



REPUBLIC OF THE PHILIPPINES

Sandiganbayan
QUEZON CITY

SEVENTH DIVISION

PEOPLE OF THE PHILIPPINES,
Plaintiff,

Criminal Case No. SB-12-CRM-
0087

-versus-

ANTONIO P. BELICENA,
ULDARICO P. ANDUTAN, JR.,
RAUL C. DE VERA, ROSANNA P.
DIALA, RAMON A.
RODRIGUEZ,* and JOSEPH
CABOTAJE.**

Accused.

x ----- x
PEOPLE OF THE PHILIPPINES,
Plaintiff,

Criminal Case No. SB-12-CRM-
0088

-versus-

ANTONIO P. BELICENA,
ULDARICO P. ANDUTAN, JR.,
RAUL C. DE VERA, ROSANNA P.
DIALA, RAMON A.
RODRIGUEZ, and JOSEPH
CABOTAJE.

Accused.

x ----- x
PEOPLE OF THE PHILIPPINES,
Plaintiff,

Criminal Case No. SB-12-CRM-
0089

-versus-

* At large

** At large

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**ANTONIO P. BELICENA,
ULDARICO P. ANDUTAN, JR.,
RAUL C. DE VERA, ROSANNA P.
DIALA, RAMON A.
RODRIGUEZ, and JOSEPH
CABOTAJE.**

Accused.

X-----X
PEOPLE OF THE PHILIPPINES,
Plaintiff,

Criminal Case No. **SB-12-CRM-
0090**

-versus-

**ANTONIO P. BELICENA,
ULDARICO P. ANDUTAN, JR.,
RAUL C. DE VERA, ROSANNA P.
DIALA, RAMON A.
RODRIGUEZ, and JOSEPH
CABOTAJE.**

Accused.

X-----X
PEOPLE OF THE PHILIPPINES,
Plaintiff,

Criminal Case No. **SB-12-CRM-
0091**

-versus-

**ANTONIO P. BELICENA,
ULDARICO P. ANDUTAN, JR.,
RAUL C. DE VERA, ROSANNA P.
DIALA, RAMON A.
RODRIGUEZ, and JOSEPH
CABOTAJE.**

Accused.

X-----X
PEOPLE OF THE PHILIPPINES,
Plaintiff,

Criminal Case No. **SB-12-CRM-
0092**

-versus-

**ANTONIO P. BELICENA,
ULDARICO P. ANDUTAN, JR.,
RAUL C. DE VERA, BRANDY L.**

1/2

**MARZAN, RAMON A.
RODRIGUEZ, and JOSEPH
CABOTAJE.**

Accused.

X ----- X

PEOPLE OF THE PHILIPPINES,
Plaintiff,

Criminal Case No. **SB-12-CRM-
0093**

-versus-

**ANTONIO P. BELICENA,
ULDARICO P. ANDUTAN, JR.,
RAUL C. DE VERA, BRANDY L.
MARZAN, RAMON A.
RODRIGUEZ, and JOSEPH
CABOTAJE.**

Accused.

X ----- X

PEOPLE OF THE PHILIPPINES,
Plaintiff,

Criminal Case No. **SB-12-CRM-
0094**

-versus-

**ANTONIO P. BELICENA,
ULDARICO P. ANDUTAN, JR.,
RAUL C. DE VERA, ROSANNA P.
DIALA, RAMON A.
RODRIGUEZ, and JOSEPH
CABOTAJE.**

Accused.

X ----- X

PEOPLE OF THE PHILIPPINES,
Plaintiff,

Criminal Case No. **SB-12-CRM-
0095**

-versus-

**ANTONIO P. BELICENA,
ULDARICO P. ANDUTAN, JR.,
RAUL C. DE VERA, ROSANNA P.
DIALA, RAMON A.
RODRIGUEZ, and JOSEPH
CABOTAJE.**

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Accused.

X ----- X

PEOPLE OF THE PHILIPPINES,
Plaintiff,

Criminal Case No. **SB-12-CRM-**
0096

-versus-

ANTONIO P. BELICENA,
ULDARICO P. ANDUTAN, JR.,
RAUL C. DE VERA, ROSANNA P.
DIALA, RAMON A.
RODRIGUEZ, and JOSEPH
CABOTAJE.

Accused.

X ----- X

PEOPLE OF THE PHILIPPINES,
Plaintiff,

Criminal Case No. **SB-12-CRM-**
0097

-versus-

ANTONIO P. BELICENA,
ULDARICO P. ANDUTAN, JR.,
RAUL C. DE VERA, ROSANNA P.
DIALA, RAMON A.
RODRIGUEZ, and JOSEPH
CABOTAJE.

Accused.

X ----- X

PEOPLE OF THE PHILIPPINES,
Plaintiff,

Criminal Case No. **SB-12-CRM-**
0098

-versus-

ANTONIO P. BELICENA,
ULDARICO P. ANDUTAN, JR.,
RAUL C. DE VERA, ROSANNA P.
DIALA, RAMON A.
RODRIGUEZ, and JOSEPH
CABOTAJE.

Accused.

X ----- X

PEOPLE OF THE PHILIPPINES,

Criminal Case No. **SB-12-CRM-**
0099

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Plaintiff,

-versus-

ANTONIO P. BELICENA,
ULDARICO P. ANDUTAN, JR.,
RAUL C. DE VERA, BRANDY L.
MARZAN, RAMON A.
RODRIGUEZ, and JOSEPH
CABOTAJE.

Accused.

X ----- X
PEOPLE OF THE PHILIPPINES,
Plaintiff,

Criminal Case No. SB-12-CRM-
0100

-versus-

ANTONIO P. BELICENA,
ULDARICO P. ANDUTAN, JR.,
RAUL C. DE VERA, BRANDY L.
MARZAN, RAMON A.
RODRIGUEZ, and JOSEPH
CABOTAJE.

Accused.

Present:
Gomez-Estoesta, J., *Chairperson*
Trespeses, J. and
Hidalgo, J.

Promulgated:
March 29, 2019 *JP*

X ----- X

DECISION

GOMEZ-ESTOESTA, J.:

With the lofty objective of jump-starting investments in Filipino industries during the past turn of the century, *Executive Order No. 226* (otherwise known as the *Omnibus Investments Code of 1987*) offered one lucrative incentive to qualified entities: an opportunity to apply for tax credits on domestic capital equipment.¹ This was significant because a tax credit is “a peso-for-peso reduction from a taxpayer’s tax liability. It is a direct subtraction from the tax payable to the government.”²

¹ Omnibus Investments Code of 1987, Executive Order No. 226, art. 39 (d), which was eventually repealed by Section 20 of Republic Act No. 7716 (1994)

² *Commissioner of Internal Revenue v. Central Luzon Drug Corp.*, G.R. No. 159610, June 12, 2008

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Countless firms engaged in various businesses leapt at the opportunity, and they did not hesitate to file their respective applications for tax credit before the Board of Investments (BOI). Eventually, the filing of such applications was transferred from the BOI to the Department of Finance (DOF) One-Stop Shop Inter-Agency Tax Credit and Duty Drawback Center (hereinafter, "the Center"). One of the entities who filed applications for tax credit before the Center was bus operator RA Rodriguez Bus Line, which was the brainchild of accused Ramon A. Rodriguez and/or Joseph Cabotaje. It sought to obtain tax credits on its purchases of several buses from local manufacturers Commercial Motors Corporation, Filipinas Daewoo Industries Corporation, and Pilipinas Hino, Inc.

Not too long thereafter, it came to the attention of the State that unscrupulous entities were taking advantage of and defrauding the system, and an investigation was launched to stop the same. Spearheaded by the Special Presidential Task Force 156, the investigation discovered that there were *anomalous, non-existent, and/or overvalued* supporting documents (e.g. commercial documents such as sales invoices) attached to the applications of RA Rodriguez Bus Line, which *bloated the amount of its claims*. Because the purchase price as claimed by the applicant formed the basis for the computation of tax credit, any increase above the actual value of the bus as stated in the invoice had a direct proportional increase on the tax credit awarded. In these cases, RA Rodriguez was issued seven (7) tax credit certificates (TCCs) by the Center.

The subject at hand is precisely how the irregular applications filed by RA Rodriguez Bus Line largely remained unnoticed by the gatekeepers of the Center under whose watch said applications were approved and corresponding TCCs had been issued. These officials were accused Antonio P. Belicena, Atty. Uldarico P. Andutan, Jr., Raul C. De Vera, Atty. Brandy L. Marzan, and Rosanna P. Diala.

Aggrieved, the State struck back by indicting all the accused for *Falsification of Official/Public/Commercial Documents*, and *Violation of Section 3 (e) of Republic Act No. 3019*.

