



Republic of the Philippines
Supreme Court
Manila

FIRST DIVISION

PEOPLE OF THE PHILIPPINES,
Plaintiff-Appellee,

G.R. Nos. 250367 &
250400-05

- versus -

Present:

SULPICIO P. LEGASPI, MOISES
R. PERALTA, REBECCA
GOMEZ, JORGE MONTILLA,
MARISSA L. DURAN, LOURDES
PLAZA, MARIETTA FUENTES,
OFELIA S. POLIQUIT, BRENDA
REGNER, RHODORA B.
LACSON, MIGUEL S. ALIPIO,
SAMSON Z. CABALLES, OSCAR
GERONA, PELAGIO V.
SORONGON, JR., and ROSELMA
G. CANTOS,

LEONEN,* *S.A.J.*,
HERNANDO,
Acting Chairperson,
ZALAMEDA,
ROSARIO, and
MARQUEZ, *JJ.*

Accused;

Promulgated:

SAMSON Z. CABALLES,
Accused-Appellant.

AUG 31 2022

X-----X

DECISION

HERNANDO, J.:

Before this Court is an appeal¹ filed by Samson Z. Caballes (Caballes) from the June 7, 2019 Decision² and the August 20, 2019 Resolution³ of the

* Designated additional Member per Raffle dated July 26, 2022 vice Chief Justice Alexander G. Gesmundo who recused due to prior participation in the Sandiganbayan.

¹ *Rollo*, pp. 61-63.

² *Id.* at 4-60. Penned by Associate Justice Oscar C. Herrera, Jr., and concurred in by Associate Justices Michael Frederick L. Musngi and Lorifel L. Pahimna.

³ *Id.* at 172.

W

Sandiganbayan in Criminal Case Nos. 24479-24489, entitled *People of the Philippines v. Sulpicio P. Legaspi, et al.* The assailed Decision convicted Caballes and his co-accused for violating Section 3(e)⁴ of Republic Act No. (RA) 3019,⁵ otherwise known as the "Anti-Graft and Corrupt Practices Act," in Criminal Case Nos. 24480, 24481, 24482, 24484, 24486, 24487, and 24489.

The Facts

Six separate Informations all dated January 29, 1998 were filed with the Sandiganbayan against Caballes, among other accused, for violation of Section 3(e) of RA 3019. The Informations allege:

Criminal Case No. 24480:

That on or about January 08, 1991 or sometime prior or subsequent thereto, in the City of Davao, Philippines, and within the jurisdiction of this Honorable Court, abovenamed accused-public officers, with salary grades below grade 27, except accused Legaspi with salary grade 27 and is therefore a high-ranking officer, while in the discharge of their official functions, in conspiracy with one another and with Miguel S. Alipio, General Manager of Ethnol Generics, Kalookan City, through manifest partiality, evident bad faith, and/or gross inexcusable negligence, did then and there, willfully, unlawfully and criminally, cause undue injury to the government by approving the payment as approving authority, on the part of accused Legaspi; certifying that the expenses were necessary, lawful, and incurred under his direct supervision and that in case of contracts or purchases of goods or services, the prices were reasonable and not in excess of the current rates in the locality, on the part of accused Peralta; conducting an irregular and insufficient price test, on the part of accused Gomez; **recommending approval in the purchase order as supply officer, on the part of accused Caballes;** preparing a flawed price schedule and irregularly awarding the contract as members of the Committee on Bids and Awards (CBA), on the part of Montilla, Duran, Plaza, Gomez, and Fuentes; insufficiently and irregularly reviewing the documents from the CBA and recommending the approval of the transaction as members of the Technical Committee, on the part of accused Poliquit, Regner and Lacson; and conniving with the aforementioned public officials and delivering items without the required product or drug registration, on the part of accused Alipio; **in the purchase of 2,000 bottles of multivitamins with Lysine 60 ml. syrup, at ₱30.00 per bottle, under Disbursement Voucher No. CSP-90-12-3322, dated January 8, 1991, in the amount of ₱60,000.00;** which turned out to be overpriced in the total amount of ₱47,200.00, as based on the March 27, 1990 price schedule, the multivitamin costs only ₱6.40 per bottle; despite the fact that the product lacked the required product or drug registration

⁴ 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: (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.

⁵ Entitled "ANTI-GRAFT AND CORRUPT PRACTICES ACT." Approved: August 17, 1960.

which guarantees the safety and efficacy of the product; the contract of which was directly awarded to Ethnol Generics, in violation of DOH Memorandum Circular No. 08, Series of 1987; thereby giving unwarranted benefits, advantage or preference to Ethnol Generics and causing undue injury to the government in the total amount of ₱47,200.00

CONTRARY TO LAW.⁶

Criminal Case No. 24482:

That on or about April 03, 1991 or sometime prior or subsequent thereto, in the City of Davao, Philippines, and within the jurisdiction of this Honorable Court, abovenamed accused-public officers x x x through manifest partiality, evident bad faith, and/or gross inexcusable negligence, did then and there, willfully, unlawfully and criminally, cause undue injury to the government by x x x **recommending approval in the purchase order as supply officer, on the part of accused Caballes x x x in the purchase of 2,000 bottles of multivitamins with Lysine 60 ml. syrup, at ₱30.00 per bottle, under Disbursement Voucher No. Aie-91-04-029, dated April 03, 1991, in the amount of ₱60,000.00; which turned out to be overpriced in the total amount of ₱47,200.00, as based on the March 27, 1990 price schedule, the multivitamin costs only ₱6.40 per bottle; despite the fact that the product lacked the required product or drug registration which guarantees the safety and efficacy of the product; the contract of which was directly awarded to Ethnol Generics, in violation of DOH Memorandum Circular No. 08, Series of 1987; thereby giving unwarranted benefits, advantage or preference to Ethnol Generics and causing undue injury to the government in the total amount of ₱47,200.00.**

CONTRARY TO LAW.⁷

Criminal Case No. 24483:

That on or about October 15, 1990 or sometime prior or subsequent thereto, in the City of Davao, Philippines, and within the jurisdiction of this Honorable Court, abovenamed accused-public officers, x x x while in the discharge of their official functions, in conspiracy with one another and with Pelagio V. Sorongon, Jr., owner/proprietor of J.V. Sorongon Enterprises, Davao City, through manifest partiality, evident bad faith, and/or gross inexcusable negligence, did then and there, willfully, unlawfully and criminally, cause undue injury to the government by x x x **recommending approval of the purchase order as supply officer and anomalously substituting the word "set" to "tube" without authority, on the part of accused Caballes x x x in the purchase of 700 packs cotton pledget buds sterile, 600 tubes amalgam filling, and 500 tubes sulfur ointment, under Disbursement Voucher No. Aie 9010-2294 dated 15 October 1990, in the amount of ₱390,500.00; which turned out to be overpriced in the total amount of ₱244,310.00; the contract of which was awarded to J.V. Sorongon Enterprises, despite the fact that, with respect to the cotton pledget buds, J.V. Sorongon Enterprises was not the lowest bidder at ₱70.00 per pack, the lowest being ₱25.00**

⁶ Records, Vol. 1, pp. 284-285. Emphasis supplied.

⁷ Id. at 289-290. Emphasis supplied.

