



Republic of the Philippines  
 Supreme Court  
 Manila

SECOND DIVISION

EDITHA B. SAGUIN and  
 LANI D. GRADO,

Petitioners,

G.R. No. 210603

Present:

- versus -

VELASCO, JR.,\* J.,  
 BRION, *Acting Chairperson*,\*\*  
 DEL CASTILLO,  
 MENDOZA, and  
 LEONEN, JJ.

PEOPLE OF THE  
 PHILIPPINES,

Respondent.

Promulgated:

25 NOV 2015

*M. Cabalag Perfecto*

X ----- X

DECISION

**MENDOZA, J.:**

This is a petition for review on *certiorari* under Rule 45 of the 1997 Rules of Civil Procedure assailing the April 4, 2013 Decision<sup>1</sup> and the December 4, 2013 Resolution<sup>2</sup> of the Sandiganbayan in Criminal Case No. SB-10-A/R-0002, which affirmed the November 10, 2009 Decision<sup>3</sup> of the Regional Trial Court, Branch 8, Dipolog City (*RTC*), in Criminal Case No. 15841, entitled "*People v. Editha B. Saguin, Lani D. Grado and Ruby C. Dalman.*"

\* Per Special Order No. 2282, dated November 13, 2015.

\*\* Per Special Order No. 2281, dated November 13, 2015.

<sup>1</sup> *Rollo*, pp. 70-86. Penned by Associate Justice Oscar C. Herrera, Jr. with Associate Justices Teresita V. Diaz-Baldos and Napoleon E. Inoturan, concurring.

<sup>2</sup> *Id.* at 88-93.

<sup>3</sup> *Id.* at 95-102.

The RTC decision upheld the May 14, 2009 Decision<sup>4</sup> of the Municipal Trial Courts in Cities, Dapitan City (*MTCC*), convicting petitioners Editha B. Saguin (*Saguin*) and Lani D. Grado (*Grado*) for Violation of Section 23 of Presidential Decree (*P.D.*) No. 1752,<sup>5</sup> as amended by Republic Act (*R.A.*) No.7742. The law was also covered by Executive Order (*E.O.*) No. 35.

**The Facts:**

Petitioners Saguin and Grado, together with Ruby C. Dalman (*Dalman*), all of Rizal Memorial District Hospital (*RMDH*), Dapitan City, were charged with violation of P.D. No. 1752,<sup>6</sup> as amended by R.A. No. 7742 before the MTCC in the Information, dated December 4, 1997, which reads:

The Undersigned Special Prosecution Officer, Office of the Ombudsman-Mindanao, accuses EDITHA B. SAGUIN, LANI D. GRADO and RUBY C. DALMAN for Violation of Section 23 of Presidential Decree No. 1752 as amended by Executive Order 35 and Republic Act No. 7742, committed as follows:

That during the period of March 1993, sometime prior or subsequent thereto, in the City of Dapitan, Zamboanga del Norte, Philippines, and within the jurisdiction of this Honorable Court, the above-accused EDITHA B. SAGUIN, a public officer, being then the Accountant II of the Rizal Memorial District Hospital, Dapitan City; LANI D. GRADO, also a public officer being then the Cashier of the said hospital; and RUBY C. DALMAN, also a public officer being the Administrative Officer II, same hospital, all with salary grades below 27, while in the performance of their respective public office, thus, committing the offense in relation to their public office, with abuse of confidence and taking advantage of their positions, conspiring and confederating with each other, did then and there cause the deduction from the salaries of the employees of the Rizal Memorial District Hospital, Dapitan City contributions for the Home Development Mutual Fund (HDMF) amounting to ₱7,965.58 and HDMF loan repayments amounting to ₱15,818.81 for the month of March 1993 but accused willfully, unlawfully and feloniously failed to remit the said collections to the FUND, to the prejudice of the abovementioned government officials and employees who paid penalties and surcharges.

CONTRARY TO LAW.<sup>7</sup>

---

<sup>4</sup> Id. at 103-110.

