



Republic of the Philippines  
**Supreme Court**  
 Manila

EN BANC

**OFFICE OF THE COURT  
 ADMINISTRATOR,**

Complainant,

**A.M. No. P-15-3368**

[Formerly A.M. No. 15-04-39-MTC]

Present:

SERENO, *C.J.*,  
 CARPIO,  
 VELASCO, JR.,\*  
 LEONARDO-DE CASTRO,  
 BRION,  
 PERALTA,  
 BERSAMIN,  
 DEL CASTILLO,  
 PEREZ,  
 MENDOZA,  
 REYES,  
 PERLAS-BERNABE,  
 LEONEN,  
 JARDELEZA, and  
 CAGUIOA, *JJ.*

- versus -

**EVANGELINE E.  
 PANGANIBAN, CLERK OF  
 COURT II, MUNICIPAL TRIAL  
 COURT (MTC), BALAYAN,  
 BATANGAS,**

Respondent.

Promulgated:

November 8, 2016

*Evangeline E. Panganiban*

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\* On official leave.

## DECISION

### *PER CURIAM:*

This is an administrative matter stemming from the Report on the Financial Audit conducted in the Municipal Trial Court (MTC) of Balayan, Batangas,<sup>1</sup> on the books of accounts of Evangeline E. Panganiban (respondent), Clerk of Court II, covering the period from August 1, 2005 to September 30, 2014.

In the course of the fiscal audit examination, the audit team uncovered irregularities in the handling of the financial transactions of the court as well as shortages in its financial accountabilities. There were shortages of substantial amounts from the collection of various court funds handled by the respondent totalling ₱484,991.90 listed as follows: Fiduciary Fund (FF) – ₱323,000.00; Judiciary Development Fund – ₱47,497.90; Special Allowance for the Judiciary Fund – ₱43,494.00; Mediation Fund – ₱56,000.00; and Sheriff's Trust Fund (STF) – ₱15,000.00.<sup>2</sup>

According to the report, an examination of the FF disclosed a tentative cash shortage of ₱323,000.00 due to non-remittance of collections covered by tampered Official Receipts (ORs) in the total amount of ₱284,000.00. The report said that tampering of ORs was very rampant during the time of the respondent as evidenced by the copies of ORs attached to the case records. In various cases, it was discovered that mere photocopies of the original ORs were used to acknowledged collections. All collections covered by the tampered ORs were neither recorded in the cashbooks nor deposited to the FF account and were never reported at all. It was also the respondent's practice not to put a date on the face of the duplicate and triplicate copies of the receipts, so as not to detect the delay in the remittance of collections, and she would only put a date once the collection is deposited.<sup>3</sup>

There were also unauthorized withdrawals of cash bonds which resulted in misappropriation of ₱38,000.00. Based on the inventory of pending cases as of August 31, 2014, several cases were still undergoing trial but the respondent had already withdrawn the cash bonds posted for the said cases. An examination of the withdrawal documents disclosed that the signatures of the bondsmen in the acknowledgment receipts were forged as the signatures were totally different from the

<sup>1</sup> *Rollo*, pp. 3-11.

<sup>2</sup> *Id.* at 1.

<sup>3</sup> *Id.* at 5-6.

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signatures in the retrieved case records, and there was no court order authorizing such withdrawal.<sup>4</sup>

During the audit team’s exit conference with Presiding Judge Dennis U. Magsombol, the respondent did not refute the team’s findings of financial irregularities in her accounts and even insinuated her desire to resign from the service.<sup>5</sup>

In the Resolution<sup>6</sup> dated August 17, 2015, the Court adopted the findings of the Office of the Court Administrator (OCA) and resolved as follows:

- (2) **PLACE** [the respondent] under **PREVENTIVE SUSPENSION** pending resolution of this administrative matter;
- (3) **DIRECT** [the respondent] to:
  - (3.1) **RESTITUTE** the cash shortages incurred in the [FF], Judiciary Development Fund, Special Allowance of the Judiciary Fund and Mediation Fund and [STF] in the amount of ₱323,000.00, ₱47,497.90, ₱43,494.00, ₱56,000.00 and ₱15,000.00, respectively, or a total of ₱484,991.90 and **SUBMIT** to the Fiscal Monitoring Division, Court Management Office (FMD-CMO), the corresponding machine validated deposit slips as proof of compliance;
  - (3.2) **EXPLAIN** in writing within ten (10) days from notice why she should not be administratively and criminally charged for:
    - (3.2.a) her non-remittance of collections for the different judiciary funds;
    - (3.2.b) her issuance of mere photocopies of original receipts to acknowledge the following FF collections, which resulted in the misappropriation of ₱156,000.00, to wit:
 

x x x x
    - (3.2.c) her [un]authorized FF withdrawals totaling ₱38,000.00, to wit:

x x x x

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<sup>4</sup> Id. at 7.  
<sup>5</sup> Id. at 9.  
<sup>6</sup> Id. at 45-48.

