



Republic of the Philippines
 Supreme Court
 Manila

SECOND DIVISION

ATTY. AMADO Q. NAVARRO,
 Petitioner,

G.R. No. 210128

Present:

- versus -

CARPIO, J., Chairperson,
 BRION,*
 DEL CASTILLO,
 MENDOZA, and
 LEONEN, JJ.

OFFICE OF THE OMBUDSMAN
 AND DEPARTMENT OF FINANCE-
 REVENUE INTEGRITY
 PROTECTION SERVICES (DOF-
 RIPS), REPRESENTED BY JOSE
 APOLONIO,

Respondents.

Promulgated:

17 AUG 2016

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DECISION

MENDOZA, J.:

Before the Court is a Petition for Review on *Certiorari* under Rule 45 of the Rules of Court assailing the April 24, 2013 Decision¹ and the November 8, 2013 Resolution² of the Court of Appeals (CA), in CA-G.R. SP No. 124353, which affirmed the September 8, 2009 Decision³ and the May 31, 2011 Order⁴ of the Office of the Ombudsman (*Ombudsman*), in OMB-C-A-05-0260-F.

The questioned issuances of the Ombudsman found petitioner Atty. Amado Q. Navarro (*Navarro*) guilty of the administrative offenses of Dishonesty, Grave Misconduct and Violation of Republic Act (*R.A.*) No.

* On Leave.

¹ Penned by Associate Justice Hakim S. Abdulwahid, with Associate Justices Marlene Gonzales-Sison and Edwin D. Sorongon, concurring *Rollo*, pp. 38-49

² Id. at 397-398.

³ Id. at 342-361.

⁴ Id. at 372-395.

6713,⁵ resulting in his dismissal from the service, with the accessory penalties of forfeiture of retirement benefits, except the cash equivalent of his accrued leave credits, and perpetual disqualification to hold public office.

The Antecedents

In 1980, CPA-lawyer Navarro began his employment at the Bureau of Internal Revenue (*BIR*) as Revenue Examiner I with an annual gross salary of ₱11,904.00. He then became the Revenue District Officer (*RDO*) of Baguio City and was later designated as Chief Revenue Officer IV (*CRO IV*) with an annual salary of ₱246,876.00.

The Department of Finance-Revenue Integrity Protection Service (*DOF-RIPS*), a division of the Department of Finance (*DOF*) tasked to conduct investigations on allegations of corrupt practices of officials and employees of offices attached to or supervised by the *DOF*, received a complaint against Navarro. Acting thereon, the *DOF-RIPS* investigated Navarro and opined that based on his Statement of Assets, Liabilities and Networth (*SALN*), he had been steadily amassing landholdings in Baguio City since his appointment as the *RDO* there and had constructed three (3) structures on some of the parcels of land.⁶

On May 30, 2005, Intelligence Officers Oscar Moratin, Virman L. Sayang-od and Johnny S. Lassin, representing the *DOF-RIPS*, filed their Joint Complaint-Affidavit⁷ before the Ombudsman against Navarro, for acts and omissions that are deemed illegal, unjust, improper, and/or otherwise irregular or immoral.⁸ It was averred in the said complaint that Navarro did not properly declare his assets in his *SALNs*; that Navarro did not own any real property prior to his employment with the *BIR* in 1980; that he acquired his real properties, including a resort and commercial buildings, in Baguio City and La Union; that, even assuming they were declared under "Improvements," the amounts declared in his *SALN* were miniscule, as the improvements constructed were two (2) multi-storey buildings and a two-storey building;⁹ and that he overstated his liabilities to decrease his networth and failed to disclose his engagement in other forms of businesses. For said reason, it was the conclusion of the *DOF-RIPS* that "his substantial real property ownership is manifestly out of proportion to his lawful income."¹⁰

⁵ An Act Establishing a Code of Conduct and Ethical Standards for Public Officials and Employees, to Uphold the Time-Honored Principle of Public Office Being a Public Trust, Granting Incentives and Rewards for Exemplary Service, Enumerating Prohibited Acts and Transactions and Providing Penalties for Violations Thereof and for Other Purposes.

⁶ *Rollo*, pp. 39-40.

⁷ *Id.* at 71-86.

⁸ *Id.* at 71.

⁹ *Id.*

¹⁰ *Id.* at 78.

On July 21, 2005, Navarro filed his Counter-Affidavit¹¹ in the criminal aspect thereof denying the averments therein. He attached the documents pertaining to his applicable share of ownership with his siblings over the properties enumerated in the said complaint-affidavit and his other sources of lawful income. This counter-affidavit was later considered by the Ombudsman in the administrative case.

On April 4, 2008, the Ombudsman placed Navarro under preventive suspension pending investigation and while awaiting the adjudication of the administrative complaint against him.