<sup>5</sup> Entitled "Amending The Act Creating The Home Development Mutual Fund," December 14, 1980.

<sup>6</sup> Id.

<sup>7</sup> *Rollo*, pp. 95-96. As quoted in the CA decision.

*Version of the Prosecution*

Through the testimony of its witnesses, the prosecution was able to establish that in the payment of the salaries and wages of the employees of RMDH and of the Rural Health Unit, the payroll would be prepared in the accounting section under the Accountant's Office for the approval of the Administrative Officer. The latter would then prepare the Request for Obligation of Allotment (*ROA*) and together with the payroll, submit the same to the Chief of Hospital for approval. The documents would then be returned to the Accountant's Office for certification and determination of the amount to be obligated.

In March 1993, accused Dalman was the Administrative Officer II, accused Saguin was the Accountant II, and accused Grado was the Cashier of RMDH, where a payroll was prepared showing all the amounts deductible from the salaries of the employees including Medicare, loan repayment, withholding taxes, retirement insurance premium, and Pag-IBIG contributions. In the said payroll, a total amount of ₱15,818.81 was deducted for the Pag-IBIG loan repayments and a total amount of ₱7,965.58 was deducted for the Pag-IBIG contributions of all the hospital and rural health employees. It was later discovered by the employees that these amounts were not at all remitted to the Pag-IBIG Fund after some of them applied for a loan and were denied due to non-remittance and billing of surcharges against them. This led to the filing of complaints by the employees before the Office of the Chief of the Hospital, which called the attention of Saguin.

*Version of the Defense*

Taking the witness stand, Grado testified that one of her duties as a cashier was to collect the fees paid to the hospital and deposit the same to the bank. She was also responsible for the payment of the salaries of the employees and the remittance of the deductions reflected in the payroll. The remittances to the Pag-IBIG Fund were made through checks and sent by mail. For the month of March 1993, however, they could no longer issue checks because of the devolution of the hospital to the provincial government. She was of the belief that it would be the provincial government that would make the remittance to the Pag-IBIG Fund because the check which they earlier issued was cancelled.

For her part, Saguin claimed that in 1993, as the accountant of RMDH, she certified as to the availability of funds, prepared the financial statements and reports submitted to the COA, DBM and the Regional Health Office. With respect to the hospital remittances to the Pag-IBIG Fund, GSIS, BIR, her participation was the preparation of the payroll; all accounts would be

obligated and the gross amount would be certified by her. During the devolution of the hospital to the province in April 1993, they were just told to prepare the vouchers and the final transaction would be approved by the province. For her failure to effect the remittances in March 1993, she was made to explain by the Chief of the Hospital. She gave the reason that they were no longer allowed to issue checks for the month of April 1993, although there was already a voucher prepared by Grado.

Dalman testified that she was aware that in March 1993, there was no payment for the remittances to the Pag-IBIG Fund for all the employees including her, Grado and Saguin. A meeting was called by the Chief of the Hospital regarding the matter and she explained that their allotment was lacking and there was no way for them to make the remittances because the provincial government was already in control of the hospital finances due to the devolution. The Chief of the Hospital made representations to the Governor but the matter of non-remittance was not brought up.

#### *The Ruling of the MTCC*

On May 14, 2009, the MTCC rendered its decision finding all the accused guilty beyond reasonable doubt of violation of P.D. No. 1752, as amended by R.A. No. 7742. The dispositive portion of the decision reads:

WHEREFORE, judgment is rendered declaring accused RUBY DALMAN, EDITHA SAGUIN and LANI GRADO guilty beyond reasonable doubt of the crime charged in the Information. They are hereby sentenced to pay a FINE in the total amount of ₱50,000.00 each with subsidiary imprisonment in case of failure to pay the fine and to pay jointly and severally the total amount of ₱23,784.39 plus interest of 12% per annum from April 1993 until the amount is fully satisfied.

