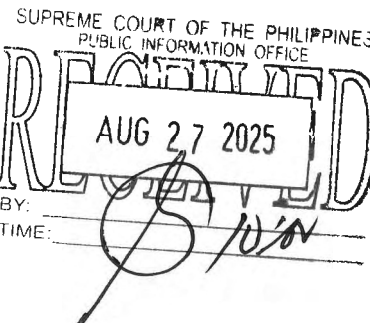




Republic of the Philippines
Supreme Court
Manila

SECOND DIVISION



PEOPLE OF THE G.R. No. 260030
PHILIPPINES,

Plaintiff-appellee,

- versus -

ALBERTO VICTORIA REYES,
Accused-appellant.

LEONEN, S.A.J., Chairperson,
LAZARO-JAVIER,
LOPEZ, M.,
LOPEZ, J.,* and
KHO, JR., JJ.

Promulgated:

MAY 19 2025

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DECISION

KHO, JR., J.:

Assailed in this ordinary appeal¹ are the Decision² dated September 25, 2020 and the Resolution³ dated December 15, 2021 of the Sandiganbayan in **Criminal Case Nos. SB-17-CRM-1680 and SB-17-CRM-1714 to 1721**, which found accused-appellant Alberto V. Reyes (Reyes) guilty beyond reasonable doubt of one count of violation of Section 3(e) of Republic Act No. 3019, otherwise known as the “Anti-Graft and Corrupt Practices Act,” and seven counts of estafa through falsification of public documents, as defined and penalized under Article 171 in relation to Article 315(1)(b) of the Revised Penal Code, as amended (RPC).

* On official business.

¹ *Rollo*, pp. 4 -5. See Notice of Appeal with Notice of Change of Address dated March 10, 2022.

² *Id.* at 8–49. Penned by Associate Justice Bernelito R. Fernandez, with the concurrence of Presiding Justice Amparo M. Cabotaje-Tang and Associate Justice Ronald B. Moreno, of the Third Division, Sandiganbayan, Quezon City.

³ *Id.* at 50 -60.

The Facts

This case stemmed from nine Informations charging Reyes and his co-accused, Ma. Victoria Z. Atienza (Atienza) of one count of violation of Section 3(e) of Republic Act No. 3019 and eight counts of estafa through falsification of public documents, the accusatory portions of which read:

Criminal Case No. SB-17-CRM-1680

[Violation of Section 3(e) of Republic Act No. 3019]

That for the period of July 2007 to October 2007 or sometime prior or subsequent thereto, in Meycauayan City, Bulacan, Philippines, and within the jurisdiction of the Honorable Court, accused **MA. VICTORIA Z. ATIENZA**, a high-ranking public officer, being a City Department Head/City Accountant of Meycauayan City, Bulacan, and accused **ALBERTO V. REYES**, in conspiracy with each other, committing the crime in relation to her duties and taking advantage of her official position, acting with evident bad faith, manifest partiality or gross inexcusable negligence, did then and there, willfully, unlawfully and criminally cause undue injury to Meycauayan City, Bulacan, in the amount of Two Million One Hundred Ninety Thousand Seven Hundred Eighty-Four Pesos and 44/100 (Php2,190,784.44), by misappropriating or converting public funds, to the effect that Check Nos. 09414, 09415, 09421, 09424, 09426, 34301, 34451, and 28388 were issued by the City of Meycauayan, Bulacan to Maan Construction, Rawland Development & Construction, A.S. David Enterprises, St. Augustine Publishing, Rawland Development & Construction and St. Mary's Publishing, respectively, in the amount of Two Million Two Hundred Fifty Thousand Seven Hundred Sixty-Six Pesos and 44/100 (Php2,250,766.44), but said accused knowing fully well that the said checks which were issued for said payees for a valid obligation by the Meycauayan City were false and untrue considering that the said checks were issued to Corazon Lucas, Marjorie Francisco, Nenita Barro, Loida Estrella, Norma Ilagan, Meycauayan Doctor's Hospital and Best Options, respectively, in the total amount of Fifty-Nine Thousand Nine Hundred Eighty-two Pesos (Php59,982.00), representing the latter's allowance from and services rendered for the City of Meycauayan, Bulacan, to the damage and prejudice of the government in the amount of Two Million One Hundred Ninety Thousand Seven Hundred Eighty-Four Pesos and 44/100 (Php2,190,784.44).

CONTRARY TO LAW.⁴

Criminal Case Nos. SB-17-CRM-1714 to 1721

[Estafa through Falsification of Public Documents]

That on _____, or sometime prior or subsequent thereto, in Meycauayan City, Bulacan, Philippines, and within the jurisdiction of the Honorable Court, accused **MA. VICTORIA Z. ATIENZA**, a high-ranking public officer, being the City Department Head/City Accountant of Meycauayan City, Bulacan, while in the performance of her administrative and/or official functions and committing the crime in relation to office, taking advantage of her official position, conspiring and confederating with

⁴ *Id.* at 9–11.

accused **ALBERTO V. REYES**, a private individual, with intent to gain, with unfaithfulness and abuse of confidence and by means of deceit and falsification of public documents, did then and there willfully, unlawfully and feloniously defraud the City of Meycauayan, Bulacan, by making alterations and/or intercalations, among others, of Check No. _____ amounting to Php _____ issued by the City of Meycauayan, to _____, whereby the payee was changed and the amount was altered to Php _____, thereby changing the meaning of the instrument; that by virtue of such falsification, the altered check was honored and paid by the drawee bank (PNB) on the strength of accused Atienza's accountant's advice and accused Reyes's facilitation in the check's rediscounting; and that the accused once in possession of said amount of Php _____ misapplied, misappropriated and converted the same to their own personal use and benefit, to the damage and prejudice of the government in the aforesaid amount.