*JG Magsombol*

(3.2.d) her unaccounted FF withdrawal of ₱1,000.00 on October 29, 2008;

- (4) **DIRECT** Presiding Judge Dennis U. Magsombol, MTC, Balayan, Batangas, to **PROPERLY MONITOR** the financial transactions of the incumbent Officer-in-Charge; and
- (5) **ISSUE** a **HOLD DEPARTURE ORDER** against [the respondent] to prevent her from leaving the country.<sup>7</sup>

The respondent filed a Motion for Extension of Time to File Answer<sup>8</sup> dated September 28, 2015, requesting for a 90-day extension to comply with the Court's Resolution dated August 17, 2015, which the Court granted in its Resolution<sup>9</sup> dated December 9, 2015.

However, instead of submitting her compliance, the respondent filed a Motion for Additional Extension of Time to File Answer<sup>10</sup> dated December 15, 2015, asking for an additional 90 days from December 17, 2015 to submit her answer reasoning that she is still looking for other documents and possible means of restitution. This motion was belatedly granted by the Court in its Resolution<sup>11</sup> dated April 13, 2016.

Eventually, the respondent submitted her Answer<sup>12</sup> dated February 12, 2016. In her Answer, the respondent admitted the findings of the audit team and explained that: (1) her non-remittance of judiciary collections was due to great financial problem as medical crisis plagued her family which she alone had to shoulder, *i.e.* her husband suffered strokes, her father died of lung and bone cancer and all her children were hospitalized one by one;<sup>13</sup> and (2) to solve her financial dilemma, she resorted to the issuance of mere photocopies of ORs to acknowledge the FF collections with the plan of replacing them with the original copy by the time that she has cash for deposit.<sup>14</sup> The respondent also said that she had already restituted partial shortages amounting to ₱57,780.00.<sup>15</sup>

In addition, the respondent requested that her remaining financial accountabilities be deducted from her withheld salaries and other benefits due her from January 2015 to September 14, 2015. She also

<sup>7</sup> Id. at 45-47.

<sup>8</sup> Id. at 63.

<sup>9</sup> Id. at 68-69.

<sup>10</sup> Id. at 75.

<sup>11</sup> Id. at 153-154.

<sup>12</sup> Id. at 80-86.

<sup>13</sup> Id. at 82-84.

<sup>14</sup> Id. at 84-85.

<sup>15</sup> Id. at 84.

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requested that the monetary value of her earned leave credits be applied to her financial accountabilities to allow her to use whatever portion will be left.<sup>16</sup> Lastly, the respondent expressed her sincere repentance and pleaded for utmost consideration and leniency and for the Court's compassion and mercy to lift her suspension and allow her to return to work for the sake of her family, as she has served the judiciary for more than 31 years.<sup>17</sup>

On June 29, 2016, the Fiscal Monitoring Division, Court Management Office of the OCA received a Letter<sup>18</sup> dated June 10, 2016 from Maria Rafaela R. Maderse, Officer-in-Charge, MTC of Balayan, Batangas, requesting for guidance relative to the request for release of cash bond of Celerio Gazmen (Gazmen). Based on the documents presented by Gazmen, he posted a cash bond of ₱40,000.00 under OR No. 4509989 at the MTC of Balayan, Batangas on February 7, 2012 for Criminal Case No. 11-0930 entitled *People of the Philippines v. Celerio Gazmen*, for *Estafa* filed before the Regional Trial Court of Parañaque City. However, upon verification from the triplicate copy of the OR, it turned out that OR No. 4509989 was issued to Ariel Contreras for Criminal Case No. 7671, entitled *People of the Philippines v. Adolfo Rubia y Alano* for Reckless Imprudence Resulting to Homicide in the amount of ₱30,000.00 on December 5, 2011, and the cash bond posted by Gazmen was under OR No. 4509990 in the amount of ₱10,000.00 only. Thus, ₱30,000.00 will have to be added to the respondent's accountability.