On September 8, 2009, the Ombudsman rendered a decision finding Navarro guilty of dishonesty, grave misconduct and violation of R.A. No. 6713 and meted out the penalty of dismissal from the service with its accessory penalties.¹²

Navarro filed a motion for reconsideration claiming that he was deprived of his right to due process, but it was denied.

Aggrieved, he filed a petition for review under Rule 43 before the CA.

Acting thereon, the CA dismissed Navarro's petition for lack of merit as it considered the Ombudsman decision and resolution amply supported by substantial evidence. The CA was not convinced that he was denied due process. The CA was of the view that he was able to file a motion for reconsideration of the assailed decision and even attached thereto a copy of the counter-affidavit he had submitted in the criminal case against him, where he answered in detail all the accusations against him. The CA reiterated the principle that the essence of due process was simply to be heard, or as applied in administrative proceedings, to be given an opportunity to explain one's side, or to seek a reconsideration of the action or ruling complained of; and that the quantum of evidence necessary to find an individual administratively liable was merely substantial evidence.¹³

The CA found that Navarro failed to comply with his obligation as a government employee to truthfully disclose in detail all of his business interests in his SALN. The CA noted that in his SALNs submitted from 1998-2002, Navarro simply lumped together the declared properties based on their location, which went against the legal mandate for a government employee to submit a true and detailed statement of his assets and liabilities. Moreover, he did not disclose any of the business interests he and his wife were engaged in. The CA agreed with the Ombudsman that because his total income in 1982 from the government and from other sources was only

¹¹ Id. at 210-217.

¹² Id. at 362.

¹³ Id. at 43-44.

₱28,244.00 and that he was able to purchase a lot with improvements worth ₱55,000.00, his assets were disproportionate to his lawful income.¹⁴

Aggrieved, Navarro moved for a reconsideration but the CA denied his motion.

Hence, the present petition raising the following

ISSUES

I

WHETHER OR NOT THE DECISION AND ORDER OF THE RESPONDENT OMBUDSMAN, WHICH WERE AFFIRMED BY THE COURT OF APPEALS, WERE BASED ON MISAPPREHENSION OF FACTS, ON CONJECTURES, SURMISES AND SPECULATIONS, UNSUPPORTED BY SUBSTANTIAL EVIDENCE.

II

WHETHER THE DECISION AND ORDER OF THE OFFICE OF THE OMBUDSMAN, WHICH WERE AFFIRMED BY THE COURT OF APPEALS, FAILED TO TAKE INTO ACCOUNT THE CONVINCING EXPLANATIONS OF THE PETITIONER DULY SUPPORTED BY DOCUMENTARY EVIDENCE WHICH ARE ALL PUBLIC DOCUMENTS SHOWING:

- a. **THAT HIS PROPERTIES WERE ALL LEGALLY ACQUIRED AND WITHIN HIS LAWFUL INCOME AS A GOVERNMENT EMPLOYEE AND FROM OTHER LAWFUL SOURCES; AND**
- b. **THAT IF THERE WAS ANY "MISDECLARATION OR INCOMPLETE DETAILS" IN HIS SALN, THE SAME WERE NOT INTENTIONAL TO CONCEAL HIS ASSETS BUT THE SAME WAS COMMITTED IN GOOD FAITH WHICH SHOULD NOT BE VISITED WITH THE EXTREME PENALTY OF DISMISSAL FROM GOVERNMENT SERVICE AND FORFEITURE OF ALL BENEFITS DUE HIM FOR MORE THAN THIRTY (30) YEARS OF DEDICATED, SATISFACTORY AND UNBLEMISHED GOVERNMENT SERVICE.**

Navarro argues that the conclusion of the Ombudsman and the CA that his assets were disproportionate to his lawful income, without considering his other sources of income before and after he was taken in, was erroneous. He further explained that he could not have declared other assets as exclusively his because he co-owned those properties with his

¹⁴ Id. at 47.

brother, Engr. Victor Navarro (*Engr. Victor*), and sister, Atty. Epifania Navarro (*Atty. Epifania*), who had assets and sources of income of their own.

In its Comment,¹⁵ the Ombudsman insisted that there was substantial evidence to support the finding of culpability against Navarro for grave misconduct, dishonesty and violation of R.A. No. 6713 because he failed to declare true and detailed SALNs and he accumulated assets which were manifestly disproportionate to his lawful income. The Ombudsman considered such failure as constituting grave misconduct and asserted that Navarro deliberately concealed his financial and business interests in his SALNs, by intentionally lumping together all of his real properties, depending on their location and, thus, hiding the true nature of the properties.

In its Comment,¹⁶ the DOF-RIPS argued that Navarro's disclosure of his Baguio properties was highly irregular as the said properties were lumped in a single amount, without specifying the cost and location of each property because the number of properties and their respective locations imply a higher value. As far as the declared improvements were concerned, the DOF-RIPS claimed that the stated value thereof did not match the kind of buildings constructed on the lots. It added that Navarro misdeclared the cost of the improvements on certain La Union properties, which he co-owned with his relatives, by not specifying his proportionate shares in the said improvements.