CONTRARY TO LAW.⁵

Only Reyes appeared and pleaded not guilty. On the other hand, his co-accused, Atienza, remained at-large despite the standing warrant of arrest against her.⁶

During pretrial, it was stipulated, among others, that at the time of the commission of the alleged crimes, Atienza was the City Department Head/City Accountant of the local government unit of Meycauayan City, Bulacan (Meycauayan LGU), while Reyes, a private individual, was the branch manager of Philippine Business Bank, Meycauayan, Bulacan Branch (PBB).⁷

The prosecution alleged that the instant criminal cases arose from the checks issued by the Meycauayan LGU which was supposedly altered/intercalated by Atienza and Reyes by changing the amounts to be paid as well as the payees (subject checks), as follows:⁸

Date of Commission	Check No.	Actual Amount and Payee	Altered Amount and Payee
06/01/2007	28388	Best Options PHP 28,380.00	[not indicated] PHP 212,946.44
09/25/2007	09414	Corazon Lucas PHP 5,000.00	Maan Construction PHP 215,000.00
09/25/2007	09415	Marjorie Francisco PHP 4,000.00	Rawland Development and Construction PHP 224,000.00
10/02/2007	09421	Nenita Barro PHP 2,000.00	A.S. David Enterprises PHP 242,000.00

⁵ *Id.* at 10–11. The informations in these criminal cases are identically worded, save for the date when the check was issued, the check number, and the payees and amounts involved.
⁶ *Id.* at 11.
⁷ *Id.* at 11–12.
⁸ *Id.* at 10–11.

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10/02/2007	09424	Loida Estrella PHP 4,402.00	A.S. David Enterprises PHP 202,500.00
10/04/2007	09426	Loida Estrella PHP 4,000.00	St. Augustine Publishing PHP 212,120.00
10/15/2007	34301	Norma Ilagan PHP 7,200.00	Rawland Development and Construction PHP 687,200.00
10/15/2007	34451	Meycauayan Doctors Hospital PHP 5,000.00	St. Mary's Publishing PHP 255,000.00

According to the prosecution, the foregoing discrepancies were discovered when the Commission on Audit (COA) issued Audit Observation Memorandum Nos. 2007-002-Meyc. and 2008-002-(07) Meyc., dated November 5, 2007 and January 14, 2008, respectively (subject AOMs). In the subject AOMs, the COA observed that (a) the tampering of amounts and payees were made after the checks were approved by the City Mayor; (b) the checks were no longer returned to the Treasurer's Office after the preparation of the Accountant's Advice; and (c) the altered checks were honored and paid by the drawee bank, Philippine National Bank (PNB), on the strength of the Accountant's Advice issued by Atienza. In this relation, the prosecution alleged that an ensuing investigation revealed that after the subject checks were issued, Atienza would instruct the original payees to surrender the same to the City Accounting Office to "encash" the same. Upon surrender, Atienza would then make alterations to the subject checks by changing the amounts and payees. Thereafter, she would proceed to PBB where Reyes worked as branch manager. Reyes would then allow Atienza to rediscount the subject checks with the altered amounts so that the latter would be able to receive payments for the rediscounted checks. Finally, once PBB, as collecting bank of the subject checks, turns it over to PNB as the drawee bank, Atienza would issue the necessary Accountant's Advice so that PNB would honor the subject checks.⁹

In defense, Reyes denied any criminal liability, maintaining that Atienza would usually go to PBB to have checks rediscounted, and that there was nothing illegal in rediscounting checks. In this regard, Reyes narrated that (a) whenever Atienza presented a check for rediscounting, he would secure an authority from any of PBB's big account holders who may be interested; (b) after authority is secured, these clients become financier-account holders and the check will be encashed minus the usual 3% rediscounting fee; (c) the financier-account holder would then be responsible for having the rediscounted checks cleared by the drawee bank; and (d) PNB, as drawee bank, would always clear and honor the said checks.¹⁰

⁹ *Id.* at 12-22.

