



Republic of the Philippines
Supreme Court
Manila

THIRD DIVISION

PEOPLE OF THE
PHILIPPINES,

Plaintiff-appellee,

-versus-

JULIANA ACUIN VILLASIN
Accused-appellant.

G.R. No. 255567

Present:

CAGUIOA, J., Chairperson,
INTING,
GAERLAN,
DIMAAMPAO, and
SINGH, JJ.

Promulgated:

January 29, 2024

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DECISION

CAGUIOA, J.:

Before the Court is an ordinary appeal¹ by the accused-appellant, Juliana Acuin Villasin (Villasin), from the Decision² dated January 29, 2021 rendered by the Sandiganbayan Second Division (Sandiganbayan) in Crim. Case No. SB-16-CRM-0122. The assailed Decision found Villasin guilty beyond reasonable doubt of violating Section 3(e) of the Anti-Graft and Corrupt Practices Act or Republic Act No. 3019, as amended.

Antecedent Facts

On April 26, 2004, Villasin, the Mayor of the Municipality of Barugo, Leyte (the “Municipality”) signed a Memorandum of Agreement (MOA) with the Department of Agriculture (DA) – Regional Field Office No. 8 (DA-RFO 8) for the implementation of the Farm Input/Farm Implements Program, pursuant to Republic Act No. 8435, otherwise known as the “Agriculture and Fisheries Modernization Act of 1997.”³ Upon receipt of the funds from the

¹ *Pollo*, pp. 67–68, Notice of Appeal dated January 29, 2021.

² *Id.* at 5–66. Penned by Associate Justice Michael Frederick L. Musngi and concurred in by Associate Justices Oscar C. Herrera, Jr. and Bayani H. Jacinto.

³ *Id.* at 43–44.

DA-RFO 8,⁴ the Municipality procured the fertilizer and distributed it to members in the locality.⁵

Sometime in January 2006, the Municipality received a Notice of Disallowance (NOD) from the Commission on Audit (COA) concerning the purchase of the fertilizer from Bal's Enterprises⁶ in the amount of PHP 1,950,000.00.⁷

Consequently, Villasin along with Aluino Otibar Ala (Ala), the Municipal Accountant, and Reynaldo Agner Bodo (Bodo), the Municipal Agriculturist, were charged for violation of Section 3(e) of Republic Act No. 3019, alleged to have been committed as follows:

That in May 2004 or sometime prior or subsequent thereto, in the Municipality of Barugo, Leyte and within the jurisdiction of this Honorable Court, accused public officers, Juliana Acuin Villasin, Aluino Otibar Ala and Reynaldo Agner Bodo, being the Municipal Mayor, Municipal Accountant, and Municipal Agriculturist, respectively, of the Municipality of Barugo Leyte, while in the performance of their official functions and committing the offense in relation to office, taking advantage of their official position, acting with manifest partiality, evident bad faith, or gross inexcusable negligence, conspiring and confederating with one another, did then and there willfully, unlawfully, and criminally give Bals Enterprises unwarranted benefits, privilege and advantage by causing and/or approving the procurement of 3,900 liters of Fil-Ocean liquid fertilizer from Bals Enterprises without the participation of Municipality's Bids and Awards Committee (BAC) and without public bidding, in violation of the provisions of [Republic Act No.] 9184 (The Government Procurement Act); making reference to the brand name Fil-Ocean liquid fertilizer in the invitation to bid, purchase request, and purchase order, in violation of Section 18 of [Republic Act No.] 9184; and causing the payment of [PHP] 500.00 per liter of Fil-Ocean liquid fertilizer or the total amount of [PHP] 1,950,000.00 or [PHP] 1,879,090.92 net of tax, and causing undue injury to the local government of Barugo, Leyte in the total amount of [PHP] 1,879,090.92 more or less.

CONTRARY TO LAW.⁸

On November 28, 2016, Villasin, Ala, and Bodo were arraigned and pleaded "not guilty."⁹

Version of the Prosecution

In view of the Municipality's MOA with the DA RFO-8, it procured, through direct contracting 3,900 liters of Fil-Ocean liquid fertilizer from Bal's

⁴ *Id.* at 30.

⁵ *Id.* at 29.

⁶ Stated as "Bals Enterprises" in some parts of the record

⁷ *Id.* at 8.

⁸ *Id.* at 5-6.

⁹ *Id.* at 6.

Enterprises for PHP 500.00 per liter or a total contract price of PHP 1,950,000.00.¹⁰

However, upon being audited by the COA, the transaction was flagged because it was covered by an undated and unnumbered disbursement voucher and check dated May 26, 2004. Thus, the COA issued Audit Observation Memorandum (AOM) No. 2004-001-300 (2004) dated September 24, 2004, and AOM No. 2005-001-300 (2004) dated July 7, 2005. The AOMs noted the irregularities concerning the procurement of fertilizer from Bal's Enterprises.¹¹

The matter was referred to the COA Regional Legal and Adjudication Office (RLAO), which conducted a fact-finding investigation and thereafter issued an NOD dated December 5, 2005. Pursuant to the NOD, the payment for the purchase of fertilizer was disallowed, and several municipal officers, including Villasin, Ala, Gil A. Acuin (Acuin), the Municipal Agricultural Technologist, Judith M. Borrel (Borrel), the Chairperson of the Bids and Awards Committee (BAC), and all the BAC Members, were found liable for the irregularities.¹²

A Motion for Reconsideration was filed by Villasin, Ala, and Acuin, but the COA-RLAO denied the same. On the other hand, the Motion for Reconsideration filed by Borrel and the BAC Members was granted. Villasin appealed the NOD, but the same was denied by the RLAO through LAO-LOCAL Decision No. 2007-011, dated January 24, 2007. His Motion for Reconsideration was likewise denied.¹³

Thereafter, Villasin appealed to the COA Commission Proper. The Commission through Decision No. 2009-101, dated October 14, 2009, affirmed the LAO-LOCAL Decision and Resolution appealed from, with the modification that Bodo, the Municipal Agriculturist, be included as among those liable for the disallowance.¹⁴

The Investigation of the Office of the Ombudsman

Based on the COA Commission Proper's Decision, Jesus B. Cabanacan (Cabanacan), Rodolfo Arpon, and the Public Assistance and Corruption Prevention Office (PACPO) of the Office of the Ombudsman for Visayas, filed complaints against Villasin, Ala, and Bodo for violation of Section 3 (e) of Republic Act No. 3019 with the Office of the Ombudsman.¹⁵

Cabanacan alleged that Villasin, Ala, and Bodo, clandestinely conducted the negotiations with Bal's Enterprises, bypassing the BAC of the Municipality, and contravening the provisions of Republic Act No. 9184 or

¹⁰ *Id.* at 44.

¹¹ *Id.*

¹² *Id.*

¹³ *Id.* at 20.

¹⁴ *Id.* at 45.