SO ORDERED.<sup>8</sup>

#### *The Ruling of the RTC*

On appeal, the RTC affirmed the decision of the MTCC with modification as to the sentence imposed. The RTC was of the view that the devolution of the hospital to the provincial government was not a sufficient reason to prevent it from functioning in its usual and normal course. Such devolution should not have hampered the operation of the hospital to the extent of causing undue damage and prejudice to its employees considering

---

<sup>8</sup> Id. at 110.

that all the accused continued to perform their official tasks as employees of the hospital in April 1993.

The RTC reiterated the statement of the MTCC that the case involved a violation of a special law and the offense committed was *malum prohibitum*. Thus, the act alone, irrespective of the motive or reason of the accused, already constituted a violation. The mere failure, without a lawful cause, to remit the Pag-IBIG contributions and loan payments for the month of March 1993 was punishable. Thus, it disposed:

WHEREFORE, in view of the foregoing observations, judgment is hereby rendered affirming the decision of the MTCC, Dapitan City dated May 14, 2009, finding the accused Ruby C. Dalman, Editha D. Saguin and Lani D. Grado guilty beyond reasonable doubt for violation of Section 23 of P.D. 1752 as amended by E.O. No. 35 and R.A. 7742 with modification. The herein accused are hereby sentenced to pay jointly and severally the amount of ₱23,784.39 representing the remittances for Pag-ibig loan repayment in the amount of ₱15,818.81 and for Pag-ibig contribution in the amount of ₱7,965.58 plus 12% interest per annum from April, 1993 until fully paid and to pay jointly and severally a fine of ₱23,784.39 with subsidiary imprisonment in case of insolvency.

SO ORDERED.<sup>9</sup>

#### *The Ruling of the Sandiganbayan*

The three accused elevated the matter to the Sandiganbayan. In its assailed decision, dated April 4, 2013, the Sandiganbayan affirmed the decisions of the MTCC and the RTC, stating that the testimonial and documentary evidence of the prosecution proved the guilt of the accused beyond reasonable doubt for violation of P.D. No. 1752, as amended by R.A. No. 7742. The subsequent repeal of these laws by R.A. No. 9679<sup>10</sup> did not absolve the accused from criminal liability because the provisions of P.D. No. 1752, as amended, were reenacted in R.A. No. 9679. Moreover, the participation of the private prosecutor during the trial did not render the entire proceedings null and void, there being no serious objection raised and pursued by the accused-petitioners. In view of the institution of a separate civil action to recover civil liability, however, the Sandiganbayan deleted the award of civil indemnity. Thus, the dispositive portion reads as follows:

---

<sup>9</sup> Id. at 102.

<sup>10</sup> Entitled "An Act Further Strengthening The Home Development Mutual Fund, And For Other Purposes," signed into law on July 21, 2009.

WHEREFORE, premises considered, the Court hereby affirms the Decision dated November 10, 2009, rendered by the Regional Trial Court, Branch 8, Dipolog City in Criminal Case No. 15841, affirming the Decision dated May 4, 2009 of the Municipal Trial Court in Dapitan City in Criminal Case No. 15415, finding accused Editha B. Saguin, Ruby C. Dalman and Lani D. Grado guilty beyond reasonable doubt of Violation of Section 23 of Presidential Decree (P.D.) No. 1752, as amended by Executive Order No. 35 and Republic Act No. 7742, and imposing upon each of them the penalty of a fine of ₱23,784.39.

The award of civil indemnity by both the RTC and MTCC is hereby cancelled.

SO ORDERED.<sup>11</sup>

Saguin and Grado filed their motion for reconsideration but it was denied in the Sandiganbayan Resolution, dated December 4, 2013.

Hence, this petition.

