



Republic of the Philippines
Supreme Court
Manila

SECOND DIVISION

STEWART G. LEONARDO,
Petitioner,

G.R. No. 246451

Members:

PERLAS-BERNABE., *SAJ, Chairperson,*
GESMUNDO,
LAZARO-JAVIER,
LOPEZ, and
ROSARIO, *JJ.*

-versus-

PEOPLE OF THE PHILIPPINES,
Respondent.

Promulgated:

FEB 03 2021

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DECISION

LAZARO-JAVIER, *J.*:

The Case

This petition for review on *certiorari*¹ seeks to reverse the following dispositions of the Sandiganbayan in Crim. Case No. SB-16-CRM-0325, entitled “*People of the Philippines v. Stewart Guadalquiver Leonardo*.”

1. Decision² dated November 23, 2018, finding petitioner Stewart Guadalquiver Leonardo GUILTY beyond reasonable doubt of

¹ *Rollo*, pp. 3-40.

² Penned by Associate Justice Reynaldo P. Cruz and concurred in by Associate Justices Alex L. Quiroz and Bayani H. Jacinto. They composed the Sandiganbayan Fourth Division, *id.* at 45-67.

violation of Section 3(e) of Republic Act No. 3019³ (RA 3019);
and

2. Resolution⁴ dated March 1, 2019, denying reconsideration.

Antecedents

On February 11, 2010, the *Sangguniang Bayan* of Quezon, Bukidnon issued Resolution No. 10th SB 2010-27⁵ authorizing then Municipal Mayor petitioner to cause the procurement of trucks and heavy equipment in behalf of the Municipality of Quezon (Quezon).

In May 2010, Quezon, through petitioner, joined the auction conducted by United Auctioneers, Inc. (UAI) in Subic, Olongapo City. It paid the bid deposit of ₱100,000.00,⁶ to be deducted from the purchase price in case of a successful bid. Petitioner personally attended the auction.⁷ Using the bid book and bid deposit of Quezon, petitioner bid for five (5) trucks in the total amount of ₱6,387,500.00 in behalf of Quezon. He also bid for two (2) small equipment (hydraulic excavator and front cut unit cabin) amounting to a total of ₱1,670,000.00, for himself.⁸ Quezon was eventually declared the winning bidder of all seven (7) equipment. UAI issued Quezon a single statement of account.⁹ As for the receipts,¹⁰ UAI issued two (2), both in the name of Quezon, *i.e.*, one for ₱6,387,500.00¹¹ and another for ₱1,570,000.00.¹² As regards the ₱100,000.00 bid deposit, it appeared to have been deducted not from the purchase price for the five (5) equipment bought by Quezon but from the purchase price for the two (2) equipment bought by petitioner for his personal use. As a result, the balance price for the two items was reduced from ₱1,670,000.00 to ₱1,570,000.00. The deeds of sale of the seven (7) purchased items were all placed in the name of LGU Quezon as vendee.¹³ The equipment purchased by both Quezon and petitioner were transported together.¹⁴

³ 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:

x x x x

(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.

⁴ *Id.* at 69-73.

⁵ *Id.* at 87-88.

⁶ Exhibit "N," Acknowledgment Receipt No. 035864 dated May 21, 2010, *id.* at 102.

⁷ *Id.* at 57-58.

⁸ *Id.* at 97-98.

⁹ *Id.* at 93.

¹⁰ *Id.* at 102.

¹¹ Exhibit "L," Acknowledgment Receipt No. 036586 dated June 1, 2010, *id.* at 102.

¹² Exhibit "M," Acknowledgment Receipt No. 036575 dated June 3, 2010, *id.*

¹³ *Id.* at 58.

¹⁴ *Id.* at 47.