¹⁵ *Id.*



the “Government Procurement Reform Act” on the need to conduct public bidding.¹⁶

Meanwhile, PACPO also claimed that the BAC Chairman had not certified any Invitation to Apply for Eligibility and to Bid, which was required under procurement rules. The BAC was not called to convene to act on the purchase. Neither was there a pre-bid conference nor any recommendation from the BAC for the resort to direct contracting as an alternative method of procurement. Thus, the actions of Villasin, Ala, and Bodo caused undue injury to the government, depriving it of the advantages of competitive bidding and giving Bal’s Enterprises unwarranted benefits, preference, or advantage in the discharge of their functions.¹⁷

Version of the Defense

Villasin answered that procurement rules allow exceptions to competitive bidding, as provided in Rule IV, Section 10 of Implementing Rules and Regulations - A (IRR-A) of Republic Act No. 9184. While the general rule is that all procurement should be undertaken through competitive bidding, alternative methods for procurement have been provided under Rule XVI of the IRR-A.¹⁸

Villasin maintained that in this case, the Municipality, as procuring entity, availed itself of direct contracting with an exclusive distributor, which is the allowed alternative method of procurement under Section 50 of the IRR-A. The Invitation to Apply for Eligibility and to Bid for the procurement was posted on the bulletin boards of the conspicuous places in the premises of the procuring entity concerned, as certified by the BAC Secretariat of Barugo, as early as April 26, 2004.

Villasin also stressed that she relied on the information she received that the brand name “Fil-Ocean” liquid fertilizer is suitable for the town’s needs and that the same can be procured at the most advantageous terms for the government. The procured fertilizers were received, inspected, and accepted by the Supply Officer Norberto Seso of Barugo on May 20, 2004.¹⁹

Moreover, Villasin alleged that the regular procedure for the disbursement of funds was faithfully complied with and that there is no real or actual damage suffered by the farmer-beneficiaries or by the government. Villasin stresses that all the 3,900 liters of Fil-Ocean liquid fertilizers were distributed directly or through their barangays.²⁰

On the other hand, Bodo alleged that he did not prepare the Farm Inputs/Farm Implements Assistance Program and the Purchase Request but only signed the same after assurance from Villasin that nothing was irregular

¹⁶ *Id.*

¹⁷ *Id.* at 45–46.

¹⁸ *Id.* at 46.

¹⁹ *Id.*

²⁰ *Id.*



in the transaction. He further denied involvement in the actual procurement process, delivery and acceptance, and distribution of the subject liquid fertilizer. He claimed that he was included in the COA Decision and in the complaint before the Office of the Ombudsman on the malicious imputations of the other co-accused and not based on the findings of the audit team. Upon his inclusion as one of the persons liable in the NOD in 2010, Bodo filed a Petition for Review and Appeal Memorandum before the Regional Office.

Bodo claimed that his only act related to the transaction is that he signed the Purchase Request which was prepared by the Office of the Mayor and sent to his office for signature.²¹

Meanwhile, Ala did not submit his Counter-Affidavit.²²

The Office of the Ombudsman issued a Joint Resolution dated October 22, 2015, finding probable cause against Villasin, Bodo, and Ala for the offense charged. They filed Motions for Reconsideration which were denied by the Ombudsman in its Orders dated November 25, 2015, and December 8, 2015.²³

Thus, the Information against Villasin, Ala, and Bodo was filed before the Sandiganbayan on March 16, 2016.

The Ruling of the Sandiganbayan

The Sandiganbayan acquitted Ala and Bodo based on reasonable doubt, but found Villasin guilty beyond reasonable doubt of violating Section 3(e) of Republic Act No. 3019. The dispositive portion reads:

WHEREFORE, premises considered, accused JULIANA ACUIN VILLASIN is found GUILTY beyond reasonable doubt of violation of Section 3(e) of [Republic Act] No. 3019, as amended. She is hereby sentenced to suffer the indeterminate penalty of imprisonment of six (6) years and one (1) month as minimum to eight (8) years as maximum, with perpetual disqualification to hold office.

Accused ALUINO OTIBAR ALA and REYNALDO AGNER BODO are hereby **ACQUITTED** on reasonable doubt.

The property or case bonds posted by Ala and Bodo for their provisional liberty are ordered returned, subject to the usual accounting and auditing procedures. The Hold Departure Order issued as to them is ordered **LIFTED**.

Considering that the act or omission from which civil liability might arise does not exist, no civil liability may be assessed against Ala and Bodo.

SO ORDERED.²⁴

²¹ *Id.* at 46–47.

²² *Id.* at 47.

²³ *Id.*

²⁴ *Id.* at 65.



The Sandiganbayan found all elements of violation of Section 3(e) to be present: (1) the accused is a public officer discharging administrative, judicial, or official functions; (2) the accused acted with manifest partiality, evident bad faith, or inexcusable negligence; and (3) the action of the accused caused undue injury to the government or gave a private party unwarranted benefits, advantage or preference in the discharge of his or her functions.

The Sandiganbayan noted that the second element may be committed either by *dolo*, evident bad faith or manifest partiality, or by *culpa*, gross inexcusable negligence. While Villasin alleged that she initially decided to conduct public bidding for the procurement of the subject fertilizer, the Sandiganbayan observed irregularities in the purported procurement. The Invitation to Apply for Eligibility and to Bid, and the Purchase Request both contain the brand name “Fil-Ocean” in contravention of Section 18 of Republic Act No. 9184 which prohibits reference to brand names. In doing so, public bidding was rendered impossible, and thus, only Bal’s Enterprises eventually appeared on the designated date for submission of bid, as the exclusive distributor of “Fil-Ocean” liquid fertilizer.²⁵

There was no showing that there were no suitable substitutes to the item sold by the exclusive distributor which could be obtained at more advantageous terms to the government in keeping with Section 50 of Republic Act No. 9184 and Section 371 of the Local Government Code.²⁶

The Sandiganbayan also found that there was no proper bidding, as none of the documents provided under Section 17, Rule VI of the IRR-A of Republic Act No. 9184 were even prepared by the Municipality.²⁷

Additionally, while procurement rules allow direct contracting as an exception to public bidding, the requirements for direct contracting have not been complied with. There was no proof that the BAC recommended the use of alternative methods of procurement.²⁸

Thus, the Sandiganbayan ultimately found that:

. . . the accused Villasin acted with gross inexcusable negligence when she opted to resort to direct contracting without recommendation from the BAC, directed the posting of the Invitation to Apply for Eligibility and to Bid, and approved the Purchase Request and Purchase Order knowing that there was a reference to the brand name Fil-Ocean in disregard of the procurement law.²⁹

²⁵ *Id.* at 52.

²⁶ SECTION. 371. *Procurement from Exclusive Philippine Agents or Distributors.* — Procurement may, in the case of supplies of foreign origin, preferably be made directly from the exclusive or reputable Philippine distributors or agents, subject to the following conditions:

- (a) That the distributor has no subdealers selling at lower prices, and
- (b) That no suitable substitutes or substantially the same quality are available at lower prices.

²⁷ *Rollo*, pp. 52–53, Decision dated January 29, 2021 of the Sandiganbayan Second Division in Crim. Case No. SSB-16-CRM-0122.

²⁸ *Id.* at 54.

²⁹ *Id.* at 59.