~

per pack, with the item being sold in the market at ₱11.50 per pack or ₱12.50 per pack adding the 10% allowance price variance; and despite the fact that, with respect to the amalgam filling, J.V. Sorongon Enterprises was not a participant in the bidding conducted for the purpose, since nowhere in the abstract of bids did J.V. Sorongon Enterprises appear as one of the three lowest bidders, its price being ₱13.00 per piece whereas the lowest bid was ₱9.50 per piece, the same item being sold for ₱5.50 inclusive of the 10% allowable price variance per separate canvass with the same J.V. Sorongon Enterprises; and despite the fact that, with respect to the sulfur ointment, J.V. Sorongon Enterprises quoted ₱59.00 for the item which per canvass costs only ₱10.67 inclusive of the 10% allowable price variance; thereby giving unwarranted benefits, advantage or preference to J.V. Sorongon Enterprises and causing undue injury to the government in the total amount of ₱244,310.00.

CONTRARY TO LAW.⁸

Criminal Case No. 24484:

That on or about November 02, 1990 or sometime prior or subsequent thereto, in the City of Davao, Philippines, and within the jurisdiction of this Honorable Court, abovenamed accused-public officers x x x through manifest partiality, evident bad faith, and/or gross inexcusable negligence, did then and there, willfully, unlawfully and criminally, cause undue injury to the government by x x x **recommending approval in the purchase order as supply officer, on the part of accused Caballes x x x in the purchase of 2,880 bottles of multivitamins with Lysine 60 ml. syrup, at ₱30.00 per bottle and 2,000 bottles of Benzyl Benzoate 25% 120 ml., under Disbursement Voucher No. Aie-90-11-2619, dated November 02, 1990, in the amount of ₱86,400.00; which turned out to be overpriced in the total amount of ₱67,968.00, as based on the March 27, 1990 price schedule, the multivitamin costs only ₱6.40 per bottle; despite the fact that both products lacked the required product or drug registration which guarantees the safety and efficacy of the product; the contract of which was directly awarded to Ethnol Generics, in violation of DOH Memorandum Circular No. 08, Series of 1987; thereby giving unwarranted benefits, advantage or preference to Ethnol Generics and causing undue injury to the government in the total amount of ₱67,968.00.**

CONTRARY TO LAW.⁹

Criminal Case No. 24486:

That on or about December 03, 1990 or sometime prior or subsequent thereto, in the City of Davao, Philippines, and within the jurisdiction of this Honorable Court, abovenamed accused-public officers, x x x while in the discharge of their official functions, in conspiracy with one another and with Pelagio V. Sorongon, Jr., owner/proprietor of J.V. Sorongon Enterprises, Davao City, through manifest partiality, evident bad faith, and/or gross inexcusable negligence, did then and there, willfully, unlawfully and criminally, cause undue injury to the government by x x x **recommending approval of the purchase**

⁸ Id. at 292-293. Emphasis supplied.

⁹ Id. at 295-296. Emphasis supplied.

order as supply officer, on the part of accused Caballes x x x in the purchase of 84 kilos of Sodium Fluoride powder at ₱2,960 per kilo under Disbursement Voucher No. Aie-90-11-2864, dated December 03, 1990, in the amount of ₱248,640.00; the contract of which was awarded to J.V. Sorongon Enterprises; using the price schedule of the Department of Health Regional Office No. XII, Cotabato City, without sufficient basis, no effort being exerted to determine the prevailing price of the item in Davao City; which transaction turned out to be overpriced in the total amount of ₱188,580.00, as a separate canvass revealed that the lowest quoted price in Davao City was only ₱715.00 per kilo inclusive of the 10% allowable price variance; which transaction was consummated despite the fact that the item purchased lacked the required product registration which guarantees the safety and efficacy of the item; thereby giving unwarranted benefits, advantage or preference to J.V. Sorongon Enterprises and causing undue injury to the government in the total amount of ₱188,580.00.

CONTRARY TO LAW.¹⁰

Criminal Case No. 24488:

That on or about December 28, 1990 or sometime prior or subsequent thereto, in the City of Davao, Philippines, and within the jurisdiction of this Honorable Court, abovenamed accused-public officers, x x x while in the discharge of their official functions, in conspiracy with one another and with Pelagio V. Sorongon, Jr., owner/proprietor of J.V. Sorongon Enterprises, Davao City, through manifest partiality, evident bad faith, and/or gross inexcusable negligence, did then and there, willfully, unlawfully and criminally, cause undue injury to the government by x x x **recommending approval of the purchase order and anomalously substituting the word “set” to “tube” without authority, on the part of accused Caballes x x x in the purchase of 600 tubes amalgam filling, under Disbursement Voucher No. Aie 90-12-3246 dated December 28, 1990, in the amount of ₱312,000.00; which turned out to be overpriced in the total amount of ₱180,000.00; the contract of which was awarded to J.V. Sorongon Enterprises, despite the fact that J.V. Sorongon Enterprises was not a participant in the bidding conducted for the purpose, since nowhere in the abstract of bids did J.V. Sorongon Enterprises appear as one of the three lowest bidders, its price being ₱13.00 per piece whereas the lowest bid was ₱9.50 per piece, the same item being sold for ₱5.50 inclusive of the 10% allowable price variance per separate canvass with the same J.V. Sorongon Enterprises; thereby giving unwarranted benefits, advantage or preference to J.V. Sorongon Enterprises and causing undue injury to the government in the total amount of ₱180,000.00.**

CONTRARY TO LAW.¹¹

Upon his arraignment on May 23, 2005, Caballes entered a plea of “not guilty.”¹² After pre-trial was terminated on August 14, 2006, the consolidated trial of the cases subsequently ensued.¹³

¹⁰ Id. at 300-301. Emphasis supplied.

¹¹ Id. at 305-306. Emphasis supplied.

¹² *Rollo*, p. 202.

¹³ Id.

72

Version of the Prosecution

Sometime in 1991, Commission on Audit (COA) State Auditor Noemi P. Wong (Wong) conducted a comprehensive audit on the financial accounts and operations of the Department of Health, Region XI (DOH XI), Davao City, as well as an evaluation of its internal control safety and cash examinations on its accountable officers.¹⁴

The audit revealed that DOH XI's procurement of drugs, medicines, and medical supplies amounting to ₱2,409,089.84 during the year 1990 were irregular, uneconomical, and in violation of DOH Administrative Order No. 28 (AO 28),¹⁵ which provided the guidelines, procedures, and processes in the bulk procurement of drugs and medicines, medical supplies, and laboratory reagents in the different regions, as well as RA 3019.¹⁶ An examination of the Disbursement Vouchers (DV) and its supporting documents showed that the purchases made by DOH XI were (a) overpriced; (b) lacked the necessary product or drug registration; and (c) did not go through public bidding, among others.¹⁷

Consequently, COA Region XI, through Wong, filed an affidavit complaint against Caballes, together with the following public officers: Sulpicio P. Legaspi (Legaspi), Moses R. Peralta (Peralta), Oscar P. Mata (Mata), Bernadita S. Bendejo (Bendejo), Maria D. Camanay (Camanay), Rebecca Gomez (Gomez), Roselma G. Cantos (Cantos), Jorge Montilla (Montilla), Marissa L. Duran (Duran), Lourdes Plaza (Plaza), Marietta Fuentes (Fuentes), Ofelia S. Poliquit (Poliquit), Brenda Regner (Regner), Rhodora B. Lacson (Lacson), Salvador O. Estrera (Estrera), and all of DOH XI, and the following private individuals: Miguel S. Alipio (Alipio), as general manager of Ethnol Generics, Oscar Gerona (Gerona), as proprietor of Thenard Medical Systems, and Pelagio V. Sorongon, Jr. (Sorongon), as proprietor of J.V. Sorongon Enterprises.¹⁸

After the conduct of preliminary investigation, the complaint against Mata, Bendejo, Camanay, and Esterera were dismissed for insufficiency of evidence. Meanwhile, the Office of the Ombudsman (OMB) found probable cause to charge Caballes, as DOH XI Supply Officer, to have conspired with the other abovenamed persons for six counts of violating Section 3(e) of RA 3019.¹⁹

¹⁴ Id. at 198 and 203.