THE CHARGES AGAINST THE ACCUSED

The Information dated February 28, 2012 in *Criminal Case No. SB-12-CRM-0087* for *Falsification of Official/Public/Commercial Documents* punishable by Article 171, in relation to Article 172, of the *Revised Penal Code* charged:

That on or about June 17, 1997, or sometime prior or subsequent thereto, in the City of Manila, Philippines, and within the jurisdiction of this Honorable Court, the above-named accused, ANTONIO P. BELICENA, then Undersecretary; UL DARICO P. ANDUTAN, JR., Deputy Executive Director; RAUL C. DE VERA, Former OIC [Officer-In-Charge], Net Local Content/Net Value, ROSANNA P. DIALA, Evaluator, of the Department of

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[F]inance, with the first two accused classified as high[-]ranking public officials, conspiring and confederating with private accused RAMON A. RODRIGUEZ and JOSEPH CABOTAJE, both of RA Rodriguez Bus Line, the said accused public officials taking advantage of their functions and committing the offense in relation to office, thru (sic) false pretense, did then and there, willfully, unlawfully, and feloniously falsify or cause to be falsified the Evaluation Report for Tax Credit Application No. 97-D-0064, by making it appear that in the said Evaluation Report that the supporting documents, from which the accused based their computation and corresponding issuance of Tax Credit Certificate No. 007598 in the amount of THREE MILLION THREE HUNDRED ELEVEN THOUSAND SIX HUNDRED SIXTY ONE PESOS (PHP3,311,661.00), were duly issued or the original copies of which exist, when in truth and in fact, as the accused knew fully well that the aforesaid documents were not duly issued or the original copies thereof were non-existent, and thereafter did then and there approved and issued said TCC No. 007598, to the prejudice of public interest.

CONTRARY TO LAW.

The six (6) other Informations for *Falsification of Official/Public/Commercial Documents* were similarly worded, save for the names of the accused involved, the approximate dates of the commission of the offenses, the tax credit application numbers as reflected in the evaluation reports, the TCC numbers, and the amounts of tax credit involved, in this wise:

Criminal Case Nos.	Names of Accused Involved	Approx. Date of Commission of the Offense	Tax Credit Application Nos.	TCC Nos.	Amount of Tax Credit Involved (in PHP)
SB-12-CRM-0088	Antonio P. Belicena Atty. Uldarico P. Andutan, Jr. Raul C. De Vera Rosanna P. Djalá Ramon A. Rodriguez Joseph Cabotaje	July 22, 1997	97-D-0074	007953	1,374,909.00
SB-12-CRM-0089	-same-	October 31, 1997	97-D-0104	008549	4,478,905.00
SB-12-CRM-0090	-same-	April 16, 1998	98-D-0038	009760	2,036,423.00
SB-12-CRM-0091	-same-	May 25, 1998	98-D-0053	010005	835,448.00
SB-12-CRM-0092	Antonio P. Belicena	April 8, 1998	98-D-0055	009707	4,177,241.00

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	Atty. Uldarico P. Andutan, Jr. Raul C. De Vera Atty. Brandy L. Marzan Ramon A. Rodriguez Joseph Cabotaje				
SB-12-CRM- 0093	-same-	May 25, 1998	98-D-0054	009705	1,619,597.00

On the other hand, the Information dated March 1, 2012 in *Criminal Case No. SB-12-CRM-0094 for Violation of Section 3 (e) of Republic Act No 3019* averred:

That on or about June 17, 1997, or sometime prior or subsequent thereto, in the City of Manila, Philippines, and within the jurisdiction of this Honorable Court, the above-named accused, ANTONIO P. BELICENA, then Undersecretary; ULDARICO P. ANDUTAN, JR., former Deputy Executive Director, RAUL C. DE VERA, former OIC [Officer-In-Charge], Net Local Content/Net Value, ROSANNA P. DIALA, Evaluator, DOF-OSS [Department of Finance-One Stop Shop], and private accused RAMON A. RODRIGUEZ and JOSEPH CABOTAJE, both of RA Rodriguez Bus Line, the said accused public officials taking advantage of their functions and committing the offense in relation to office, with manifest partiality, evident bad faith, or gross inexcusable negligence, at the very least, did then and there, willfully, unlawfully, and criminally give unwarranted benefits to the said private parties, by approving the issuance of Tax Credit Certificate No. 007598 in the amount of THREE MILLION THREE HUNDRED ELEVEN THOUSAND SIX HUNDRED SIXTY ONE PESOS (PHP3,311,661.00), notwithstanding the fact that said corporations are not legally entitled thereto, and that the supporting documents attached to the tax credit application are spurious, fake, and/or non-existent, thereby causing damage and prejudice to the government in the aforesaid amount.

CONTRARY TO LAW.

The six (6) other Informations for *Violation of Section 3 (e) of Republic Act No. 3019* contained identical allegations, except for the names of the accused involved, the approximate dates of the commission of the offense, the TCC numbers, and the amount of tax credits involved, viz:

Criminal Case Nos.	Names of Accused Involved	Approx. Date of Commission of the Offense	TCC Nos.	Amount of Tax Credit Involved (in PHP)
SB-12-CRM- 0095	Antonio P. Belicena	July 22, 1997	007953	1,374,909.00

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	Atty. Uldarico P. Andutan, Jr. Raul C. De Vera Rosanna P. Diala Ramon A. Rodriguez Joseph Cabotaje			
SB-12-CRM-0096	-same-	October 31, 1997	008549	4,478,905.00
SB-12-CRM-0097	-same-	April 16, 1998	009760	2,036,423.00
SB-12-CRM-0098	-same-	May 25, 1998	010005	835,448.00
SB-12-CRM-0099	Antonio P. Belicena Atty. Uldarico P. Andutan, Jr. Raul C. De Vera Atty. Brandy L. Marzan Ramon A. Rodriguez Joseph Cabotaje	April 8, 1998	009707	4,177,241.00
SB-12-CRM-0100	-same-	May 25, 1998	009705	1,619,597.00

On April 20, 2012, this Court (through the First Division³) issued a warrant of arrest against all of the accused,⁴ which was followed by a Hold Departure Order on April 23, 2012.⁵

In the course of the initial proceedings, the following accused posted their respective bonds for their provisional liberty, below:

Name of Accused	Bond Posted
Atty. Uldarico P. Andutan, Jr.	Cash ⁶
Raul C. De Vera	Cash ⁷
Rosanna P. Diala	Cash ⁸
Atty. Brandy L. Marzan	Cash and property ⁹

³ Where the cases were initially raffled

⁴ Records, Vol. I, pp. 291-292

⁵ *Id.* at 288

⁶ *Id.* at 302

⁷ *Id.* at 354

⁸ *Id.* at 373

⁹ *Id.* at 339, 400-404

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Upon arraignment, the accused, assisted by their respective counsels, entered a plea of not guilty on the following dates:

Name of Accused	Date of Arraignment
Atty. Uldarico P. Andutan, Jr.	December 6, 2012 ¹⁰
Raul C. De Vera	October 11, 2012 ¹¹
Rosanna P. Diala	September 13, 2012 ¹²
Atty. Brandy L. Marzan	October 11, 2012 ¹³

On the other hand, the proceedings could not continue as against accused *Antonio P. Belicena* (former Undersecretary, Department of Finance; former Officer-In-Charge and Administrator of the One-Stop Shop Inter-Agency Tax Credit and Duty Drawback Center) because the warrant of arrest was returned unserved.¹⁴ Furthermore, the accused named hereunder remained at large up to the present:

1. *Ramon A. Rodriguez* (President, RA Rodriguez Bus Line); and
2. *Joseph Cahotaje* (of RA Rodriguez Bus Line).

During pre-trial proceedings, the parties entered into the following stipulation of facts:¹⁵

I. STATEMENT OF ADMITTED FACTS

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[A]ccused Uldarico P. Andutan, Jr., Raul C. De Vera, Rosanna P. Diala and Brandy L. Marzan admitted that they were all public officials at the time the offenses were alleged to have been committed, with the qualification made by accused Andutan that he held public office until his resignation on July 1, 1998.

The prosecution, for its part, admitted the genuineness and due execution of the documents marked by accused Andutan which were listed in his Pre-Trial Brief.

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Subsequently, pre-trial was terminated on June 17, 2013.

Trial thereafter proceeded.

EVIDENCE FOR THE PROSECUTION

The *chief witnesses* presented by the prosecution were:

¹⁰ *Id.* at 447

¹¹ *Id.* at 409

¹² *Id.* at 383

¹³ *Id.* at 410

¹⁴ *Id.* at 317

¹⁵ Pre-Trial Order dated June 17, 2013 (Records, Vol. 2, p. 364)

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David P. Golla IV, one of the investigators of the National Bureau of Investigation (NBI) and a member of the Special Presidential Task Force 156, who cracked open the tax credit scheme and narrated how unscrupulous businesses were able to obtain tax credit certificates in exaggerated amounts; and

Jesus G. Salvador, a records custodian of the Office of the Ombudsman who authenticated the documents examined in the course of the investigation, and the manner by which said records were retrieved from secured storage.