Aggrieved, Villasin filed this appeal before the Court.³⁰

In her Appellant's Brief,³¹ Villasin argues that the Sandiganbayan erred in convicting her for violation of Section 3(e) of Republic Act No. 3019. The second and third elements were not proven. Villasin maintains that she did not act with gross inexcusable negligence since she merely relied on the advice of the DA-RFO 8 that the Municipality can adopt direct contracting as a mode of procurement and that the Municipal Accountant assured her that the documents submitted by Bal's Enterprises met the requirements under Section 50 of Republic Act No. 9184.³² Villasin further reasons that notwithstanding the DA RFO-8's advice, given her unfamiliarity with the then newly enacted Republic Act No. 9184, she still opted for the Municipality to undergo regular bidding. As such, she ordered the BAC Secretariat to post the Invitation to Apply for Eligibility and to Bid.³³ Villasin argues that given that the BAC, through the Secretariat, was notified already of the bidding, it was the responsibility of the BAC to comply with the requirements under Republic Act No. 9184. Finally, as mayor, Villasin was burdened with many duties.³⁴ There are employees, on the other hand, who are the technical experts in the procurement process. Nothing in Republic Act No. 9184 shifts the burden to the head of the procuring entity to comply with the procurement documents. Hence, she should not be faulted for non-compliance with the bidding process.

Villasin also justifies referencing the specific fertilizer brand in the Purchase Request and Purchase Order she approved. She argues that her lack of awareness regarding the prohibition was understandable since Republic Act No. 9184 was a recently passed law, and Villasin had not yet received training on its provisions. Additionally, since the law is quite technical, it would not be reasonable to expect public officials who are not lawyers to fully comprehend its contents. Therefore, her actions do not constitute a blatant or clear violation of her mayoral duties.³⁵

Additionally, Villasin contests the Sandiganbayan's finding that the Municipality illegally resorted to direct contracting without the recommendation of the BAC.³⁶ In the first place, the evidence shows that it was not the practice of the BAC of the Municipality to issue a recommendation whenever an alternative mode of procurement is availed of.³⁷

Finally, Villasin argues against the finding that she gave unwarranted benefits to Bal's Enterprises, given that prior to the transaction with Bal's Enterprises, Villasin sought to ensure that the procurement of the liquid fertilizer was in accordance with the procurement law.³⁸ Moreover, Villasin relied on the assurance of Ala, the Municipal Accountant, that direct

³⁰ *Id.* at 67–68, Notice of Appeal dated January 29, 2021.

³¹ *Id.* at 91–126, Brief for Accused-appellant.

³² *Id.* at 111–112.

³³ *Id.* at 113–114.

³⁴ *Id.* at 114.

³⁵ *Id.* at 115.

³⁶ *Id.* at 116–119.

³⁷ *Id.* at 116.

³⁸ *Id.* at 119–121.



contracting was allowed and that the certification in the disbursement voucher was complete. To Villasin, these should result in the application of the doctrine established in *Arias v. Sandiganbayan*³⁹ (*Arias*), and consequently, should result in her acquittal.

In its Appellee's Brief,⁴⁰ the Office of the Ombudsman maintains that all the elements of the crime were proven. The first element, that Villasin was a public official, is undisputed. The second element, or gross inexcusable negligence, was also proven by the irregular purchase of 3,900 liters of Fil-Ocean liquid fertilizer from Bal's Enterprises. The Ombudsman stresses that the award was made without the benefit of competitive public bidding and without participation by the BAC. There was also a reference to the brand name in the procurement documents. Such errors show that Villasin grossly disregarded the law and was manifestly remiss in her duties under Republic Act No. 9184. As a result of her actions, unwarranted benefits were given to Bal's Enterprises, which completes the third element. Finally, Villasin's reliance on the *Arias* doctrine is misplaced, given that she personally had the duty to ensure that the fertilizer procurement was in accordance with the law. Villasin cannot simply feign ignorance and pass the blame to her subordinate given that her signatures appear in the Purchase Request, Purchase Order, Disbursement Voucher, and check. With the all elements of the crime being present, Villasin's conviction must stand.

Issue

Whether Villasin is guilty of violating Section 3(e) of Republic Act No. 3019

The Court's Ruling

The appeal is meritorious.

In the *En Banc* case of *Martel v. People*⁴¹ (*Martel*), it was categorically held that a violation of procurement laws does *not ipso facto* give rise to a violation of Republic Act No. 3019.⁴² *Martel* likewise emphasized that any finding of a violation of Republic Act No. 3019 must be grounded on graft and corruption, or the acquisition of gain in dishonest ways.⁴³

To convict an accused under Section 3(e) of Republic Act No. 3019, the prosecution must sufficiently establish the following elements: (1) that the accused must be a public officer discharging administrative, judicial, or official functions; (2) that the accused must have acted with manifest partiality, evident bad faith, or gross inexcusable negligence; and (3) that the action of the accused caused undue injury to any party, including the

³⁹ 269 Phil. 794 (1989) [Per J. Gutierrez, Jr., *En Banc*].

⁴⁰ *Rollo*, pp. 309–333, Plaintiff-appellee's Brief.

⁴¹ G.R. Nos. 224720-23 & 224765-68, February 2, 2021 [Per J. Caguioa, *En Banc*], available at <https://elibrary.judiciary.gov.ph/thebookshelf/showdocs/1/67194>.

⁴² *Id.*

⁴³ *Id.*



government, or gave any private party unwarranted benefits, advantage or preference in the discharge of the functions of the accused.⁴⁴

While Villasin, being Mayor of the Municipality at the time the alleged offense occurred, fulfills the first element, the second and third elements are wholly absent.

Second Element

Controlling and current jurisprudence holds that to find the presence of **evident bad faith**, it is required that the accused acted with a malicious motive or intent, or ill will. It is not enough that the accused violated a provision of law or that the provision of law violated is clear, unmistakable, and elementary. To constitute evident bad faith, it must be proven that the accused acted with fraudulent intent.⁴⁵ There is **manifest partiality** “when there is a clear, notorious or plain inclination or predilection to favor one side or person rather than another.”⁴⁶ Manifest partiality, similar to evident bad faith, is in the nature of *dolo*.⁴⁷ **Gross inexcusable negligence**, on the other hand, is characterized by want of even the slightest care, acting or omitting to act in a situation where there is a duty to act, not inadvertently but willfully and intentionally, with conscious indifference to consequences insofar as other persons may be affected.⁴⁸

Thus, as clarified in *Martel*, in criminal cases involving Section 3(e) of Republic Act No. 3019, alleged irregularities in procurement committed by public officers and findings of violations of procurement laws, rules, and regulations, by themselves, do not automatically give rise to a violation of the said special penal law. To reach a conviction, it must be established **beyond reasonable doubt** that the essential elements of Section 3(e) of Republic Act No. 3019 are present.⁴⁹

As earlier emphasized, what Republic Act No. 3019 punishes is corruption, thus:

At this juncture, the Court emphasizes the spirit that animates [Republic Act No.] 3019. As its title implies, and as what can be gleaned from the deliberations of Congress, [Republic Act No.] 3019 was crafted as an anti-graft and corruption measure. **At the heart of the acts punishable under [Republic Act No.] 3019 is corruption.** As explained by one of the sponsors of the law, Senator Arturo M. Tolentino, “[w]hile we are trying to penalize, the main idea of the bill is graft and corrupt practices . . . Well, the idea of graft is the one emphasized.” **Graft entails the acquisition of gain in dishonest ways.**⁵⁰ (Emphasis supplied)

⁴⁴ *Martel v. People*, supra note 41.

