

MALACAÑANG
Manila

BY THE PRESIDENT OF THE PHILIPPINES

ADMINISTRATIVE ORDER NO. 38

IMPOSING THE PENALTY OF SUSPENSION FOR ONE MONTH UPON LULU V. MACANDOG, ASSISTANT REGIONAL DIRECTOR FOR LIVESTOCK, ADMINISTRATION AND FINANCE, DEPARTMENT OF AGRICULTURE, REGION FIELD UNIT NO. 5

This refers to the administrative complaint filed with the Presidential Commission Against Graft and Corruption (PCAGC or Commission) by Crisanto J. Ortega, charging respondent Lulu V. Macandog, Assistant Regional Director of the Department of Agriculture (DA), Regional Field Unit No. 5 (DA-RFU5), San Agustin, Pili, Camarines Sur, with connivance in the overpayment of a contract between the DA and the Philippine Rural Reconstruction Movement (PRRM).

The findings of the Commission are herein quoted as follows:

"In sum, complainant charges respondent and her co-employees at the DA-RFU5 with conspiracy in the overpayment of a contract worth P3,150,000.00 between the DA and the PRRM. The sum actually paid to PRRM totaled P4,851,000.00. Complainant alleges that the overpaid sum of (P1,701,000.00) was used by respondent and her cohorts for their own ends before the said money was eventually returned by PRRM to the account of the DA.

"In her Counter-Affidavit, respondent did not controvert the charge of overpayment and averred the following:

'4. It is true that a contract for Coastal Resources Management (CRM) component of the Fishery Sector Program was entered into between the DA Central Office and the PRRM on October 22, 1992. However, the consideration and the amount paid to PRRM was P2,835,000.00 and not P3,150,000.00 as erroneously alleged in the complaint;

'5. It so innocently happened that the office misappreciated the facts behind those payments at a time when everyone seems (sic) to be too pre-occupied in facilitating for payment the



numerous obligations for purposes of the closing the books of accounts and preparing the year-end report, which led to the honest mistake of payment to PRRM, but strictly not a case of overpayment in the amount of P1,701,000.00. However, as evidence of good faith the said amount was timely and fully recovered and deposited to DA's depository bank (Development Bank of the Philippines-Naga Branch) in a very short period of time upon its discovery, thereby causing no damage to the government . . .

' X X X X X X

'10. Even the fact finding committee created in our office finds no liability on our part as it was clearly a case of an honest mistake. If ever a slight form of negligence did set in, it can only be attributed to the Accounting Section which has direct access to the records of payment. My approving signature was in the form of a ceremonial act as relying upon the certification of prior signatories as usually in any other similar cases.

X X X X X X XXX.'

"Considering the fact that the parties do not dispute the return to the DA of the overpaid amount of P1,701,000.00 about a month later after it was paid, the remaining issue is whether respondent Macandog is culpable for the subject overpayment and the allegedly delayed return of the amount so overpaid.

"A perusal of the evidence presented by respondent shows that the controversy was investigated by the DA. The Regional Director of DA-RFUS created a Fact-Finding Committee and the said Committee submitted its Report on August 22, 1995

"The said Report stated thus:

"X X X X X X

"It was gathered that on October 22, 1992, a "Contract for NGO Services" was entered into by and between the DA and PRRM for the purpose of managing and coordinating the Coastal Resources Management (CRM) component of the FOP



in Lagoon Gulf . . . in consideration of the amount of P2,835,000.00 . . . which was made payable in six (6) different modes of payments.

‘The following payments were as follows:

‘x x x x x x x x x

‘4. 20% representing the 2nd Quarter payment in the amount of P567,000.00 (Check No. RP 488221F, dated October 11, 1993)

‘5. 10% representing the 3rd Quarter payment in the amount of P283,500.00 (Check No. RP 489290F, dated December 20, 1993)

‘It totaled in (sic) the amount of P2,835,000.00 representing the full amount payable to PRRM under the contract.

‘It was however, noted that on December 20, 1993, four (4) more vouchers were processed for payment in duplication of the last four payments indicated above but embodied in four different vouchers all dated December 4, 1992, as follows:

<u>Amount</u>	<u>Check No.</u>	<u>Date of Check</u>
P 567,000.00	RP489284F	December 20, 1993
567,000.00	RP489285F	December 20, 1993
283,500.00	RP489286F	December 20, 1993
<u>283,500.00</u>	RP489287F	December 20, 1993

P1,701,000.00

‘This was the alleged overpayment amounting to exactly P1,701,000.00 in favor of PRRM.

‘Upon clarificatory inquiries, it was shown that the vouchers used in the alleged overpayment were the ones prepared and submitted in December of 1992 . . . They bore the



marks of regular vouchers and even bearing the initials from COA representatives indicating that they were in order. However, these were not considered for payment during the calendar year 1993 as they were kept as filed by the Bookkeeper and instead payments corresponding on (sic) the amounts thereon were made on staggered dates under currently prepared vouchers upon due demands.

'Unfortunately, those claim vouchers were considered for payment at a time when the Bookkeeper was not around to forewarn anybody that those were mere file vouchers, although not clearly indicated on its (sic) face, . . . It was coupled with the indications that enough funds were available for that purpose to guarantee such payments, and during the time when everything was in for the rush as occasional (sic) by the holiday season. It so coincided, as in any other agency, when all possible payments of claims are being facilitated for the closing of books of accounts and for the year-end reports (sic).

'The alleged overpayment was promptly and properly noticed or discovered by the Bookkeeper herself when she already reported for work during the early part of January 1993, the ensuing year.