1. David P. Golla IV ("SI Golla"), Special Investigator III of the NBI.

In 1999, SI Golla was a member of Special Presidential Task Force 156 which handled cases of anomalous transactions in the issuance of tax credit certificates (TCCs) that were referred by the One-Stop Shop Inter-Agency Tax Credit and Duty Drawback Center (the Center) of the Department of Finance (DOF).¹⁶ SI Golla was assigned by his superior to validate the authenticity of TCCs issued to certain mass transportation businesses, including RA Rodriguez Bus Line. The beginning of the investigation was based on a Cancellation Memorandum,¹⁷ made by a certain Beverly M. Tañeza ("Tañeza"), which stated that seven (7) TCCs had been issued in favor of RA Rodriguez Bus Line, namely: TCC Nos. 007598, 007953, 008549, 009705, 009707, 009760, and 010005.¹⁸

SI Golla revealed how he went about his investigation by describing the procedure as to how he obtained copies of original documents relative to the issuance of the TCCs pertinent to this case. He would request original copies of supporting documents and/or records relative to the TCCs through Tañeza, who would then relay the request to the record custodian of the same. Upon receiving original docket files and transfer documents, SI Golla would photocopy the same, and finally he would return said originals to the record custodian.¹⁹

Then, SI Golla disclosed how he validated the authenticity of the supporting documents found in the dockets of each TCC issued in favor of RA Rodriguez Bus Line. Specifically, SI Golla would write to the separate bus manufacturers to obtain copies of commercial documents: Commercial Motors Corporation, Pilipinas Hino, Inc., and Filipinas Daewoo Industries Corporation.²⁰ He also sent letters to different government agencies concerned. In order to verify the registration of the buses, he contacted the Land Transportation Office (LTO). To check the certificates of public convenience, he sought out the Land Transportation Franchising and Regulatory Board (LTFRB). The table below illustrates the files obtained by SI Golla from the different bus manufacturers:

¹⁶ TSN dated July 8, 2013, p. 8

¹⁷ Exhibit "YY"

¹⁸ Exhibit "YY-1"

¹⁹ TSN dated July 8, 2013, pp. 12-13

²⁰ *Id.* at 14

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Commercial Documents/Records Obtained by the Task Force From Bus Manufacturers			
TCC No.	Commercial Motors Corp.	Pilipinas Hino, Inc.	Filipinas Daewoo Industries Corp.
007598	Exhibits "GG-30", "GG-15", "GG-16", "GG-17", "GG-31", "GG-19", "GG-20", "GG-21", "GG-22", "GG-23", "GG-24", "GG-25", "GG-26", "GG-27", "GG-28", "GG-29"		
007953		Exhibits "FFF-1", "JJJ"	
008549			Exhibits "ZZZ-1", "A ⁴ -7", "A ⁴ -9", "A ⁴ -10", "A ⁴ -11", "A ⁴ -12", "A ⁴ -13",
010005			Exhibits "CCC-1", "CCC-2",
009705		Exhibit "C"	

The significant findings as a result of SI Golla's investigation, and the manner by which he was able to discover the same, follow:

*TCC No. 007953
(Criminal Case Nos. SB-12-CRM-0088 and 0095)*

SI Golla contacted Pilipinas Hino, Inc. (**Pilipinas Hino**), and received a Letter²¹ dated March 29, 2000 from Assistant Vice President for Comptroller Felipe Barroga ("**Barroga**"). Attached to the letter-reply were copies of sales invoices and delivery receipts issued by Pilipinas Hino.²² Upon comparing the said documents obtained from Pilipinas Hino to what were purportedly the same records that RA Rodriguez Bus Line attached to its application and filed before the Center, SI Golla made the following observations:²³

Sales Invoices	
Sent by Barroga of Pilipinas Hino, Inc. (Exhibit "FFF-1")	Submitted to the Center by RA Rodriguez Bus Line (Exhibit "HHH")
The font, the size, and the letter were different	
Dated October 4, 1996	Dated January 3, 1997
Numbered 11219	Unnumbered

²¹ Exhibit "SS"

²² TSN dated July 8, 2013, pp. 15-16

²³ *Id.* at 22-30

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Under quantity, the number "2" was typewritten	Under quantity, the number "2" was handwritten
Unit price P2,950,000.00	Unit price P3,481,000.00

Delivery Receipts	
Sent by Barroga of Pilipinas Hino, Inc. (Exhibit "JJJ")	Submitted to the Center by RA Rodriguez Bus Line (Exhibit "III")
Font is different	
Dated September 27	Dated January 3, 1997
Numbered 04946	Unnumbered
Indicated quantity two (2) units	Indicated quantity one (1) unit

SI Golla also wrote the LTO, and he received a letter-response from Mernilo Mayo ("Mayo"), an LTO official, who attached copies of Certificates of Registration (CR) Nos. 39231360 (Exhibit "TT-1") and 39231371 ("TT-2") and Official Receipts (ORs).²⁴ Upon comparing the entries in the OR/CRs sent by Mayo in contrast to the records submitted by RA Rodriguez Bus Line to the Center, SI Golla noticed that two buses subject of the registrations were acquired from Pilipinas Hino, Inc. under Invoice No. 11219.²⁵ It was thus irregular that RA Rodriguez submitted an unnumbered sales invoice covering the same buses.

Next, SI Golla wrote a letter-invitation to a certain Hector Eugenio ("Eugenio"), a credit analyst of Pilipinas Hino and the named representative of RA Rodriguez Bus Line as indicated in the Claimant Information Sheet (CIS).²⁶ Upon the arrival of Eugenio, he examined the documents submitted in the tax credit application. Eugenio then executed an Affidavit,²⁷ which detailed that Pilipinas Hino sold two bus units to RA Rodriguez Bus Line, and that he submitted to the Center genuine sales invoices and delivery receipts.²⁸ Eugenio also executed a Supplemental Affidavit.²⁹

SI Golla then spoke with a certain Elizabeth Cruz ("Cruz"), the Officer-In-Charge of Application and Issuance Division from the Center, and the former learned that TCC No. 007953 was utilized by RA Rodriguez Bus Line, in the amount of P1,374,909.00, which was transferred to Pilipinas Hino.³⁰ After their meeting, Cruz executed an Affidavit.

²⁴ *Id.* at 31-33

²⁵ *Id.* at 35

²⁶ Exhibit "NN"

²⁷ Exhibit "UU"

²⁸ TSN dated July 8, 2013, p. 38

²⁹ Exhibit "VV"

³⁰ TSN dated July 8, 2013, pp. 42-43; Exhibit "XX-1"

After gathering documentary evidence, SI Golla then committed his findings to an Investigation Report.³¹ Overall, SI Golla found that TCC No. 007953 was granted on the basis of documents submitted later discovered to be spurious.³²

SI Golla elaborated that it was accused Ramon A. Rodriguez (**"accused Rodriguez"**) who submitted or filed the CIS relative to TCC No. 007953.³³ Said TCC was claimed by accused Joseph Cabotaje (**"accused Cabotaje"**) of RA Rodriguez Bus Line.³⁴ The witness then read his findings from his Report, viz: "[RA Rodriguez Bus Line] submitted Pilipinas Hino sales invoice without serial number, dated January 3, 1997, and a Pilipinas Hino delivery receipt, unnumbered dated January 3, 1997. The sales invoice and delivery receipts bear an illegible signature similar to that of [accused Rodriguez] in the CIS as having received the merchandise in good order and condition."³⁵

Relative to the documents obtained from the LTO, and the papers submitted by RA Rodriguez Bus Line, SI Golla found that: "[i]t submitted LTO certificates of registration nos. 39231360 and 39231371 and official receipt nos. 58197464 and 58197532, all dated January 8, 1997. The certificates of registration indicate the bus units were acquired from 'Phil. Hino Sales' under Sales Invoice 11219 dated October 4, 1996. This information indicates the existence of Sales Invoice No. 11219 from Phil. Hino and relating to the sale from October 4, 1996."³⁶

Accused Rosanna P. Diala (**"accused Diala"**) was the one who processed the tax credit application and prepared an Evaluation Report.³⁷ As found by SI Golla, "[accused Diala] processed the application and she prepared her evaluation report. At the outset, the unnumbered sales invoice is unusual, as sales invoices from manufacturer are numbered. For an evaluator having been assigned 114 applications from different bus operators, the difference cannot pass unnoticed. The same can be considered on the delivery receipt also unnumbered."³⁸ The witness continued that "[accused Diala] could have simply asked the claimant to explain the discrepancy between Sales Invoice No. 11219 dated October 4, 1996 stated in the certificates of registration and the submitted unnumbered sales invoice dated January 3, 1997. Instead of denying the application, [accused Diala] considered the represented 'selling price of P7.65 million 'selling price' and recommended a tax credit of P1.37 million."³⁹

³¹ Exhibit "M⁹" in Criminal Case Nos. SB-12-CRM-0093 and 0100

³² TSN dated July 8, 2013, p. 46

³³ TSN dated July 9, 2013, p. 5; Exhibit "N" for the prosecution; Exhibit "2" for accused De Vera and Diala

³⁴ TSN dated July 9, 2013, pp. 7-8

³⁵ TSN dated July 9, 2013, p. 8; Investigation Report, p. 14, par. 3 (Exhibit "M^{9-1-b}" in Criminal Case Nos. SB-12-CRM-0093 and 0100)

³⁶ TSN dated July 9, 2013, p. 9; Investigation Report, p. 14, par. 4 (Exhibit "M^{9-1-c}" in Criminal Case Nos. SB-12-CRM-0093 and 0100)

³⁷ TSN dated July 9, 2013, pp. 10-11; Exhibit "RR" in Criminal Case Nos. SB-12-CRM-0088 and 0095

³⁸ TSN dated July 9, 2013, p. 16; Investigation Report, p. 14, par. 6 (Exhibit "M^{9-1-d}" in Criminal Case Nos. SB-12-CRM-0093 and 0100)

³⁹ TSN dated July 9, 2013, p. 18; Investigation Report, p. 14, par. 4 (Exhibit "M^{9-1-e}" in Criminal Case Nos. SB-12-CRM-0093 and 0100)

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The Evaluation Report of accused Diala was forwarded to accused Raul C. De Vera ("accused De Vera") for his review.⁴⁰

After the application was approved and the TCC was correspondingly issued, it was claimed by accused Cabotaje and was subsequently transferred or utilized as shown by the request for transfer dated September 18, 1997⁴¹ and a tax debit memo.⁴² The request for transfer was made by accused Diala and was given a positive recommendation by accused Uldarico P. Andutan, Jr. ("accused Andutan").⁴³ Ultimately, the transfer was granted as evidenced by the signature of accused Antonio P. Belicena ("accused Belicena").⁴⁴

In his subsequent investigations on the issuance of the remaining TCCs subject of these cases, SI Golla reiterated the same procedure he had previously followed relative to TCC No. 007953.