⁴⁵ *Id.*

⁴⁶ *Id.*

⁴⁷ *Id.*

⁴⁸ *Id.*

⁴⁹ *Id.*

⁵⁰ *Id.*

The Sandiganbayan's Decision found Villasin guilty on the basis of gross inexcusable negligence in the procurement of 3,900 liters of Fil-Ocean liquid fertilizer from Bal's Enterprises⁵¹ on the reasoning that the Municipality, which has Villasin as its mayor, did not comply with the procurement rules. The following were the alleged irregularities:

1. The brand "Fil-Ocean" liquid fertilizer was specified in both the Invitation to Apply for Eligibility and to Bid, and in the Purchase Request in violation of Section 18 of Republic Act No. 9184;⁵²
2. There was no proper bidding as none of the documents provided under Section 17, Rule VI of the IRR-A of Republic Act No. 9184, otherwise known as the Government Procurement Reform Act, were prepared;⁵³ and
3. Even assuming that direct contracting was pursued by the Municipality, the justifications for resorting to the same were not established.⁵⁴

These irregularities, according to the Sandiganbayan, should lead to the conclusion that Villasin was grossly negligent in the discharge of her functions.

The Court disagrees. It finds that the purported irregularities do not demonstrate, beyond reasonable doubt, a level of negligence that can be characterized as "gross inexcusable negligence."

In *People v. Januto*⁵⁵ (*Januto*), a case for violation of Section 3(e) of Republic Act No. 3019 was also filed against several officials of the municipality of Norala, South Cotabato. Sometime in June 2004, the municipality procured "Florida Green Gold Organic Based Fertilizers" from RCS Trading where several irregularities attended the procurement:

1. The brand name "Florida Green Gold Organic Based Fertilizers" was indicated in Purchase Request No. 244;
2. No public bidding was conducted for the purchase of the fertilizer; and
3. In the Minutes of the BAC of the municipality, it was merely stated that the contract will be awarded to RCS Trading, it

⁵¹ *Rollo*, p. 59, Decision dated January 29, 2021 of the Sandiganbayan Second Division in Crim. Case No. SSB-16-CRM-0122.

⁵² *Id.* at 52.

⁵³ *Id.* at 52–54.

⁵⁴ *Id.* at 54–58.

⁵⁵ G.R. No. 252973, March 1, 2023 [Unsigned Resolution, First Division].



being the exclusive distributor of the fertilizer, without any explanation.

In *Januto*, the individual participation of the accused-appellants was identified. The accused-appellant Romeo Salmeo Januto, who was then the mayor, signed Purchase Request No. 244, the Purchase Order, and the Disbursement Voucher for the payment of the foliar fertilizer in the amount of PHP 1.8 million. Accused-appellant Grace A. Mediana certified the Disbursement Voucher and the completeness and propriety of the supporting documents. All the other accused-appellants were faulted for having signed the BAC Minutes recommending the procurement of the fertilizer from RCS Trading through direct contracting without any explanation.

Despite these irregularities—which are almost identical to those in the case at bar—the Court nonetheless acquitted the accused-appellants because the lapses could not be seen as amounting to manifest partiality, evident bad faith, or gross inexcusable negligence. The Court also observed that the accused-appellants in *Januto* complied with several provisions of Republic Act No. 9184, albeit with some lapses. The certificate that RCS Trading is the exclusive manufacturer of the fertilizer, as well as the Distributorship Agreement, were taken into consideration by the Court, observing that the resort to direct contracting appears to have been motivated by the honest but mistaken belief that direct contracting was warranted. The preference for a specific brand was also held by the Court as not rising to the level of manifest partiality given that the brand was recommended by the Puti Communal Irrigators Association for its proven quality and performance.

The Court's ruling in *Januto*, whose facts, again, bear a striking similarity to the present case, should be applied. Similar to what happened in *Januto*, the Municipality complied with certain provisions of Republic Act No. 9184, albeit with lapses. Moreover, Villasin operated under the belief that direct contracting was warranted and allowable under the law, given her reliance on the assurance of the DA RFO-8 and Ala. This, in turn, relates to the reason for the indication of a particular brand in certain procurement documents. In sum, while there were lapses in the procurement process, the same do not amount to gross inexcusable negligence as contemplated by law.

Villasin provided a valid uncontroverted reason as to why "Fil-Ocean" liquid fertilizer was specified in both the Invitation to Apply for Eligibility and to Bid and the Purchase Request

Foremost, Villasin's act of adhering to what the Municipality already determined to be the most suitable fertilizer cannot, by any stretch of the imagination, come under the definition of gross inexcusable negligence.



To recall, on April 26, 2004, Villasin, representing the Municipality, signed a MOA⁵⁶ with the DA RFO-8 and the House of Representatives to implement the DA's Farm Input/Farm Implements Program.⁵⁷ Within the MOA was a Program of Work, prepared by Bodo, the Municipal Agriculturist,⁵⁸ and a Purchase Request prepared by the DA RFO-8, **in which the Municipal Agriculturist is the requesting party**, for 3,900 liters of Fil-Ocean liquid fertilizer, with an estimated total cost of PHP 1,950,000.00.⁵⁹ Since the DA RFO-8 is the agency tasked to provide technical inputs pertaining to agriculture, Villasin was left with no option but to follow the DA RFO-8's directive to avail of the most suitable type of fertilizer for the needs of the Municipality.⁶⁰ To be sure, the DA RFO-8 recommended Fil-Ocean liquid fertilizer.⁶¹

This reliance by Villasin on the DA RFO-8's recommendation should exculpate her. That the DA RFO-8 prepared the Purchase Request, with Bodo as the Municipal Agriculturist making the determination that Fil-Ocean liquid fertilizer was the most suitable type of fertilizer for the needs of the Municipality, how can Villasin still be blamed? To be sure, Villasin's reliance on the recommendation of the DA RFO-8 cannot even be considered as simple negligence. Since the fertilizers were purchased in view of the DA's Farm Input/Farm Implements Program, then any reliance on the DA RFO-8's recommendation is logically sound and warranted.

The lapses in following the procurement laws as to direct contracting do not, as they cannot, ipso facto lead to a violation of Republic Act No. 3019

Moreover, Villasin's failure to strictly follow procurement laws does not automatically result in a violation of Republic Act No. 3019.

Section 10 of Republic Act No. 9184 sets the rule that all procurements must be done through public bidding. However, under Section 48 of Republic Act No. 9184, subject to the prior approval of the Head of the Procuring Entity or his or her duly authorized representative, and whenever justified by the conditions provided in the law, the procuring entity may resort to any of the following alternative methods of procurement: (a) limited source bidding; (b) direct contracting; (c) repeat order; (d) shopping; and (e) negotiated procurement.

Section 50(c) of Republic Act No. 9184, in turn, states that direct contracting may be resorted to with respect to "[t]hose sold by an exclusive

⁵⁶ *Rollo*, pp. 43-44, Decision dated January 29, 2021 of the Sandiganbayan Second Division in Crim. Case No. SSB-16-CRM-0122.

⁵⁷ *Id.* at 106, Brief for Accused-appellant.

⁵⁸ *Id.*

⁵⁹ *Id.*

⁶⁰ *Id.* at 112.

⁶¹ *Id.* at 115.



dealer or manufacturer, which does not have sub-dealers selling at lower prices and for which no suitable substitute can be obtained at more advantageous terms to the government.”