¹⁰ *Id.*

The Sandiganbayan Ruling

In a Decision ¹¹ dated September 25, 2020, the Sandiganbayan convicted Reyes of one count of violation of Section 3(e) of Republic Act No. 3019 (**Criminal Case No. SB-17-CRM-1680**), and seven counts of estafa through falsification of public documents (**Criminal Case Nos. SB-17-CRM-1715 to 1721**). As such: (a) in **Criminal Case No. SB-17-CRM-1680**, he was sentenced to suffer the penalty of imprisonment for an indeterminate period of six years and one month, as minimum, to eight years, as maximum, and was ordered to indemnify the Government of the Philippines the amount of PHP 2,006,218.00 representing the undue injury that the latter suffered, and to pay the costs; and (b) in **Criminal Case Nos. SB-17-CRM-1715 to 1721**, he was sentenced, for each count, to suffer the penalty of imprisonment for an indeterminate period of four years, two months, and one day of *prision correccional*, as minimum, to 10 years and one day of *prision mayor*, as maximum, and to pay a fine in the amount of PHP 100,000.00. Reyes was, however, acquitted in **Criminal Case No. SB-17-CRM-1714** on the ground of reasonable doubt.¹²

In convicting Reyes of violation of Section 3(e) of Republic Act No. 3019, the Sandiganbayan found that:

First, Reyes, a private individual, acted in conspiracy with Atienza, a high ranking official of the Meycauayan LGU, then being the City Department Head/City Accountant thereof.¹³

Second, Reyes acted in bad faith and gross inexcusable negligence when it facilitated the rediscounting of the subject checks considering that (1) there are clear badges of material alterations in the subject checks, as evinced by the fact that the unaltered entries therein were written in black ink while the altered entries were written in red ink; (2) since the subject checks were rediscounted on second indorsements, Bangko Sentral ng Pilipinas (BSP) Circular Letter dated July 16, 2002 of the Bangko Sentral ng Pilipinas (BSP Circular Letter dated July 16, 2002)—which enjoins banks to adopt stricter policy guidelines in the acceptance of second-[i]ndorsed checks to ensure that they are not being used as instruments for money laundering or other illegal activities—is squarely applicable; (c) despite the foregoing, Reyes flagrantly breached his duty as PBB branch manager when he did not scrutinize the genuineness of the subject checks and did not comply with the directive of the BSP Circular Letter dated July 16, 2002; and (d) in addition, it appears that Reyes had a personal interest in having the checks rediscounted, because as he himself admitted, he will be able to reach his quotas, and that there were even instances that the financier-account holders which accept the checks for rediscounting would give him gratuities. According to the Sandiganbayan,

¹¹ *Id.* at 8–49.

¹² *Id.* at 47–48.

¹³ *Id.* at 23.

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Reyes knew very well that even if the subject checks were falsified/alterred, they will still be honored by PNB as the drawee bank because of Atienza's subsequent issuance of the Accountant's Advice. Effectively, Reyes acted as a middleman/conduit in facilitating the negotiation of the subject checks by looking for financier-account holders who would accept the rediscounted checks.¹⁴

Third, as a result of the scheme propagated by Atienza and Reyes, the government sustained injury amounting to PHP 2,006,218.00, representing the difference between the altered and original amounts of the subject checks (except for Check No. 28388 which is also the subject of **Criminal Case No. SB-17-CRM-1714**).¹⁵

Anent the charge of estafa through falsification of public documents, the Sandiganbayan found that all the elements of the crime are present, as follows: (i) Atienza, as City Department Head/City Accountant of Meycauayan LGU, has the duty of administering the accounts of such LGU; (ii) there was a misappropriation or conversion of government funds by making it appear that the Meycauayan LGU has financial obligations to individuals/entities through alterations and/or intercalations of the payees and amounts of the subject checks; (iii) such misappropriation or conversion prejudiced Meycauayan LGU as it paid non-existent obligations to false payees; and (iv) through the subject AOMs, the COA, in the exercise of its constitutional mandate of general audit power for all government funds, demanded the return of the misappropriated/converted funds. In this regard, the Sandiganbayan further held that Atienza and Reyes had a singular criminal intent in committing such crime, considering that Reyes facilitated the rediscounting of the subject checks and even sought account holders who would accept the rediscounting thereof, thereby resulting in the misappropriation or conversion of funds. In this regard, the Sandiganbayan pointed out, *inter alia*, that Reyes accepted the subject checks for rediscounting: (a) without verifying the genuineness of the subject checks despite clear badges of material alterations; (b) without complying with the directive of BSP Circular Letter dated July 16, 2002; and (c) despite the fact that Atienza—and not the payees of the subject checks—was the one who presented the checks for rediscounting.¹⁶

Aggrieved, Reyes moved for partial reconsideration but the same was denied in a Resolution¹⁷ dated December 15, 2021; hence, this appeal.

¹⁴ *Id.* at 23–37.

¹⁵ *Id.* at 37–40.

¹⁶ *Id.* at 40–45.

¹⁷ *Id.* at 50–60.

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The Issue Before the Court

The core issue for the Court's resolution is whether Reyes is guilty beyond reasonable doubt of one count of violation of Section 3(e) of Republic Act No. 3019, and seven counts of estafa through falsification of public documents.

The Court's Ruling

The appeal is without merit.

I.