The DOF-RIPS also averred that the records showed that Navarro was usually joined by his siblings in the acquisition of real properties as well as in the construction of the improvements. Thus, the values indicated in Navarro's SALNs should have been equivalent to his proportionate shares in the commonly owned properties. It admitted though that this was so in Navarro's SALNs for the years 1980, 1981, 1982, 1990, 1993, and 1994.

The DOF-RIPS agreed with the Ombudsman and the CA that the rest of Navarro's SALNs were laden with numerous discrepancies and so they could not be possibly considered truthful statement of his assets, liabilities and business interests.

The pleadings show that the central issue to be addressed is whether Navarro's failure to declare with particularity his assets and business interests in his SALN was a sufficient ground to hold him administratively liable for the offenses of dishonesty and grave misconduct, warranting his dismissal from the service. The Ombudsman stated that he committed misdeclaration, over-declaration and nondeclaration of his assets and liabilities in his SALNs.

¹⁵ Id. at 432-446.

¹⁶ Id. at 451-460.

Ruling of the Court

The Court finds merit in the petition.

Indeed, the general rule in administrative law is that the courts of justice should respect the findings of fact of administrative agencies. The rule, however, is not absolute as there are recognized exceptions thereto. One is when the precise issue is whether there is substantial evidence to support the findings of the administrative agency.¹⁷ Substantial evidence has been held as that which is more than a mere scintilla. It means such relevant evidence as a reasonable mind might accept as adequate to support a conclusion, even if other minds equally reasonable might conceivably opine otherwise.¹⁸

The SALN and the Manner of Accomplishing it

The submission of a sworn SALN is expressly required by R.A. No. 6713.¹⁹ Section 8 thereof provides that it is the duty of public officials and employees to accomplish and submit declarations under oath of their assets, liabilities, net worth, and financial and business interests, including those of their spouses and of unmarried children under eighteen (18) years of age living in their households. The sworn statement is embodied in a *pro forma* document with specific blanks to be filled out with the necessary data or information. Insofar as the details for real properties are concerned, the information required to be disclosed are limited to the following: 1) kind, 2) location, 3) year acquired, 4) mode of acquisition, 5) assessed value, 6) current fair market value, and 7) acquisition cost.

Examining the form to be filled-out, the Court notes that it requires information that gives a general statement of the assets, liabilities and net worth of an employee. This, however, does not give the employee an unbridled license to fill out the form whimsically. The contents must be true and verifiable.

In the subject years or before 2011, public officers and employees accomplished their SALNs by filling out the prescribed form drawn up by the Civil Service Commission (CSC). As can be gleaned therefrom, what was only required was a statement of one's assets and liabilities in general. There appeared to be no obligation to state in detail his assets and liabilities in the prescribed form.

¹⁷ *Pleyto v. PNP-Criminal Investigation & Detection Group*, 563 Phil. 842, 877 (2007).

¹⁸ *Gupilan-Aguilar v. Office of the Ombudsman*, G.R. No. 197307, February 26, 2014, 717 SCRA 503, 532.

¹⁹ An Act Establishing a Code of Conduct and Ethical Standards for Public Officials and Employees, to Uphold the Time-Honored Principle of Public Office Being a Public Trust, Granting Incentives and Rewards for Exemplary Service, Enumerating Prohibited Acts and Transactions and Providing Penalties for Violations Thereof and for Other Purposes.

On July 8, 2011, the CSC came out with CSC Resolution No. 1100902, prescribing the guidelines in the filling out of the Revised SALN form for the year 2011.

On March 15, 2012, however, the CSC issued CSC Resolution No. 1200480 *deferring* the implementation of CSC Resolution No. 1100902 for several reasons, one of which was the concern of the Senate Committee that “the majority of government workers are unequipped with sufficient knowledge on how to accomplish the said form properly.”²⁰

²⁰ **Civil Service Resolution No. 1200480**
Re: DEFERMENT OF THE USE OF THE
REVISED SALN FORM
FOR YEAR 2011
x-----x

Number. 1200480

Promulgated: 15 MAR 2012

RESOLUTION

WHEREAS, the Civil Service Commission issued **CSC Resolution No. 1100902** dated July 8, 2011, which prescribes the Guidelines in the Use of the Revised Statement of Assets, Liabilities and Net Worth (SALN) Form for Year 2011 and Onwards;

WHEREAS, Memorandum Circular No. 19 dated August 17, 2011 was also issued, enjoining all public officers and employees to use the Revised SALN Form for year 2011 and onwards;

WHEREAS, the Commission received several requests for deferment from various sectors such as the Philippine Government Employees Association, Local Government Mechanical Engineers' Association of the Philippines, Asian Labor Network on International and Financial Institutions/Philippine Chapter, and the National Convention of Government Employees Working Council, all claiming that government workers have not fully comprehended the requirements in filling out the new form;

