

BY THE PRESIDENT OF THE PHILIPPINES

ADMINISTRATIVE ORDER NO. 72

CONSIDERING MR. JUAN D. TAALA, PROVINCIAL TREASURER OF NEGROS OCCIDENTAL PROVINCE, RETIRED FROM THE SERVICE.

This is an administrative case against Provincial Treasurer Juan D. Taala of Negros Occidental for (a) gross negligence, (b) grave abuse of discretion, (c) illegal disbursement of funds and (d) misuse of trust funds, filed motu proprio by the Department of Finance.

Respondent submitted his answer to the charges and waived formal investigation. The Undersecretary of Finance, as then Acting Secretary, in his report, found the explanations of respondent contained in his answer unsatisfactory and the charges well established and proven. However, considering that respondent has more than 44 years of government service, the Acting Secretary of Finance recommends that respondent be required to retire from the government service.

After going over the records of the case, I concur in the findings of the Acting Secretary of Finance that respondent is guilty of the following:

A. Gross negligence in that:

1) Respondent failed to collect cash advances granted to provincial officers and employees from November 5, 1945, to March 29, 1966, in the total amount of ₱102,836.13 -- in violation of Section 29 of the Revised Manual of Instructions to Treasurers, which requires that cash advances should be liquidated within a period of ten days after the return of the officers or employees from the trip for which the cash advances were secured and under no circumstance shall such cash advances be allowed to remain unliquidated at the end of the fiscal year.

2) Respondent failed to drop from the accounts rice and palay in stock costing ₱2,680.75 and gasoline in stock costing ₱113,110.36 which were no longer existing. In this regard, respondent failed to take steps to recover the cost of the missing supplies and materials under the accountability of the gasoline storekeeper, to protect the interest of the province.

3) Respondent failed to collect long outstanding accounts receivable, thus:

a) From national bureaus and offices (A-4-1) covering the period from 1945 to April 30, 1966 - - - - -	₱ 588,600.46
b) From provinces and chartered cities (A-4-2) covering the period from 1952 to April 30, 1966 - - - - -	23,564.36
c) From municipalities (A-4-3) covering the period from 1947 to April 30, 1966 - - - - -	1,777,376.20
d) From provincial officials and employees (A-4-4) covering the period from 1945 to January 28, 1966 - - - - -	<u>27,945.84</u>
TOTAL	₱2,417,486.86

4) Respondent failed to pay within the time required by existing accounting and auditing regulations legitimate obligations of the province to:

a) National bureaus and offices (B-1-1) - - - - -	₱ 389,827.64
b) Provinces and chartered cities (B-1-2) - - - - -	40,855.71
c) Municipalities (B-1-3) - - - - -	402,168.91
d) Certified obligations (B-1-4) - - - - -	18,325.35
e) Accrued wages (B-1-5) - - - - -	6,547.81
f) Miscellaneous accounts payable (B-1-6) - - - - -	<u>635,642.41</u>
TOTAL	₱1,493,367.83

B. Grave abuse of discretion, committed thus:

1) From June 16, 1958, to April 30, 1966, disbursements covering cost of supplies and materials, public works materials, freight, handling expenses, generating sets, dump trucks, etc., amounting to ₱3,479,737.83 were made and charged against prepayment account (A-8-5) instead of against the provincial funds involved, in clear violation of Sections 56 and 61 of the Revised Manual of Instructions to Treasurers.

2) The share of the general fund from excess income tax of ₱655,461.72 covered by Treasury Warrant No. 01569606 dated October 7, 1965, was taken up under revenue account Ca-64 with the apparent intention of depriving the health, hospital and agricultural funds of their shares of 6%, 5% and 5%, respectively, from said collections. Said income should have been taken under revenue account Ca-14.

C. Illegal disbursement of funds, committed as follows:

1) Under P.T. Vouchers Nos. 3346, 4381, 5756, 7976, 10496 and 12566 dated December 22, 1964, March 19, June 7, and August 5, 1965, respectively, a disbursement of ₱2,292,743.74 covering the cost of 84 Izuzu dump trucks was made. According to the statement prepared by the Property Clerk of respondent's office -- and this is admitted by respondent -- only 60 trucks of the 84 paid for on said dates had been actually delivered. The amount of ₱655,018.92 covering the cost of the 24 undelivered dump trucks was illegally disbursed.

2) As of April 30, 1966, respondent had disbursements totalling ₱332,992.68 in excess of the authorized appropriations in his budget for fiscal year 1966. This is a violation of Section 614 of the Revised Administrative Code which provides that "Revenue funds shall not be paid out of any treasury except in pursuance of lawful appropriations or other specific statutory authority."

D. Misuse of trust funds, to wit:

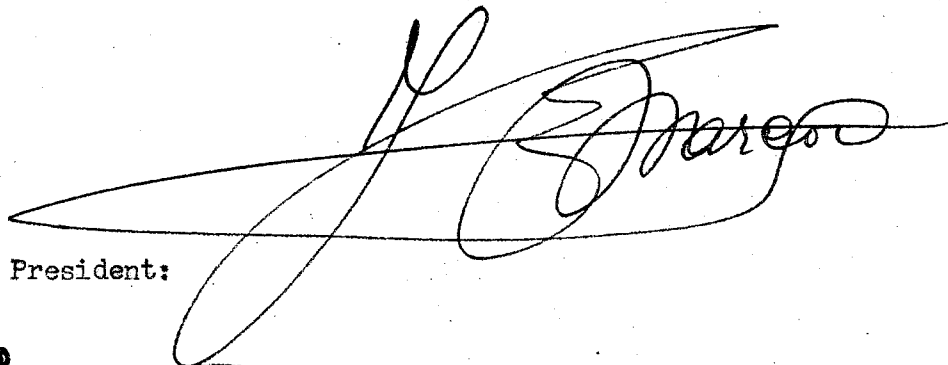
Respondent misused trust funds under his accountability in the amount of ₱2,790,548.92, contrary to the provisions of Section 614 of the Revised Administrative Code. The illegal use of said trust funds made possible the payment of the generating sets and dump trucks mentioned in Charge C but prevented the municipal treasurers from withdrawing their municipal deposits to the prejudice of the interest of the municipal governments.

The deposits of the municipalities of the province are appropriated funds deposited by the municipal treasurers with respondent subject to withdrawal by said treasurers from time to time to meet the ordinary and essential service of the municipal governments. These deposits are trust funds under respondent's responsibility, and for such reason, he had no authority to apply, as he did, the same in settlement of the existing obligations of the municipalities or deny the withdrawal thereof.

The charges against respondent are amply supported by the evidence on record. With respondent's long years of experience and training in local treasury work, it is beyond understanding why he became so grossly negligent in the discharge of his official duties and so bold as to spend trust funds for purposes other than those for which the trusts were created at a time when he was nearing retirement. The offenses committed are sufficiently serious to warrant respondent's removal. Considering, however, that this is his first case in his more than 44 years in the government service, where he has spent the best years of his life, his case may be viewed with some measure of leniency.

Wherefore, Mr. Juan D. Taala is hereby considered retired from the service effective upon receipt of a copy of this order.

Done in the City of Manila, this 2nd day of July, in the year of Our Lord, nineteen hundred and sixty-seven.



By the President:



RAFAEL M. SALAS
Executive Secretary

JAN 1 1967