges against petitioner by complainant Antonio Pua, submitted its findings which, among other things, stated thusly:

"After a cursory perusal of the records on hand and the testimonies of all aforementioned witnesses, this Board finds:

- "1. A prima facie case against respondent Garcia with respect to the first issue. Complainant Pua presented the original copy of the certification dated July 24, 1987 in favor of Westmont, the genuineness and due execution of which respondent does not dispute as in fact said document is being adopted as part of his defense. Photocopy of the same is hereto attached and made a part hereof as Annex 'A'. Director Joaquin Roces likewise presented to the Committee a photocopy of another certification also dated July 24, 1987 in favor of Westmont which, as testified to under oath, he secured from the Board of Foreign Trade. Director Roces further testified that he actually saw the

original of this latter document at the Board of Foreign Trade in Taiwan on 21 February 1989 - the day he had this photocopied; that this was the very document his Office authenticated on 17 August 1987; that he is certain that what he saw was the original copy of the authenticated certificate taking into account the signature of respondent Garcia (of which he is familiar) affixed therein in blue ink, the seal on the left bottom portion, the heading of PCA with the distinct color of yellow. Photocopy of the document is hereto attached as part hereof and marked as Annex `B'.

- "2. A prima facie case against respondent Garcia as regards the second issue in view of the categorical testimony of Mr. Jesus Cabalza that he (Cabalza) and Director Rodriguez met only on July 27, 1987 or thereafter - thereby negating the claim of respondent Garcia that it was Director Rodriguez who designated I.Q. as importer on suggestion of Mr. Cabalza when the two allegedly met in his (Garcia) office on 24 July 1987 - the day the certification in favor of Westmont was first issued.

"x x x x x x x x x

"In view of the foregoing, this Committee recommends:

- "1. That formal charges be filed against Administrator Leandro Garcia for dishonesty, falsification of official document, grave misconduct and violation of RA 3019, Sec. 3e, f and j.
- "2. That respondent Garcia be placed under preventive suspension upon the filing of the formal charge until such time that the case shall have been terminated and a decision on the case has become final and executory."<sup>[3]</sup>

On 01 March 1989, the PCA, through its then Acting Board Chairman, Apolonio B. Bautista, filed an administrative complaint, docketed Special PCA Administrative Case No. 01-89, against herein petitioner Leandro P. Garcia for dishonesty, falsification of official documents, grave misconduct and violation of Republic Act No. 3019 in connection with his grant of export quota for "fresh young coconuts" or "buko."

The Board, pursuant to its Resolution No. 021-89 of 28 February 1989, placed petitioner under preventive suspension effective upon receipt, or on 06 March 1989, of notice thereof.

On 08 March 1989, petitioner, through counsel, requested a period of fifteen (15) days from receipt of the transcript of stenographic notes of the preliminary investigation within which to file his answer. On 30 March 1989, petitioner, through counsel, again requested a further extension of thirty (30) days within which to submit his answer. Both requests for extension were granted; the grant, however, of the second request carried the caveat that no further extension would be given.

On 20 April 1989, the Investigation Committee scheduled hearings on the administrative case for 04, 05, 09, 10, 17, 18, 26 May and 01 and 02 June 1989. Petitioner was duly notified of these settings. On 03 May 1989, petitioner's counsel, Atty. Narciso Tadeo, requested a resetting of the hearings on the ground that he was

not available. On the same date, however, he submitted petitioner's answer. The Investigation Committee granted Atty. Tadeo's request for postponement, and it reset the hearings to 09, 15, 18, 19, 26 May, then 05 and 06 June 1989.

On 09 May 1989, neither petitioner nor his counsel appeared. The Investigation Committee received, instead, a letter from petitioner's counsel, through one Asteria Felicen, informing the committee that Atty. Tadeo was physically indisposed and could not attend that day's hearing. At the scheduled hearing on 15 May 1989, Atty. Tadeo appeared without petitioner. Again, he moved for the deferment of the proceedings pending resolution of a motion, which he meanwhile filed, requesting the Board to create a new investigating committee to hear his case. The request was denied. Atty. Tadeo forthwith left and did not participate in the day's scheduled hearing. Similarly, at the scheduled hearings on 18 May 1989 and subsequent dates, neither petitioner nor counsel appeared despite notice.

On 30 May 1989, the Board issued Resolution No. 046-89, the dispositive portions of which read:

"RESOLVED, that consistent with the pertinent provisions of Presidential Decree No. 807, the recommendation of the Board Investigation Committee that the period of delay in the disposition of the case resulting from the petitions/requests for extension of time, postponement/cancellation of the scheduled hearings and related requests filed by the counsel of respondent Administrator Leandro P. Garcia, shall not be counted in computing the period of preventive suspension, be and is hereby approved;

"RESOLVED FURTHER, that Administrator Leandro P. Garcia who is under preventive suspension, shall be advised that his re-assumption of office as Administrator of PCA shall require prior notice of reinstatement as may be issued by the Governing Board."<sup>[4]</sup>

On 07 June 1989, following receipt of the above resolution, petitioner filed with the Regional Trial Court of Quezon City a petition for *certiorari*, *mandamus* and prohibition, with prayer for a writ of preliminary injunction, docketed Civil Case No. Q-89-2625, wherein petitioner sought to enjoin -

(a) Public respondent Josefel P. Grajeda and his committee from proceeding with the hearing of the administrative charges against him;

(b) The Board and all persons acting in its behalf from implementing its Resolution No. 046-89; and

(c) The Board and persons acting in its behalf to defer its action/decision on the charges against petitioner pending hearing on the merits of his petition.