¹⁵ Administrative Order No. 28, series of 1987 dated August 28, 1987 re: Adoption of the System of Regional Bulk Procurement signed by Alfredo R.A. Bengzon, M.D., Secretary of Health; Exhibit "L."

¹⁶ *Rollo*, p. 203.

¹⁷ Id. at 198.

¹⁸ Id. at 199.

¹⁹ Id.

On March 5, 1998, the Informations²⁰ charging Caballes, et al. were filed before the Sandiganbayan and docketed as Criminal Case Nos. 24480, 24482, 24483, 24484, 24486, and 24488.²¹

In the course of Wong's testimony, she identified numerous documents in relation to these cases, which was summarized by the OMB— Office of the Special Prosecutor (OSP) in its Plaintiff-Appellee's Brief, as follows:

21. In connection with Criminal Case No. 24480, Wong identified DV No. CSP-90-12-3322 and its supporting documents; for Criminal Case No. 24482, she identified DV No. Aie-91-04-029 and its supporting documents. Both DVs contained the signatures of Legaspi, Peralta and appellant Caballes.

22. The DVs in Criminal Case Nos. 24480 and 24482 pertain to the purchase of 2,000 bottles of multivitamins with lysine with the brand name Ethnomin syrup. The examined documents revealed that the procurement was done without the benefit of public bidding. In addition, the multivitamins purchased was not among the items bidded out as shown in the Abstract of Bids of Drugs and Medicines for the period April to June 1990. Wong also identified the Price Schedule for Drugs and Medicines dated 27 March 1990 (Exhibit "N"). Moreover, she testified that Ethnol Generics was not among the suppliers that participated in the bidding conducted for the purchase of drugs and medicines for the period of April to June 1990.

23. She concluded that the purchases violated various rules and regulations on the procurement of drugs and medicines. She confirmed that the items purchased had an expired drug registration, as shown in the Certificate of Drug Registration dated 18 March 1988 (Exh. "S") and Memorandum of Extension dated 21 November 1989 (Exh. "T"). She stressed that current policy dictated that no payment should be made unless there is a valid Certificate of Drug Registration in order to guarantee the efficacy and safety of drugs for public consumption/use.

24. The purchase was in contravention of the Price Schedule for Drugs and Medicine dated 27 March 1990 (Exh. N-6). The Price Schedule included only the item identified as multivitamin (without lysine) with the lowest price of PhP6.40 per bottle while the items purchased were multivitamins with lysine for the price of P30.00 per bottle.

25. In Criminal Case No. 24484, Wong identified the following: DV No. Aie-90-11-2619 (Exh. OO) and its supporting documents. She also identified the signatures of Legaspi, Peralta, and of one Teresita Custodio (Custodio) found on the DV. The items purchased were 2,880 bottles of multivitamin with lysine with brand name Ethnomin Syrup and 2,000 bottles of Benzyl Benzoate. The multivitamin with lysine was purchased at PhP 30.00 per bottle.

26. She found several irregularities in the purchase of the said items under DV No. Aie-90-11-2619, viz: the purchase did not undergo public bidding; multivitamins with lysine and benzyl benzoate were directly purchased; and the

²⁰ Id. See notes 6-11.

²¹ Id.

W

items purchased were not included in the Abstract of Bids for Drugs and Medicines for the period of April to June 1990 and the Price Schedule for Drugs and Medicines dated 27 March 1990. Again, only "multivitamin" (without lysine) is included in the said Price Schedule and multivitamin merely costs PhP 6.40 per bottle.

27. In Criminal Case No. 24483, Wong identified DV No. Aie-90-10-2294 (Exh. "KK") and its supporting documents. She also identified the signatures of Caballes, Peralta, and Legaspi on the said DV. The DV pertains to the purchase of three (3) items: (a) 700 packs of cotton pledget buds at P70.00 per pack; (b) 600 tubes of amalgam filling at PhP 13.00 per piece; and (c) 500 15-gram tubes of sulfur ointment at PhP59.00 per piece.

28. Several irregularities were found: (1) J.V. Sorongan Enterprises, to whom the Purchase Order (PO) was awarded was not the lowest bidder; (2) items purchased were overpriced; and (3) items did not have the required product registration, among others.

29. In Criminal Case No. 24486, Wong identified DV No. Aie-90-11-2864 (Exh. "QQ") and its supporting documents. She also identified the signatures of Caballes, Peralta, and Legaspi on the said DV. Other documents identified were the (1) Certificate of Acceptance signed by Caballes; (2) Abstract of Bids for the period of April to June 1990; and (3) Price Schedules for Medical Supplies as of 27 March 1990.

30. She found several irregularities in the procurement of sodium fluoride powder under DV No. Aie-90-11-2864, namely: the absence of public bidding; the item's price was based on the price schedule for Region 12, and not 11; item was overpriced by PhP2,245.00 per kilo; and the item lacked the necessary product registration.

31. She stressed that procurement was highly suspect since direct purchase was resorted to despite the fact that its two (2) essential conditions were not met. Further, she testified that the overpricing was established when her audit team conducted a re-canvass of the prevailing market price of sodium fluoruride powder.

32. In Criminal Case No. 24488, Wong identified DV No. Aie-90-12-3246 (Exh. "SS") and its supporting documents. She also identified the signatures of Caballes, Peralta, and Legaspi on the said DV.

33. She found several irregularities in the procurement of 600 tubes of amalgam filling, namely: the supplier J.V. Sorongan was not the lowest bidder; supplier did not post the required performance bond; item was overpriced; unit description of amalgam filling as appearing in the Abstract of Bids and Price Schedules was vague; description of amalgam filling was altered; and the item lacked the required product registration.²²

²² Id. at 203-205.

Version of the Defense

After the prosecution rested its case, the defense proceeded with the presentation of its evidence. Alipio, Gomez, Duran, Cantos, Poliquit, Sorongon, and Caballes each testified on their own behalf. Meanwhile, the parties stipulated on the testimony of Lacson.²³

For his part, Caballes denied the allegations against him. In his Judicial Affidavit,²⁴ which served as his direct testimony, he testified that as Supply Officer III, he acted as custodian and was primarily accountable for the safekeeping of supplies, materials and equipment, and conducting periodical inventories thereof. He also maintained a record of all accountable properties and direct work of storekeeping. In addition, he was responsible for the issuance of memorandum receipts of equipment and of clearance certificates to employees separated from service. He also prepared the annual procurement program and the monthly consumption report of office supplies, medicines, and medical supplies.²⁵ Moreover, Caballes averred that he had no participation in the process for procurement of equipment, supplies, medicines, and medical supplies. His only participation was to receive the items delivered to the Supply Office and to prepare the request for inspection.²⁶

Caballes explained that the document needed to facilitate the procurement is the Requisition and Issue Voucher (RIV), which is signed by the Program Managers and approved by the Regional Director. The RIV, together with the approved bidding documents or any supporting documents of the prices, will be sent to the Supply Section with a note from the Regional Director stating, "Please Issue Purchase Order." After preparing the Purchase Order (PO), the Supply Officer signs the recommendation portion and sends the PO to the Administrative Office for further processing. When the PO is approved by the Regional Director, it will be sent back to the Supply Office, already funded, price checked, and it will then be served to the Supplier. Thereafter, the DV will be prepared after inspection of the delivered items.²⁷

Caballes claimed that it was MacArthur Clapano (Clapano) who prepared the POs, as the buyer of DOH XI, and that Caballes signed the recommending approval portion of the POs only upon the receipt of the approved bidding result, and upon the order of the Regional Director. Additionally, the DVs were also prepared by Clapano, and Caballes' only participation was to sign the receipt portion thereof, and send the same to the Administrative Office. He also averred that he had no participation in the preparation of the RIVs.²⁸

²³ Id. at 206.