Succeeding examinations conducted on the books of accounts of the MTC of Balayan, Batangas on March 29, 2016 disclosed that the cash shortage of ₱15,000.00 in the STF account was already deposited on June 11, 2014; hence, the respondent is now cleared from financial responsibility in the STF account.<sup>19</sup>

The OCA now summarized the respondent's accountability to ₱410,991.90, as follows:<sup>20</sup>

| <b>FUNDS</b>                                    | <b>AMOUNT</b>       |
|---|---------------------|
| Fiduciary Fund (FF)                             | P 264,000.00        |
| Judiciary Development Fund (JDF)                | 47,497.90           |
| Special Allowance for the Judiciary Fund (SAJF) | 43,494.00           |
| Mediation Fund (MF)                             | 56,000.00           |
| <b>TOTAL</b>                                    | <b>P 410,991.90</b> |

<sup>16</sup> Id. at 82.

<sup>17</sup> Id. at 84.

<sup>18</sup> Id. at 163.

<sup>19</sup> Id. at 158.

<sup>20</sup> Id. at 158-159.

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Unfortunately, the respondent failed to reconstitute the shortages within the period given to her allegedly due to sickness and lack of means to pay for being jobless.<sup>21</sup>

### The Issue

The only issue in this case is whether or not the respondent should be held administratively liable for Serious Dishonesty.

### Ruling of the Court

The Court agrees with the findings and recommendation of the OCA, with the modification of holding the respondent also administratively liable of Grave Misconduct and Gross Neglect of Duty. The Court has already ruled that:

Clerks of Court perform a delicate function as designated custodians of the court's funds, revenues, records, properties, and premises. As such, they are generally regarded as treasurer, accountant, guard, and physical plant manager thereof. It is the duty of the Clerks of Court to faithfully perform their duties and responsibilities. They are the chief administrative officers of their respective courts. It is also their duty to ensure that the proper procedures are followed in the collection of cash bonds. Clerks of Court are officers of the law who perform vital functions in the prompt and sound administration of justice. x x x.<sup>22</sup> (Citation omitted)

As custodians of court funds and revenues, Clerks of Court have the duty to immediately deposit the various funds received by them to the authorized government depositories for they are not supposed to keep funds in their custody. Such functions are highlighted by OCA Circular Nos. 50-95<sup>23</sup> and 113-2004<sup>24</sup> and Administrative Circular No. 35-2004<sup>25</sup> which mandate Clerks of Court to timely deposit judiciary collections as well as to submit monthly financial reports on the same.<sup>26</sup> The Court already held, in the case of *OCA v. Recio*,

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<sup>21</sup> Id. at 159.

<sup>22</sup> *Re: Report on the Financial Audit Conducted at the Municipal Trial Court, Baliuag, Bulacan*, A.M. No. P-15-3298, February 4, 2015, 749 SCRA 495, 501.

<sup>23</sup> The circular provides that all collections from bail bonds, rental deposits, and other fiduciary collections shall be deposited within 24 hours by the Clerk of Court concerned, upon receipt thereof with the Land Bank of the Philippines.

<sup>24</sup> The circular prescribes that all monthly reports of collections, deposits and withdrawals shall be submitted not later than the 10th day of each succeeding month to the Chief Accountant of the Supreme Court.

<sup>25</sup> The circular sets the procedural guidelines in the daily collections of the legal fees.

<sup>26</sup> *OCA v. Viesca*, A.M. No. P-12-3092, April 14, 2015, 755 SCRA 385, 392-394.

*99/10/2015 - [Signature]*

*et al.*,<sup>27</sup> that the failure of the Clerk of Court to remit the court funds is tantamount to gross neglect of duty, dishonesty and grave misconduct prejudicial to the best interest of the service.

In this case, by her own admission, the respondent intentionally used the various court funds in her custody to settle her medical and hospitalization expenses and that of her family members. While this Court sympathizes with the respondent's illness and that of her family, the Court does not see it as satisfactory reason to justify her acts of using the judiciary funds. Indeed, the use of court funds for purposes other than for what it is expected constitutes malversation.