Petitioners Saguin and Grado contend that the Sandiganbayan committed grave and serious errors:

1. in applying the penal sanctions in Sec. 23, P.D. No. 1752, as amended by R.A. No. 7742, to them, who are mere ordinary employees of the hospital despite that the subject provision applies specifically only to the “employer” upon whom the “duty... to set aside and remit the contributions required” is incumbent, or in case of a corporation, “upon the members of the governing board and the President or General Manager.”
2. in failing to consider that there exists no legal basis to hold them criminally liable for the charge because it was only with the enactment of R.A. No. 9679 in 2009, integrating all laws relating to the HDMF, that penal sanctions were provided for ‘other officials and employees’ of government instrumentalities for acts subject of the indictment in this case.
3. in failing to take into account the overriding considerations and undisputed evidence on record establishing that they were no longer tasked or responsible for HDMF remittances of the hospital employees for March 1993 in view of the “devolution” which transferred the control and functions

---

<sup>11</sup> *Rollo*, pp. 85-86.

over hospital financial operations and transactions to the Provincial Government of Zamboanga del Norte.

4. in finding that no serious objection was raised and pursued by them over the prosecution of the case by a Private Prosecutor does not conform to the records, and ruling that such defect nonetheless does not affect the validity of the proceedings conducted by the Court *a quo*.<sup>12</sup>

In its Comment,<sup>13</sup> the respondent through the Office of the Special Prosecutor (*OSP*) sought the dismissal of the petition on the ground that it raises factual issues which were beyond the coverage of a petition for review on *certiorari* under Rule 45 and outside the jurisdiction of this Court.

The *OSP* argued that the Sandiganbayan did not commit any error of law in ruling that the petitioners' criminal liability was not obliterated by the passage of R.A. No. 9679 which repealed P.D. No. 1752. Likewise, it insisted that the Sandiganbayan was correct when it ruled that there was no basis to nullify the MTCC proceedings on the ground that a private prosecutor actively participated in the prosecution of the case because the private prosecutor was under the direction and control of the public prosecutor.

#### **Issue:**

The sole issue for the Court's resolution is whether the Sandiganbayan committed reversible errors to warrant the exoneration of the petitioners from criminal liability.

#### **The Court's Ruling**

It should be emphasized that, as a rule, the Court does not review factual questions under Rule 45 of the Rules of Court. In appeals from the Sandiganbayan, only questions of law and not issues of fact may be raised. Issues raised before the Court as to whether the prosecution evidence proved the guilt of the petitioners beyond reasonable doubt, or whether the presumption of innocence was properly accorded the petitioners, or whether the petitioners remained responsible for the Pag-IBIG Fund or the Home Development Mutual Fund (*HDMF*) remittances of the employees in March 1993 at the time of the "devolution" of the hospital are all, in varying degrees, questions of fact. Although it is true that the factual findings of the

---

<sup>12</sup> Id. at 47.

<sup>13</sup> Dated June 16, 2014, id. at 281-303.

Sandiganbayan are conclusive on this Court, there are established exceptions to this rule, among them: (1) the conclusion is a finding grounded entirely on speculations, surmises, and conjectures; (2) the inference made is manifestly mistaken; (3) there is grave abuse of discretion; (4) the judgment is based on misapprehension of facts; and (5) the findings of fact of the Sandiganbayan are premised on the absence of evidence and are contradicted by evidence on record.<sup>14</sup>

Based on the testimonial and documentary evidence presented, the Court agrees with the petitioners that their case falls within the exceptions as the findings of the Sandiganbayan were based on misapprehension of facts. The Court finds that the guilt of the petitioners had not been proven beyond reasonable doubt.

The petitioners were prosecuted for their failure to remit the HDMF contributions and loan payments of hospital employees for the month of March 1993 under Section 23 of P.D. No. 1752, as amended by R.A. No. 7742 which reads:

**Section 23. Penal Provisions. Refusal or failure without lawful cause or with fraudulent intent to comply with the provisions of this Decree, as well as the implementing rules and regulations adopted by the Board of Trustees, particularly with respect to registration of employees, collection and remittance of employee savings as well as employer counterparts, or the correct amount due, within the time set in the implementing rules and regulations or specific call or extension made by the Fund Management, shall constitute an offense punishable by a fine of not less, but not more than twice, the amount involved or imprisonment of not more than six (6) years, or both such fine and imprisonment, in the discretion of the Court, apart from the Civil liabilities and/or obligations of the offender or delinquent. When the offender is a corporation, the penalty shall be imposed upon the members of the governing board and the President or General Manager, without prejudice to the prosecution of related offenses under the Revised Penal Code and other laws, revocation and denial of operating rights and privileges in the Philippines, and deportation when the offender is a foreigner.**