²⁴ Records, Vol. 9, p. 4,217.

²⁵ Id.

²⁶ Id.; *rollo*, p. 90.

²⁷ *Rollo*, p. 90.

²⁸ Id. at 91.

~

Caballes also opined that his only participation as Supply Officer III during the whole process that transpired in 1990 was to receive the deliveries of the items and to store them before its release to end-users.²⁹ Moreover, as summarized by the Sandiganbayan in its Decision,³⁰ Caballes specifically testified for each case that:

In connection with Criminal Case No. 24480 involving the purchase of multi-vitamins with lysine, the mode of procurement decided by the Regional Director was repeat order. He received the items delivered. He signed the PO. He signed the PO based on the approved RIV (Exhibit "HH-4") with the price schedule forwarded to his office. The requisitioning officer indicated in the RIV was accused Peralta as Administrative Officer V. It was approved by accused Legaspi as Regional Director.

In Criminal Case No. 24482, also involving the purchase of multi-vitamins with lysine, the mode of procurement decided by the Regional Director was repeat order. He signed the PO based on the approved RIV (Exhibit "JJ-4"). The requisitioning officer was accused Peralta and the approval was by accused Legaspi as Regional Director.

In Criminal Case No. 24483, where the word "set" was substituted with "tube," the mode of procurement was public bidding. He signed the PO prepared by Mr. MacArthur Clapano based on the approved RIV. He has no participation in the preparation of the Abstract of Bids and the price schedule. There is no difference in the unit of measure of the item purchased described as "set" to "tube." That should not be considered irregular and anomalous. He changed the word "set" to "tube" in the PO to make it conform with the RIV approved by the Regional Director. He did not gain anything when he did that and there was no prejudice to the government. There is no difference from "set" to "tube" because the contents are the same.

In Criminal Case No. 24484, the mode of procurement was exclusive distributor decided by the Regional Director. He signed the PO based on the approved RIV (Exhibit "OO-4") together with the price schedule forwarded to his office. The requisitioning officer was accused Peralta and the approval was by accused Legaspi as Regional Director.

In Criminal Case No. 24486, he cannot remember the mode of the purchase. He does not know who prepared the PO which was signed by Dr. Montilla.

In Criminal Case No. 24481, where the word "set" was again changed to "tube," he signed the PO based on the RIV (Exhibit "SS-4") together with the price schedule. The requisitioning officer was accused Peralta as Administrative Officer V and the approval was by accused Legaspi as Regional Director.

²⁹ Id.

³⁰ Id. at 37.

In Criminal Case No. 24488, where the word “set” was also changed to “tube,” there is no difference between “set” and “tube”. He signed the PO. He did not gain anything from the transaction.³¹

Ruling of the Sandiganbayan

In a Decision dated June 7, 2019, the Sandiganbayan found Caballes, together with his co-accused, guilty beyond reasonable doubt of violating Section 3(e) of RA 3019. The dispositive portion of the Sandiganbayan Decision reads:

WHEREFORE, premises considered, the Court renders judgment in these cases, as follows:

A) In Criminal Cases Nos. 24479, and 24485, the following accused are hereby acquitted for insufficiency of evidence to prove the offenses charged: 1) Sulpicio P. Legaspi; 2) Moises Peralta; 3) Rebecca Gomez; 4) Marissa L. Duran; 5) Marietta Fuentes; 6) Ofelia S. Poliquit; 7) Brenda Regner; 8) Rhodora Lacson; and 9) Miguel S. Alipio.

Let these cases be archived with respect to accused Jorge Montilla, to be revived upon his arrest or voluntary surrender.

B) In Criminal Cases Nos. 24480, 24482, and 24484, the Court finds accused Sulpicio P. Legaspi, Moises Peralta and Samson Z. Caballes guilty beyond reasonable doubt of *Violation of Section 3(e) of Republic Act (R.A.) No. 3019*, or the *Anti-Graft and Corrupt Practices Act*, as charged in the three (3) separate *Informations* all dated January 29, 1998. Pursuant to the *Indeterminate Sentence Law*, the said accused are each sentenced to suffer the penalty of imprisonment ranging from six (6) years and one (1) month, as minimum, to eight (8) years, as maximum, in each of the three (3) criminal cases. The three (3) accused are also held solidarily liable to pay the government the total amount of P162,568.00

For insufficiency of evidence, the following accused are acquitted: 1) Rebecca Gomez; 2) Marissa L. Duran; 3) Marietta Fuentes; 4) Ofelia S. Poliquit; 5) Brenda Regner; 6) Rhodora Lacson, and 7) Miguel S. Alipio.

Let the cases be archived with respect to accused Jorge Montilla, to be revived upon his arrest or voluntary surrender.

C) In Criminal Cases No. 24481, 24487 and 24489, the Court finds accused Sulpicio P. Legaspi, Moises Peralta and Samson Z. Caballes guilty beyond reasonable doubt of *Violation of 3(e) of Republic Act (R.A.) No. 3019*, or the *Anti-Graft and Corrupt Practices Act*, as charged in the three (3) separate *Amended Informations* all dated September 13, 2017. Pursuant to the *Indeterminate Sentence Law*, the said accused are each sentenced to suffer the penalty of imprisonment ranging from six (6) years and one (1) month, as minimum, to eight (8) years, as maximum. No civil liability is adjudged.

³¹ id. 37-38.

W

For insufficiency of evidence, the following accused are acquitted: 1) Rebecca Gomez; 2) Marissa L. Duran; 3) Marietta Fuentes; 4) Ofelia S. Poliquit; 5) Brenda Regner; and 6) Rhodora Lacson.

Let the cases be archived with respect to accused Jorge Montilla and Oscar Gerona, to be revived upon their arrest or voluntary surrender.

D) In Criminal Cases No. 24483 and 24488, all the accused, except Jorge Montilla, are acquitted for insufficiency of evidence to prove their guilt of the offenses charged beyond a reasonable [doubt].

Let the cases be archived with respect to accused Jorge Montilla, to be revived upon his arrest or voluntary surrender.

E) In Criminal Case No. 24486, the Court finds accused Sulpicio P. Legaspi, Moises R. Peralta and Sam[s]on Z. Caballes guilty beyond a reasonable doubt of *Violation of 3(e) of Republic Act (R.A.) No. 3019, or the Anti-Graft and Corrupt Practices Act*, as charged in the Information dated January 29, 1998. Pursuant to the *Indeterminate Sentence Law*, the said accused are sentenced to suffer the penalty of imprisonment ranging from six (6) years and one (1) month, as minimum, to eight (8) years, as maximum. No civil liability is adjudged.