Prefatorily, the Court notes the pronouncement in *Villarosa v. People*,¹⁸ wherein the Court set a policy on resolving appeals involving convictions handed down by the Sandiganbayan, to wit:

On July 17, 2018, this Court issued a Resolution which reinstated the instant petition. In the said Resolution, this Court noted that if an accused in a case decided by the SB, which completely disposes of the case, whether in the exercise of its original or appellate jurisdiction, chooses to question such decision of the SB, the legal recourse he/she has is to file a petition for review on *certiorari* with this Court under Rule 45 of the Rules of Court. However, this Court has observed that, in a number of cases, petitions for review of decisions of the SB were adjudicated via minute resolutions. While the disposition of cases through minute resolutions is an exercise of judicial discretion and constitutes sound and valid judicial practice under the Constitution, settled jurisprudence and the prevailing rules, this Court found it a better policy to limit the issuance of minute resolutions denying due course to a Rule 45 petition, which assails a decision of the SB, to cases decided by the said court in the exercise of its appellate jurisdiction. *Thus, with respect to cases resolved by the SB in the exercise of its original jurisdiction, the mode of deciding the case is either through a decision or unsigned resolution. The reason behind this policy is because this Court is the first and last court which has the chance to review the factual findings and legal conclusions of the SB. Thus, by disposing of the case through a decision or unsigned resolution, this Court is required to take a "more than casual consideration" of the arguments raised by the appellant to support his cause as well as every circumstance which might prove his innocence.* Moreover, by virtue of the unique nature of an appeal in a criminal case, such appeal throws the whole case open for review in all its aspects. An examination of the entire records of the case may be made for the purpose of arriving at a correct conclusion. In doing so, the Court is always mindful of the precept that the evidence for the prosecution must stand or fall on its own weight and cannot be allowed to draw strength from the weakness of the defense.¹⁹ (Emphasis supplied)

¹⁸ 875 Phil. 270 (2020) [Per C.J. Peralta, *En Banc*].

¹⁹ *Id.* at 298–300; citations omitted.

Since what is assailed here is a conviction ruling of the Sandiganbayan issued in the exercise of its original jurisdiction, the Court now resolves the instant appeal through this Decision.

II.

To recapitulate, in convicting Reyes of the crimes charged, the Sandiganbayan, relying on the evidence at hand (e.g., the subject AOMs issued by the COA), found that Atienza and Reyes employed the following fraudulent scheme in order to encash the subject checks: *first*, once the Meycauayan LGU will issue checks in favor of various individuals/entities as payment for valid obligations incurred by the former, Atienza would tell these individuals/entities to “encash” the check with the Accounting Office; *second*, Atienza will pay the said individuals/entities the face value of the subject checks, and in turn, the latter will turn over the checks to her; *third*, once in possession of the subject checks, Atienza will introduce material alterations to the check by changing the payees and increasing the amounts to be paid; *fourth*, Atienza will then proceed to PBB where Reyes worked as a branch manager to have the checks rediscounted; *fifth*, despite the apparent material alterations on the subject checks, Reyes will still proceed with the rediscounting by looking for financier-account holders who will accede to the arrangement; *sixth*, once there is already a financier-account holder, Atienza will be able to encash the altered face value of the checks with PBB less the 3% rediscounting fee; and *seventh*, Atienza, using her power as City Department Head/City Accountant of Meycauayan LGU, will issue the necessary Accountant’s Advice to the subject check’s drawee bank, PNB, to ensure that the subject checks will be cleared and honored.

At this juncture, it bears stressing that in criminal cases, an appeal throws the entire case wide open for review and the reviewing tribunal can correct errors, though unassigned in the appealed judgment, or even reverse the trial court’s decision based on grounds other than those that the parties raised as errors. The appeal confers the appellate court full jurisdiction over the case and renders such court competent to examine records, revise the judgment appealed from, increase the penalty, and cite the proper provision of the penal law.²⁰

Given the foregoing, and after an arduous review of the case, the Court rules to uphold Reyes’s convictions albeit with modifications, as will be explained hereunder.

Reyes’s guilt for violation of Section 3(e) of Republic Act No. 3019 in Criminal Case No. SB-17-CRM-1680

²⁰ *People v. Bernardo*, 890 Phil. 97, 110 (2020) [Per J. Perlas-Bernabe, Second Division], citing *Arambulo v. People*, 857 Phil. 828, 836 (2019) [Per J. Perlas-Bernabe, Second Division].

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has been proven beyond reasonable doubt.

Section 3(e) of Republic Act No. 3019 states:

Section 3. *Corrupt practices of public officers.* — In addition to acts or omissions of public officers already penalized by existing law, the following shall constitute corrupt practices of any public officer and are hereby declared to be unlawful:

....

(e) Causing any undue injury to any party, including the Government, or giving any private party any unwarranted benefits, advantage or preference in the discharge of his official administrative or judicial functions through manifest partiality, evident bad faith or gross inexcusable negligence. This provision shall apply to officers and employees of offices or government corporations charged with the grant of licenses or permits or other concessions.

The elements of violation of Section 3(e) of Republic Act No. 3019 are as follows: (1) that the accused must be a public officer discharging administrative, judicial, or official functions (or a private individual acting in conspiracy with such public officers); (2) that he acted with manifest partiality, evident bad faith, or gross inexcusable negligence; and (3) that his action caused any undue injury to any party, including the government, or gave any private party unwarranted benefits, advantage, or preference in the discharge of his functions.²¹

As to the first element, it is undisputed that at the time of the commission of the crimes, Atienza was the City Department Head/City Accountant of the Meycauayan LGU, while Reyes, a private individual, was the branch manager of PBB. In a catena of cases,²² the Court has consistently held that a private individual, such as Reyes, may be indicted for violation of Republic Act No. 3019 if he/she is shown to be acting in conspiracy with a public official. As may be gleaned from the aforementioned scheme employed by Atienza and Reyes, suffice it to say that conspiracy has been duly established between them.

