

## SECOND DIVISION

**[ G.R. No. 124166, November 16, 1999 ]**

**BENGUET CORPORATION, PETITIONER, VS. NATIONAL LABOR  
RELATIONS COMMISSION AND FELIZARDO A. GUIANAN,  
RESPONDENT.**

### **D E C I S I O N**

**BELLOSILLO, J.:**

On grave abuse of discretion amounting to lack or excess of jurisdiction BENGUET CORPORATION assails the Decision of public respondent National Labor Relations Commission (NLRC) for declaring, in complete disregard of petitioner's evidence, that private respondent was illegally dismissed.<sup>[1]</sup>

Private respondent Felizardo A. Guianan started working with BENGUET way back in 1963 as a "*bodegero*" in its Ungay-Malobago Project in Rapu-Rapu, Albay. Sometime in 1966 he was transferred to the company's Negros Sulphur Project in Taytay, Negros Oriental. He was later promoted to supervisor. In 1973 he was again transferred to Masinloc Chromite Operation (MCO) in Coto, Masinloc, Zambales, where he served in various capacities - from assistant warehouse supervisor to manager of the Materials Group - until his termination in 1983.

In June 1983 BENGUET allegedly received an anonymous letter imputing, among others, "extensive graft and corruption, dishonest and poor management practices at the MCO involving materials which had been costing the company millions of pesos."<sup>[2]</sup> The writer implicated private respondent Guianan as one of the alleged perpetrators of the anomalies but cautiously stated that he/she had, as yet, no proof or evidence to substantiate the accusations.

BENGUET constituted an audit committee to verify the allegations in the anonymous letter. Based on its initial findings, the committee reported that a substantial number of purchased spare parts withdrawn from the warehouse was either secondhand, defective and/or off-specification although there was no proof to support the claim that high-valued parts previously disposed of were being purchased. Pending further investigation, Guianan was preventively suspended together with two (2) other MCO managers.

In a letter dated 5 August 1983 BENGUET informed Guianan of his termination from employment effective 7 August 1983 for breach of trust and confidence of the company due to gross negligence and misconduct. An investigating committee conducted a formal inquiry and finding private respondent's explanations unsatisfactory, he was formally dismissed on 9 November 1983. Two (2) other managers involved in the alleged anomaly were similarly dismissed.

Sometime in March 1984 BENGUET initiated a criminal case for estafa against

Guianan before the Office of the Provincial Fiscal of Zambales but the case was dismissed after preliminary investigation. BENGUET appealed the case to the Department of Justice by way of petition for review but it was likewise dismissed.

On 9 October 1986 Guianan filed a complaint for illegal dismissal, illegal suspension, reinstatement and damages against BENGUET before the Regional Arbitration Branch III. For failure of private respondent to attend several conferences the case was dismissed without prejudice on 30 June 1988.

On 13 January 1989 the complaint was revived before the Office of Labor Arbiter Ricardo C. Nora. In his decision dated 30 July 1992 the Labor Arbiter found that Guianan was not given due process when he was immediately discharged merely on the basis of an anonymous letter; that he was investigated twenty-two (22) days after dismissal probably as an afterthought; and was again served with his termination papers for the second time on 9 November 1983. The dismissal of Guianan, in the opinion of the Labor Arbiter, was illegal because it was pre-planned, premeditated and smacked of utter bad faith. Moreover, there was no showing that he had a hand in the purchase of the off-specification materials since his principal functions were confined to merely the requisitioning of spare parts as ordered by the end-user departments. In other words, the anomalies imputed to him could not be ascribed to him but to the end-user departments.<sup>[3]</sup>

Ruling out reinstatement because of Guianan's age - he was already fifty-nine (59) in 1989 - the Labor Arbiter ordered BENGUET to pay private respondent P300,000.00 as separation pay and P540,000.00 as back wages for three (3) years. BENGUET was also ordered to pay the dismissed employee P250,000.00 as moral damages, P125,000.00 as exemplary damages plus P121,500.00 for attorney's fees.