For insufficiency of evidence, the following accused are acquitted: 1) Rebecca Gomez; 2) Roselma G. Cantos; 3) Marissa L. Duran; 4) Marietta Fuentes; 5) Ofelia S. Poliquit; 6) Brenda Regner; and 7) Rhodora Lacson; and 8) Pelagio V. Sorongan, Jr.

Let the cases be archived with respect to accused Jorge Montilla, to be revived upon his arrest or voluntary surrender.

Finally, as regards accused Lourdes Plaza who was found suffering from a mental disease, let the *Resolution* dated June 14, 2015 suspending the proceedings remain until further orders from this Court.

SO ORDERED.³²

In sum, the Sandiganbayan acquitted Caballes in Criminal Case Nos. 24483 and 24488 but convicted him in Criminal Case Nos. 24480, 24481, 24482, 24484, 24486, 24487, and 24489. Aggrieved, Caballes filed a Motion for Reconsideration³³ dated June 20, 2019; however, the same was denied by the Sandiganbayan through its Resolution³⁴ dated August 20, 2019.

Hence, the instant appeal.

Issue

The sole issue to be resolved in the instant case is whether Caballes is guilty beyond reasonable doubt of violating Section 3(e) of RA 3019.

³² Id. at 57-59.

³³ Id. at 172.

³⁴ Id.

Our Ruling

The appeal is partly meritorious.

At the outset, it must be recalled that Caballes was charged only in the Informations pertaining to Criminal Case Nos. 24480, 24482, **24483**, 24484, 24486, and **24488**. After trial, the Sandiganbayan acquitted him in Criminal Case Nos. 24483 and 24488. However, the anti-graft court convicted Caballes in Criminal Case Nos. **24481**, **24487**, and **24489**.

At this juncture, it must be stressed that Caballes was not charged in the Informations for Criminal Case Nos. **24481**, **24487**, and **24489**, a fact which was also acknowledged by the OMB-OSP in its Brief.³⁵ Interestingly, however, the Sandiganbayan included Caballes in its disposition in Criminal Case Nos. 24481, 24487, and 24489, and worse, convicted him thereat.

It is a well-settled rule in this jurisdiction that:

An accused cannot be convicted of an offense, unless it is clearly charged in the complaint or information. Constitutionally, he has a right to be informed of the nature and cause of the accusation against him. To convict him of an offense other than that charged in the complaint or information would be violative of this constitutional right. Indeed, the accused cannot be convicted of a crime, even if duly proven, unless it is alleged or necessarily included in the information filed against him.³⁶

It would be the height of injustice to punish Caballes for such cases in which no Informations were ever filed against him. He cannot be properly convicted therein without trampling on his constitutionally-protected rights. Consequently, Caballes must necessarily be acquitted in Criminal Case Nos. **24481**, **24487**, and **24489**.

Consequently, what is left to be resolved by this Court is Caballes' culpability in Criminal Case Nos. 24480, 24482, 24484, and 24486.

In these cases, the Sandiganbayan found Caballes to have been involved in DOH XI's irregular and anomalous purchases from Ethnol Generics (Crim. Case Nos. 24480, 24482, 24484) and J.V. Sorongon Enterprises (Crim. Case No. 24486) of the following items:

Crim. Case No. 24480	2,000 bottles of multivitamins with lysine
Crim. Case No. 24482	2,000 bottles of multivitamins with lysine
Crim. Case No. 24484	2,880 bottles of multivitamins with lysine 2,000 bottles of Benzyl Benzoate
Crim. Case No. 24486	84 kilos of Sodium Flouride powder

³⁵ Id. at 219.

³⁶ *People v. Dasmariñas*, 819 Phil. 357, 376 (2017), citing *People v. Manalili*, 355 Phil. 652, 684 (1998).

After a careful scrutiny of the evidence on record, the Court finds that the Sandiganbayan did not err in convicting Caballes for the violation of Section 3(e) of RA 3019 in these cases.

Section 3(e) of RA 3019 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 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.

In order to hold a person liable under this provision, the following elements must concur: (a) the accused must be a public officer discharging administrative, judicial, or official functions; (b) he must have acted with manifest partiality, evident bad faith, *or* gross inexcusable negligence; and (c) that his action caused any undue injury to any party, including the government, or giving any private party unwarranted benefits, advantage or preference in the discharge of his functions.³⁷

In the case at bar, all such elements are present.

Regarding the first element, there is no dispute that Caballes was a public officer given that he was the Supply Officer III of DOH XI at the time of the commission of the alleged offenses. Moreover, the acts complained of, *i.e.*, recommending the approval of the purchases and signing the pertinent documents, were done in the discharge of his official functions.

Moving on to the second element, Caballes insists that he was merely performing his ministerial duty of receiving the items delivered to their office, without regard as to how these supplies were procured.³⁸ He claims that he had no participation whatsoever in the procurement process, that he did not belong to any committee relating to procurement, and that his signatures cannot automatically be considered to be tainted with malice or fraudulent intent.³⁹

This Court is not convinced.

³⁷ *Cabrera v. People*, G.R. No. 191611-14, July 29, 2019.

³⁸ *Rollo*, p. 98.

³⁹ *Id.* at 103-104.

The second element provides the modalities by which a violation of Section 3(e) of RA 3019 may be committed. It must be stressed that these three modes – namely, manifest partiality, evident bad faith, or gross inexcusable negligence – are not separate offenses, and proof of the existence of any of these three in connection with the prohibited acts committed, is sufficient to convict. Jurisprudence further dictates that there is manifest partiality when there is a clear, notorious, or plain inclination or predilection to favor one side or person rather than another. Meanwhile, 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 of self-interest, or ill will, or for ulterior purposes. Lastly, gross inexcusable negligence refers to negligence characterized by the want of even the slightest care, acting or omitting to act in a situation where there is a duty to act, not inadvertently but willfully and intentionally, with conscious indifference to consequences insofar as other persons may be affected.⁴⁰

A perusal of the records would show that Caballes acted with gross inexcusable negligence when he recommended the approval of the purchases and signed the DVs, POs, and RIVs pertaining to the transactions involved in Criminal Case Nos. 24480, 24482, 24484, and 24486, notwithstanding the presence of several irregularities therein.

In Criminal Case Nos. **24480** and **24482**, DOH XI bought 2,000 bottles of “multivitamins with lysine” in two separate transactions without the benefit of public bidding. Additionally, the item “multivitamins with lysine” was not among those that were bid out – the Abstract of Bids of Drugs and Medicines for the period April to June 1990 listed “multivitamins” only. Ethnol Generics was also not among the suppliers that participated in the bidding conducted for the purchase of drugs and medicines for the period of April to June 1990. Otherwise stated, actual bidding was conducted for “multivitamins” but not for “multivitamins with lysine,” and Ethnol Generics, to whom the contract for the purchase of “multivitamins with lysine” was awarded, did not even participate in the bidding. Moreover, the purchases were in contravention of the Price Schedule for Drugs and Medicine dated March 27, 1990, considering that the item identified as “multivitamin” (without lysine) only costs ₱6.40 per bottle at the time, while the items purchased were “multivitamins with lysine” for the price of ₱30.00 per bottle. As such, the purchases were overpriced in the amount of ₱47,200.00 per transaction. Worse, the items purchased had an expired drug registration, as shown in the Certificate of Drug Registration dated March 18, 1988 and Memorandum of Extension dated November 21, 1989.⁴¹

⁴⁰ *Cabrera v. People*, supra.

⁴¹ Records, Vol. 1, pp. 284-285 and 289-290.