First, he would obtain original documents from the records custodian, photocopy the same, and return said documents to the records custodian.

Second, SI Golla would verify the documents submitted to the Center by RA Rodriguez Bus Line in its tax credit applications. This was done by comparing the docket containing the supporting papers attached to the application (including the commercial documents, vehicle registrations, and the CIS which was signed by accused Rodriguez on behalf of his transportation business) to what should have been identical documents obtained from the bus manufacturer (e.g. sales invoices and delivery receipts) and also from official records sent by government offices, (e.g. OR/CRs from the LTO and LTFRB decisions).

Third, SI Golla would then accomplish his Investigation Report containing his findings per TCC. The Report would include his observations on the respective participation of the accused in the process for the issuance of each TCC, viz: the role of the tax specialist who reviewed the application and supporting documents and made an evaluation report; the role of the supervisor who reviewed the evaluation report; the recommendation of approval and final approval by senior managers; and how the TCC would be claimed by representative of RA Rodriguez Bus Line. Once the TCC was claimed by the representative of the beneficiary, SI Golla would outline that there would be a submission of a request for transfer by the bus operator; followed by the issuance of a memorandum of transfer giving due course to said request; an issuance of a tax debit memo approving said memorandum, and finally the actual transfer/utilization of the TCC evidenced by the annotation on the dorsal portion of said certificate.

The foregoing step-by-step procedure would be followed by SI Golla throughout his investigations of all the TCCs subject of these cases.

⁴⁰ TSN dated July 9, 2013, p. 15

⁴¹ Exhibit "KKK"

⁴² Exhibit "NNN"

⁴³ TSN dated July 9, 2013, p. 20

⁴⁴ *Id.* at 21

TCC No. 008549
(Criminal Case Nos. SB-12-CRM 0089 and 0096)

Out of the seven manufacturer's invoices that were supposed to have been submitted to the Center, only five invoices were found to have been actually attached to the CIS by accused Rodriguez, and these were:⁴⁵

Filipinas Daewoo Sales Invoice No.	Exhibit
0328	"C" ⁴⁶
0329	"E" ⁴⁷
0330	"D" ⁴⁸
0331	"F" ⁴⁹
0333	"B" ⁵⁰

The two missing sales invoices were numbered 0334 and 0332.

Upon further investigation into the sales invoices, SI Golla discovered that there was a discrepancy in the listed unit price of buses in the documents submitted by RA Rodriguez Bus Line as compared to the information obtained from Filipinas Daewoo. In fact, the unit price per bus was stated as Two Million Five Hundred Forty-Five Thousand Six Hundred Forty-Eight Pesos (P2,545,648.00), which conflicted with the sales invoices RA Rodriguez Bus Line had submitted in its application which valued one unit of bus at Three Million Five Hundred Sixty-Three Thousand Nine Hundred Seven Pesos (P3,563,907.00). This is illustrated in the following table:⁴⁶

Unit Price	
Submitted by RA Rodriguez Bus Line for Five (5) Units (Exhibits "B" ⁴⁶ , "C" ⁴⁷ , "D" ⁴⁸ , "E" ⁴⁹ , "F" ⁵⁰)	Schedule of Units Delivered to RA Rodriguez Bus Line, which was obtained from Filipinas Daewoo (Exhibit "ZZZ-1")
P3,563,907.00	P2,545,648.00

When SI Golla compared the OR/CRs attached to the application submitted by RA Rodriguez Bus Line,⁴⁷ as to the records obtained from the LTO,⁴⁸ he made a discovery: the vehicle registrations submitted by RA Rodriguez Bus Line all lacked serial numbers.⁴⁹

From the forms submitted to the Center by RA Rodriguez Bus Line for evaluation, SI Golla noticed that *only* LTFRB Decision Case No. 96-7276⁵⁰

⁴⁵ TSN dated July 10, 2013, pp. 12-13; Exhibit "PPP"

⁴⁶ TSN dated July 10, 2013, pp. 15-17; Letter-reply (Exhibit "ZZZ") from Mr. Jai Pro Cho, Vice-President for Finance and Administration of Filipinas Daewoo with an attached Schedule of Units Delivered to RA Rodriguez Bus Line (Exhibit "ZZZ-1")

⁴⁷ Exhibits "QQQ", "SSS", "TTT", "UUU", "VVV", "WWW", "RRR"

⁴⁸ Exhibits "A"⁴⁶, "A"⁴⁷, "A"⁴⁸, "A"⁴⁹, "A"⁵⁰, "A"⁵¹

⁴⁹ TSN dated July 10, 2013, p. 23

⁵⁰ Exhibit "XXX"

was submitted. However, the Evaluation Report⁵¹ made by accused Diala referred to *three* LTFRB decision cases including LTFRB Decision Case Nos. 96-7276, 90-3897, and 96-8802.⁵² This Evaluation Report was approved as shown by the issuance of TCC No. 008549.⁵³

SI Golla then stated his findings as to the manner by which TCC No. 008549 was claimed by accused Cabotaje. Said TCC was subsequently utilized and transferred to Filipinas Daewoo,⁵⁴ as evidenced by the signature of accused Belicena appearing on the back thereof.⁵⁵

*TCC No. 007598
(Criminal Case Nos. SB-12-CRM-0087 and 0094)*

After comparing the sales invoices and delivery receipts submitted by accused Rodriguez, to the corresponding sales invoices and delivery receipts obtained from Commercial Motors Corporation, SI Golla observed marked differences such as:⁵⁶

Sales Invoices and Delivery Receipts	
Obtained from Commercial Motors Corporation	Filed by accused Rodriguez
Unit price P1,370,730.00 (Exhibits "GG-30", "GG-16", "GG-31", "GG-20", "GG-22", "GG-24", "GG-26", "GG-28")	Unit price P2,305,730.00 (Exhibits "B", "D", "F", "H", "J", "L", "N", "P")
Description of vehicle only has reference to chassis and engine	Description of vehicle "with AC body"
Has provision for 10% VAT	No provision for 10% VAT
Delivery Receipt Nos. 6656, 6653, 6655, 6654, 6664, 6663, 6662, and 6665 were submitted (Exhibits "GG-15", "GG-17", "GG-19", "GG-21", "GG-23", "GG-25", "GG-27", "GG-29")	Delivery Receipt Nos. 6259, 6260, 6261, 6262, 6264, 6265, 6268, 6270 were submitted (Exhibits "C", "E", "G", "I", "K", "M", "O", "Q")

Furthermore, SI Golla attempted to verify the commercial documents of RA Rodriguez Bus Line by requesting a certain Celia J. Pagulayan of Commercial Motors Corporation to cross-check the serial numbers of said documents with those on file, but no record could be found.⁵⁷

SI Golla also verified the OR/CRs with the LTO, and he affirmed that the unit price per bus was at P1.37 million, which is consistent with the price indicated by the manufacturer Commercial Motors Corporation.⁵⁸

⁵¹ Exhibit "YYY"

⁵² TSN dated July 10, 2013, pp. 24-26

⁵³ *Id.* at 28

⁵⁴ *Id.* at 28-29; Affidavit of Elizabeth Cruz with attached History of Utilization (Exhibit "XX")

⁵⁵ Exhibit "O" (dorsal); TSN dated July 10, 2013, p. 30

⁵⁶ TSN dated August 12, 2013, pp. 29, 33-34, 35, 37

⁵⁷ *Id.* at 38

⁵⁸ *Id.* at 39-40

TCC No. 007598 was approved and issued in favor of RA Rodriguez Bus Line. An Evaluation Report had been prepared by accused Diala, which went through the usual course of review and approval respectively by accused De Vera and Andutan.⁵⁹ Accused Belicena's participation was in his approval of the request for tax transfer of a tax credit certificate.⁶⁰ Again, said TCC was claimed by accused Cabotaje, following which the same was caused to be transferred to Commercial Motors Corporation.⁶¹

TCC No. 009760
(Criminal Case Nos. SB-12-CRM-0090 and 0097)

Upon comparing the sales invoices and delivery receipts as submitted by accused Rodriguez, in contrast to what should have been identical files obtained from the manufacturer, SI Golla noted the following:⁶²

Sales Invoices and Delivery Receipts	
Obtained from Filipinas Daewoo	Attached to the CIS filed by accused Rodriguez
Sales invoices were dated September 1997 and/or November 1997	Sales invoices were dated December 22, 1997 (Exhibits "Z", "A", "B", "H", "K")
Sales Invoice No. 0370 involved Bus No. 12 with Chassis No. 10	Sales Invoice No. 0530 involved Bus No. 12 with Chassis No. 10
Unit price P2,545,648.00	Unit price P4,263,907.00
Delivery receipts were dated September 1997 and/or November 1997	All delivery receipts were dated December 22, 1997

When SI Golla contacted the LTO to verify the documents, he learned that the OR/CRs submitted by RA Rodriguez Bus Line were not registered under its name, but under different persons, and the registrations covered different vehicles.⁶³

The application for the issuance of a TCC was then routed as per the normal procedure,⁶⁴ and eventually it was successfully transferred in favor of Filipinas Daewoo Industries Corporation.