[Emphasis and Underscoring Supplied]

Under the afore-quoted provision, it is clear that failure to effect the remittances is punishable when the refusal or failure is “without lawful cause or with fraudulent intent to comply.” In the present case, the failure of the petitioners to make the remittances for HDMF contributions and loan payments for the month of March 1993 was not without lawful cause. The

---

<sup>14</sup> *Jaca v. People of the Philippines*, G.R. Nos. 166967, 166974 & 167167, January 28, 2013, 689 SCRA 270, 294, citing *Pareño v. Sandiganbayan*, 326 Phil. 255, 279 (1996).

petitioners posit that they were no longer responsible for the HDMF remittances of hospital employees for March 1993 because of the “devolution” which transferred the control over the financial operations and transactions of the hospital to the Provincial Government of Zamboanga del Norte. They presumed that the duty to remit and pay the respective accounts and liabilities of the hospital was incumbent upon the Provincial Government, the local government unit which had control and supervision over the devolved agency.

The Sandiganbayan, however, adopted the findings of the RTC that such devolution was not a reason for the hospital not to function in its usual and normal course as it could not have hampered its operation especially so that the three (3) accused were still performing their official tasks as employees of the hospital in April 1993.<sup>15</sup>

The Court notes that the Sandiganbayan overlooked and failed to take into consideration the evidence showing that as borne by the records, the remittances for HDMF contributions and payments were, in actual practice, effected by RMDH on the months succeeding the deductions as the same were being deducted from the second *quincena* payroll.<sup>16</sup> Thus, the remittances covering the deductions made on the second *quincena* payroll of March 1993 were supposed to be made in April 1993.

By April 1, 1993, however, the RMDH had been devolved to the Provincial or Local Government of Zamboanga del Norte. Thus, all financial transactions of the hospital were carried out through the Office of the Provincial Governor.<sup>17</sup> The petitioners, therefore, had legal basis to believe that the duty to set aside funds and to effect the HDMF remittances was transferred from the hospital to the provincial government. Hence, the petitioners should not be penalized for their failure to perform a duty which were no longer theirs and over which they were no longer in control.

It is not disputed that the petitioners, by the nature of their functions, were duty-bound to comply with the collection and remittance of loan payments and contributions of the correct amount due. Grado explained that in the month of April 1993, she could no longer issue checks to remit deductions in March 1993 because of the “devolution” under the Local Government Code (R.A. No. 7160), which was implemented in April 1993. The devolution relegated the hospital under the local government unit of Zamboanga del Norte which then took control of its financial transactions and operations. Grado by then was already assigned at the Provincial

---

<sup>15</sup> *Rollo*, p. 79.

<sup>16</sup> *Id.* at 226-228.

<sup>17</sup> *Id.* at 244.

Treasurer's Office where she was given the job of recording of Cash Book and making reports of check disbursements. She no longer had any duty or hold-over authority with respect to the HDMF remittances of the hospital employees because the vouchers for Pag-IBIG remittances of premiums and loan repayments were already prepared in the Accounting and Treasurer's Offices of the Provincial Government which had assumed the said duty.<sup>18</sup>

Similarly, Saguin explained that although it was her duty to certify as to the availability of funds, such function was assumed by the Provincial Accountant's Office who took control of all assets and liabilities of the hospital when the devolution became effective on April 1, 1993. She was no longer the one tasked to prepare vouchers for the hospital because she was also transferred to the Office of the Provincial Accountant. They could not effect remittances for March 1993 as they were no longer allowed to issue checks in April 1993, although in a meeting with the Governor, she brought up the matter of nonpayment of HDMF remittances for March 1993.<sup>19</sup> Thus, the failure to make the March 1993 HDMF remittance was not their fault, but because of the refusal or failure of the Chief of Hospital to make a request to the provincial government for the payment of due accounts. As can be gleaned from the records, Dalman informed the Hospital Chief as to the petitioners' incapacity to issue checks and that the check prepared for the remittance of HDMF contributions was cancelled, but the latter failed to make the corresponding request to the Provincial Governor for payment of the employees' HDMF contributions and loan remittances.<sup>20</sup>