On January 14, 2011, Gregorio Lloren Gue and Noel Goopio filed with the Office of the Ombudsman (OMB) a complaint¹⁵ against petitioner for violation of Section 3(e), RA 3019 or the Anti-Graft and Corrupt Practices Act relative to the aforesaid transaction. Petitioner filed his counter-affidavit on May 30, 2011.¹⁶

By Resolution¹⁷ dated January 15, 2015, the OMB found probable cause against petitioner. His subsequent motion for partial reconsideration was denied under Order dated June 15, 2015.¹⁸

On June 1, 2016, the corresponding Information¹⁹ was filed against petitioner before the Sandiganbayan for violation of Section 3(e) of RA 3019, specifically his act of appropriating the bid deposit of Quezon and making sure that the equipment he bought for his personal use be transported alongside the five (5) equipment bought by Quezon so he need not incur transport expenses from his own pocket.²⁰ The Information reads:

This UNDERSIGNED Ombudsman Prosecutor of the Office of the Ombudsman in Mindanao, hereby accuses STEWART G. LEONARDO, of violating Section 3(e) of Republic Act No. 3019, committed as follows:

That on or about 21 May 2010 or sometime prior or subsequent thereto, in the Municipality of Quezon, Bukidnon, and within the jurisdiction of this Honorable Court, the accused, **STEWART G. LEONARDO**, Municipal Mayor of the Quezon, Bukidnon, a high ranking public employee, committing the offense in relation to office, and taking advantage of his position with manifest partiality and evident bad faith, did then and there willfully, unlawfully, and criminally secured for himself, in his private capacity, unwarranted benefit and advantage, that while representing the Local Government of the Municipality of Quezon (LGU Quezon) in the auction conducted by the United Auctioneers, Inc. in Olongapo City, for the procurement of the LGU Quezon equipment, he also bid and bought his personal equipment, and thereby made use of the bid deposit in the amount of One Hundred Thousand Pesos (Php100,000.00) paid for by the LGU Quezon for his personal bid, and applied the same, which was supposed to be deducted from the total purchase price of the LGU Quezon, to the total purchase price of his personal equipment; and that he made sure that his personal equipment will be transported alongside the LGU Quezon equipment in order to avoid incurring expenses for himself in the form of toll fees, shipment costs, and other incidental expenses.

CONTRARY TO LAW.²¹

¹⁵ *Id.* at 74-82.

¹⁶ *Id.* at 60.

¹⁷ *Id.* at 116-123.

¹⁸ *Id.* at 61.

¹⁹ *Id.* at 125-126.

²⁰ *Id.* at 45-46.

²¹ *Id.* at 125.

On arraignment, petitioner pleaded not guilty.²² Trial ensued.

In his defense, petitioner averred that when he learned that the bid deposit was credited to his personal purchase, he reimbursed the amount to Quezon, *i.e.*, ₱70,000.00²³ and ₱30,000.00²⁴ on October 8 and 18, 2010, respectively. He also paid the auctioneer ₱1,570,000.00 for his two (2) equipment. He did not act with manifest partiality and evident bad faith since he made full reimbursement before the criminal case was filed. Quezon did not suffer any undue injury since he returned the bid deposit upon the demand of Municipal Accountant Miraflor Divinasflores.²⁵

The Sandiganbayan Ruling

By Decision²⁶ dated November 23, 2018, the Sandiganbayan found petitioner guilty as charged. It sentenced him to imprisonment of six (6) years and one (1) month as minimum to ten (10) years as maximum, with perpetual disqualification from holding public office; and further ordered him to reimburse Quezon ₱8,134.80 representing the transportation costs for his two (2) equipment. Thus:

WHEREFORE, premises considered, the Court finds accused Stewart Guadalquiver Leonardo **GUILTY** beyond reasonable doubt of violation of Section 3(e) of R.A. No. 3019 and hereby imposes on him an indeterminate penalty of imprisonment of six (6) years and one (1) month as minimum to ten (10) years as maximum with perpetual disqualification from holding public office. He is ordered to reimburse the amount of ₱8,134.80 to the Municipality of Quezon, Bukidnon as transportation costs for the equipment that he purchased in the auction.

SO ORDERED.