On appeal the NLRC held that while it concurred with the finding of the Labor Arbiter that Guianan was illegally dismissed it modified the appealed decision by deleting the awards for moral and exemplary damages and attorney's fees.<sup>[4]</sup>

BENGUET now comes to this Court assailing the Decision of the NLRC on the ground that it completely disregarded the evidence when it ruled that the dismissal of Guianan was illegal.

We are not inclined to arrive at a different conclusion. Findings of fact of quasi-judicial agencies like the NLRC are generally accorded not only respect but at times finality if such are supported by substantial evidence.<sup>[5]</sup> As found by the Labor Arbiter, Guianan was dismissed on the basis of an anonymous letter. He was not given any opportunity to confront the charges mentioned therein prior to his dismissal.<sup>[6]</sup> In a letter dated 5 August 1983<sup>[7]</sup> he was informed by BENGUET through AVP Amado Lagdameo that effective 7 August 1983 his employment was being terminated.

On 29 August 1983, i.e., twenty-two (22) days after, an investigating committee conducted a probe on the matter resulting in the finding that private respondent was responsible for the anomalies adverted to in the anonymous letter. Consequently, he was once again dismissed on 9 November 1983. The composition of the fact-finding committee, twenty-two (22) days after Guianan was first terminated, was obviously an afterthought to give a semblance of compliance with

the 30-day notice requirement provided by law. It was merely a token gesture to cure the obviously defective earlier dismissal on 7 August.<sup>[8]</sup> The termination of Guianan was tinged with bad faith on the part of BENGUET. Our laws as well as this Court have consistently recognized and respected an employer's right to terminate the services of an employee for a just or authorized cause but this prerogative must be exercised in good faith.<sup>[9]</sup>

Private respondent Guianan was dismissed for alleged lack of trust and confidence because of his gross negligence and misconduct in the purchase at exorbitant prices of useless off-specification and secondhand spare parts received at the warehouse, later withdrawn, and thereafter scattered and left for junk in several places in the mine site.<sup>[10]</sup> In a gargantuan establishment such as herein petitioner, it is well nigh impossible to repose on a single individual such a herculean task as what petitioner seems to be suggesting. The Labor Arbiter convincingly explained in his decision the principal functions of private respondent thus<sup>[11]</sup> -

It appears that as the Manager in charge of materials at respondent's MCO, the principal functions of the complainant were confined to merely requisitioning of spare parts and materials as ordered by the end-user departments. The department under the complainant maintains and carries a total of 127,000 line items of spare parts and other materials. Save for the items usually carried in the warehouse at MCO in Coto, Masinloc, Zambales, complainant initiates requisitions only when so requested by the end-user departments but the actual purchase of said materials and spare parts are (sic) done by another department- the Purchasing Department - based in respondent company's Head Office situated in Makati, Metro Manila. Complainant has no hand in the canvassing of prices as well as in the actual purchases thereof as these functions are reposed in the Purchasing Department of respondent company.

He further elucidated that -

During trial, the eight (8) pictures were presented to show that eight (8) line items were received by the Materials department under complainant which were off-specifications. The pictures, by the way, were not duly identified by the photographer, nor was the time and place of the taking thereof identified, only spoke of eight (8) line items. It is uncontroverted, however, that there were more than 127,000 of such line items being carried and maintained at the complainant's department. Each of these line items is composed of thousands upon thousands of small and big parts which make it reasonable to provide allowance or margin for human error. Error, in our view, in about eight (8) line items would be reasonably ascribed to innocent human error. Furthermore, there was no proof adduced that complainant ever profited from the transaction when these off-specification materials were purchased or delivered to his department. The off-specification materials described and depicted in the pictures were still in the company warehouse even up to the time when complainant's services were terminated. And neither was there evidence shown that the same, for being off-specification, has no more use to the company.