TCC No. 009705
(Criminal Case Nos. SB-12-CRM-0093 and 0100)

An analysis of the documents submitted by RA Rodriguez Bus Line as opposed to those obtained from the bus manufacturer led to the discovery that the chassis numbers of the two units of buses were the same, but that the

⁵⁹ *Id.* at 40.

⁶⁰ *Id.* at 41; Tax Debit Memo (Exhibit "RR")

⁶¹ TSN dated August 12, 2013, p. 42.

⁶² TSN dated August 13, 2013, pp. 13, 15, 18.

⁶³ *Id.* at 18.

⁶⁴ *Id.* at 19-24; Exhibit "X"

engine numbers were different.⁶⁵ Records further disclosed that one of the buses had been sold by Pilipinas Hino to Genesis Transport, while the other bus had been sold to Baliwag Transit.

The standard procedure for the submission, evaluation, review, approval, and issuance of the tax credit certificate obtained. This time however, the evaluator involved was accused Atty. Brandy L. Marzan ("accused Marzan") who prepared the Evaluation Report.⁶⁶ After the issuance of the TCC, it was claimed by accused Cabotaje and caused to be transferred in favor of Pilipinas Hino.⁶⁷

TCC No. 009707

(Criminal Case Nos. SB-12-CRM-0092 and 0099)

Upon comparing the documents submitted by RA Rodriguez Bus Line to the files obtained from the manufacturer, it was revealed that the sales invoices and delivery receipts did not match the Schedule of Units Delivered to RA Rodriguez Bus Line.⁶⁸ LTO records further disclosed that no record existed of the OR/CRs covering the buses claimed by RA Rodriguez Bus Line as belonging to it.⁶⁹

The usual process involving the same accused followed in the evaluation, review, processing, approval, and claiming of the TCC, with the exception that the Evaluation Report was prepared by accused Marzan. Thereafter, the same process relating to the transfer of tax credit took place.

TCC No. 10005

(Criminal Case Nos. SB-12-CRM-0091 and 0098)

SI Golla deduced from records obtained from Filipinas Daewoo Industries Corporation that of the documents attached by accused Rodriguez in his application for a TCC, Sales Invoice Nos. 0430 and 0431⁷⁰ were originally issued to Raymond Transportation and Royal Eagle Bus Co., respectively,⁷¹ and that Delivery Receipt Nos. 2601 and 2602⁷² were both issued to Cavite Transportation Services, Inc., not to RA Rodriguez Bus Line.⁷³ He further discovered from LTO records that Motor Vehicle Registration Receipt Control No. 0151 was not included in the official records.⁷⁴

⁶⁵ TSN dated August 14, 2013, pp. 12-13

⁶⁶ Exhibit "A"

⁶⁷ TSN dated August 14, 2013, pp. 18-22

⁶⁸ TSN dated August 27, 2013, pp. 15-16; Exhibits "O", "P", "Q", "R", "S", "T", "U", "V", "W", "X", "Y", "Z", "A", "B", "C", "D", "E", "F", "G"

⁶⁹ TSN dated August 27, 2013, p. 17

⁷⁰ Exhibits "CCC-1", "CCC-2"

⁷¹ TSN dated August 28, 2013, p. 10

⁷² Exhibits "CCC", "U"

⁷³ TSN dated August 28, 2013, p. 11

⁷⁴ *Id.* at 11-12

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The same procedure followed in the processing and approval of the tax credit application, with the Evaluation Report prepared by accused Diala. After the TCC was issued, it was successfully claimed and transferred to Filipinas Daewoo Industries Corporation.

After testifying on his findings with respect to the TCCs subject of these cases, SI Golla accomplished his Investigation Report,⁷⁵ which contained his observations relevant to all the cases.

Cross-Examination of SI Golla

The following were the salient points disclosed by the witness:

At the start of the investigation, DOF officials had briefed SI Golla on preliminary matters.⁷⁶ Additionally, all the investigators of the Task Force discussed procedure on how to conduct the investigation, including familiarization with tax credits and how the same were issued.⁷⁷

SI Golla disclosed how he obtained the files he reviewed in his investigation. The records/folders of the seven TCCs were requested from Tañeza. Sometimes, Tañeza would hand the original documents to SI Golla.⁷⁸ On other instances, Tañeza would course the request for documents to Philip Santiago ("Santiago"), Records Custodian of the DOF. Santiago would bring the original files to SI Golla's office, and together they would photocopy the same. After that, SI Golla would compare the photocopies to the originals, and then return the same to Santiago.⁷⁹ SI Golla would not make copies without the Records Custodian.⁸⁰

SI Golla disclosed the policy that original documents were not to be retained by his office. Upon finishing his examination of one of the folders involving the TCCs, the custodian would return said folder to the DOF.⁸¹ SI Golla did not place any markings on the photocopied documents because he himself saw their reproduction and was satisfied that they were faithful reproductions of originals.⁸² However, before his report was submitted to Malacañang, Santiago (the Records Custodian) certified all of the attached documents.⁸³

In his investigation, SI Golla did not issue subpoenas to the accused, instead he focused on the gathering of documentary evidence and information.⁸⁴ However, he was able to interview Hector Eugenio of Pilipinas Hino and Elizabeth Cruz, an official of the Center.

⁷⁵ Exhibit "M" in Criminal Case Nos. SB-12-CRM-0093 and 0100

⁷⁶ TSN dated August 29, 2013, pp. 8-9; TSN dated October 1, 2013, p. 11

⁷⁷ TSN dated October 1, 2013, pp. 11-12

⁷⁸ TSN dated August 29, 2013, p. 28

⁷⁹ *Id.* at 25-26

⁸⁰ *Id.* at 30

⁸¹ *Id.* at 43

⁸² *Id.* at 47

⁸³ TSN dated September 17, 2013, p. 21

⁸⁴ TSN dated August 29, 2013, pp. 16-17

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SI Golla was propounded several questions as to how he arrived at his findings, and in the course of questioning, he confirmed the contents of the documentary evidence he analyzed. In his evaluation of the genuineness of the records submitted by accused Rodriguez to the Center, SI Golla relied on the letter-replies he received from the government offices (e.g. LTO) and the manufacturers (e.g. Pilipinas Hino) and the documents attached thereto. He regarded the documents submitted by the manufacturers as the true and correct copies.⁸⁵ SI Golla candidly admitted that he was not a participant in preparing and processing of the documents.

SI Golla's observations in his report were based on discrepancies found in the documents attached to the letter-replies in contrast to what should have been identical files submitted to the Center by accused Rodriguez. The CIS submitted by accused Rodriguez did not contain a list specifically enumerating the types and numbers of documents attached thereto. SI Golla admitted that he did not know if any of the accused public officials had a hand in the preparation and issuance of the documents attached to the CIS.

Pertinent to TCC No. 007953, there was a discrepancy pointed out in the documents submitted by Pilipinas Hino employees Barroga and Eugenio. Barroga confirmed that two buses were sold to RA Rodriguez Bus Line based on Sales Invoice No. 11219 and *Delivery Receipt No. 04946*. In contrast, Eugenio affirmed that the sale was covered by Sales Invoice No. 11219 and *Delivery Receipt No. 6359*, which were then submitted in support of accused Rodriguez's tax credit application. However, it would not be possible that there were two delivery receipts involving the same transaction. SI Golla considered the documents submitted by Barroga as the true and correct files.⁸⁶

During the cross-examination, the parties entered into the following stipulations:⁸⁷

Stipulations by the Parties	
Pertaining to TCC	Names of Persons that SI Golla was Not Able to Interview
TCC Nos. 009707 and 01005	<p>Signatories to the sales invoices: Danilo Musa Jose Antonio Aquino Accused Rodriguez</p> <p>Signatories to the delivery receipts: Remegio Duran Jose Antonio M. Aquino Accused Rodriguez</p>
TCC No. 009705	<p>Signatories to the sales invoices: Roberto R. Garcia Accused Rodriguez</p> <p>Signatories to the delivery receipts: Accused Rodriguez E. A. Ignacio</p>

⁸⁵ TSN dated September 16, 2013, p. 28

⁸⁶ TSN dated September 17, 2013, pp. 6-9

⁸⁷ TSN dated September 30, 2013, pp. 51-53

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2. Jesus G. Salvador ("Salvador"), Administrative Officer V, Central Records, Office of the Ombudsman.