Petitioner's motion for reconsideration was denied under Resolution²⁷ dated March 1, 2019.

The Present Petition

Petitioner now seeks anew a verdict of acquittal on these grounds: **First**, there was no sufficient evidence to sustain his conviction; **second**, he reimbursed Quezon the full amount of the bid deposit and transportation cost for his two (2) equipment; and **third**, there was inordinate delay in resolving

²² *Id.* at 138.

²³ Exhibit "O," Official Receipt dated October 8, 2010, *id.* at 103.

²⁴ Exhibit "P," Official Receipt dated October 18, 2010, *id.* at 104.

²⁵ *Id.* at 54-58.

²⁶ Penned by Associate Justice Reynaldo P. Cruz and concurred in by Associate Justices Alex L. Quiroz and Bayani H. Jacinto. They composed the Sandiganbayan Fourth Division, *id.* at 45-67.

²⁷ *Id.* at 69-73.

the preliminary investigation. Petitioner argues that he placed a bid on the two (2) equipment in his private capacity and paid the purchase price to Wilfredo Toledo (Toledo), Chairman of the Bids and Awards Committee (BAC) of Quezon. Toledo was the one who placed the bid deposit of ₱100,000.00 and paid for all the vehicles bought at the auction. He had no participation in the deduction of the ₱100,000.00 bid deposit from his personal purchases, neither was he aware as to who made such deduction. Quezon did not suffer undue injury as he reimbursed the amount that was credited to his account before any audit was conducted by the Commission on Audit (COA) or any case was filed against him. Neither did he receive any benefit, advantage, or preference in his favor. The case should have been dismissed for violating his right to speedy disposition of the case due to the OMB's inordinate delay in resolving the preliminary investigation and in the filing of the case with the Sandiganbayan.²⁸

In its Comment,²⁹ the OMB defended the verdict of conviction. It riposted that the Sandiganbayan correctly found petitioner guilty of violation of Section 3(e) of RA 3019 as all the elements of the crime had been sufficiently established. The petition should be dismissed as it raises questions of fact. Too, the belated assertion of the alleged violation of petitioner's right to speedy disposition of the case contravenes the prosecution's right to due process.

Issue

Did the Sandiganbayan correctly convict petitioner of violation of Section 3(e) of RA 3019?

Ruling

The petition lacks merit.

Section 3(e) of RA 3019 relevantly 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:

x x x x

(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

²⁸ *Id.* at 3-40.

²⁹ Comment dated September 10, 2019, *id.* at 136-168.



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 the offense are: (1) the accused must be a public officer discharging administrative, judicial or official functions; (2) he or she must have acted with manifest partiality, evident bad faith or inexcusable negligence; and (3) his or her action caused injury to any party, including the government, or giving any party unwarranted benefits, advantage or preference in the discharge of his or her official functions.³⁰

The following facts are undisputed: Petitioner, then Quezon's Municipal Mayor, was expressly authorized to represent Quezon at the auction sale of trucks and heavy equipment. As it was, he did not only bid for Quezon, but also for himself. He merged the bid of Quezon and his own bid to make it appear that they all pertained to Quezon. He also rode on Quezon's bid deposit and transport arrangement for his own personal advantage.

"Manifest partiality" means clear, notorious, or plain inclination or predilection to favor one side or person rather than another. On the other hand, "evident bad faith" connotes not only bad judgment but also palpably and patently fraudulent and dishonest purpose to do moral obliquity or conscious wrongdoing for some perverse motive or ill will. It contemplates a state of mind affirmatively operating with furtive design or with some motive or self-interest or ill will or for ulterior purposes.³¹

Here, petitioner acted with both manifest partiality and evident bad faith when he took advantage of his public office to secure unwarranted benefits for himself, allowing Quezon's bid deposit to be credited to his personal purchase price; and causing the equipment he personally bought to be transported using the transport arrangement of Quezon without him spending anything therefor.