As to the second element, case law instructs that there are three means of committing the crime charged—i.e., through manifest partiality, evident bad faith, or gross inexcusable negligence—and proof of any of these in

²¹ *People v. Naciongayo*, 873 Phil. 664, 672 (2020) [Per J. Perlas-Bernabe, Second Division], citing *Cambe v. Ombudsman*, 802 Phil. 190, 216–217 (2016) [Per J. Perlas-Bernabe, *En Banc*].

²² *Canlas v. People*, 870 Phil. 880 (2020) [Per J. Inting, Second Division]; *PCGG v. Navarra-Gutierrez*, 772 Phil. 91 (2015) [Per J. Perlas-Bernabe, First Division]; *Uyboco v. People*, 749 Phil. 987 (2014) [Per J. Velasco, Jr., Third Division]; *People v. Go*, 730 Phil. 362 (2014) [Per J. Peralta, *En Banc*]; *Go v. The Fifth Division, Sandiganbayan*, 549 Phil. 783 (2007) [Per J. Callejo, Sr., Third Division]; *Singian, Jr. v. Sandiganbayan (Third Division)*, 514 Phil. 536 (2005) [Per J. Chico-Nazario, Second Division].

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connection with the prohibited acts under Section 3(e) of Republic Act No. 3019 is enough to convict.²³ In *People v. Naciongayo*,²⁴ the Court reiterated the definition of these means as follows:

“Partiality” is synonymous with “bias” which “excites a disposition to see and report matters as they are wished for rather than as they are.” “Bad faith does not simply connote bad judgment or negligence; it imputes a dishonest purpose or some moral obliquity and conscious doing of a wrong; a breach of sworn duty through some motive or intent or ill will; it partakes of the nature of fraud.” “Gross negligence has been so defined as negligence characterized by the want of even slight care, acting or omitting to act in a situation where there is a duty to act, not inadvertently but [willfully] and intentionally with a conscious indifference to consequences in so far as other persons may be affected. It is the omission of that care which even inattentive and thoughtless men never fail to take on their own property.”²⁵

Here, the Sandiganbayan correctly concluded that Reyes acted with evident bad faith in facilitating Atienza’s rediscounting of the subject checks. First and foremost, there were badges of material alterations in the subject checks, as evinced by the fact that the unaltered entries therein were written in black ink while the altered entries were written in red ink. Furthermore, since the subject checks bears second indorsements, they fall squarely within the ambit of BSP Circular Letter dated July 16, 2002 which enjoins banks to adopt stricter policy guidelines in the acceptance of second-[i]ndorsed checks to ensure that they are not being used as instruments for money laundering or other illegal activities. Despite these apparent “red flags” in the subject checks, Reyes miserably failed in his duties as Branch Manager of PBB by not scrutinizing the genuineness of the checks and not complying with the directive of the aforementioned BSP Circular Letter. As aptly pointed out by the Sandiganbayan, it appears that such failure on the part of Reyes was willful, because he stands to benefit from the rediscounting of the subject checks in the form of reaching his quotas and the occasional gratuities coming from the financier-account holders who acceded to the rediscounting arrangement.

Anent the third and last element, jurisprudence provides that “there are two ways by which a public official violates Section 3(e) of [Republic Act No.] 3019 in the performance of his functions, namely: (1) by causing undue injury to any party, including the Government; or (2) by giving any private party any unwarranted benefit, advantage or preference. The accused may be charged under either mode or both. The disjunctive term ‘or’ connotes that either act qualifies as a violation of Section 3 (e) of [Republic Act No.] 3019. In other words, the presence of one would suffice for conviction.”²⁶ Here,

²³ *People v. Naciongayo*, 873 Phil. 664, 672 (2020) [Per J. Perlas-Bernabe, Second Division], citing *Coloma, Jr. v. Sandiganbayan*, 744 Phil. 214, 229 (2014) [Per J. Mendoza, Second Division].

²⁴ 873 Phil. 664 (2020) [Per J. Perlas-Bernabe, Second Division].

²⁵ *Id.* at 672–673.

²⁶ *Id.* at 673, citing *Coloma, Jr. v. Sandiganbayan*, 744 Phil. 214, 231–232 (2014) [Per J. Mendoza, Second Division].

suffice it to say that Atienza and Reyes's scheme resulted in undue injury on the part of the government in the amount of PHP 2,006,218.00 representing the difference between the altered and original amounts of the subject checks (except for Check No. 28388 subject of **Criminal Case No. SB-17-CRM-1714** where Reyes was acquitted).

Reyes's conviction in Criminal Case Nos. SB-17-CRM-1715 to 1721 for estafa through falsification of public documents should be modified to malversation of public funds through falsification of public documents.