Salvador was in-charge of the active and archived files of the Central Records Office, Office of the Ombudsman. He was designated the custodian of the "Belicena cases" assigned to the Office of the Special Prosecutor (OSP) by virtue of Office Order No. 09-282, Series of 2009.⁸⁸ He retrieved documents relative to TCCs from inside the vault for photocopying and certification before submitting them to the handling prosecutor of the OSP.⁸⁹ The vault is located on the Third Floor of the Center, DOF Building, Roxas Blvd., Manila.⁹⁰

He described the process of retrieval in this wise: first, upon receiving a subpoena, he sought permission from the OSP and was accompanied by an OSP official to the DOF Building.⁹¹ With the permission of the DOF, Salvador was given the combination and keys to the vault and was accompanied inside by said official. Inside the vault were the documents and a photocopying machine. After retrieval, the files would be photocopied by the DOF staff. Then, Salvador would compare the photocopies to the originals and certify the same. He would then submit the certified documents to the handling prosecutor of the OSP.⁹²

Salvador recalled retrieving and photocopying the files pertinent to the TCCs subject of these cases. He then identified said TCCs and docket folders.⁹³

Specifically, there were two keys to secure the vault, one of which being held by Special Prosecutor Reynold Sulit of the OSP, and the other in the custody of a DOF official.⁹⁴

Aside from photocopying the TCCs and the dockets, Salvador also retrieved a cash book, from which he certified a copy thereof, from the vault. This cash book showed the signatures of those who received the TCCs.⁹⁵ The cash book was physically described as a red hard-bound publication entitled, "DCE/NLC Official Cash Book, June 1996." Salvador highlighted the following entries:⁹⁶

Cash Book Retrieval Entries	
TCC Nos.	Name and Date Indicated
007953	Joseph Cabotaje, August 26, 1997
007598	Joseph Cabotaje (undated)
008549	Joseph Cabotaje, May 12, 1997
009760	Initial (no printed name)

⁸⁸ TSN dated October 14, 2013, p. 7

⁸⁹ *Id.* at 8

⁹⁰ *Ibid.*

⁹¹ *Ibid.*

⁹² *Id.* at 9

⁹³ *Id.* at 10-16

⁹⁴ *Id.* at 16-17

⁹⁵ *Id.* at 17

⁹⁶ *Id.* at 18-19

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	Released on May 5, 1998
009705	Initial (no printed name) Released on May 8, 1998
009707	Initial (no printed name) Released on May 5, 1998
10005	Joseph Cabotaje, June 26, 1998

On cross-examination, Salvador reiterated the procedure he followed in photocopying and certifying documents stocked inside the vault. The witness was then made to go over all of the documents he photocopied pertaining to each TCC docket, and he pointed out which of the files stored in the vault appeared to be original documents, and which were photocopies.

The only times Salvador got possession of the documents were when subpoenas were issued, and he went to the vault at the DOF Building to retrieve the same.⁹⁷

3. Mernilo L. Mayo ("Mayo"), Head of the LTO Biñan City District Office.

When the witness was called to testify, the parties stipulated that Mayo was the one who executed the letter-replies sent to the Task Force.⁹⁸ In his letters addressed to Alberto R. Salanga, member of the Task Force investigating the TCCs issued to RA Rodriguez Bus Line, Mayo attached certified copies of the LTO OR/CRs as requested by the latter in order to verify the vehicle registrations attached by said company in each of its applications it submitted before the Center.

4. Nida P. Quibic ("Quibic"), Information Technology Officer III and designated Chief Information Systems Management Division, LTFRB, East Ave., Quezon City.

Quibic was in-charge of the supervision of the LTFRB data bases and custodian of the LTFRB franchise records, including LTFRB decisions and orders.⁹⁹ During trial, Quibic was confronted with the LTFRB decisions submitted by RA Rodriguez Bus Line, and she noticed that the contents thereof failed to match the official records on file with said agency, viz:¹⁰⁰

Exhibit	LTFRB Case No.	Observations of Quibic
"QQ"	96-7276	Signatories in the 3 rd page do not match
"XXX"	96-7276	The third page was different
"CC"	93-4712	Signatories in the 3 rd page do not match
"W ⁴⁰ "	96-7274	The first page did not indicate the complete route description of the franchise. The font was different on the second page. Third page was missing.
"L ⁸⁰ "	96-7274	The first page did not indicate the complete name of applicant Ramon A. Rodriguez. The following did not match: the route description, the font, and the

⁹⁷ *Id.* at 45

⁹⁸ TSN dated November 11, 2013, pp. 9-17; Exhibits "TT", "A⁴¹", "GC", "Y⁴²", "E⁴³", "G⁴⁴", "U⁴⁵"

⁹⁹ TSN dated November 12, 2013, p. 15

¹⁰⁰ *Id.* at 26

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		indentations on the lines. No indication of the number of units on the second page. On the third page, units indicated had different chassis numbers, and the units authorized did not match. Has a fourth page, but the original has only three pages.
"Z"	90-3897	Contents of first and second pages were different. The units described were different as to the motor numbers, the chassis numbers, and the plate numbers. The date of validity was also different.

On cross-examination, Quibic outlined in general how LTRB decisions are distributed in triplicate: one copy for records, second copy for the applicant, and third attached to the case folder.¹⁰¹ Her participation was to merely to sign the certified copies.¹⁰²

5. Elizabeth B. Cruz ("Cruz"), Chief Tax Specialist of the Center, DOF.

Cruz joined the Center in August 1998 and was assigned to the Tax Credit Certificate Issuance and Application Division, whose main function was to evaluate and process applications for the issuance of a *tax debit memo*, the function of which pertains to the assignment and utilization of issued TCCs. One of her responsibilities was the recordkeeping of utilization, transfer, and issuance of tax debit memo.¹⁰³ The term "utilization" meant that TCC holders could use the tax credit as payment of duties at the Bureau of Customs and as payment of taxes with the Bureau of Internal Revenue. Before the TCC could be used, the TCC holder had to secure a written authority to that effect which was called a tax debit memo.¹⁰⁴ Cruz prepared a History of TCC Utilization pertaining to RA Rodriguez Bus Line, pertinent to all the cases.¹⁰⁵ This document was attached to a Certification made by the witness, which was then forwarded to the Task Force, namely to SI Golla.¹⁰⁶

In 2000, Cruz recommended the denial or approval of the application for a tax debit memo.¹⁰⁷ She was not involved in the issuances of the TCCs subject of these cases; neither was she connected to the transfer of said TCCs.¹⁰⁸ The History of TCC Utilization was a computer-generated form.¹⁰⁹ Based on this document, it could be seen that all of the TCCs had been transferred.¹¹⁰

In 1999, tax debit memos were issued for TCC Nos. 009707 and 009760. In 1998, tax debit memos were issued for TCC Nos. 008549, 009705, 009707, and 009760. In August 1998 up until 1999 or 2000, it was Director Ernesto Hiansen who recommended for the denial or approval of the tax debit

¹⁰¹ TSN dated December 2, 2013, pp. 10-11

¹⁰² *Id.* at 18

¹⁰³ TSN dated November 25, 2013, pp. 10-11

¹⁰⁴ *Id.* at 11-12

¹⁰⁵ *Id.* at 13

¹⁰⁶ *Id.* at 17

¹⁰⁷ *Id.* at 22, 30

¹⁰⁸ *Id.* at 23-24

¹⁰⁹ *Id.* at 24

¹¹⁰ *Id.* at 27

memos.¹¹¹ Prior to that, in 1997 until June 1998, the officials who recommended for the approval were accused Andutan and Belicena.¹¹²

6. Roberto R. Garcia ("Garcia"), former Vice-President of Operations and Marketing for Pilipinas Hino, Inc.

Garcia went on to identify invoices issued to RA Rodriguez Bus Line, but upon examining the signatures above the printed name "Roberto R. Garcia", the witness affirmed that they appeared to be different from his own signature, in this wise:¹¹³

Exhibit	Document	Observations of Garcia
"E"	Sales Invoice	Not his signature
"HHH"	Sales Invoice	Not his signature
"FFF"	Sales Invoice	Admitted that the signature thereon was his

7. Felipe S. Barroga ("Barroga"), former Assistant Vice-President Comptroller, Pilipinas Hino, Inc.

Barroga recalled that he received a letter from the Task Force to verify the authenticity of attached invoices and delivery receipts that were submitted by RA Rodriguez Bus Line to the Center. When compared with the official records on file with Pilipinas Hino,¹¹⁴ the serial numbers claimed by RA Rodriguez did not match the same.¹¹⁵ Furthermore, in the chassis and engine numbers of two buses indicated in the sales invoices submitted by RA Rodriguez Bus Line,¹¹⁶ it was disclosed that the buses were not intended for RA Rodriguez Bus Line, but for Genesis Transport and Baliwag Transit.¹¹⁷ Barroga then identified the letter-replies he sent to the Task Force through Mr. Salanga:

Exhibit	Document	Attachments
"SS"	Letter dated March 29, 2000	Sales Invoice and Delivery Receipt (Exhibits "FFF-1" and "JJJ-1")
"C"	Letter dated March 29, 2000	

8. Emerito M. Del Castillo ("Del Castillo"), Head of Tax Credit Section, Accounting Division, Bureau of Customs.

When the witness was called to testify, the parties entered into the following stipulations:¹¹⁸