Petitioner knew fully well that UAI erroneously credited Quezon's bid deposit to his personal purchase which, as a result, got reduced from ₱1,670,000.00 to ₱1,570,000.00. He was informed by Toledo of UAI's Statement of Account reflecting these amounts. He cannot, therefore, feign ignorance of this fact. Besides, petitioner himself attended the auction and submitted his personal bid for the hydraulic excavator and the front cut with cabin and even paid for the same. He knew he did not make any deposit for his personal bid and purchase. As the Sandiganbayan observed:

³⁰ *People v. Sandiganbayan (Fourth Division)*, 769 Phil. 378, 389 (2015); *Fuentes v. People*, 808 Phil. 586, 593 (2017).

³¹ *Albert v. Sandiganbayan*, 599 Phil. 439, 450-451 (2009).

Leonardo personally attended the auction and placed the bid on behalf of LGU Quezon and on his behalf, using the same bid deposit of ₱100,000.00[. He] successfully bid for five (5) trucks intended for LGU Quezon and for one (1) unit hydraulic excavator and one (1) unit front cut with cabin (truck head) as his personal purchase x x x

x x x x

x x x On the other hand, Leonardo paid the amount of ₱1,570,000.00 for the hydraulic excavator and truck head (Item numbers 5 and 7 in the list) instead of the total price of ₱1,670,000.00. The difference of ₱100,000.00 turned out to be the bid deposit which was deducted from the price for the equipment that Leonardo [himself] purchased instead of from the total price of the trucks that LGU Quezon bought at the auction. x x x³²

Petitioner's personal participation during the auction negates his purported lack of knowledge of crediting the ₱100,000.00-bid deposit for the two (2) equipment bought by him. By only paying ₱1,570,000.00 for equipment valued at ₱1,670,000.00, petitioner was well aware that the ₱100,000.00-bid deposit (which amount is considered public funds for the account of the Municipality of Quezon) was instead, credited to him, thus resulting in unwarranted benefits. This bolsters the conclusion that he acted with evident bad faith or manifest partiality.

More, the deeds of sale of the items purchased, **including the two (2) equipment petitioner had personally purchased**, were all placed in Quezon's name as vendee.³³ As the Sandiganbayan found:

Leonardo signed on behalf of LGU Quezon as vendee in the Deeds of Sale for the five (5) trucks the municipality purchased through auction. Deeds of Sale were also issued for the two (2) pieces of equipment that he purchased for his own use, **although the vendee indicated therein was LGU Quezon.**³⁴ (Emphasis supplied)

The fact that the deeds of sale for the two (2) equipment were not made in petitioner's name shows that the transactions were fronted under Quezon's name in order for petitioner to utilize the ₱100,000.00-bid deposit of said municipality. Notably, although the deeds of sale were made in Quezon's name, two (2) receipts were issued: one amounting to ₱6,387,500.00 for the items bought by Quezon, and one amounting to ₱1,570,000.00 for petitioner's equipment.³⁵ Petitioner, therefore, kept a receipt for his own equipment while fronting the purchase of the same under the deeds of sale in Quezon's name. Again, this is a badge of petitioner's evident bad faith or manifest partiality. Indeed, there is no

³² *Rollo* at 57-58.

³³ *Id.* at 58.

³⁴ *Id.*

³⁵ *Id.* at 102.

doubt that petitioner manifestly, unjustly, and intentionally took advantage of his public office to gain unwarranted benefits for himself, to the prejudice of Quezon.

Finally, Quezon sustained damage when money was taken from its coffers for petitioner's personal use without paying interest therefor and without any authority. Although petitioner eventually refunded Quezon the bid deposit of ₱100,000.00, he did so only five (5) months after public funds had already been disbursed for his own personal advantage or gain and after repeated demands from the Municipal Accountant.