Moreover, the report of the audit team reveals that there were unremitted collections covered by tampered ORs in the amount of ₱284,000.00. The fact that the respondent tampered with numerous ORs of the cash collections, even creating a way to further obscure her misdeed by not putting a date on the face of the duplicate and triplicate copies of ORs so as not to detect delay in the remittance of collections and making it appear that a lower amount had been paid than what was actually received, demonstrates a serious corruption on her integrity. Tampering with official court receipts in violation of OCA Circular No. 22-94<sup>28</sup> is a serious matter which demonstrates a deliberate attempt to mislead the Court.

From the foregoing, it is evident that the respondent showed carelessness or indifference in the performance of her duties. Her failure to manage and properly document the cash collections allocated for the various court funds, as well as her action of misappropriating them for her personal use, constitute serious dishonesty, grave misconduct and serious neglect of duty which undermine the public's faith in courts and in the administration of justice as a whole, and render her unfit for the position of clerk of court. Restitution of the missing amounts will not even relieve the respondent of her liability.

This is the reason why the Court has emphasized countless times that all persons working in the judiciary, from the presiding judge to the lowliest clerk, are tasked with a heavy burden of responsibility. Their conduct must at all times be characterized by propriety and decorum, and above all beyond suspicion.<sup>29</sup> The Judiciary demands the best possible individuals in the service and it had never and will never tolerate nor condone any conduct which would violate the norms of public accountability, and diminish, or even tend to diminish, the

<sup>27</sup> 665 Phil. 13 (2011).

<sup>28</sup> OCA Circular No. 22-94 provides that the DUPLICATE and TRIPPLICATE copies of court receipt must be carbon reproductions in all respects of whatever may have been written in the ORIGINAL.

<sup>29</sup> *OCA v. Bernardino*, 490 Phil. 500, 520, 522 (2005).

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faith of the people in the justice system.<sup>30</sup> For the respondent's transgressions and numerous violations of the Court's administrative circulars, the 2002 Revised Manual for Clerks of Courts and the Code of Conduct for Court Personnel, the Court is left with no other recourse but to recommend her dismissal from the service, pursuant to Section 52(A)(1-3), Rule IV of the Revised Uniform Rules on Administrative Cases in the Civil Service.

**WHEREFORE**, premises considered, the Court finds respondent Evangeline E. Panganiban, Clerk of Court II, Municipal Trial Court of Balayan, Batangas, **GUILTY** of serious dishonesty, grave misconduct and gross neglect of duty and is hereby **DISMISSED** from the service with forfeiture of all retirement benefits, excluding accrued leave credits, and with prejudice to re-employment in the government, including government-owned and controlled corporations.

The Court also **ORDERS**, as follows:

1. The Financial Management Office, Office of the Court Administrator is **DIRECTED** to:

a. **PROCESS** the money value of the terminal leave pay of the respondent and **DEDUCT** therefrom the total shortages of ₱410,991.90, dispensing with the usual documentary requirements:

| <b>FUNDS</b>                             | <b>AMOUNT</b>       |
|--|---------------------|
| Fiduciary Fund                           | ₱ 264,000.00        |
| Judiciary Development Fund               | 47,497.90           |
| Special Allowance for the Judiciary Fund | 43,494.00           |
| Mediation Fund                           | 56,000.00           |
| <b>TOTAL</b>                             | <b>₱ 410,991.90</b> |

b. **SET ASIDE** the amount of ₱200,000.00 from the money value of the terminal leave pay of the respondent to be deposited in escrow to the Fiduciary Fund account, to answer for her financial accountability, which may arise in the future;

2. The Cash Division, FMO-OCA is **DIRECTED** to:

<sup>30</sup> *OCA v. Viesca*, supra note 26, at 398.

*Handwritten signature: J. Panganiban*



a. **DEPOSIT** the amounts of ₱47,497.90, ₱43,494.00, and ₱56,000.00 to the Judiciary Development Fund, Special Allowance for the Judiciary Fund, and Mediation Fund accounts, respectively, within two (2) days from receipt of the checks from the Disbursement Division, FMO-OCA; and

b. **FURNISH** immediately the Fiscal Monitoring Division, Court Management Office, OCA and Maria Rafaela R. Maderse, Officer-in-Charge, MTC of Balayan, Batangas, with copies of machine validated deposit slips as proof that the amounts deducted from the money value of the earned leave credits of the respondent were deposited to the respective accounts, as payment of the shortages in said accounts;