Stipulated Utilizations of TCCs as Reported by Bureau of Customs			
TCC No.	Utilized by	Date	Amount

¹¹¹ *Id.* at 25-27, 31

¹¹² *Id.* at 29

¹¹³ TSN dated January 13, 2014, pp. 7, 10-11

¹¹⁴ Exhibits "FFF-1" and "JJJ-1"

¹¹⁵ TSN dated January 29, 2014, p. 17; Exhibits "HHH" and "III"

¹¹⁶ Exhibits "E", "F", "G"

¹¹⁷ TSN dated January 29, 2014, p. 18; Exhibit "C"

¹¹⁸ TSN dated April 14, 2014, pp. 8-36

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			(in Peso)
007598	Commercial Motors Corporation	August 1997	264,199.00
			103,271.00
		September 1997	150,454.00
			985,103.00
			3,487.00
007953	Pilipinas Hino, Inc.	October 1997	102,192.00
		January 1998	578,695.00
			312,501.00
			1,674,975.00 /
			1,374,909.00 ¹¹⁹
008549	Filipinas Daewoo Industries Corporation	February 1998	16,961.00
		March 1998	50,496.00
		August 1998	46,826.00
			1,850,651.00
			879,895.00
009705	Pilipinas Hino, Inc.	October 1998 (date not specified)	396,050.00
			314,853.00
			327,625.00
			243,247.00
			17,360.00
009707	Filipinas Daewoo Industries Corporation	(date not specified)	4,722,598.00 / 4,172,241.00 ¹²⁰
009760	Filipinas Daewoo Industries Corporation	(date not specified)	1,324,724.00

9. Jose Antonio M. Aquino ("Aquino"), Co-Owner and former Vice-President for Production of Filipinas Daewoo Industries Corporation.

Part of Aquino's duties involved signing documents prepared by Mr. Jae Pyo Cho, Head of the Administration Department.

When the witness was called on to testify, it was stipulated by the parties that Aquino has not seen or signed the following original documents:¹²¹

TCC Nos.	Document Involved	Exhibit
9707	Delivery Receipt	"N th , "P th , "R th , "D th , "X th , "Z th , "B th , "D th , "F th
	Sales Invoice	"Q th , "S th , "U th , "W th , "Y th , "A th , "C th , "E th , "G th
9760	Sales Invoice	"K th , "K th , "H th , "Z th , "A th , "D th
	Delivery Receipt	"C th , "D th , "E th , "F th , "G th , "K th 1-13 to 21
10005	Sales Invoice	"W th , "X th
	Delivery Receipt	"X th 1-13, "Z th

¹¹⁹ It was stipulated that there was a discrepancy in the amount utilized as appearing on the dorsal portion of TCC No. 7953 showing an amount of P1,374,909.00, whereas the offer of the prosecution as to the amount utilized based on BOC records showed a total amount of P1,674,975.00 (TSN dated April 14, 2014, pp. 22-23)

¹²⁰ It was stipulated that there was a discrepancy in the amount utilized as appearing on the dorsal portion of TCC No. 9707 showing an amount of P4,172,241.00, whereas the offer of the prosecution as to the amount utilized based on BOC records showed a total amount of P4,722,598.00 (TSN dated April 14, 2014, pp. 31-33)

¹²¹ TSN dated July 21, 2014, pp. 20-24

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10. Ma. Corazon Halili Dichosa

Before this witness was presented, the parties stipulated that she issued a Certification¹²² with respect to BOI Certificate Nos. 94-480, 97-325 of RA Rodriguez Bus Line and Filipinas Daewoo Industries Corporation, which was a BOI-registered company.¹²³

After presenting its witnesses, the prosecution formally offered its documentary exhibits, viz:

Criminal Case Nos.	Name of the Accused Involved	Exhibits	Documents
SB-12-CRM-0087 and SB-12-CRM-0094 (TCC No. 007598)	Antonio P. Belicena	"A" and "A-1"	TCC No. 007598
	Uldarico P. Andutan, Jr.	"B"	Commercial Motors Corporation Motor Vehicle Sales Invoice No. 5897
	Raul C. De Vera	"C"	Commercial Motors Corporation Assembly Plant Delivery Receipt No. 6270
	Rosanna P. Diala	"D"	Commercial Motors Corporation Motor Vehicle Sales Invoice No. 5891
		"E"	Commercial Motors Corporation Assembly Plant Delivery Receipt No. 6260
		"F"	Commercial Motors Corporation Motor Vehicle Sales Invoice No. 5896
	Ramon A. Rodriguez	"G"	Commercial Motors Corporation Assembly Plant Delivery Receipt No. 6268
	Joseph Cabotaje	"H"	Commercial Motors Corporation Motor Vehicle Sales Invoice No. 5893
		"I"	Commercial Motors Corporation Assembly Plant Delivery Receipt No. 6262
		"J"	Commercial Motors Corporation Motor Vehicle Sales Invoice No. 5894
		"K"	Commercial Motors Corporation Assembly Plant Delivery Receipt N. 6264
		"L"	Commercial Motors Corporation Motor Vehicle Sales Invoice No. 5892
		"M"	Commercial Motors Corporation Assembly Plant Delivery Receipt No. 6261
		"N"	Commercial Motors Corporation Motor Vehicle Sales Invoice No. 5895
		"O"	Commercial Motors Corporation Assembly Plant Delivery Receipt No. 6265
		"P"	Commercial Motors Corporation Motor Vehicle Sales Invoice No. 5890
		"Q"	Commercial Motors Corporation Assembly Plant Delivery Receipt No. 6259
		"R"	Claimant Information Sheet No. 12075
		"T"	Certificate of Registration MV File No. 0428-46660
		"T-1"	Official Receipt
		"U"	Certificate of Registration MV File No. 0428-46658
		"U-1"	Official Receipt
		"V"	Certificate of Registration MV File No. 0428-46657

¹²² Exhibit "A10"

¹²³ TSN dated September 1, 2014, pp. 10-11

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		"V-1"	Official Receipt
		"W"	Certificate of Registration MV File No. 0428-46655
		"W-1"	Official Receipt
		"X"	Certificate of Registration MV File No. 0428-46656
		"X-1"	Official Receipt
		"Y"	Certificate of Registration MV File No. 0428-46654
		"Y-1"	Official Receipt
		"Z"	Certificate of Registration MV File No. 0428-46653
		"Z-1"	Official Receipt
		"AA"	Certificate of Registration MV File No. 0428-46661
		"AA-1"	Official Receipt
		"BB"	LTPRB Case No. 91-3059 Decision
		"CC"	LTPRB Case No. 93-4712 Decision
		"DD"	Letter dated October 18, 1996
		"EE"	Evaluation Report
		"FF"	Letter dated April 26, 2000
		"GG"	Letter dated April 11, 2000
		"GG-1"	MV File No. 0428-46653
		"GG-2"	Commercial Motors Corporation Sales Invoice No. 5890
		"GG-3"	MV File No. 0428-46658
		"GG-4"	MV File No. 0428-46654
		"GG-5"	MV File No. 0428-46656
		"GG-6"	MV File No. 0428-46661
		"GG-7"	MV File No. 0428-46657
		"GG-8"	MV File No. 0428-46660
		"S" and "S-1"	MV File No. 0428-46655
		"GG-9"	CMC Sales Invoice No. 5897
		"GG-10"	CMC Sales Invoice No. 5896
		"GG-11"	CMC Sales Invoice No. 5895
		"GG-12"	CMC Sales Invoice No. 5894
		"GG-13"	CMC Sales Invoice No. 5892
		"GG-14"	CMC Sales Invoice No. 5891
		"GG-15"	CMC Sales Invoice No. 5893
		"GG-16"	CMC Sales Invoice No. 5891
		"GG-17"	Delivery Receipt No. 6654
		"GG-31"	Sales Invoice No. 5896
		"GG-19"	Delivery Receipt No. 6655
		"GG-20"	Sales Invoice No. 5893
		"GG-21"	Delivery Receipt No. 6654
		"GG-22"	Sales Invoice No. 5894
		"GG-23"	Delivery Receipt No. 6664
		"GG-24"	Sales Invoice No. 5892
		"GG-25"	Delivery Receipt No. 6663
		"GG-26"	Sales Invoice No. 5895
		"GG-27"	Delivery Receipt No. 6665
		"GG-28"	Sales Invoice No. 5890
		"GG-29"	Delivery Receipt No. 6662
		"GG-30"	Sales Invoice No. 5897
		"GG-30-A"	Bracketed Portion Delivery Price P1,370,730.00
SB-12-CRM-0088	Antonio P. Belicena	"MM" and "MM-1"	TCC No. 007953
and	Uldarico P. Andutan, Jr.	"NN"	Claimant Information Sheet No. 21831
SB-12-CRM-0095	Raul C. De Vera	"HHH"	Pilipinas Ilino, Inc. Invoice dated January 3, 1997
		"HHH-1"	Encircled Portion "Invoice Date Jan 3, 1997"
		"HHH-2"	Encircled Portion of a Handwriting Under QTY "2"
		"HHH-3"	Encircled Portion Under Unit Price "P3,481,000.00"