While petitioner alleges that he did pay for the transportation expenses for the equipment by paying ₱30,000.00 in order to support his claim of good faith, record, however, shows that he did not actually pay said amount in order to personally shoulder the costs of transporting his purchased equipment. Instead, he considered such payment as a loan to Quezon to complete the transportation of the trucks, including his own equipment. This is evinced by the fact that petitioner eventually sought reimbursement for the entire ₱30,000.00,³⁶ which he himself confirmed during his cross-examination. The Sandiganbayan observed, thus:

Still on cross-examination, [petitioner] stated that he was advised by someone from the Accounting Office that he should pay ₱100,000.00 because the bid deposit was deducted from this purchase only. He mentioned that he followed such advice and paid LGU Quezon such amount in installments. He first paid Seventy Thousand Pesos [₱70,000.00] and then Thirty Thousand Pesos (₱30,000.00) four (4) days after. He said that he only paid ₱70,000.00 first because he was waiting for Bayron to liquidate the ₱30,000.00 that he gave the latter to rescue them from being stranded in Lipata.³⁷ (Underscoring supplied)

If it were true that petitioner acted in good faith by entirely shouldering the costs of transportation, then why did he seek to liquidate the same? As such, contrary to his posturing, petitioner never intended to pay for any transportation costs for his own account. On the contrary, he passed on these costs to Quezon, which again resulted in unwarranted benefits. The transportation costs, at least for his own two (2) purchased equipment, should be solely borne by petitioner and not the Municipality. As such, the Sandiganbayan correctly directed him to pay the amount of ₱8,134.80 as transportation costs for the equipment he purchased.

Verily, petitioner failed to sufficiently show that the Sandiganbayan erred in finding him guilty of violation of Section 3(e) of RA 3019.

On the alleged inordinate delay in the resolution of the case by the Ombudsman, suffice it to state that the determination of whether the delay

³⁶ *Id.* at 55.

³⁷ *Id.*

was inordinate is not through mere mathematical reckoning but through the examination of the facts and circumstances surrounding the case.

In *Dela Pena v. Sandiganbayan*,³⁸ where the accused raised the issue of delay only after the case was set for arraignment, the Court pronounced that the accused was guilty of acquiescence by silence equivalent to laches, if not effective waiver of their right to speedy disposition of the cases against them, viz.:

[I]t is worthy to note that it was only on 21 December 1999, after the case was set for an-arraignment, that petitioners raised the issue of the delay in the conduct of the preliminary investigation. As stated by them in their Motion to Quash/Dismiss, [o]ther than the counter-affidavits, [they] did nothing." Also, in their petition, they averred: "Aside from the motion for extension of time to file counter-affidavits, petitioners in the present case did not file nor send any letter-queries addressed to the Office of the Ombudsman for Mindanao which conducted the preliminary investigation." **They slept on their right - a situation amounting to laches. The matter could have taken a different dimension if during all those four years, they showed signs of asserting their right to a speedy disposition of their cases or at least made some overt acts, like filing a motion for early resolution, to show that they were not waiving that right. Their silence may, therefore be interpreted as a waiver of such right.** As aptly stated in *Alvizo*, the petitioner therein was "insensitive to the implications and contingencies" of the projected criminal prosecution posed against him "by not taking any step whatsoever to accelerate the disposition of the matter, which inaction conduces to the perception that the supervening delay seems to have been without his objection, [and] hence impliedly with his acquiescence." (Emphasis supplied)

For the first time and only here and now, petitioner belatedly asserts his alleged right to speedy disposition of the case against him. Below, he never filed a motion to quash the Information, nor a motion for early resolution of the case, or some other pleading, motion, or the like which would have unequivocally shown he never waived his right to speedy disposition of the case against him. It was only after losing the case twice in a row (first before the OMB and second, before the Sandiganbayan) that he is now asserting for the first time his objection to what he claims to be an inordinate delay in the resolution of the case against him before the OMB.

Finally, the factual findings of the Sandiganbayan are binding and conclusive upon this Court³⁹ as it is in the best position to assess and determine the credibility of the witnesses presented by both parties.⁴⁰ Petitioner failed to establish that the present case falls within the allowable exceptions. The facts of this case clearly show that the elements of violation

³⁸ 412 Phil. 921, 932 (2001), [Per CJ. Davide, En Banc].