W

Despite these glaring anomalies, Caballes signed DV Nos. CSP-90-12-3322⁴² and A7i(2)-91-04-029,⁴³ which indicated that he “received supplies and property stated above in good condition as per purchase order and invoice” as well as the “Recommending Approval” portion of POs 494⁴⁴ and 495,⁴⁵ which stated as follows:

We, the undersigned, hereby certify that the prices appearing above are in accordance with the SEALED CAVASSING opened on Repeat Order and awarded by the committee on Bidding and Award to the above named Dealer and that the prices for the above article are the lowest obtainable in the locality at the time of the purchase.

Recommending Approval:
(sgd.)
Samson Z. Caballes
Supply Officer III⁴⁶

It can be gleaned from the foregoing that Caballes did not merely exercise ministerial duties. Aside from receiving the items, he cannot trivialize his participation in the procurement or purchase thereof considering that, as the signatory in the “Recommending Approval” portion of the POs, he had the correlative duty to verify and check if the supplies were purchased in a regular manner, and in accordance with the law, or if they were compliant with the rules on bidding and procurement processes of the DOH. Further, by signing the DVs, he also had the duty to ensure that the items were indeed received in good condition as per the POs and invoices.

It is also worthy to point out that Caballes himself explained that the approved bidding documents or any supporting documents of the prices were sent to the Supply Office before the issuance of the POs.⁴⁷ This was likewise confirmed through the clarificatory questions asked of him during his cross-examination, to wit:

J. Gesmundo: But, Mr. Witness, as far as you are concerned, you have a guide as to the pricing of the supplies, is that correct?

Witness: We are only guided by the approved price lists or whatever was sent to the supply, Your Honor.

J. Gesmundo: You have nothing to do with the preparation of the price lists?

Witness: Correct, Your Honor.

⁴² Prosecution’s Formal Offer of Evidence, Records, Vol. 7, pp. 3033-3088; Exhibit “HH.”

⁴³ Exhibit “JJ.”

⁴⁴ Exhibit “HH-5.”

⁴⁵ Exhibit “JJ-5.”

⁴⁶ Exhibit “JJ-5-a.”

⁴⁷ Records, Vol. 9, p. 4,217.

J. Gesmundo: So you just rely on what is sent to you, on the basis of which, when you prepared the Purchase Order, you used that coded price in the Purchase Order?

Witness: Yes, together with that approved RIV, Your Honor.⁴⁸

x x x x

J. Gesmundo: x x x when you prepared those RIVs, what was the reference with respect to the price schedule that you used?

Witness: It is attached to the RIV, Your Honor.

J. Gesmundo: Where did you get that price schedule?

Witness: It was sent to us in the Supply, Your Honor.

J. Gesmundo: So when you processed the RIV there is a price lists (sic) already?

Witness: Yes, Your Honor.⁴⁹

As shown from the above, Caballes already had the necessary supporting documents upon which he could have used as basis in making a proper recommendation. Even granting that he did not prepare the POs, DVs, or RIVs, as he so claimed,⁵⁰ he still should have counter-checked it with the bidding documents or the price lists or schedules sent to his office before signing them and recommending the purchases. Had he done so, he would have been able to discover that the item subject of the purchases, *i.e.*, “multivitamins with lysine,” was not among those included in the approved list, and that the price of ₱30.00 per bottle was way beyond what was indicated for “multivitamins,” which only costs ₱6.40 per bottle. Besides, Caballes failed to present any countervailing evidence to support his claim that he had no hand in the preparation of the documents which involved the purchases of the overpriced medicines when his signatures were clearly inscribed therein.

Similarly, in Criminal Case No. **24484**, the purchase of 2,880 bottles of “multivitamins with lysine” was also irregular since (a) it was done without public bidding; (b) the items purchased were overpriced in the amount of ₱67,968.00; and (c) it lacked the necessary product or drug registration which guarantees its safety and efficacy.⁵¹ Nevertheless, Caballes signed DV No. A1e-90-11-2619⁵² which stated that he “received supplies and property stated above in good condition as per purchase order and invoice”⁵³ and PO 428⁵⁴ where he certified that, “the prices appearing above are in accordance with the SEALED CAVASSING opened on _____ and awarded by the committee on Bidding and Award to the above named Dealer and that the prices for the above article

⁴⁸ TSN, October 16, 2014, pp. 50-51.

⁴⁹ *Id.* at 58.

⁵⁰ *Rollo*, pp. 90-91.

⁵¹ *Id.* at 214-215.

⁵² Prosecution’s Formal Offer of Evidence, records, Vol. 7, pp. 3033-3088; Exhibit “OO.”

⁵³ *Id.*

⁵⁴ Exhibit “OO-5.”

7

are the lowest obtainable in the locality at the time of the purchase.”⁵⁵ Just like the two previous transactions, the irregularities were too obvious but Caballes simply ignored them and signed the said documents instead, without so much as indicating the required information to be filled-up in the PO.

Meanwhile, in Criminal Case No. **24486**, the evidence provided by the prosecution showed that DOH XI’s purchase of 84 kilos sodium flouride powder was improperly made given that (a) there was no public bidding; (b) the mode of procurement used was direct purchase, when the conditions for the allowance of this mode were not sufficiently met;⁵⁶ (c) the price of the item purchased from J.V. Sorongon Enterprises was based on the price schedule of the DOH XII, Cotabato City, without sufficient basis and without any effort exerted to determine the prevailing price of the item in DOH XI, Davao City; (d) the recanvass done by COA showed that the quoted price given by one supplier, Better Equipment and Supplies Distributors, was ₱650.00 per kilo, compared to the ₱2,960.00 per kilo used by DOH XI, thus resulting to an overprice of ₱188,580.00; and (e) it lacked the necessary product or drug registration.⁵⁷

While the “Recommending Approval” portion of PO 430⁵⁸ was signed by Montilla, Caballes’ signature appeared on RIV 370⁵⁹ where he certified that “the supplies requisitioned above are necessary and will be used solely for the purposes stated,” and in the DV A1e-90-11-2864⁶⁰ which stated that he “received supplies and property stated above in good condition as per purchase order and invoice.”⁶¹ Thus, it was incumbent upon him, before signing the DV, to examine the PO. If he had done so, he would have found that there was something amiss regarding the purchase of the items since the portion “opened on _____” was left blank, similar to the PO in Criminal Case No. 24484.

Verily, these anomalies in Criminal Case Nos. 24480, 24482, 24484, and 24486 should have prompted Caballes to be more circumspect and to inquire into the purchases further before signing the POs, RIVs, and DVs. His failure to flag the transactions as potentially unscrupulous when he had the opportunity to do so, and simply signing the said documents and recommending the approval of the purchase orders despite the obvious irregularities demonstrate that Caballes was grossly negligent in the performance of his duties. As pointed

⁵⁵ Id.

⁵⁶ *Rollo*, pp. 23 and 215; DOH Memorandum Circular No. 08, series of 1987, provides that government agencies are allowed to purchase directly from manufacturers or distributors, as an exception to the rule on public bidding, provided that two conditions are satisfied, namely: (a) that the manufacturer/distributor is the exclusive manufacturer/distributor of the product in the Philippines and that there is no sub-dealer selling the product at a lower price; and (b) there is no suitable substitute for the product available at a lower price.

⁵⁷ *Rollo*, pp. 56 and 216; Prosecution’s Formal Offer of Evidence, Records, Vol. 7, pp. 3033-3088; Exhibit “QQ-11.”