WHEREAS, the House Committee on Civil Service and Professional Regulation passed House Resolution No. 2199 requesting the Commission to study the legality of the Revised SALN Form, while the Senate Committee on Civil Service and Government Reorganization, headed by Senator Antonio F. Trillanes IV, wrote the Commission on February 27, 2012, stating that the Revised SALN Form has possible constitutional infirmity, illegality and/or impracticality;

WHEREAS, the Senate Committee also expressed concern that **majority of government workers are unequipped with sufficient knowledge on how to accomplish the said form properly;**

WHEREAS, in view of the foregoing considerations, both Committees requested the Commission to defer the implementation of CSC Resolution No. 1100902 until the issues raised are settled;

WHEREAS, the Commission maintains that the Revised SALN Form is anchored on subsisting laws that require the submission of SALN. However, keeping an open mind, the Commission agreed to undertake a more thorough and comprehensive review of the issues raised as it will greatly affect the proper filling out of the Revised SALN Form;

WHEREFORE, foregoing premises considered, the Commission hereby **RESOLVES to defer** the use of the Revised SALN Form for the year 2011; **RESOLVED FURTHER** that the 1994 SALN Form shall be used for the 2011 declarations, deadline of submission on April 30, 2012. However, those who have already submitted their SALN for 2011 using the Revised SALN Form shall be considered as having complied with the required filing. [<http://www.gov.ph/2012/03/15/csc-resolution-no-1200480-s-2012/>Last visited May 14, 2016]. (Emphases supplied)

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Nondeclaration or Concealment

Refuting the conclusion reached by the Ombudsman and the CA, Navarro submits that he accomplished his annual SALN in accordance with the prescribed format by the CSC, the details of which, to the best of his knowledge and belief, were generally accepted in the government service and was in substantial compliance with the provisions of law.²¹

After a thorough study on the matter, the Court is of the considered view that Navarro's "lumping" of his properties in his SALN starting in the year 1998 did not, *per se*, amount to making an untruthful statement. A perusal of the records would show that whatever properties were combined, grouped or lumped together from that year onwards were the same properties previously declared, adding only those new or recent acquisitions. The respondents did not identify a property which he did not declare.

As properly explained by Navarro, the properties, ascribed to him but which were not declared by him, were not his. The improvements on the property located at No. 148 Rimando Road, Baguio City, were not his. This property belonged to Merceditas Navarro, wife of his brother, Engr. Victor. His property was at No. 140 Rimando Road, where two buildings were then being constructed. One was his and the other one belonged to Atty. Epifania, his sister. He could not include their properties or shares in his SALNs as these were not owned by him, not being claimed by him, and not declared in his name.²²

There was no clear proof either that Engr. Victor and Atty. Epifania were his dummies. Navarro claimed that Engr. Victor was a civil engineer, a sanitary and geodetic engineer and the sole distributor of almost all the national daily newspapers in Baguio City and the Cordillera region; while Atty. Epifania is a CPA and a bar topnotcher from the Ateneo de Manila University. Both, as practitioners of their professions, earned more than he did. Pooling their resources, they bought properties near their ancestral home where they were born.²³

Over-declaration of acquisition costs in the 1996 SALN

The DOF-RIPS charged that Navarro over-declared the total acquisition cost of his real properties in the 1996 SALN by as much as

²¹ *Rollo*, p. 30.

²² *Id.* at 28-29.

²³ *Id.* at 26.

₱260,000.00. It explained that his 1994 SALN only showed a total amount of ₱350,000.00 as the acquisition cost for land which suddenly increased to ₱980,000.00 in 1996, though records revealed a total of ₱720,000.00 after adding his proportionate share in the acquisitions he made in the said year in the amount of ₱370,000.00.²⁴

At the outset, Navarro had pointed out that the over-declaration of his property was not used as a ground by the Ombudsman to justify the conclusion in its September 8, 2009 decision. It was brought about *for the first time* in the Ombudsman Order, dated May 31, 2011, which denied his motion for reconsideration.

At any rate, Navarro disputed the charges and explained that there was a purchase of property in the year 1995 in the amount of ₱400,000.00, half of which pertained to him. Although the terms and conditions were finalized in 1995, but because of some infirmities in the documentation, the transfer was only effected late in the year 1997. As far as the remaining ₱60,000.00 was concerned, it referred to a purchase of real property in the amount of ₱120,000.00, half of which belonged to him. Navarro also admitted that the latter property was being introduced for the first time in this petition to prove that his declarations in all his SALNs were true to the best of his knowledge and information and that there was no intention to conceal the said property and the transaction as they were, in fact, declared in his SALN. He added that he did not touch on them as they were never alleged or put in issue in the complaint-affidavit.²⁵

The above explanation, however, did not convince the DOF-RIPS. It stressed that there was no evidence of the 1995 sale because the purchase was made only in 1997 as evidenced by the deed of sale. Hence, it concluded that there was over-declaration in the 1996 SALN of Navarro.