3. Maria Rafaela R. Maderse, Officer-in-Charge, MTC of Balayan, Batangas, is **DIRECTED to DEPOSIT** the amount of ₱464,000.00 to the Fiduciary Fund Savings Account No. 2681-0032-77 with the Land Bank of the Philippines, the corresponding machine validated deposit slip and a certified true copy of the passbook reflecting the deposits made as proof of compliance;

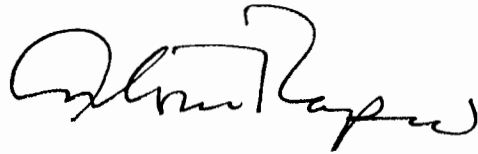
4. The Office of Administrative Services, OCA is **DIRECTED** to furnish the FMO-OCA with the Official Service Record, Certification of Leave Credits and Notice of Salary Adjustments of the respondent so that it can process/comply with the directives hereunder; and

5. Presiding Judge Dennis U. Magsombol of the MTC of Balayan, Batangas, is **DIRECTED to STRICTLY MONITOR** Maria Rafaela R. Maderse, Officer-in-Charge, MTC of Balayan, Batangas, to ensure strict compliance with the circulars and issuances of the Court, particularly in the handling of judiciary funds; otherwise, he shall be held equally liable for the infractions committed by the employee/s under his command/supervision.

**SO ORDERED.**



**MARIA LOURDES P. A. SERENO**  
Chief Justice



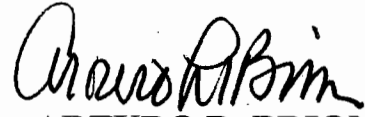
**ANTONIO T. CARPIO**  
Associate Justice

(On official leave)

**PRESBITERO J. VELASCO, JR.**  
Associate Justice



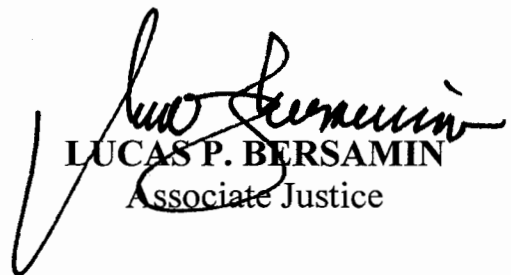
**TERESITA J. LEONARDO-DE CASTRO**  
Associate Justice



**ARTURO D. BRION**  
Associate Justice



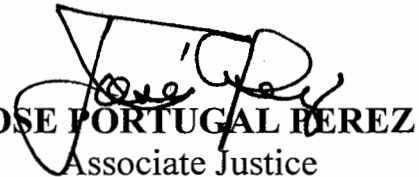
**DIOSDADO M. PERALTA**  
Associate Justice



**LUCAS P. BERSAMIN**  
Associate Justice



**MARIANO C. DEL CASTILLO**  
Associate Justice



**JOSE PORTUGAL PEREZ**  
Associate Justice



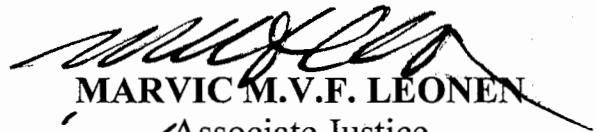
**JOSE CATRAL MENDOZA**  
Associate Justice



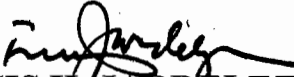
**BIENVENIDO L. REYES**  
Associate Justice



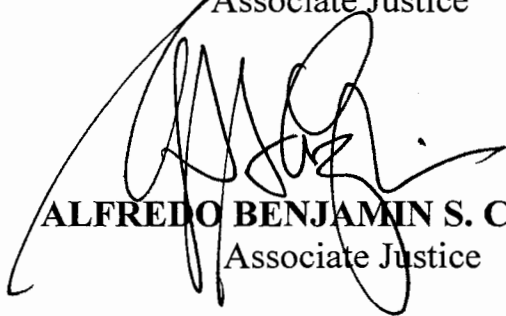
**ESTELA M. HERLAS-BERNABE**  
Associate Justice



**MARVIC M.V.F. LEONEN**  
Associate Justice



**FRANCIS H. JARDELEZA**  
Associate Justice



**ALFREDO BENJAMIN S. CAGUIOA**  
Associate Justice