Indeed, the petitioners continued to perform their functions even after the hospital was devolved to the provincial government. The OSP cited a memorandum<sup>21</sup> showing Grado's reassignment to the Office of the Provincial Treasurer on February 10, 1994. Such reassignment, however, did not mean that her power or authority was the same. It is noted that the memorandum stated that the reassignment was effected "[i]n view of the implementation of newly established accounting and auditing system which resulted to [in] a significant increase in the volume of work in the treasury and accounting office xxx." This implies that even before the said transfer, the financial operations of the hospital including the duty to make remittances had already been taken over by the provincial government. The said memorandum does not show either that she was still performing her task of remitting the payments to the HDMF. In fact, the Letter<sup>22</sup> to the Governor, dated August 14, 1995, was pursuant to a recall memorandum as it readily showed that Grado was ordered back to RMDH as cashier. The fact that the memorandum was denominated as recall presupposes that there

---

<sup>18</sup> Id. at 316.

<sup>19</sup> Id. at 57.

<sup>20</sup> Id. at 59.

<sup>21</sup> Id. at 260.

<sup>22</sup> Id. at 258.

was a prior and previous assignment or performance of duty. This even fortified and confirmed her position that she was no longer responsible and obligated to make the remittance at the time of devolution due to her reassignment.

For the said reasons, the finding of the RTC as affirmed by the Sandiganbayan as to the petitioners' continued performance of functions despite the devolution was not accurate as correctly argued by the petitioners. The records are bereft of any showing that the petitioners retained the same powers and duties and failed without justification. Surmises and conjectures have no place in a judicial inquiry and are especially anathema in a criminal prosecution.<sup>23</sup>

The devolution of the hospital to the provincial government, therefore, was a valid justification which constituted a lawful cause for the inability of the petitioners to make the HDMF remittances for March 1993.

There was no showing either of fraudulent intent or deliberate refusal on the part of the petitioners to make the March 1993 remittance. Whatever lapses attended such non-remittance may be attributed to the *confusion* of the concerned personnel as to their functions and responsibilities brought about by the advent of the devolution. More important was the honest belief of the petitioners that the remittance function was transferred to, and assumed by, the provincial government. In fact, the petitioners duly informed the Hospital Chief of the need to make representations to the Governor to make such payment.

For said reason, they cannot and should not be faulted for the non-remittance. Further, as aptly averred by petitioners, there was no reason for them to delay or realign the funds intended for remittances because they themselves were prejudiced and affected parties.<sup>24</sup>

It is a general principle in law that in *malum prohibitum* case, good faith or motive is not a defense because the law punishes the prohibited act itself. The penal clause of Section 23 of P.D. No. 1752, as amended, however, punishes the failure to make remittance only when such failure is without lawful cause or with fraudulent intent.

As earlier stated, evidence for fraudulent intent was wanting in this case. In March 1993, the payroll was prepared showing all the amounts deductible from the salaries of the employees including Medicare, loan

---

<sup>23</sup> *People v. Furugganan*, G.R. No. 90191-96, January 28, 1991, 193 SCRA 471.

<sup>24</sup> *Rollo*, p. 264.

repayment, withholding taxes, retirement insurance premium, and Pag-IBIG contributions. In the said payroll, a total amount of ₱15,818.81 was deducted for the Pag-IBIG loan repayments and a total amount of ₱7,965.58 was deducted for the Pag-IBIG contributions of all the hospital and rural health employees. The deductions, however, were comingled with the funds of RMDH. The prosecution could not even argue and prove that the petitioners pocketed or misappropriated the deductions.