As correctly found by the Sandiganbayan, the following facts have been established beyond reasonable doubt: (i) Atienza, as City Department Head/City Accountant of the Meycauayan LGU, has the duty of administering the accounts of such LGU; (ii) there was a misappropriation or conversion of government funds by making it appear that Meycauayan LGU has financial obligations to individuals/entities through alterations and/or intercalations of the payees and amounts of the subject checks, to the detriment of Meycauayan LGU as it was made to pay non-existent obligations to false payees; and (iii) through the subject AOMs, the COA, in the exercise of its constitutional mandate of general audit power for all government funds, demanded the return of the misappropriated/converted funds. Insofar as Reyes is concerned, his participation in the crime is with regard to (ii) as delineated above. If not for his bad faith in facilitating the rediscounting the subject checks as explained earlier, Atienza would not have succeeded in encashing the subject checks through PBB's rediscounting service. To the Court, the foregoing acts establish a conspiracy between Atienza and Reyes, thereby rendering the latter equally criminally liable with Atienza as a co-principal. In this regard, it is settled that "[t]o be a conspirator, one need not participate in every detail of the execution; he need not even take part in every act xxx. Each conspirator may be assigned separate and different tasks which may appear unrelated to one another but, in fact, constitute a whole collective effort to achieve their common criminal objective. Once conspiracy is shown, the act of one is the act of all the conspirators. The precise extent or modality of participation of each of them becomes secondary, since all the conspirators are principals[.]"²⁷ as in this case.

However, and as will be explained below, the Court is hard-pressed to conclude that their criminal liability is that of estafa through falsification of public documents. As will be explained hereunder, their criminal liability should be that for Malversation of Public Funds through Falsification of Public Documents, as defined and penalized under Article 217 in relation to Article 171 of the RPC.

²⁷ *People v. Jesalva*, 811 Phil. 299, 308 (2017) [Per J. Jardeleza, Third Division], citing *People v. Medice*, 679 Phil. 338, 349 (2012) [Per J. Perez, Second Division].

On the one hand, the elements of estafa under Article 315(1)(b) of the RPC are: (a) the offender's receipt of money, goods, or other personal property in trust, or on commission, or for administration, or under any other obligation involving the duty to deliver, or to return, the same; (b) misappropriation or conversion by the offender of the money or property received, or denial of receipt of the money or property; (c) the misappropriation, conversion or denial is to the prejudice of another; and (d) demand by the offended party that the offender return the money or property received.²⁸ On the other hand, the elements of malversation of public funds are as follows: (a) the offender is a public officer; (b) he/she has the custody or control of funds or property by reason of the duties of his/her office; (c) the funds or property involved are public funds or property for which he/she is accountable; and (d) he/she has appropriated, taken, or misappropriated, or has consented to, or through abandonment or negligence, permitted the taking by another person of such funds or property.²⁹

In this regard, it bears pointing out case law instructs that "[t]he crimes of estafa [under Article 315(1)(b) of the RPC] and malversation [of public funds under Article 217 of the RPC] are similar in nature in that both involve misappropriation of funds or property, the difference being that in estafa, the property or funds misappropriated *is private in character*[:]; whereas in malversation, *the property constitutes public funds or property for which the accused as a public officer is accountable by reason of the duties of the office*."³⁰ Thus, when a public officer had no authority to receive the money for the Government and upon receipt of the same he misappropriated it, the crime committed is estafa and not malversation. Conversely, if the public officer has the official custody of public funds or property (or the duty to collect or receive funds due to the government), and the obligation to account for them to the government, his/her misappropriation of the same constitutes malversation.³¹

Furthermore, when such crimes are committed through falsifying public documents,³² the perpetrator commits the complex crime of estafa through falsification of public documents or malversation of public funds through falsification of public documents, as the case may be. To be sure, "[i]n a complex crime, two or more crimes are actually committed, however, in the eyes of the law and in the conscience of the offender they constitute only one crime, thus, only one penalty is imposed. There are two kinds of complex crime. The first is known as a compound crime, or when a single act

²⁸ *Favis-Velasco v. Gonzales*, 874 Phil. 613, 625 (2020) [Per J. Inting, Second Division], citing *Legaspi v. People*, 842 Phil. 72, 80 (2018) [Per J. Tijam, First Division].

²⁹ *People v. Dapitan*, 911 Phil. 114, 120 (2021) [Per J. Perlas-Bernabe, Second Division], citing *Manuel v. Sandiganbayan*, 681 Phil. 273, 291-292 (2012) [Per J. Mendoza, Third Division].

³⁰ *Catingub v. Court of Appeals*, 206 Phil. 83 (1983) [Per J. Guerrero, Second Division].

³¹ See Reyes, Luis B. "THE REVISED PENAL CODE: CRIMINAL LAW. BOOK TWO (ARTICLES 114-367)." Twentieth Edition (2021), pp. 525-526.

³² The elements of falsification of public documents under Article 171 of the RPC are as follows: (1) the offender is a public officer, employee, or notary public; (2) the offender takes advantage of his/her official position; and (3) the offender falsifies a document by committing any of the acts of falsification under Article 171 (*Malabanan v. Sandiganbayan*, 815 Phil. 183 [2017] [Per C.J. Sereno, First Division]).

constitutes two or more grave or less grave felonies **while the other is known as a complex crime proper, or when an offense is a necessary means for committing the other.**³³ Verily, both estafa through falsification of public documents and malversation of public funds through falsification of public documents fall within the purview of a complex crime proper.