'Immediately, thereafter, necessary representations were made to PRRM in Tabacco, Albay, although it also noticed the overpayment, which facilitated the return of the said amount in January 25, 1993 to the DA and correspondingly deposited with the DA's depository bank (DBP Naga Branch the following day, January 26, 1993. These are all evidenced by the records on hand.

'x x x

x x x

x x x

'In view of the foregoing facts and circumstances, the committee is of the findings (sic) that no intentional mistake was ever committed by the concerned DA personnel and officials that caused no damage to the government. Although it was admitted that such fact did actually happen yet classified as one of those honest mistakes on the part of those directly misappreciated the records in facilitating such payments. . .



'It must, however, be noted that the least of such honest mistake (sic) can be attributed to those who directly dealt with the records concerning such obligations, but definitely not to those who merely and ceremoniously affixed their signatures on the face of those vouchers but without direct access with the necessary records appertaining thereto. These signatories merely relied, as is usually the case in all similar situations, on the honest counter-checking and certification made by those with direct access to counter check directly with the records.'

"Granting that, as opined by the Fact-Finding Committee in its Report, it is the Accounting Section of DA-RFU5 which is primarily responsible for the overpayment subject of this controversy, the Commission cannot fully exculpate respondent from liability therefor.

"Respondent cannot simply and conveniently point a finger at the Accounting Section and wash her hands of the incident since she is the approving officer who signed the vouchers involved in the overpayment. Respondent rests on the argument that the affixing of her signature on the vouchers is a purely ministerial act as she merely relied on the prior signatures of other officers in the said documents. The contention cannot be upheld for several reasons.

"First, the amount overpaid P1,701,000.00 is by no means unsubstantial. In the absence of specific internal control procedures, it is the lookout of respondent to exercise a greater degree of care and prudence in approving monetary disbursements and issuances, particularly those involving considerable amounts.

"Second, an examination of the four (4) disbursement vouchers 'inadvertently' used in the overpayment shows that the years in the dates thereof all appear to have been tampered with. . . the presence of such irregularities on the face of the subject vouchers should have served as adequate notice to the respondent to exercise greater caution before signing the said documents. The slightest hint or suspicion of any irregularity should be first looked into by the approving officer before any money is released. Failure to do so amounts to neglect of duty.

"To sustain the justification that the error of overpayment was made because everyone at DA-RFU5 was preoccupied with facilitating the payment of numerous obligations for purposes of closing the books of accounts and



accomplishing the year-end report is to condone. . . negligence. In the case at bar, what occurred was not a innocuous mistake, but one that could have cost the government P1.7 million. The accounting staff and approving officers, by the very nature of their official duties, are tasked to be precise and circumspect, especially on the matter of disbursements as the same is, needless to say, a highly sensitive undertaking. It is beyond comprehension how four (4) vouchers already paid could still be utilized and processed anew if there were not something terribly wrong with the procedure being followed, or if someone were not out to commit a wrong-doing. As the approving officer, respondent was responsible for reviewing the validity of the claims, the signatures and the attachments to the vouchers. Had she truly done this, she would have discovered that the vouchers she was being asked to sign had already been paid. The respondent had the final say in the approval of those vouchers. If she was not certain as to the regularity thereof, she could have just ordered the preparation of the checks so they would be included in the accounts settled for that year but withheld their release for payment subject to the verification by the bookkeeper upon her return. Therefore, it is clear that the respondent cannot hide behind the defense that her signature in the subject vouchers were purely ceremonial in nature.

"Third, respondent cannot rightly say that no loss to the government resulted from the overpayment on the ground that the same was timely discovered and the money promptly returned to the coffers. Admittedly, the government did not lose any interest during the one-month period it took to retrieve the money considering that its account with DBP is a current one. . .

"Granting that what is adverted to is potential and not actual loss, the damage or injury to the government may nevertheless be classified as 'undue'. This is so because the overpayment should not even have occurred at all. By the overpayment, the government was needlessly exposed to the danger of losing funds. . .

"In light of the foregoing, the respondent is administratively liable for SIMPLE NEGLECT OF DUTY considering that her negligence resulted in minimal actual damage to the government and the error made was rectified within a relatively short period of time.

"WHEREFORE, the Commission hereby RESOLVES and so RECOMMENDS to the Office of the President the SUSPENSION for six (6) months of respondent LULU V. MACANDOG, Assistant Regional Director



for Livestock, Administration and Finance of the Department of Agriculture, Regional Field Unit No. 5, pursuant to Section 22(a), Less Grave Offenses, Rule XIV of the Omnibus Rules Implementing Book V of E.O. 292, with a warning that the commission by respondent of the same or a similar offense shall be dealt with more severely.

“SO RESOLVED.”

A thorough perusal of the records of this case as well as of the evidence presented by both parties leads this Office to no further conclusion than to affirm the findings of the Commission. However, I am not predisposed to imposing the maximum penalty for the offense in the absence of any serious damage arising therefrom.

IN VIEW OF THE FOREGOING, the penalty of SUSPENSION FOR ONE (1) MONTH without pay is hereby imposed upon respondent Lulu V. Macandog, Assistant Regional Director for Livestock, Administration and Finance of the Department of Agriculture, Regional Field Unit No. 5, for simple negligence, the suspension to take effect upon her receipt hereof.

SO ORDERED.

DONE in the City of Manila, this 20th day of NOVEMBER in the year of Our Lord, nineteen hundred and ninety-eight.

[Handwritten signature]



By the President:

[Handwritten signature]

RONALDO B. ZAMORA
Executive Secretary

