

MALACAÑANG

Manila

BY THE PRESIDENT OF THE PHILIPPINES

ADMINISTRATIVE ORDER NO. 218

DISMISSING DR. ELISEO L. RUIZ, PRESIDENT, CENTRAL LUZON STATE UNIVERSITY, FROM THE SERVICE

This refers to the administrative complaint dated October 14, 1988, filed by Mr. Eduardo C. Paray, et al., against Dr. Eliseo L. Ruiz, President of the Central Luzon State University (CLSU), Munoz, Nueva Ecija, for mismanagement, incompetence, imprudence in the administration of the university, corruption, dishonesty, deceit and conduct unbecoming a University President, allegedly committed and/or arising out of the following incidents, among others:

A. MISMANAGEMENT/INCOMPETENCE/IMPRUDENCE
IN THE ADMINISTRATION OF THE UNIVERSITY

1. Respondent caused the preparation and approval by the CLSU Board of Regents (BOR) of a Revised CLSU Organization and Management Structure, creating the positions of three (3) Vice Presidents (for Administration, Academic Affairs, and Research Extension and Training) despite the vehement opposition of concerned faculty and staff members. In so securing such approval, respondent deceptively made it appear that consultations and dialogues were undertaken. Furthermore, respondent appointed/designated the three (3) Vice Presidents without specific functions and approval of the BOR, resulting in lack of coordination, unwise decisions, confusion, and inefficiency.

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2. Respondent offered new curricular programs and implemented curricular revisions without the prior approval of the CLSU Academic Council and BOR in violation of the university's charter, rules, and procedures.

3. Without considering CLSU's financial condition, respondent granted scholarship to faculty members, resulting in heavy teaching loads to other faculty members, the assignments to thirteen (13) non-teaching staff of teaching functions, non-payment of overload pay, stipends and commensurate compensation to non-academic staff.

4. Respondent leased/caused the leasing of CLSU's food processing plant to the Central Valley Food Corporation (CVFC) at a great financial disadvantage to the university and despite a previous favorable bid tendered by VITRONI. In addition, respondent allowed the use of CLSU machineries and manpower for the

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development of a privately-owned land (Bravo Farm) for production of cotton in commercial quantity, but said venture failed resulting in losses amounting to hundreds of thousands of government money.

5. Respondent's ineptness in planning and management of university funds led to the termination of ninety-six (96) casual employees of long standing.

6. Respondent, for a period of 1 year and 4 months, ran the university without an approved plan, and without submitting a printed annual report.

B. CORRUPTION/DISHONESTY/DECEIT

1. Respondent allowed the operations by ranking faculty members, working on official time, of a marketing cooperative - which was without an approved constitution and by-laws - as marketing arm of the university's food processing plant.

2. Respondent was responsible for the unsettled back accounts of CVFC in the amount of P378,775.18, representing processing fees, and for the unsettled back account due from a relative of respondent for the lease of the CLSU canteen in the amount of P33,860.75.

3. In 1987, respondent instructed one Adriano Saturno to file a request to purchase for CLSU chemicals without public bidding. The chemicals which were purchased from respondent's own ELR Trading for P32,250.00 were later found to be unsuitable for the purpose they were procured. Likewise, respondent, who is not a procurement officer, bought or caused the purchase of 600 cuttings of passion fruits at P3.60/cutting although passion fruit production was not programmed.

4. Respondent contracted/employed a whole orchestra/ musicians without prior BOR approval, using funds intended for the CLSU's Agribusiness Ventures (AGRIVEN) projects, but without entering the amount paid in the CLSU books of accounts.

5. The CLSU administration, through respondent, collected contributions/donations from the faculty, staff, students, and private citizens for the improvement of the Lingap Kalikasan Park without proper authority from, and report to, the BOR. Reports reveal that beer was sold at the park and ranking CLSU officials were frequenting the place and drinking beer even during office hours.

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C. CONDUCT UNBECOMING A UNIVERSITY PRESIDENT

On September 19, 1988, respondent harmed and maltreated one Ainee Joy Cando for her failure to produce the pictures and negatives that the former was asking for.

In his answer to the CLSU BOR, dated November 15, 1988, respondent denied all inculpatory allegations in the complaint, with a discussion of his position on the case. Some highlights of the Answer:

1. The old Organization and Management Structure of the CLSU was too centralized, hence its revision upon dialogues, consultations with, and the support of, different units (colleges).
2. The three (3) Vice Presidents were merely designated.
3. The revision of existing curricular programs has always been with the approval of the proper body.
4. The grant of scholarship to faculty members was authorized by the CLSU BOR.
5. The contract of lease with the CVFC was entered into after Ms. Blanka Vetrone of the New World Manufacturing Industries, Inc., retracted her offer to lease the CLSU food processing plant.
6. The development of the Bravo Farm was covered by a legitimate contract envisaged to generate reasonable profits for the university.
7. The termination of casuals was the result of the DBM-imposed ceiling on the number of casuals to be hired/retained, coupled with funding constraint.
8. The alleged unsettled account of CVFC was only P29,775.28 as said company was able to pay the amount of P190,000.00.
9. On the alleged anomaly in the purchase of chemicals from ELR (Eliseo L. Ruiz) Trading, respondent claims he could not have instructed Mr. Saturno to obtain the chemicals from his family's outlet as he was in Davao City from October 21-25, 1987, adding that upon being informed of the transaction, he immediately advised then COA Auditor Eleanor Bernardo to cancel Check No. 434207 for the payment of the chemicals.

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10. The procurement of the passion fruit cuttings for experimental purposes was based on the reports and requisition made by AGRIVEN officials.

11. Collection/contribution/donation for the Lingap Kalikasan Park was voluntary, undertaken by his friends, faculty, and staff members. He issued a memorandum prohibiting the sale of intoxicating drinks/beverages upon being apprised of such activity.