In this case, a thorough review of the records would readily show that: (a) **Criminal Case No. SB-17-CRM-1715 to 1721** involve public funds, particularly funds of Meycauayan LGU; (b) Atienza, as Reyes's co-accused, is an accountable public officer as she was the City Department Head/City Accountant of Meycauayan LGU at the time the crimes were committed; and (c) Atienza falsified the subject checks by making it appear that Meycauayan LGU has financial obligations to individuals/entities through alterations and/or intercalations of the payees and amounts of the subject checks, to the detriment of Meycauayan LGU as it was made to pay non-existent obligations to false payees. Based on the foregoing disquisitions, Atienza and Reyes's acts constitute malversation of public funds through falsification of public documents, and not estafa through falsification of public documents.

At this juncture, it is well to point out that the fact that the Informations in **Criminal Case Nos. SB-17-CRM-1715 to 1721** state that Reyes is being charged with estafa through falsification of public documents will not preclude the Court from convicting him instead of malversation through falsification of public documents. In *People v. Dasmariñas*,³⁴ the Court reiterated the guidelines to determine the sufficiency of a criminal complaint or information, to wit:

For complaint or information to be sufficient, it must state the name of the accused; the designation of the offense given by the statute; the acts or omissions complained of as constituting the offense; the name of the offended party; the approximate time of the commission of the offense, and the place wherein the offense was committed. *What is controlling is not the title of the complaint, nor the designation of the offense charged or the particular law or part thereof allegedly violated, these being mere conclusions of law made by the prosecutor, but the description of the crime charged and the particular facts therein recited. The acts or omissions complained of must be alleged in such form as is sufficient to enable a person of common understanding to know what offense is intended to be charged, and enable the court to pronounce proper judgment.* No information for a crime will be sufficient if it does not accurately and clearly allege the elements of the crime charged. Every element of the offense must be stated in the information. What facts and circumstances are necessary to be included therein must be determined by reference to the definitions and essentials of the specified crimes. The requirement of alleging the elements of a crime in the information is to inform the accused of the nature of the accusation against him so as to enable him to suitably prepare his defense. The presumption is that the

³³ *People v. Jugueta*, 783 Phil. 806 (2016) [Per J. Peralta, *En Banc*], citing *People v. Nelmda*, 694 Phil. 529, 569–570 (2012) [Per J. Perez, *En Banc*].

³⁴ 819 Phil. 357 (2017) [Per J. Bersamin, Third Division].

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accused has no independent knowledge of the facts that constitute the offense.³⁵ (Emphasis supplied)

Here, a plain reading of the factual averments of the Informations in **Criminal Case Nos. SB-17-CRM-1715 to 1721** are sufficient to make out a case for malversation of public funds through falsification of public documents; hence, Reyes may be convicted of such a crime.

III.

Reyes's criminal liability having been established, the Court now goes to the proper penalties to be imposed on him, as well as the imposition of civil liability *ex delicto*.

As regards **Criminal Case No. SB-17-CRM-1680**, Section 9 of Republic Act No. 3019, as amended, provides that a violation of Section 3(e) of the same law has the prescribed penalties of, *inter alia*, imprisonment for not less than six years and one month nor more than 15 years, and perpetual disqualification from public office. Furthermore, in case of conviction, the complaining party shall be entitled to recover the amounts involved. Accordingly, and considering the provisions of the Indeterminate Sentence Law (ISL), Reyes should be sentenced to suffer the penalties of imprisonment for an indeterminate period of six years and one day, as minimum, to eight years, as maximum, and perpetual disqualification from public office. Furthermore, Reyes is ordered to indemnify the Government of the Philippines the amount of PHP 2,006,218.00 representing the undue injury that the latter suffered, with legal interest at the rate of 6% per annum from finality of the ruling until full payment.

Anent **Criminal Case Nos. SB-17-CRM-1715 to 1721**, Article 48 of the RPC instructs that in convictions for complex crimes, the penalty for the most serious crime shall be imposed in its maximum period. Thus, there is a need to determine which between malversation of public funds and falsification of public documents is the more serious crime, taking into consideration their respective prescribed penalties.

As regards malversation of public funds, Article 217 of the RPC, as amended by Republic Act No. 10951 provides for different prescribed penalties, depending on the amount misappropriated. In this case, the subject checks all fall within the range from PHP 40,000.00 to PHP 1,200,000.00. In this regard, the relevant portions of the said provision reads:

ART. 217. *Malversation of public funds or property.*
— *Presumption of malversation.* — Any public officer who, by reason of

³⁵ *Id.* at 375, citing *People v. Dimaano*, 506 Phil. 630, 649–650 (2005) [*Per Curiam, En Banc*].

the duties of his office, is accountable for public funds or property, shall appropriate the same, or shall take or misappropriate or shall consent, through abandonment or negligence, shall permit any other person to take such public funds or property, wholly or partially, or shall otherwise be guilty of the misappropriation or malversation of such funds or property, shall suffer:

....

2. The penalty of *prision mayor* in its minimum and medium periods, if the amount involved is more than Forty thousand pesos (P40,000) but does not exceed One million two hundred thousand pesos (P1,200,000).

....

In all cases, persons guilty of malversation shall also suffer the penalty of perpetual special disqualification and a fine equal to the amount of the funds malversed or equal to the total value of the property embezzled.