Based on the records, apart from recommending the purchase of Fil-Ocean fertilizer, the DA RFO-8 also informed Villasin that direct contracting may be resorted to since the procurement only costs less than PHP 2 million, and because Fil-Ocean is sold by an exclusive distributor.⁶² Notwithstanding the information in the DA RFO-8 that direct contracting could be availed of, Villasin, as a measure of her good faith, opted to still conduct a regular bidding. She, in fact, ordered the BAC Secretariat to post an invitation to possible bidders. She did this, based on the records, because Republic Act No. 9184 was then still a new law, and she was not that familiar with the new law.⁶³ Thus, the BAC Secretariat posted the Invitation to Apply for Eligibility and to Bid in three conspicuous places, as proven by a Certification executed by the BAC Secretariat Head, Alejandro S. Cadiente, Sr.⁶⁴

It was only later that Ala informed Villasin that Bal’s Enterprises qualified with the conditions set forth in Section 50(c) of Republic Act No. 9184 because it is the exclusive distributor of Fil-Ocean fertilizer and offered the lowest price in the market. To prove the compliance of Bal’s Enterprises, Ala showed Villasin the Certificate of Sole Distributorship, and a notarized MOA between Fertiland Enterprises and Bal’s Enterprises.⁶⁵

It is clear therefore that Villasin made efforts to observe the normal procurement process of competitive bidding before resorting to direct contracting. Villasin’s insistence for the BAC Secretariat to post the Invitation to Apply for Eligibility and to Bid in three conspicuous places should be viewed as a good faith act to comply with Section 21 of Republic Act No. 9184. Likewise, the Court observes that the following evidence has been presented: Bal’s Enterprises’ issuance of a Certificate of Sole Distributorship and a notarized Memorandum of Agreement between Bal’s Enterprises and Fertiland Enterprises,⁶⁶ and the information from Ala that Bal’s Enterprises offered the lowest price in the market complied with Section 50(c) of Republic Act No. 9184. These pieces of evidence show that there were, in fact, attempts to comply with the procurement laws.

Thus, whatever lapses there may have been, the facts fail to show how such lapses were characterized by corrupt intent. To emphasize anew the doctrine in *Martel*, a violation of the procurement laws does not *ipso facto* lead to a violation of Republic Act No. 3019.

⁶² *Id.* at 112–113.

⁶³ *Id.* Republic Act No. 9184 took effect on January 26, 2003, while the transactions in question occurred in May 2004.

⁶⁴ *Rollo*, p. 24, Decision dated January 29, 2021 of the Sandiganbayan Second Division in Crim. Case No. SSB-16-CRM-0122.

⁶⁵ *Id.* at 31.

⁶⁶ *Id.*



In the recent 2023 case of *Reyes v. Office of the Deputy Ombudsman for Luzon*,⁶⁷ it was emphasized that irregularities in the procurement process must be shown to have been done with evident bad faith, gross inexcusable negligence, or manifest partiality, thus:

The Court has recently ruled that alleged irregularities in procurement or violations of procurement laws, rules and regulations, on their own, do not *ipso facto* lead to a violation of Section 3(e) of [Republic Act] No. 3019. Rather, the prosecution must still prove beyond reasonable doubt the essential elements to sustain a conviction under Section 3(e) of [Republic Act No.] 3019.

In *Sistoza v. Desierto* (*Sistoza*), petitioner(,) then Director of the Bureau of Corrections was charged with violation of Section 3(e) of [Republic Act No.] No. 3019 in connection with several irregularities in the award and procurement of the supply of tomato paste. The finding of probable cause was anchored on the fact the winning bidder failed to comply with the original specifications and did not abide by several provisions of the bid announcement. However, upon reaching the Supreme Court the finding of probable cause was reversed and set aside.

We ruled in *Sistoza* that to establish a *prima facie* case for a violation of Sec. 3, par. (e), [Republic Act No.] 3019, the prosecution must show not only the defects in the bidding procedure, but also the alleged evident bad faith, gross inexcusable negligence or manifest partiality of the public officer:

Clearly, the issue of petitioner Sistoza's criminal liability does not depend solely upon the allegedly scandalous irregularity of the bidding procedure for which prosecution may perhaps be proper. For even if it were true and proved beyond reasonable doubt that the bidding had been rigged, an issue that we do not confront and decide in the instant case, this pronouncement alone does not automatically result in finding the act of petitioner similarly culpable. It is presumed that he acted in good faith in relying upon the documents he signed and thereafter endorsed. **To establish a *prima facie* case against petitioner for violation of Sec. 3, par. (e), [Republic Act No.] 3019, the prosecution must show not only the defects in the bidding procedure, a circumstance which we need not presently determine, but also the alleged evident bad faith, gross inexcusable negligence or manifest partiality of petitioner in affixing his signature on the purchase order and repeatedly endorsing the award earlier made by his subordinates despite his knowledge that the winning bidder did not offer the lowest price.** Absent a well-grounded and reasonable belief that petitioner perpetrated these acts in the criminal manner he is accused of, there is no basis for declaring the existence of probable cause . . .

In *Sabalдан, Jr. v. Ombudsman* (*Sabalдан, Jr.*) petitioner therein was a member of the BAC of the City Government of Bislig, who recommended to award the contract for the supply of a hydraulic excavator

⁶⁷ G.R. No. 230704, March 15, 2023 [Per J. Gaerlan, Third Division].

to a bidder, despite its non-compliance with Section 25 of the Revised IRR of [Republic Act] No. 9184 requiring the submission of the technical specification of its product. The Ombudsman found probable cause to charge petitioner therein for violation of Section 3(e) of [Republic Act] No. 3019 due to the numerous irregularities that attended the procurement of the hydraulic excavator. This Court eventually reversed and set aside the finding of the Ombudsman and dismissed the criminal complaint against petitioner for lack of probable cause.

We maintained our pronouncement in *Sabalдан, Jr.*, that violations of procurement laws alone do not necessarily and automatically result to a finding of probable cause under Section 3(e) of [Republic Act] No. 3019:

The Ombudsman solely relied on the numerous irregularities that attended the procurement of the hydraulic excavator without carefully examining the sufficiency of the allegations and evidence presented *vis-á-vis* the elements of violation of Section 3(e) of [Republic Act] No. 3019. Lozada anchored his charge against petitioner on the fact that he was a BAC member during the procurement process. But there was no clear showing how petitioner and the other BAC members exhibited manifest partiality, evident bad faith, or inexcusable negligence when the contract was awarded to RDAK. It may even be well to point out that petitioner's only participation in the procurement was to sign the abstract of bids which generally contains a summary of information on the procurement at hand, to wit: (1) the name of the contract and its location; (2) the time, date and place of bid opening; and (3) the names of bidders and their corresponding calculated bid prices arranged from lowest to highest, the amount of bid security and the name of the issuing entity. As aptly posited by petitioner, when he signed the abstract of bids, he merely attested to the truthfulness of the names of the bidders and their bid prices. Petitioner did not even affix his signature on the resolution declaring the lowest calculated bidder. Indubitably, the essential ingredients of manifest partiality, evident bad faith, or inexcusable negligence are wanting in this case.