³⁹ *Lihaylihay v. People*, 715 Phil. 722, 728 (2013); *Ferrer, Jr. v. People*, G.R. No. 240209, June 10, 2019.

⁴⁰ *People v. Naciongayo*, G.R. No. 243897, June 8, 2020, citing *Cahulogan v. People*, 828 Phil. 742, 749 (2018).



of Section 3(e) of RA 3019 have been satisfactorily proven. We find no cogent reason to rule otherwise.


Under Section 9(a)⁴¹ of RA 3019, as amended, a violation of Section 3 thereof shall be punished by “imprisonment for not less than six (6) years and one (1) month nor more than fifteen (15) years” and “perpetual disqualification from public office.” Thus, the Sandiganbayan correctly sentenced petitioner to suffer the indeterminate penalty of imprisonment for a period of six (6) years and one (1) month, as minimum, to ten (10) years, as maximum, with perpetual disqualification from holding public office.

ACCORDINGLY, the petition is **DENIED**. The Decision dated November 23, 2018 and Resolution dated March 1, 2019 of the Sandiganbayan in Crim. Case No. SB-16-CRM-0325 are **AFFIRMED**. Petitioner Stewart G. Leonardo is found **GUILTY** beyond reasonable doubt of violation of Section 3(e) of Republic Act No. 3019 and, accordingly, sentenced to suffer the indeterminate penalty of imprisonment for six (6) years and one (1) month, as minimum, to ten (10) years, as maximum, with perpetual disqualification from holding public office. He is further **ORDERED** to reimburse the amount of ₱8,134.80 to the Municipality of Quezon, Bukidnon as transportation costs for the equipment that he purchased at the auction.

SO ORDERED.

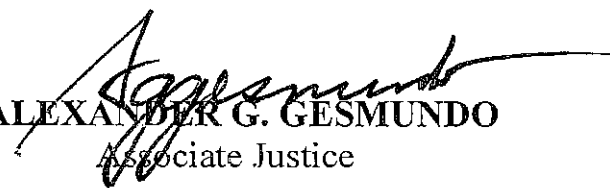

AMY C. LAZARO-JAVIER
Associate Justice

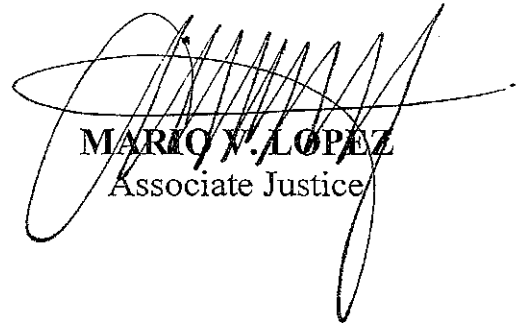
WE CONCUR:

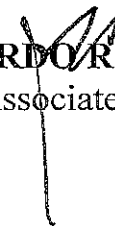

ESTELA M. PERLAS-BERNABE
Senior Associate Justice
Chairperson

⁴¹ Section 9. *Penalties for violations.* — (a) Any public officer or private person committing any of the unlawful acts or omissions enumerated in Sections 3, 4, 5 and 6 of this Act shall be punished with imprisonment for not less than six years and one month nor more than fifteen years, perpetual disqualification from public office, and confiscation or forfeiture in favor of the Government of any prohibited interest and unexplained wealth manifestly out of proportion to his salary and other lawful income.

Any complaining party at whose complaint the criminal prosecution was initiated shall, in case of conviction of the accused, be entitled to recover in the criminal action with priority over the forfeiture in favor of the Government, the amount of money or the thing he may have given to the accused, or the fair value of such thing.



ALEXANDER G. GESMUNDO
 Associate Justice


MARIO V. LOPEZ
 Associate Justice


RICARDO R. ROSARIO
 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.


ESTELA M. BERLAS-BERNABE
 Senior 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.


DIOSDADO M. PERALTA
 Chief Justice