On 09 June 1989, the trial court issued a status *quo* order enjoining the Board and all persons acting in its behalf from "implementing its Resolution No. 046-89

extending petitioner's preventive suspension."

On 29 June 1989, after respondents had submitted their opposition and after a hearing on the incidents relative to petitioner's petition, the trial court issued a writ of preliminary injunction restraining the PCA Governing Board from implementing its Resolution No. 046-89.

"The decisive question therefore is whether the postponements sought by petitioner before the PCA Board is devoid of merit and merely intended to delay the proceedings before that body. This question hinges around the provisions of PD No. 807, Civil Service Law, particularly Sec. 42, which states that:

"x x x

x x x

x x x

"The ultimate justice springs from the heart and mind of a judge. It is he who determines from conflicting evidence what are the facts of a case; what and how the laws are to be interpreted and applied. Thus, it can not be lightly brushed aside that when a party raises the question of impartiality of a judge, as in this case the investigating committee headed by respondent Josefel P. Grageda, that it only unduly and unnecessarily delays a case.

"Moreover, for the petitioner to continue being suspended after the reglementary 90-day suspension would tantamount to already penalizing him even when the charges against him are yet being heard. The constitutional mandate and statutory juris tantum is that a person is presumed innocent until his guilt is proved."<sup>[5]</sup>

Subsequently, petitioner filed a motion, dated 04 July 1989, praying for the creation of a new investigating committee and that, pending resolution thereof, the Investigation Committee be prevented from conducting further proceedings.

On 14 July 1989, the trial court issued an order to the following effect:

"After an exhaustive discussion on petitioner's prayer for the immediate issuance of a temporary restraining order, the Court, in respect to the Investigating Committee of the PCA, will not grant the same but rather evidence of petitioner will be received on whether a temporary restraining order shall issue.

"By agreement, the reception of such evidence on the incident is scheduled on July 20, 1989, at 8:30 A.M. Parties are notified of this order in open Court."<sup>[6]</sup>

At the scheduled hearing on 20 July 1989, petitioner submitted various documents in support of his motion. PCA and Josefel P. Grageda submitted their comment thereon on 25 July 1989.

On 26 July 1989, the trial court issued an **order** enjoining the Investigation Committee from further conducting investigation "within a period of twenty (20) days from receipt (of the order) and until (after) respondents (would have been) heard," and setting the reception of respondents' evidence on 03 August 1989 at 8:30 in the morning.

On 08 August 1989, respondents filed their Submission of Evidence (With Ex-parte Motion to Lift Temporary Restraining Order).

On 21 August 1989, the Grageda Investigation Committee submitted to the Board its resolution finding petitioner guilty as charged and so recommended the penalty of **forced resignation**. Acting thereon, on 25 August 1989, the Board passed Resolution No. 070-89, adopting and approving the Committee's recommendation and imposing, effective 31 August 1989, the penalty of forced resignation on petitioner.

On 28 August 1989, petitioner filed a supplemental petition with the trial court praying for a writ of preliminary injunction to stop the Board from implementing Resolution No. 070-89 and, after hearing on the merits, to annul the resolution of the Investigation Committee of 21 August 1989, as well as PCA Board Resolution No. 070-89, and to order the Board to create a new investigating body to hear the formal charges against him.

Respondents filed their comment on the supplemental petition on 02 September 1989.

On 11 September 1989, the trial court issued a temporary restraining order stopping respondent Board from implementing its resolution of 21 August 1989 for a period of twenty (20) days from receipt thereof until the question of whether or not the issue of petitioner's alleged deprivation of due process would have been resolved. The same order set the reception of respondents' evidence on 19 September 1989. At the scheduled hearing on 19 September 1989, respondents sought a reconsideration of the court order, on the ground, among other things, that the resolution sought to be enjoined had, in fact, been already implemented.

On 25 September 1989, the trial court issued an **order** directing the issuance of a writ of preliminary injunction restraining the PCA Governing Board from enforcing its Resolution No. 070-89. The Board moved for a reconsideration of the order, as well as the writ of preliminary injunction of 02 October 1989, which the trial court denied in its order of 14 December 1989.

Respondents elevated the aforesaid orders to this Court *via* a petition, docketed G.R. No. 92435, for *certiorari* with prayer for a temporary restraining order. In its resolution of 27 March 1990, the Court issued a temporary restraining order enjoining the implementation of the trial court's questioned orders and referred the case to respondent Court of Appeals, therein docketed CA-G.R. SP No. 20384, for proper disposition.

On 17 September 1990, the Court of Appeals promulgated a decision, its dispositive portion reading -