Following Navarro's explanation, the property subject of the sale in 1995 was the same property subject of the transfer made in 1997. He really acquired an interest in the property in 1995 so that in his 1996 SALN, as the sale was finalized in 1995, he already declared the property.

To the Court, this is an acceptable explanation for the increase in the total amount of acquisition costs in his 1996 SALN. That the documentation was finally perfected in 1997 had no controlling significance because he actually claimed the property as his and so declared it in his 1996 SALN. The Court sees nothing wrong with such reporting.

²⁴ Id. at 460.

²⁵ Id.

The records further revealed that in the 1996 SALN, Navarro separately indicated the year of acquisition of each of his Baguio properties as 1981, 1987, 1990, **1995**, and 1996. The total cost of these acquisitions amounted to **₱535,000.00**. In his 1998 SALN, he lumped all of his Baguio properties, indicating “1981 to 1997” as the years of acquisition, the total cost of which amounted to **₱735,000.00**. The last amount remained consistent over the succeeding SALNs as there were no other Baguio purchases made.

When Navarro included “1997” in his 1998 SALN, it meant that he declared a purchase made in that year. Considering that the records showed no other purchase in 1997 but the property subject of the December 31, 1997 deed of sale with the consideration of ₱400,000.00, half of which belonged to him, it could be fairly deduced that the said property was the “1997” referred to in the 1998 SALN resulting in the increase of ₱200,000.00 in the total acquisition cost.

Following Navarro’s explanation that the property he declared in his 1996 SALN was the very same property he added in 1997, then there was double declaration resulting in an inaccuracy – the over-declaration of ₱200,000.00. Because the common practice in accomplishing the SALN is copying the entries in the immediately preceding year and just adding any subsequent acquisitions,²⁶ inaccuracies are very likely to happen. In this regard, Navarro was remiss in failing to rectify the details of his SALN. His attention regarding the double declaration, however, should have been called so he could have made the necessary corrective action, as will be shown later.

*Nondeclaration of business interests
as well as a specific improvement*

The DOF-RIPS also charged Navarro with failure to specifically disclose his and his wife’s business interests in his SALNs. Navarro himself submitted certifications showing his other sources of income and also admitted renting out apartment units and public store spaces as early as 1984, yet these were never declared in any of his SALNs.²⁷ Navarro, however, insisted that incomes from all sources were properly declared in his Income Tax Returns (*ITR*).²⁸ In resolving this matter, the Ombudsman found that:

²⁶ *Pleyto v. PNP-CIDG*, *supra* note 17, at 906.

²⁷ *Rollo*, p. 464.

²⁸ *Id.* at 29.

As to his business interests, the respondent, at the time of accomplishing and filing his SALNs, **did not disclose with particularity the businesses he and his wife were engaged in, although there was a declaration as to the existence of these interests.** On the contrary, the complainant was able to gather documents showing that they operate a grocery/general merchandise store, bicycles for hire, a resort, the renting out of stalls and apartment units, and a gasoline station. These, again, constitute misdeclaration.²⁹ [Emphasis Supplied]

Affirming the findings of the Ombudsman, the CA concluded that Navarro failed to comply with his obligation as a government employee to truthfully disclose in detail all of his business interests in his SALNs.³⁰ The CA stated that the petitioner failed to declare in his SALNs 1] the 504 sq. m. property which he and his brother Engr. Victor purchased for ₱400,000.00 in December 1997; and 2] his business interests and those of his wife.

As earlier pointed out, the alleged nondeclaration of his share in the 504 sq. m. property was adequately explained. It was already declared upon completion of the transaction but the documentation was finalized only two years later because of some infirmities therein. With respect to Navarro's business interest, the Court is satisfied with his explanation. Thus:

(c) x x x. The details required in the prescribed format of the statement were all indicated properly and adequately. The Petitioner's declarations, as well as all those required to accomplish and file a SALN, are limited by the fields of information required in the prescribed form. The details in question in the subject decision of the Office of the Ombudsman are **not required** in the prescribed form of the SALN as provided by the Civil Service Commission in use for the years in question. The details in question have been addressed and are **now required** in the Revised SALN Form as prescribed by the Civil Service Commission, the use of which has been, however, **deferred** for reasons cited for 2011 declarations of those required to accomplish and submit a SALN. xxx³¹ [Emphases supplied]

In *Pleyto vs. PNP-Criminal Investigation & Detection Group (Pleyto)*,³² the Court held that neither could the failure to answer the question "Do you have any business interest and other financial connections including those of your spouse and unmarried children living in your household?" be tantamount to gross misconduct or dishonesty. In this case, Navarro did not conceal any business interest of his wife because he had

²⁹ Id. at 355.

³⁰ Id. at 47.