⁵⁸ Prosecution’s Formal Offer of Evidence, records, Vol. 7, pp. 3033-3088; Exhibit “QQ-5.”

⁵⁹ Exhibit “QQ-4-a.”

⁶⁰ Exhibit “QQ.”

⁶¹ Id.

out by this Court in *Office of the Ombudsman v. Santidad*,⁶² “the nature of the public officers’ responsibilities and their role in the procurement process are compelling factors that should have led them to examine with greater detail the documents which they are made to approve.”⁶³

From the foregoing, the Court finds that Caballes’ actions fit the very definition of gross inexcusable negligence, which, to restate, is the “want of even [the slightest] care, or by acting or omitting to act in a situation where there is a duty to act, not inadvertently but willfully and intentionally, with conscious indifference to consequences insofar as other persons may be affected.”⁶⁴ Indubitably, the second element of the crime was established in this case.

Anent the third element, which refers to the two ways in which a violation of Section 3(e) of RA 3019 can be committed – namely, (a) causing undue injury to any party, including the Government, *or* (b) giving unwarranted benefit, advantage, or preference to any private party, the Court finds that the same was adequately established in this case. In *Cabrera v. People*,⁶⁵ the Court explained:

The *third* element refers to two (2) separate acts that qualify as a violation of Section 3(e) of R.A. No. 3019. An accused may be charged with the commission of either or both. The use of the disjunctive term “*or*” connotes that either act qualifies as a violation of Section 3(e) or R.A. No. 3019.

The *first* punishable act is that the accused is said to have caused undue injury to the government or any party when the latter sustains actual loss or damage, which must exist as a fact and cannot be based on speculations or conjectures. The loss or damage need not be proven with actual certainty. However, there must be “some reasonable basis by which the court can measure it.” Aside from this, the loss or damage must be substantial. It must be “more than necessary, excessive, improper or illegal.”

The *second* punishable act is that the accused is said to have given unwarranted benefits, advantage, or preference to a private party. Proof of the extent or quantum of damage is not thus essential. It is sufficient that the accused has given “unjustified favor or benefit to another.”⁶⁶

Here, Caballes, together with his co-accused Legaspi, as the Regional Director, and Peralta, as Administrative Officer V, approved and signed the pertinent documents relating to the purchases in Criminal Case Nos. 24480, 24482, 24484, and 24486 despite the irregularities, which caused undue injury to the government. As thoroughly discussed above, Caballes cannot deny his participation in these transactions. There is no question that his certifications and signatures were indispensable in the purchases of the items, which

⁶² G.R. No. 207154, December 5, 2019.

⁶³ *Id.*, citing *SPO1 Lihaylihay v. People*, 715 Phil. 722, 732 (2013).

⁶⁴ *Cabrera v. People*, supra note 37.

⁶⁵ *Id.*

⁶⁶ *Id.*

effectively facilitated the illegal and irregular disbursement of public funds in favor of Ethnol Generics and J.V. Sorongon Enterprises.⁶⁷

Moreover, it bears noting at this juncture that, contrary to the assertions of Caballes, the evidence on record supports the finding that he conspired with Legaspi and Peralta as they all approved, or recommended the approval, of the anomalous purchases and signed the pertinent documents to facilitate the same, in blatant disregard of the requirements on public bidding, and with gross negligence in failing to ascertain the proper prices of the items. As this Court held in *Napoles v. Sandiganbayan*:⁶⁸

Seeing as it would be difficult to provide direct evidence establishing the conspiracy among the accused, the Sandiganbayan may infer it “from proof of facts and circumstances which, taken together, apparently indicate that they are merely parts of some complete whole.” It was therefore unnecessary for the Sandiganbayan to find direct proof of any agreement among Napoles, former Senator Enrile and Reyes. **The conspiracy may be implied from the intentional participation in the transaction that furthers the common design and purpose. As long as the prosecution was able to prove that two or more persons aimed their acts towards the accomplishment of the same unlawful object, each doing a part so that their combined acts, though apparently independent, were in fact connected and cooperative, indicating a closeness of personal association and a concurrence of sentiment, the conspiracy may be inferred even if no actual meeting among them was proven.**⁶⁹

In the present case, the implied conspiracy among Caballes, Legaspi, and Peralta caused undue injury to the government in the total amount of ₱350,948.00, which represents the combined overpriced amount of the purchases made in Criminal Case Nos. 24480, 24482, 24484, and 24486. The said amount is broken down as follows:

Crim. Case No. 24480	DV No. CSP-90-12-3322	₱ 47,200.00
Crim. Case No. 24482	DV No. A7i(2)-91-04-029	₱ 47,200.00
Crim. Case No. 24484	DV No. A1e-90-11-2619	₱ 67,968.00
Crim. Case No. 24486	DV No. A1e-90-11-2864	₱ 188,580.00
Total:		₱350,948.00

The damage or injury to the government could have been avoided, had these public officers exercised prudence and diligence in procuring or purchasing the medicines or medical supplies, and in examining the supporting documents before approving and signing the POs, RIVs, and/or DVs. Indeed, the fraudulent transactions would not have succeeded without the cooperation of all three of them whose signatures on these documents made possible the release of payments to Ethnol Generics and J.V. Sorongon Enterprises. Hence, aside from causing damage or injury to the government, Caballes, together with

⁶⁷ *Rollo*, p. 219.

⁶⁸ 820 Phil. 506, 522 (2017).

⁶⁹ *Id.* Emphasis supplied.

Legaspi and Peralta, also gave unwarranted benefit, advantage or preference to the said entities.⁷⁰

The rationale behind the requirement of a public bidding, as a mode of procuring supplies, is to ensure that the people get maximum benefits and quality services from the contracts. “A competitive public bidding aims to protect public interest by giving it the best possible advantages thru open competition.” It promotes transparency in government transactions and accountability of public officers as it minimizes occasions for corruption and temptations to abuse of discretion on the part of government authorities in awarding contracts. For these reasons, important public policy considerations demand the strict observance of procedural rules relating to the bidding process.⁷¹ In the case at bar, no justification was provided as to why DOH XI, through Caballes, Legaspi, and Peralta, dispensed with the requirement of public bidding in the purchase of the items.

Thus, considering the presence of all the elements of the offense, the Court sustains the conviction of Caballes for the crime of violation of Section 3(e) of RA 3019 in Criminal Case Nos. 24480, 24482, 24484, and 24486.

Yet, Caballes wants this Court to undo his conviction. He insists that he cannot be convicted of a crime or offense which is different from that alleged in the Informations without violating his right to due process and stripping off his right to defend himself properly.⁷² Particularly, he argues that his conviction in Criminal Case No. 24486 is flawed on the ground that the Information indicted and charged him for “recommending approval of the purchase order as a supply officer,” but he was ultimately found guilty for “signing the DV and receiving the products knowing that no public bidding was conducted as required by law x x x.”⁷³ “To convict accused-appellant of signing the DV and receiving the items, as well as the signing of the RIV, totally violated his constitutionally protected right to due process.”⁷⁴

The Court is not persuaded.

The Court stresses that it is too late for Caballes to question the sufficiency of the Information against him, since the right to assail the sufficiency of the same is not absolute. An accused is deemed to have waived this right if said accused fails to object upon his or her arraignment or during trial. In either case, evidence presented during trial can cure the defect in the Information. Here, Caballes had waived his right to assail the sufficiency of the Information when he voluntarily entered a plea during arraignment, and thereafter participated in

⁷⁰ *Umipig v. People*, 691 Phil. 272, 310-311 (2012).