More importantly, it must be emphasized that the instant case involves a finding of probable cause for a criminal case for violation of Section [3(e) of Republic Act] No. 3019, and not for violation of [Republic Act] No. 9184. Hence, **even granting that there may be violations of the applicable procurement laws, the same does not mean that the elements of violation of Section [3(e) of Republic Act] No. 3019 are already present as a matter of course. For there to be a violation under Section [3(e) of Republic Act] No. 3019 based on a breach of applicable procurement laws, one cannot solely rely on the mere fact that a violation of procurement laws has been committed. It must be shown that (1) the violation of procurement laws caused undue injury to any party or gave any private party unwarranted benefits, advantage or preference; and (2) the accused acted with evident bad faith, manifest partiality, or gross inexcusable negligence. ...**



Pertinently, in *Duque v. Ombudsman and Fact-Finding Investigation Bureau*, we held that mere participation by a public officer in an imperfect procurement process does not automatically serve as basis for his criminal indictment for the violation of Section 3(e) of [Republic Act] No. 3019:

Mere participation by a public officer in an imperfect procurement process does not automatically serve as basis for his criminal indictment for the violation of Section [3(e) of Republic Act] No. 3019. The finding of probable cause for the offense of giving unwarranted benefits, advantage or preference in favor of a private party, or causing undue injury to any party, including the Government, through manifest partiality, or evident bad faith, or gross inexcusable negligence must still rest on established facts showing that the public officer committed some act or omission directly causing the defective procurement. **Without such established facts, the charge should be dismissed in order to uphold the objective of preliminary investigation to secure the innocent against hasty, malicious and oppressive prosecution, and spare the innocent from the trouble, expense and anxiety of a public trial.** Indeed, the Court must not sanction the contravention of such objective . . .

In more recent vintage, this Court has had occasion to re-examine the above pronouncement.

In *Martel v. People*, the Court *En Banc* reiterated that a violation of procurement laws, its IRR, and guidelines should not be the sole basis for a criminal charge under Section 3(e) of [Republic Act] No. 3019. Irregularities in procurement committed by public officers, findings of violations of procurement laws, rules, and regulations, on their own, do not automatically lead to the conviction of the public officer under the said special penal law. Thus, it is still incumbent on the prosecution to show that all the essential elements of Section 3(e) of [Republic Act]. No. 3019 are present to sustain a finding of probable cause.

It is in light of the foregoing jurisprudential metric that we determine if the Ombudsman committed grave abuse of discretion in finding probable cause to indict petitioner for violation of Section 3(e) of [Republic Act] No. 3019 in connection with the alleged anomalies in the purchase of office supplies from Tabing Daan Mart.⁶⁸

As well, in the case of *People v. Adana*,⁶⁹ the Court acquitted the accused-appellants even though the public bidding was **riddled** with procedural lapses. The Court counted, among others, the failure to disclose the Approved Budget for the Contract, a direct violation of Section 21.1(4) of the IRR-A of Republic Act No. 9184. The BAC also failed to mention many details in the Invitation to Apply for Eligibility and to Bid. The accused-appellants likewise neglected to conduct a pre-bid conference and they even

⁶⁸ *Id.* at 21-23. This pinpoint citation refers to the copy of the Decision uploaded to the Supreme Court website.

⁶⁹ G.R. No. 250445, March 29, 2022 [Per J. Inting, First Division], available at <https://elibrary.judiciary.gov.ph/thebookshelf/showdocs/1/68318>.



published the brand name Isuzu in the said Invitation to Apply for Eligibility and to Bid. **Despite all these irregularities**, the Court nevertheless found that the foregoing lapses do not constitute manifest partiality, evident bad faith, or gross inexcusable negligence—precisely because there was no showing that accused-appellants acted with malicious and fraudulent intent.

The rulings of the Court in the foregoing cases—that violations of Republic Act No. 9184 do not automatically equate to a violation of Republic Act No. 3019—are settled and should squarely apply to this case. To reiterate, the prosecution was not able to convincingly demonstrate that the lapses in complying with the procurement laws were motivated by corrupt intent.

Given her unfamiliarity with the recently implemented Republic Act No. 9184, Villasin's actions regarding fertilizer procurement should be judged leniently

At the time the assailed procurements took place in April 2004, Republic Act No. 9184 had just recently become effective. Republic Act No. 9184 took effect on January 26, 2003, while the IRR-A only took effect on October 8, 2003. The acts complained of took place in May 2004.⁷⁰ At that time, Villasin and the other Municipality officials, not being lawyers who can understand the technical terms of the law, had yet to undergo the necessary training to implement the said law.

Indeed, the recency of the law should be appreciated in Villasin's favor to support a finding of absence of gross inexcusable negligence. Notably, that Republic Act No. 9184 was newly issued at the time of procurement was also appreciated by the Court in acquitting the accused in *Januto*, which, as earlier mentioned, contains facts which are closely similar to the present case.

Certain acts should not have been appreciated against Villasin

The court *a quo* faults Villasin for not producing any recommendation from the BAC authorizing the Municipality to resort to direct contracting or alternative modes of procurement. However, the evidence also shows that it is not even the practice of the BAC to issue such a certification whenever direct contracting, or any other alternative procurement method, is availed of.⁷¹ Thus, it is error to appreciate the lack of a BAC recommendation against Villasin when the BAC of the Municipality is not accustomed at that time to doing so.

In her Dissenting opinion, Associate Justice Maria Filomena D. Singh (Justice Singh) takes exception to the fact that the disbursement of the

⁷⁰ *Rollo*, p. 11, Decision dated January 29, 2021 of the Sandiganbayan Second Division in Crim. Case No. SSB-16-CRM-0122.

⁷¹ *Id.* at 11–12.



payments to the supplier was made with undated and unnumbered vouchers. Justice Singh takes the position that this circumstance contributes to a finding that Villasin is guilty of her wanton disregard of procurement and accounting rules.⁷²

The Court disagrees that the undated and unnumbered disbursement voucher and check dated May 26, 2004 indicate gross and inexcusable negligence on the part of Villasin. To be sure, the dissent does not elucidate how and why this is irregular, and why such issuance of the disbursement voucher can be attributed to Villasin. Truly, this should not be considered at all in finding the presence of the second element.

*Villasin should be acquitted in view
of the Arias doctrine*

In her appeal, Villasin raised that the doctrine in *Arias* should be applied to her case, given her reliance on her Municipal Accountant Ala, who convinced her that direct contracting is allowed under the law. To recall, the doctrine states that all heads of offices have to rely to a reasonable extent on their subordinates and on the good faith of those who prepare bids, purchase supplies, or enter into negotiations.⁷³

However, Justice Singh opines that Villasin cannot take refuge in *Arias*⁷⁴ since she did not rely on her subordinates in the first place. Instead, Villasin called for the posting of the Invitation to Bid and proceeded to direct procurement without the BAC's recommendation.⁷⁵

To this view, the Court disagrees.

First, it is but natural for a leader of a locality to ensure that projects are executed. If the execution of the project entails the procurement of certain items, it should not be considered irregular if the leader ensures that the procurement process is well under way.

Second, Villasin in fact relied on the Municipal Accountant and her subordinate, Ala, that direct contracting may be availed of in the procurement of the fertilizers.⁷⁶ Not being a lawyer, Villasin relied upon her subordinate's assurance of the legality of the Municipality's resort to direct contracting. There was also no occasion for her to be suspicious of the resort to direct contracting, given that Fil-Ocean fertilizer, the brand recommended by the DA, was exclusively distributed by Bal's Enterprises.

⁷² J. Singh, Dissenting Opinion, p. 5.

⁷³ *People v. Sandiganbayan*, 765 Phil. 845, 853 (2015 [Per J. Brion, Second Division]).