³¹ Id. at 30.

³² *Supra* note 17.

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disclosed the same and other sources of income with proof thereof. As likewise held in *Pleyto*, a disclosure of his wife's occupation would be inconsistent with the charge that he concealed his and his wife's business interests.

As regards the nondeclaration of a specific improvement, the DOF-RIPS averred that Navarro owned the improvement located at No. 148 Rimando Road, Baguio City, but it was not declared in his SALN. It further claimed that, contrary to his self-serving statement of not owning the said property, Navarro failed to present any document to disprove his presumed ownership of the lot as shown by its corresponding tax declaration. The Ombudsman agreed with the DOF-RIPS that Navarro was not able to rebut the presumption of such ownership.³³

As earlier pointed out, however, the properties which were being ascribed to Navarro did not belong to him and had never been claimed by him. The improvements located at No. 148 Rimando Road, Baguio City, could not be his because the property at No. 148 Rimando belonged to Merceditas Navarro, wife of his brother, Engr. Victor. His property was at No. 140 Rimando Road, where two buildings were then being constructed. One was his, as properly explained, and the other one belonged to Atty. Epifania, his sister. The important point was that the parcel of land covered by the said tax declarations and deed of sale was, in fact, declared in his SALN.

Corrective Action

Navarro, at the outset, has claimed that he filled out and accomplished the annual SALN in accordance with the prescribed format by the CSC, the details of which, to the best of his knowledge and belief, were generally accepted in the government service and were in substantial compliance with the provisions of law. He was never informed by the applicable office of any incompleteness or any impropriety in the accomplishment of his SALNs.³⁴

In this regard, Navarro is correct. The appropriate office or committee should have given him the opportunity to correct the entries to conform to the prescribed requirements at that time. Section 10 of R.A. No. 6713 covering Review and Compliance Procedure and its Implementing Rules and Regulations (*IRR*), provide that in the event the authorities determine that a statement is not properly filed, *the appropriate committee shall inform the*

³³ *Rollo*, p. 390.

³⁴ *Id.* at 30.

reporting individual and direct him to take the necessary corrective action.
Section 10 reads:

Section 10. Review and Compliance Procedure. - (a) The designated Committees of both Houses of the Congress shall establish procedures for the review of statements to determine whether said statements which have been submitted on time, are complete, and are in proper form. In the event a determination is made that a statement is not so filed, **the appropriate Committee shall so inform the reporting individual and direct him to take the necessary corrective action.**

(b) In order to carry out their responsibilities under this Act, the designated Committees of both Houses of Congress shall have the power within their respective jurisdictions, to render any opinion interpreting this Act, in writing, to persons covered by this Act, subject in each instance to the approval by affirmative vote of the majority of the particular House concerned.

The individual to whom an opinion is rendered, and any other individual involved in a similar factual situation, and who, after issuance of the opinion acts in good faith in accordance with it shall not be subject to any sanction provided in this Act.

(c) The heads of other offices shall perform the duties stated in subsections (a) and (b) hereof insofar as their respective offices are concerned, subject to the approval of the Secretary of Justice, in the case of the Executive Department and the Chief Justice of the Supreme Court, in the case of the Judicial Department. [Emphasis supplied]

Section 1, Rule VIII, Review and Compliance Procedure of the Rules Implementing the Code of Conduct and Ethical Standards for Public Officials and Employees R.A. No. 6713 reads:

Section 1. The following shall have the authority to establish compliance procedures for the review of statements to determine whether said statements have been properly accomplished:

- (a) In the case of Congress, the designated committees of both Houses of Congress subject to approval by the affirmative vote of the majority of the particular House concerned;
- (b) In the case of the Executive Department, the heads of the departments, offices and agencies insofar as their respective departments, offices and agencies are concerned subject to approval of the Secretary of Justice.

- (c) In the case of the Judicial Department, the Chief Justice of the Supreme Court; and
- (d) In the case of the Constitutional Commissions and other Constitutional Offices, the respective Chairman and members thereof; in the case of the Office of the Ombudsman, the Ombudsman.

The above official shall likewise have the authority to render any opinion interpreting the provisions on the review and compliance procedures in the filing of statements of assets, liabilities, net worth and disclosure of information.

In the event said authorities determine that a statement is not properly filed, they shall inform the reporting individual and direct him to take the necessary corrective action.

The individual to whom an opinion is rendered, and any other individual involved in a similar factual situation, and who, after issuance of the opinion acts in good faith in accordance with it shall not be subject to any sanction provided in the Code. [Emphasis Supplied]

Given the opportunity, Navarro could have disclosed the acquisition costs and cost of the improvements in a more detailed way. His failure to amend his presentation, without his attention on the matter being called, cannot be considered as indicative of an untruthful declaration of his assets. Unless there is a concrete proof that the values or acquisition costs stated in Navarro's SALNs were not what they were supposed to be, then a conclusion that the same were untruthful cannot be reached.