Notwithstanding the fact that the penal provisions of P.D. No 1752, as amended, were reenacted and even expanded in R.A. No. 9679, the petitioners cannot be held liable whether under P.D. No. 1752 or under R.A. No. 9679 as their act of non-remittance was justified by a lawful cause - the devolution.

In view of the foregoing circumstances, the Court finds that the guilt of the petitioners was not proven beyond reasonable doubt. Doubtless, there was noncompliance with the provisions on remittances in P.D. No. 1752, as amended, but considering that there was a doubt engendered by the devolution, the Court resolves it in favor of the petitioners. As written in *Ruzol v. Sandiganbayan*:<sup>25</sup>

First, it is settled that an accused in a criminal case is presumed innocent until the contrary is proved and that to overcome the presumption, nothing but proof beyond reasonable doubt must be established by the prosecution.

xxx

The imperative of proof beyond reasonable doubt has a vital role in our criminal justice system, the accused, during a criminal prosecution, having a stake interest of immense importance, both because of the possibility that he may lose his freedom if convicted and because of the certainty that his conviction will leave a permanent stain on his reputation and name.

xxx

The Court further explained:

Law and jurisprudence demand proof beyond reasonable doubt before any person may be deprived of his life, liberty, or even property. Enshrined in the Bill of Rights is the right of the petitioner to be presumed innocent until the contrary is proved, and to overcome the presumption, nothing but proof beyond reasonable doubt must be established by the prosecution. The constitutional presumption of innocence requires courts to take a more than casual consideration of every circumstance of doubt proving the innocence of petitioner.

---

<sup>25</sup> G.R. Nos. 186739-960, April 17, 2013, 696 SCRA 742.

Verily, an accused is entitled to an acquittal unless his or her guilt is shown beyond reasonable doubt and it is the primordial duty of the prosecution to present its side with clarity and persuasion, so that conviction becomes the only logical and inevitable conclusion, with moral certainty.

Indeed, proof beyond reasonable doubt does not mean such a degree of proof, excluding possibility of error, produces absolute certainty; moral certainty only is required, or that degree of proof which produces conviction in an unprejudiced mind.<sup>26</sup>

[Underscoring Supplied]

When guilt is not proven with moral certainty, it has been the Court's long-standing policy that the presumption of innocence must be favored and exoneration granted as a matter of right.<sup>27</sup>

In fine, the decision of the Sandiganbayan affirming the conviction of the petitioners for violation of Section 23, P.D. No. 1752, as amended, should be reversed and set aside, without prejudice to their administrative and/or civil liabilities, if warranted.

**WHEREFORE**, the petition is **GRANTED**. The April 4, 2013 Decision of the Sandiganbayan and its December 4, 2013 Resolution are hereby **REVERSED** and **SET ASIDE**. Accordingly, petitioners Editha B. Saguin and Lani D. Grado are **ACQUITTED**.

This disposition is without prejudice to their administrative and/or civil liabilities, if warranted.

**SO ORDERED.**

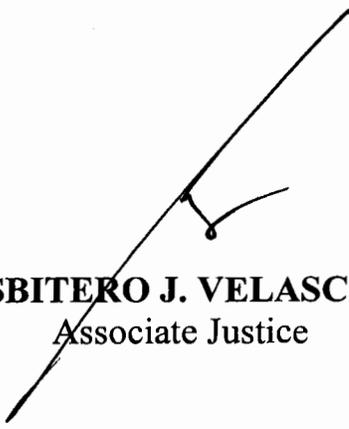
  
**JOSE CATRAL MENDOZA**  
Associate Justice

---

<sup>26</sup> Id. at 787-788, citations omitted.

<sup>27</sup> *People of the Philippines v. Maraorao*, 688 Phil. 458, 467, citing *Fernandez v. People*, 395 Phil. 478, 504 (2000).

**WE CONCUR:**



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



**ARTURO D. BRION**  
Associate Justice  
Acting Chairperson



**MARIANO C. DEL CASTILLO**  
Associate Justice



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

**A T T E S T A T I O N**

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.



**ARTURO D. BRION**  
Associate Justice  
Acting Chairperson, Second Division

**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.



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

h