⁷⁴ *Id.* The *Arias* doctrine espouses that all heads of offices have to rely to a reasonable extent on their subordinates and on the good faith of those who prepare bids, purchase supplies, or enter into negotiations.

⁷⁵ J. Singh, Dissenting Opinion, pp. 5-6.

⁷⁶ *Rollo*, p. 34, Decision dated January 29, 2021 of the Sandiganbayan Second Division in Crim. Case No. SSB-16-CRM-0122.

Even assuming *arguendo* that Villasin was remiss, the *Arias* doctrine must still be balanced against the established ruling that a violation of Section 18 of Republic Act No. 9184⁷⁷ does not *ipso facto* give rise to a violation of Republic Act No. 3019, as earlier extensively discussed.

Given the foregoing discussion, the prosecution failed to show that Villasin's negligence was such that it can be characterized as blatant, palpable, or done with willful indifference. Whatever negligence there may have been, if any, in the failure to faithfully follow the procurement laws, does not rise to the level of gross inexcusable negligence as defined by jurisprudence.

Third Element

To hold a person liable for violation of Section 3(e), Republic Act No. 3019, the last element requires that the act constituting the offense consists of either (1) causing undue injury to any party, including the government, or (2) giving any private party any unwarranted benefits, advantage, or preference in the discharge by the accused of his or her official, administrative or judicial functions. Villasin is charged under both modes.

The Court defines "causing undue injury" as causing actual injury or damage. The word "undue" means "more than necessary, not proper, or illegal" while "injury" means "any wrong or damage done to another, either in his [or her] person, rights, reputation or property; the invasion of any legally protected interest of another." Hence, actual damage in the context of these definitions is akin to that in civil law.⁷⁸

On the other hand, for one to be found guilty under the second mode, it suffices that the accused has given unjustified favor or benefit to another in the exercise of his or her official, administrative or judicial functions. The word "unwarranted" means lacking adequate or official support; unjustified; unauthorized or without justification or adequate reason. "Advantage" means a more favorable or improved position or condition; benefit, profit or gain of any kind; benefit from some course of action. "Preference" signifies priority or higher evaluation or desirability; choice or estimation above another.⁷⁹

The Court finds that the prosecution failed to establish that Villasin's acts gave Bal's Enterprises unwarranted benefits.

As the Sandiganbayan itself noted, no document was ever presented that would allow the Court to quantify the damages, which is the difference in the price of the liquid fertilizer that could have been procured through public

⁷⁷ SECTION. 18. *Reference to Brand Names.* — Specifications for the Procurement of Goods shall be based on relevant characteristics and/or performance requirements. Reference to brand names shall not be allowed.

⁷⁸ *People v. Gelacio*, G.R. Nos. 250951 & 250958, August 10, 2022 [Per C.J. Gesmundo, First Division], available at <https://elibrary.judiciary.gov.ph/thebookshelf/showdocs/1/68495>.

⁷⁹ *J. Caguioa, Dissenting Opinion in Villarosa v. People*, 875 Phil. 270, 333 (2020) [Per C.J. Peralta, *En Banc*].

bidding if suitable substitutes were allowed to bid.⁸⁰ **Hence, the Sandiganbayan was correct in finding that Villasin's acts cannot be said to have caused any party undue injury.** To emphasize, the prosecution has the burden of proving beyond reasonable doubt each element of the crime. Any doubt shall be resolved in favor of the accused.⁸¹

Justice Singh, in her Dissenting Opinion, finds that the third element is proven by the fact that Villasin supposedly knew that Bal's Enterprises was the sole distributor of the Fil-Ocean liquid fertilizer when the Invitation to Apply for Eligibility and to Bid was posted.⁸² This knowledge, however, by itself, does not convincingly prove that there was an intent to provide Bal's Enterprises any unwarranted benefit. In addition, Villasin was able to explain why the Fil-Ocean fertilizer of Bal's Enterprises was purchased in the first place—**it was the brand recommended by the DA-RFO 8.**⁸³ Indeed, if this was the case, then hardly can it be argued that the purchase of the Fil-Ocean fertilizer was intended to give unwarranted benefits to Bal's Enterprises, as contemplated by law. **It likewise negates corrupt intent on the part of Villasin.**

The discussion in *Renales v. People*⁸⁴ (*Renales*) is instructive:

Additionally, in *Martel v. People*, this Court held that in cases of violation of Section [3(e) of Republic Act No.] 3019 by giving any private party any unwarranted benefit, advantage or preference, it is not enough that the benefits, advantage, or preference was obtained in transgression of laws, rules, and regulations, such as the procurement laws. **The benefits must have been given by the accused public officer to the private party with corrupt intent, dishonest design, or some unethical interest, to be consistent with the spirit of [Republic Act No.] 3019 which centers on the concept of graft and corruption.**

In this case, Roque, Renales, and their co-accused did not deny the absence of public bidding and their resort to emergency mode of procurement. However, this alone is not sufficient to conclude that the suppliers were preferred. Based on the evidence on record, there is no showing that pecuniary benefit went to the Roque, Renales, and their co-accused or to any other person or entity. Hence, no graft and corruption transpired. The fact that the Sandiganbayan itself was not able to find over pricing in the purchase of medicines is a strong indication that Roque and Renales were not motivated by corrupt intent, dishonest motive, and [ill will] as procurement officer and price monitoring officer, respectively. The absence of these elements debunks the finding of guilt beyond reasonable doubt upon Roque and Renales.⁸⁵ (Emphasis supplied)

⁸⁰ *Rollo*, p. 63, Decision dated January 29, 2021 of the Sandiganbayan Second Division in Crim. Case No. SSB-16-CRM-0122.

⁸¹ *Quijano v. People*, G.R. No. 202151, February 10, 2021 [Per J. Gaerlan, First Division], available at <https://elibrary.judiciary.gov.ph/thebookshelf/showdocs/1/67184>.

⁸² J. Singh, Dissenting Opinion, p. 8.

⁸³ *Id.* at 2.

⁸⁴ G.R. Nos. 231530-33, June 16, 2021 [Per J. Carandang, First Division], available at <https://elibrary.judiciary.gov.ph/thebookshelf/showdocs/1/67773>.

⁸⁵ *Id.*



The Court made a similar pronouncement in *Soriano v. People*,⁸⁶ viz.:

As the name or title of [Republic Act No.] 3019 implies, the Anti-Graft and Corrupt Practices Act was crafted as an anti-graft and corrupt measure, where graft is understood as acquisition of gain in dishonest ways. By the very language of Section [3(e) of Republic Act No.] 3019, “the elements of manifest partiality, evident bad faith, and gross inexcusable negligence and of giving unwarranted benefit, advantage or preference to another must go hand in hand with a showing of fraudulent intent and corrupt motives.”

Graft, defined, is the **fraudulent obtaining of public money unlawfully** by the corruption of public officers. It also refers to **advantage or personal gain received because of the peculiar position or superior influence** of one holding a position of trust and confidence without rendering compensatory services or dishonesty transaction in relation to public or official acts.

Corruption, in its fundamental sense meanwhile, is defined as **the act of an official or fiduciary person who unlawfully and wrongfully uses his [or her] station or charter to procure some benefit for himself [or herself,] or for another person, contrary to duty and the rights of others**. It pertains to an **act done with an intent to give some advantage inconsistent with official duty** and the rights of others.