Dishonesty and Grave Misconduct

Dishonesty is committed when an individual intentionally makes a false statement of any material fact, practices or attempts to practice any deception or fraud in order to secure his examination, registration, appointment, or promotion. It is understood to imply the disposition to lie, cheat, deceive, betray or defraud; untrustworthiness; lack of integrity; lack of honesty, probity or integrity in principle; and the lack of fairness and straightforwardness.³⁵

³⁵ *Office of the Ombudsman v. Bernardo*, 705 Phil. 524, 542 (2013), citing *Office of the Ombudsman v. Valencia*, 664 Phil. 190 (2011).

Misconduct, on the other hand, is intentional wrongdoing or deliberate violation of a rule of law or standard of behavior. To constitute an administrative offense, misconduct should relate to or be connected with the performance of the official functions and duties of a public officer. In grave misconduct, as distinguished from simple misconduct, the elements of corruption, clear intent to violate the law, or flagrant disregard of an established rule must be manifest.³⁶

From the given definitions above, the element of **intent to commit a wrong** exists in both administrative offenses of dishonesty and grave misconduct which, under the law, merit the penalty of dismissal from service. Thus, without any malice or wrongful intent, administrative liability cannot attach.

Here, there was no substantial evidence showing any malice or intent to deceive on the part of Navarro in accomplishing the questioned SALNs. Navarro would not have endeavoured to produce voluminous documents to prove that he truthfully declared his properties, albeit lumped together, if his intention was to conceal them. The documents he submitted showed the veracity of the acquisitions he made and their respective costs as reflected in his SALNs. The physical impression of the DOF-RIPS of what and how the properties actually looked, without anything more concrete than mere conjectures that the said properties commanded a higher value or that the amounts did not match the kind of buildings constructed thereon, would not make Navarro's SALNs any less truthful.

The Court cannot help but observe that the charges filed by the DOF-RIPS against Navarro, that his SALNs bore misdeclarations, over-declarations and nondeclarations, are based on mere speculations and conjectures. Without concrete corroborating evidence to substantiate the charges, the Court cannot simply rely on such surmises as they are "not equivalent to proof; they have little, if any, probative value and, surely, cannot be the basis of a sound judgment."³⁷ The Court's decision must be based upon competent proof "for the truth must have to be determined by the hard rules of admissibility and proof."³⁸

The Court has once emphasized that a mere misdeclaration in the SALN does not automatically amount to dishonesty. Only when the accumulated wealth becomes manifestly disproportionate to the income or other sources of income of the public officer/employee and he fails to

³⁶ *Ganzon v. Arlos*, 720 Phil. 104, 113 (2013).

³⁷ *Roque v. Comelec*, 626 Phil. 75, 83 (2010).

³⁸ *Lagon vs. Hooven Comalco Industries, Inc.* 402 Phil. 404, 422 (2001).

properly account or explain his other sources of income, does he become susceptible to dishonesty.³⁹ Although there appeared to have a *prima facie* evidence giving rise to the presumption of accumulation of wealth disproportionate to his income, Navarro was able to overcome such presumption by coming out with documentary evidence to prove his financial capacity to make the subject acquisitions and to prove that the amounts he stated in his SALNs were true. It should be understood that the laws on SALN aim to curtail the acquisition of unexplained wealth. Where the source of the undisclosed wealth can be properly accounted for, then it is "explained wealth" which the law does not penalize.⁴⁰

Considering that Navarro sufficiently explained his acquisitions as well as his other lawful sources of income to show his and his wife's financial capacity to acquire the subject real properties, he cannot be deemed to have committed dishonesty. He cannot be adjudged guilty of grave misconduct either as his alleged "lumping" of real properties in his SALN did not affect the discharge of his duties as a revenue officer.

The question now is: did he commit simple negligence for improperly accomplishing his SALNs?

A review of the case and the applicable rules and jurisprudence guides the Court to a negative finding.

Negligence is the omission of the diligence which is required by the nature of the obligation and corresponds with the circumstances of the persons, of the time and of the place. In the case of public officials, there is negligence when there is a breach of duty or failure to perform the obligation, and there is gross negligence when the breach of duty is flagrant and palpable.⁴¹

As previously discussed, however, evident bad faith was wanting on the part of Navarro. Although it is the duty of every public official/employee to properly accomplish his/her SALN, it is not too much to ask for the head of the appropriate department/office to have called his attention should there be any incorrectness in his SALN. The DOF, which has supervision over the BIR, could have directed Navarro to correct his SALN. This is in consonance with the above-quoted Review and Compliance Procedure under R.A. No. 6713, as well as its Implementing

³⁹ *Office of the Ombudsman v. Racho*, 656 Phil. 148, 164 (2011).

⁴⁰ *Gupilan-Aguilar v. Office of the Ombudsman*, *supra* note 18, at 536, citing *Office of the Ombudsman v. Racho*, 656 Phil. 148 (2011).