As may be gleaned above, if the misappropriated amount ranges from PHP 40,000.00 to PHP 1,200,000.00, the prescribed penalty is *prision mayor* in its minimum and medium periods—or imprisonment from six years and one day to 10 years—plus a fine equal to such misappropriated amount.

On the other hand, under Article 171 of the RPC, as amended by Republic Act No. 10951, the prescribed penalty for falsification of public documents is *prision mayor*—or imprisonment from six years and one day to 12 years—plus a fine not to exceed PHP 1,000,000.00.

Given the foregoing, it appears that the penalty for falsification of public documents is the more serious offense; and hence, this is the imposable penalty in its maximum insofar as Criminal Case Nos. **SB-17-CRM-1680 and SB-17-CRM-1715 to 1721** are concerned. Thus, and further considering the provisions of the ISL, Reyes should be sentenced to suffer the penalties of imprisonment for an indeterminate period of six years of *prision correccional*, as minimum, to 12 years of *prision mayor*, as maximum, and a fine of PHP 1,000,000.00, for each count of malversation of public funds through falsification of public documents.

ACCORDINGLY, the appeal is **DENIED**. The Decision dated September 25, 2020 and the Resolution dated December 15, 2021 of the Sandiganbayan in **Criminal Case No. SB-17-CRM-1680 and Criminal Case Nos. SB-17-CRM-1715 to 1721** are **AFFIRMED** with **MODIFICATION**. Accused-appellant Alberto V. Reyes is found **GUILTY** beyond reasonable doubt of one count of violation of Section 3(e) of Republic Act No. 3019, and seven counts of malversation of public funds through falsification of public documents, as defined and penalized under Article 217 in relation to Article 171 Revised Penal Code, as amended. He is sentenced as follows:

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- 1) In **Criminal Case No. SB-17-CRM-1680**, he is sentenced to suffer the penalties of imprisonment for an indeterminate period of six years and one day, as minimum, to eight years, as maximum, and perpetual disqualification from public office. He is also **ORDERED** to indemnify the Government of the Philippines the amount of PHP 2,006,218.00 representing the undue injury that the latter suffered, with legal interest at the rate of 6% per annum from finality of this ruling until full payment; and
- 2) In **Criminal Case Nos. SB-17-CRM-1715 to 1721**, he is sentenced to suffer the penalties of imprisonment for an indeterminate period of six years of *prision correccional*, as minimum, to 12 years of *prision mayor*, as maximum, and a fine of PHP 1,000,000.00, for each count.

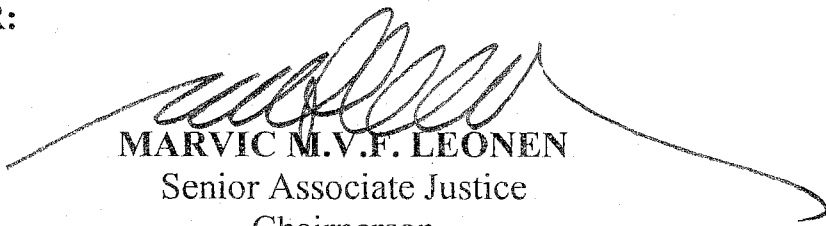
SO ORDERED.



ANTONIO T. KHO, JR.

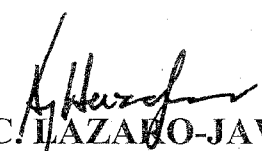
Associate Justice

WE CONCUR:



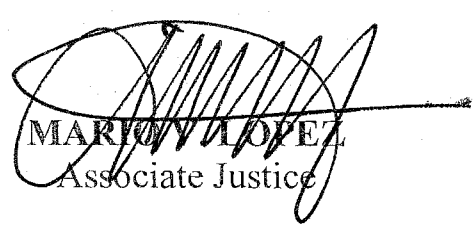
MARVIC M.V.F. LEONEN

Senior Associate Justice
Chairperson



AMY C. LAZARO-JAVIER

Associate Justice



MARJOR V. LOPEZ

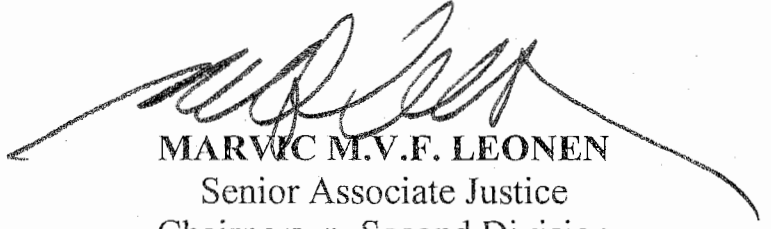
Associate Justice

On official business
JHOSEP Y. LOPEZ
Associate Justice



ATTESTATION

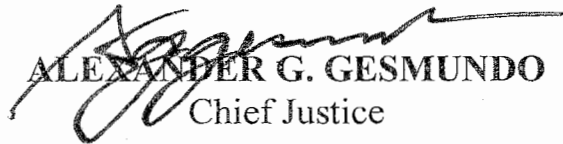
I attest that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.



MARVIC M.V.F. LEONEN
Senior Associate Justice
Chairperson, Second Division

CERTIFICATION

Pursuant to Article VIII, Section 13 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

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