As a rule, the alleged irregular or anomalous act or conduct complained of under [Republic Act No.] 3019 must not only be intimately connected with the discharge of the official functions of an accused. It must also be accompanied by some benefit, material or otherwise, and must have been deliberately committed for a dishonest and fraudulent purpose and in disregard of public trust.

It is not enough that unwarranted benefits were given to another or that there was damage to the government as a result of a violation of a law, rule, or regulation. **The acts constituting the elements of a violation of [Republic Act No.] 3019 must be effected with corrupt intent, a dishonest design, or some unethical interest.** Here, there is no showing that petitioner and his co-accused were motivated by a desire to acquire gain by dishonest means when they confiscated the subject meat products, which were eventually distributed to different agencies in the province.

The demand for accountability should not be at the expense of well-meaning public officials who may have erred while performing their duties but have done so without a criminal mind. Our penal laws against corruption in the government are meant to enhance, rather than stifle, public service. If every mistake, error, or oversight is met with criminal punishment, then qualified individuals would be hindered in serving the government. To reiterate, while public office is a public trust, the constitutionally enshrined right to presumption of innocence encompasses all persons — private individuals and public servants alike.⁸⁷ (Emphasis supplied)

⁸⁶ G.R. No. 238282, April 26, 2022 [Per J. Inting, First Division], available at <https://elibrary.judiciary.gov.ph/thebookshelf/showdocs/1/68354>.

⁸⁷ *Id.*



In *People v. Castillo*,⁸⁸ the Court relied on *Martel* to acquit the accused therein from violation of Republic Act No. 3019 due to the failure of the prosecution to prove corrupt intent, *viz.*:

Relevantly, the evidence proffered by the Prosecution only tends to prove that the leasing of heavy machinery for the purposes of hauling trash and debris in Binmaley **should have gone through public bidding**. **To reiterate, no evidence was presented by the Prosecution during trial that will prove that: (a) there was in fact no need to lease heavy equipment to haul garbage and debris brought about by typhoons and monsoon rains; (b) that the municipality of Binmaley could have gotten a better rate from a different service provider; or (c) that MTAC's Merchandising failed to satisfactorily perform the service that they were contracted for.** In the absence of any evidence that will tend to prove any malicious motive or fraudulent intent against Cerezo, it cannot be said he gave any unwarranted benefits, advantage and preference to Castillo.

Finally, similar to *Macairan*, **there is also no iota of proof that Cerezo profited from the questioned transactions.** As for Castillo, there is likewise no evidence that whatever profits he received from the lease contracts were the result of any corrupt scheme or dishonest design as it was never proven that he knew of the defect in the procurement process that eventually led to the signing of the lease contracts and it was never disputed that MTAC's Merchandising performed the services it was legally obligated to do under the lease contracts.⁸⁹ (Emphasis supplied)

As applied to this case, other than assertions that Bal's Enterprises received payment for the fertilizer without undergoing competitive bidding and that Villasin already knew that Bal's Enterprises was the sole distributor of Fil-Ocean liquid fertilizer, the prosecution did not adduce any evidence showing that such benefit given to Bal's Enterprises was motivated by corrupt intent, such that Villasin stood to acquire gain by dishonest means.

To be sure, even if Villasin knew of Bal's Enterprises being the sole distributor of Fil-Ocean liquid fertilizer prior to the procurement process, this alone does not give rise to the presence of unwarranted benefit. To recall, Villasin relied on the DA RFO-8's recommendation to obtain the Fil-Ocean fertilizer. Given this undisputed fact, never controverted by the prosecution, the presence of the third element *vis-a-vis* the Court's ruling in *Renales*, i.e., the benefits must have been given to the private party with corrupt motive, dishonest design, or some unethical interest, was clearly absent.

In sum, without proof beyond reasonable doubt of the second and third elements of a violation of Section 3(e) of Republic Act No. 3019, the mere fact that Villasin breached the applicable procurement laws will not result in her conviction of such crime. Instead, for failure of the prosecution to establish that Villasin acted with evident bad faith, manifest partiality, or gross inexcusable negligence and that the violation of the procurement laws caused

⁸⁸ *People v. Castillo*, G.R. No. 252173, March 15, 2022 [Per J. Gaerlan, First Division], available at <https://elibrary.judiciary.gov.ph/thebookshelf/showdocs/1/68254>.

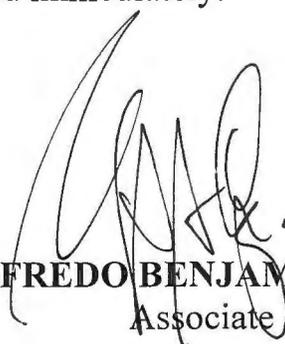
⁸⁹ *Id.*

undue injury to any party or gave any private party unwarranted benefits, advantage, or preference, the Decision of the Sandiganbayan should be overturned.

ACCORDINGLY, the appeal is **GRANTED**. The Decision dated January 29, 2021 of the Sandiganbayan in Crim. Case No. SB-16-CRM-0122 is hereby **REVERSED** and **SET ASIDE**. Accordingly, accused-appellant Juliana Acuin Villasin is **ACQUITTED** for the failure of the prosecution to establish her guilt beyond reasonable doubt of the violation of Section 3(e) of Republic Act No. 3019, as amended.

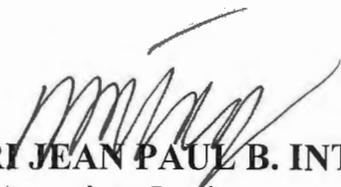
Let an entry of judgment be issued immediately.

SO ORDERED.



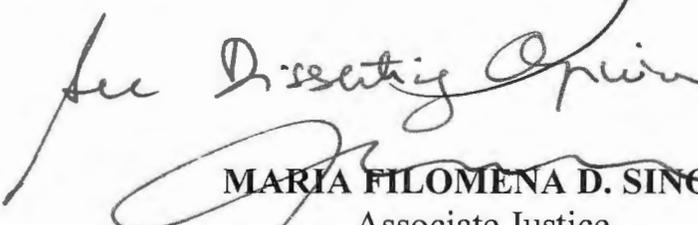
ALFREDO BENJAMIN S. CAGUIOA
Associate Justice

WE CONCUR:


HENRI JEAN PAUL B. INTING
Associate Justice

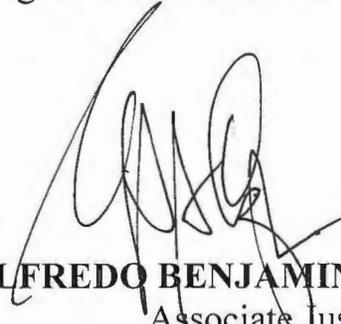

SAMUEL H. GAERLAN
Associate Justice


JAPAR B. DIMAAMPAO
Associate Justice

see Dissenting Opinion

MARIA FILOMENA D. SINGH
Associate Justice

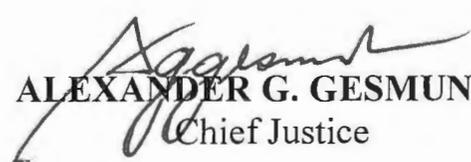
ATTESTATION

I attest that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.


ALFREDO BENJAMIN S. CAGUIOA
Associate Justice
Chairperson

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution and the Division Chairperson's Attestation, I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.


ALEXANDER G. GESMUNDO
Chief Justice