⁴¹ *Office of the Ombudsman v. Bernardo*, *supra* note 35, citing *Pleyto v. PNP-CIDG*, 563 Phil. 842, 906 (2007).

Rules and Regulations (*IRR*), providing for the procedure for review of statements to determine whether they have been properly accomplished. To reiterate, it is provided in the *IRR* that in the event authorities determine that a SALN is not properly filed, they should **inform the reporting individual and direct him to take the necessary corrective action.**

In this case, however, Navarro was not given the chance to rectify the nebulous entries in his SALNs. Instead, the DOF, through its RIPS, filed a complaint-affidavit with the Ombudsman on the ground that his SALN was "generalized." Regardless, Navarro was able to show and explain the details of his SALN when he submitted his counter-affidavit with the necessary documents, to which the DOF-RIPS and the Ombudsman and the CA coldly closed their eyes.

As there was only a failure to give proper attention to a task expected of an employee because of either carelessness or indifference,⁴² Navarro should have been informed so he could have made the necessary explanation or correction. There is nothing wrong with a generalized SALN if the entries therein can be satisfactorily explained and verified.

Lest it be misunderstood, the corrective action to be allowed should only refer to typographical or mathematical rectifications and explanation of disclosed entries. It does not pertain to hidden, undisclosed or undeclared acquired assets which the official concerned intentionally concealed by one way or another like, for instance, the use of dummies. There is actually no hard and fast rule. If income has been actually reported to the BIR in one's ITR, such fact can be considered a sign of good faith.

The Court is not unaware that in the cases of *Office of the Ombudsman v. Bernardo (Bernardo)*⁴³ and *Pleyto*, the officers concerned were adjudged liable for simple neglect of duty and meted out the penalty of suspension of six (6) months for filing generalized SALNs. In *Pleyto*, it was written:

xxx It also rules that while petitioner may be guilty of negligence in accomplishing his SALN, he did not commit gross misconduct or dishonesty, for there is no substantial evidence of his intent to deceive the authorities and conceal his other sources of income or any of the real properties in his and his wife's names. Hence, the imposition of the penalty of removal or dismissal from public service and all other accessory penalties on petitioner is indeed too harsh. **Nevertheless, petitioner failed to pay attention to the details and proper form of his SALN, resulting in the imprecision**

⁴² *Office of the Ombudsman v. Racho*, *supra* note 39.

⁴³ *Supra* note 35.

of the property descriptions and inaccuracy of certain information, for which suspension from office for a period of six months, without pay, would have been appropriate penalty. [Emphasis Supplied]

A careful reading of *Bernardo* and *Pleyto*, however, discloses that Navarro is not similarly situated. In the two cases, the public officials concerned did not include or specify the business interests and other sources of income of their respective spouses. In this case, Navarro disclosed their common assets and sources although his presentation was wanting in some details. During the investigation and in his pleadings, he was able to explain the cited incongruity.

The Court is mindful of the duty of public officials and employees to disclose their assets, liabilities and net worth accurately and truthfully. In keeping up with the constantly changing and fervent society and for the purpose of eliminating corruption in the government, the new SALN is stricter, especially with regard to the details of real properties, to address the pressing issue of transparency among those in the government service. Although due regard is given to those charged with the duty of filtering malicious elements in the government service, it must still be stressed that such duty must be exercised with great caution as grave consequences result therefrom. Thus, some leeway should be accorded the public officials. They must be given the opportunity to explain any *prima facie* appearance of discrepancy. To repeat, where his explanation is adequate, convincing and *verifiable*, his assets cannot be considered unexplained wealth or illegally obtained.

WHEREFORE, the petition is **GRANTED**. The April 24, 2013 Decision of the Court of Appeals, in CA-G.R. SP No. 124353, is hereby **REVERSED** and **SET ASIDE** and another one entered exonerating respondent Atty. Amado Q. Navarro of the charges against him.

SO ORDERED.


JOSE CATRAL MENDOZA
Associate Justice

WE CONCUR:



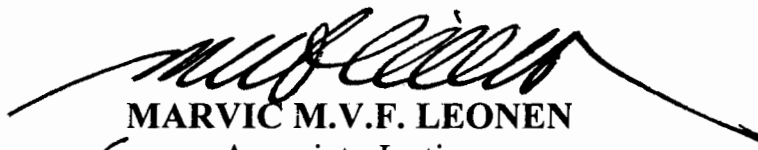
ANTONIO T. CARPIO
Associate Justice
Chairperson

(On Leave)

ARTURO D. BRION
Associate Justice



MARIANO C. DEL CASTILLO
Associate Justice



MARVIC M.V.F. LEONEN
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.



ANTONIO T. CARPIO
Associate Justice
Chairperson, Second Division

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.



MARIA LOURDES P. A. SERENO
Chief Justice