⁷¹ *Cabrera v. People*, supra note 37.

⁷² *Rollo*, pp. 94-97.

⁷³ *Id.* at 96.

⁷⁴ *Id.* at 97.

the trial.⁷⁵ More importantly, the Information duly informed Caballes of the charge against him, and adequately covered the elements of Section 3(e) of RA 3019. In any case, regardless of what document was signed by Caballes, the same offense of violation of Section 3(e) of RA 3019 is involved, and conviction thereof is proper.

Moreover, the Court also emphasizes that Caballes' reliance in *Arias v. Sandiganbayan*⁷⁶ (*Arias*) as an attempt to exculpate himself from any criminal liability is very much misplaced.⁷⁷

Under the *Arias* doctrine, all heads of offices have to rely to a reasonable extent on their subordinates and on the good faith of those who prepare bids, purchase supplies, or enter into negotiations.⁷⁸ However, it must be emphasized that the *Arias* doctrine is not an absolute rule. It is not a magic cloak that can be used as a cover by a public officer to conceal himself in the shadows of his subordinates and necessarily escape liability. Thus, this ruling cannot be applied to exculpate Caballes and his co-accused in view of the peculiar circumstances in this case which should have prompted them, as heads of offices, to exercise a higher degree of circumspection and, necessarily, go beyond what their subordinates had prepared.⁷⁹

Here, Caballes failed to prove that the *Arias* case is applicable to him. Unlike in *Arias*, there exists in the instant case several circumstances which should have alerted Caballes to be on guard and examine the several supporting documents sent to his office with some degree of circumspection before signing the RIVs, POs, and/or DVs. To restate, Caballes' role in the procurement/purchases is evident from the fact that he signed different documents at different stages, from the RIV, to the PO, to the DV, and even until the final stage of receiving the items delivered, as shown in the Certificates of Acceptance⁸⁰ which he also signed. Therefore, the Court cannot extend the protection afforded by the *Arias* doctrine to Caballes.

As to the penalty imposed, Section 9(a) of RA 3019,⁸¹ as amended, provides that a violation of Section 3 of the same law shall be punished with

⁷⁵ *Corpuz v. People*, G.R. No. 241383, June 8, 2020.

⁷⁶ 259 Phil. 794, 805 (1989).

⁷⁷ *Rollo*, p. 106.

⁷⁸ *Castillo-Co v. Sandiganbayan*, 838 Phil. 664, 679 (2018).

⁷⁹ *Id.*

⁸⁰ Exhibits "HH-8," "JJ-8," and "QQ-8."

⁸¹ Section 9 (a) of RA 3019, as amended, reads: 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. x x x

“imprisonment for not less than six years and one month nor more than fifteen years” and “perpetual disqualification from public office.”⁸² Thus, as applied in this case, the penalty imposed by the Sandiganbayan which is an imprisonment term “ranging from six (6) years and one (1) month, as minimum, to eight (8) years, as maximum,”⁸³ for each count of the offense, is in accordance with law. However, the aforementioned perpetual disqualification from public office should also be included.

Additionally, the amount ordered by the Sandiganbayan to be solidarily paid by Caballes, Legaspi, and Peralta in favor of the government should also be modified to ₱350,948.00, which represents the combined overpriced amount of the purchases made in Criminal Case Nos. 24480, 24482, 24484, and 24486, as discussed above. However, considering the general rule that the effects of an appeal can only bind the accused who appealed his or her conviction,⁸⁴ Legaspi and Peralta’s liability shall only be limited to their portion based on the Sandiganbayan’s ruling, which was pegged in the amount of ₱162,568.00.⁸⁵ Hence, while Legaspi and Peralta’s civil liability shall remain at ₱54,189.33 each,⁸⁶ Caballes’ civil liability shall be increased to ₱242,569.34.⁸⁷

All told, the Court is convinced that the Caballes’ guilt was proven beyond reasonable doubt, and that the Sandiganbayan did not err in its findings and conclusion in Criminal Case Nos. 24480, 24482, 24484, and 24486. The totality of the facts and circumstances demonstrates that Caballes committed the crime of violation of Section 3(e) of RA 3019 by causing undue injury to the government and giving unwarranted benefits to Ethnol Generics and J.V. Sorongon Enterprises through gross inexcusable negligence.

WHEREFORE, the appeal is **PARTLY GRANTED**. The June 7, 2019 Decision and the August 20, 2019 Resolution of the Sandiganbayan in Criminal Case Nos. 24479-24489 are hereby **MODIFIED** in that accused-appellant Samson Z. Caballes is **ACQUITTED** in Criminal Case Nos. 24481, 24487, and 24489. However, his conviction in Criminal Case Nos. 24480, 24482, 24484, and 24486 for the violation of Section 3(e) of Republic Act No. 3019 is **AFFIRMED** with **MODIFICATION** in that, aside from an imprisonment term ranging from six (6) years and one (1) month, as minimum, to eight (8) years, as maximum, he is also **PERPETUALLY DISQUALIFIED** from public office. Finally, Caballes and his co-accused, Sulpicio P. Legaspi, Moises R. Peralta, are held solidarily liable to pay the government the total amount of ₱350,948.00, of which Caballes is **ORDERED** to **PAY** ₱242,569.34. The amount due shall earn a legal interest of six percent (6%) per *annum* from the date of the finality of this Decision until full satisfaction thereof.

⁸² *Cabrera v. People*, supra note 37.

⁸³ *Rollo*, pp. 57-59.


⁸⁴ Section 11, Rule 122 of the Rules of Court; *People v. Galicia*, G.R. No. 238911, June 28, 2021.

⁸⁵ *Rollo*, p. 57.

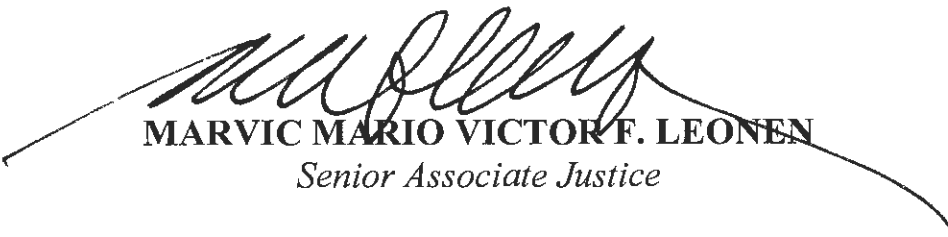
⁸⁶ ₱162,568.00 divided by the three accused (Legaspi, Peralta, and Caballes) equals ₱54,189.33.

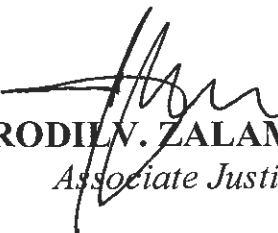
⁸⁷ ₱350,948.00-(₱54,189.33*2) equals ₱242,569.34.

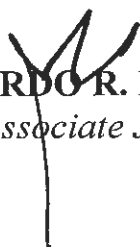
SO ORDERED.



RAMON PAUL L. HERNANDO
Associate Justice

WE CONCUR:


MARVIC MARIO VICTOR F. LEONEN
Senior Associate Justice


RODIL N. ZALAMEDA
Associate Justice


RICARDO R. ROSARIO
Associate Justice


JOSE MIDAS P. MARQUEZ
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.



RAMON PAUL L. HERNANDO
Acting Chairperson
Associate Justice

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution and the Division Acting 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.



ALEXANDER G. GESMUNDO
Chief Justice