In an affidavit, respondent denied having inflicted bodily harm on Miss Cando.

On October 18, 1989, my office directed the Secretary, Department of Education, Culture and Sports (DECS), to formally investigate the charges against respondent. Thereafter, a committee of three (3) members conducted hearings and submitted a report to DECS Secretary Isidro D. Carino. Secretary Carino in turn forwarded said report to my office in a 1st Indorsement dated August 3, 1990, the salient portions of which may be summarized as follows:

1. Respondent imprudently ordered the transfer of the functions of the CLSU's Executive Vice President - a position then temporarily held by Dr. Marcelo Roguel pursuant to a designation order from the CLSU BOR - thus in effect arrogating unto himself the BOR's authority to terminate the designation it conferred upon Dr. Roguel.

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2. The CLSU offered new courses during the summer of 1988 and the first semester of school year 1988-89 without prior approval/authority from the CLSU BOR.

3. Respondent entered into a contract with the Central Valley Food Corporation even before its registration with the Securities and Exchange Commission. Consequently, CLSU virtually subsidized a non-existing entity.

4. Respondent gave undue benefits to the Bravo Farm when CLSU developed, pursuant to a Joint Venture Agreement, seventeen (17) hectares, instead of fifteen (15) hectares as provided in the contract. Among the interlocking transactions connected to this contract relates to the Crop Harvest Sales Agreement entered into by respondent with Fast Agro-System Technology where he then occupied a directorship.

5. On the purchase of chemicals from respondent's ELR Trading, respondent was indeed in Davao City on October 21 to 25, 1987, when the purchase took place, but the processing of the Requisition and Issue Voucher for the acquisition "dates back

to September 29, 1987, and ELR Trading gave undated canvass of prices."

6. Respondent negotiated for some 600 pieces of passion fruit cuttings which later on wilted and died. Respondent admitted that passion fruit production was unprogrammed.

7. Respondent unduly extended the contract of lease on the CLSU canteen to Mrs. Zenaida S. Santos despite her failure to pay, within the grace period provided for, the monthly rental and notwithstanding a stipulation for contract termination in case of such failure. The extension allowed by respondent resulted in the incursion by Mrs. Santos of back accounts.

8. Respondent violated, in connection with the establishment of the Lingap Kalikasan Park, Republic Act No. 5546 prohibiting, subject to certain exceptions, the collection of contributions, whether voluntary or not or for any project, from teachers and students of public/private schools.

9. A medical certificate described injuries on Miss Cando showing the occurrence of an unusual incident which is likewise the subject of a criminal complaint against the respondent.

10. There are no substantial evidence to support the other counts.

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In all, the DECS Secretary regards respondent's acts indicated in his 1st Indorsement aforementioned as constituting grave offenses of misconduct, dishonesty, and/or conduct prejudicial to the best interest of the service.

After a careful study of the investigation report, the records as well as the testimonial and documentary evidence, I am persuaded of respondent's culpability of most of the acts complained of. His acts of terminating the designation of Dr. Roguel as Executive Vice President, of offering new courses, of undertaking unprogrammed projects, as in the mass planting of passion fruits, without the required prior approval of the University's Board of Regents, betray his cavalier view of the university's charter, rules, and/or policies. These actuations indicate not only imprudence and mismanagement, but abuse of authority as well. By allowing or at least tolerating the sale of intoxicating drinks within the university's premises, respondent also betrayed a deficiency in decorous management.

Respondent did far worse with respect to its business affairs. I need not belabor the lease award of CLSU's food processing plant under questionable circumstances and to a non-registered Corporation at that. Mention may also be made of the extension of the school's canteen lease contract in favor of a delinquent lessee to the financial prejudice of the University.

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At this point, it is meet to delve into two (2) other transactions where the ugly head of conflict of interests surfaces. I refer to the supply contract with ELR Trading owned by respondent and/or his family and the sales agreement with Fast Agro Systems Technology. In the first instance, delivery of the ELR-supplied chemicals were made, although respondent later ordered the cancellation of the pay check. In relation to the second, there is evidence showing respondent sat as director of Fast Agro Systems Technology. The fact alone that said contracts came to be in the first place, and given respondent's link with the private parties and given his presence at his station when the requisition and issue voucher for the chemical was prepared, is in itself a badge of reproachable impropriety. Even as I am unprepared to call respondent to task for personally profiting from these transactions, let it be remembered that directly or indirectly having financial or pecuniary interest in any contract/transaction in connection with which a public officer intervenes or takes part in his official capacity or in which he is prohibited by law from having any interest constitutes corrupt practices (Sec. 3[h], RA 3019).

Lastly, respondent violated Republic Act No. 5546, supra, when he authorized the collection of contributions from teachers and students of CLSU for the development of the Lingap Kalikasan Park.

While the DECS Secretary recommends, on humanitarian reasons, the penalty of forced resignation with benefits for what he correctly views as respondent's grave misconduct and conduct prejudicial to the best interest of the service, I am of a different disposition. On them entrusted with great responsibility and authority much is expected. By his positive actions complained of, respondent betrayed the high calling and mission of his office. As head of a university tasked to train young minds and shape character, it behooves respondent to set correct examples. Respondent's palpable infraction of statutory and ethical standards, juxtaposed by the number of inculpatory acts committed, seal off all avenues of leniency.

WHEREFORE, **DR. ELISEO L. RUIZ**, President of the Central Luzon State University, is hereby **DISMISSED** from the service with all the accessory penalties of dismissal.

Done in the City of Manila, this 6th day of May, in the year of Our Lord, nineteen hundred and ninety-one.

Emerson B. Aquino

By the President:


OSCAR M. ORBOS
Executive Secretary

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