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(TCC No. 007953)	Rosanna P. Dñala Ramon A. Rodriguez Joseph Cabotaje	"III"	Pilipinas Hino, Inc. Delivery Receipt dated January 3, 1997
		"III-1"	Encircled Portion "Date Jan 3 1997"
		"III-2"	Encircled Portion "(1) unit"
		"OO"	Certificate of Registration No. 39231360
		"OO-1"	Official Receipt
		"PP"	Certificate of Registration No. 39231371
		"PP-1"	Official Receipt
		"QQ"	LTFRB Case No. 96-7276 Decision
		"RR"	Evaluation Report
		"SS"	Letter dated March 29, 2000
		"FFE-1"	Pilipinas Hino, Inc. Sales Invoice No. 11219
		"FFF-1-A"	Encircled Date "04 October 1996"
		"FFF-1-B"	Encircled Portion "No. 11219"
		"FFF-1-C"	Encircled Portion "QTY. 2"
		"FFF-1-D"	Encircled Portion "Unit price P2,950,000"
		"FFF-1-E"	Bracketed Portion: Pilipinas Hino Certified True Copy Certified True and Correct: Roberto R. Divinagracia VP-Marketing
		"JJJ"	Pilipinas Hino, Inc. Delivery Receipt No. 04946
		"JJJ-1"	Encircled Portion "Date 27 Sept 1996"
		"JJJ-2"	Encircled Portion "No. 04946"
		"JJJ-3"	Encircled Portion "QTY Two (2) units"
		"JJJ-4"	Bracketed Portion "Pilipinas Hino Inc. Certified True Copy" and a signature over printed word authorized signature
		"TT"	Letter dated April 3, 2000 with Annexes comprising two (2) pages
		"TT-1"	Certificate of Registration No. 39231360
		"TT-2"	Certificate of Registration No. 39231371 with Official Receipt no. 58197464
		"UU"	Affidavit of Hector J. Eugenio comprising two (2) pages with Attachments
		"VV"	Supplemental Affidavit of Hector J. Eugenio comprising two pages
		"XX"	Certification of Elizabeth Cruz
		"XX-1"	History of Utilization
		"YY"	Cancellation Memorandum
		"YY-1"	Bracketed Portion which shows the recommended TCCs for immediate cancellation and recall
		"KKK"	Memorandum dated September 18, 1997 comprising two pages
		"LLL"	Letter of RA Rodriguez Bus Line
		"LLL-1"	Affidavit of Ramon Rodriguez
		"LLL-2"	Secretary's Certificate
		"LLL-3"	TCC No. 007953
		"LLL-4"	Deed of Assignment
		"LLL-5"	Order of Payment
		"LLL-6"	Pilipinas Hino, Inc. Invoice dated January 3, 1997
		"LLL-7"	Pilipinas Hino, Inc. Delivery Receipt
		"LLL-8"	Tax Clearance Certificate
		"LLL-9"	Bureau of Customs Certification
		"LLL-10"	Board of Investments Certificate of Registration No. EP92-113
		"LLL-11"	Tax Debit Memo dated October 21, 1997
		"LLL-12"	RA Rodriguez Bus Line Type of Registration
		"LLL-13"	Board of Investments Certificate of Registration No. EP92-113
		"MMM"	Tax Debit Memo dated October 21, 1997

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		"NNN"	Pilipinas Flino, Inc. Request for Tax Debit Memo dated October 20, 1997
		"NNN-1"	TCC No. 007953
		"NNN-1-A"	Bracketed Portion of the Transfer of Tax Credit (dorsal portion) of tax credit certificate
		"OOO"	TCC No. 008549
SB-12-CRM-0089	Antonio P. Belicena	"PPP"	Claimant Information Sheet No. 26654
		"B ^{1st} "	Filipinas Daewoo Industries Corporation Sales Invoice No. 0333
		"C ^{1st} "	Filipinas Daewoo Industries Corporation Sales Invoice No. 0328
		"D ^{1st} "	Filipinas Daewoo Industries Corporation Sales Invoice No. 0330
and SB-12-CRM-0096 (TCC No. 008549)	Uldarico P. Andutan, Jr.	"E ^{1st} "	Filipinas Daewoo Industries Corporation Sales Invoice No. 0329
		"F ^{1st} "	Filipinas Daewoo Industries Corporation Sales Invoice No. 0331
		"G ^{1st} "	Filipinas Daewoo Industries Corporation Delivery Receipt No. 2556
		"H ^{1st} "	Filipinas Daewoo Industries Corporation Delivery Receipt No. 2555
	Raul C. De Vera	"I ^{1st} "	Filipinas Daewoo Industries Corporation Delivery Receipt No. 2559
		"J ^{1st} "	Filipinas Daewoo Industries Corporation Delivery Receipt No. 2550
		"K ^{1st} "	Filipinas Daewoo Industries Corporation Delivery Receipt No. 2557
		"QQQ"	Certificate of Registration MV File No. 0428-51703
	Rosanna P. Diala	"QQQ-1"	Official Receipt
		"RRR"	Certificate of Registration MV File No. 0428-51702
		"RRR-1"	Official Receipt
		"SSS"	Certificate of Registration MV File No. 0428-51697
	Ramon A. Rodriguez	"SSS-1"	Official Receipt
		"TTT"	Certificate of Registration MV File No. 0428-51698
		"TTT-1"	Official Receipt
		"UUU"	Certificate of Registration MV File No. 0428-51694
	Joseph Cabotaje	"UUU-1"	Official Receipt
		"VVV"	Certificate of Registration MV File No. 0428-51696
		"VVV-1"	Official Receipt
		"WWW"	Certificate of Registration MV File No. 0428-51695
		"WWW-1"	Official Receipt
		"XXX"	LTFRB Case No. 96-7276 Decision
		"YYY"	Evaluation Report
		"YYY-1"	Bracketed Portion which shows three LTFRB Decisions, namely: 96-7276; 90-3897; 96-8802
		"ZZZ"	Letter dated April 24, 2000 of Filipinas Daewoo Industries Corporation
		"A ^{1st} "	Letter dated April 3, 2000 from LTO
		"A ^{1st-1} "	Certificate of Registration No. 59027657
		"A ^{1st-2} "	Certificate of Registration No. 16613886
		"A ^{1st-3} "	Certificate of Registration No. 59027668
		"A ^{1st-4} "	Certificate of Registration No. 59027714
		"A ^{1st-5} "	Certificate of Registration No. 39312898
		"A ^{1st-6} "	Certificate of Registration No. 59027613
		"A ^{1st-7} "	Filipinas Daewoo Sales Invoice No. 0332
		"A ^{1st-8} "	Certificate of Registration No. 59027646
		"A ^{1st-9} "	Filipinas Daewoo Sales Invoice No. 0328
		"A ^{1st-10} "	Filipinas Daewoo Sales Invoice No. 0330
		"A ^{1st-11} "	Filipinas Daewoo Sales Invoice No. 0331
		"A ^{1st-12} "	Filipinas Daewoo Sales Invoice No. 0331

		"A ⁴⁻¹² "	Filipinas Daewoo Sales Invoice No. 0333
		"A ⁴⁻¹³ "	Filipinas Daewoo Sales Invoice No. 0334
		"L ⁴⁻¹ "	Memorandum dated February 9, 1998
		"M ⁴⁻¹ "	Letter Request of RA Rodriguez Bus Line
		"M ^{4-1a} "	TCC No. 008549
		"M ⁴⁻² "	BIR Tax Clearance Certificate
		"M ⁴⁻³ "	Bureau of Customs Certification
		"M ⁴⁻⁴ "	Deed of Assignment
		"M ⁴⁻⁵ "	Secretary's Certificate
		"M ⁴⁻⁶ "	Order of Payment
		"M ⁴⁻⁷ "	Affidavit of Ramon A. Rodriguez
		"M ⁴⁻⁸ "	BOI Certificate of Registration No. EP-92-113
		"M ⁴⁻⁹ "	Filipinas Daewoo Industries Corporation Sales Invoice No. 0334
		"M ⁴⁻¹⁰ "	Filipinas Daewoo Industries Corporation Delivery Receipt No. 2560
		"M ⁴⁻¹¹ "	Filipinas Daewoo Industries Corporation Sales Invoice No. 0333
		"M ⁴⁻¹² "	Filipinas Daewoo Industries Corporation Delivery Receipt No. 2559
		"M ⁴⁻¹³ "	Filipinas Daewoo Industries Corporation Sales Invoice No. 0331
		"M ⁴⁻¹⁴ "	Filipinas Daewoo Industries Corporation Delivery Receipt No. 2558
		"M ⁴⁻¹⁵ "	Filipinas Daewoo Industries Corporation Sales Invoice No. 0332
		"M ⁴⁻¹⁶ "	Filipinas Daewoo Industries Corporation Delivery Receipt No. 2558
		"M ⁴⁻¹⁷ "	Filipinas Daewoo Industries Corporation Sales Invoice No. 0330
		"M ⁴⁻¹⁸ "	Filipinas Daewoo Industries Corporation Delivery Receipt No. 2556
		"M ⁴⁻¹⁹ "	Filipinas Daewoo Industries Corporation Sales Invoice No. 0329
		"M ⁴⁻²⁰ "	Filipinas Daewoo Industries Corporation Delivery Receipt No. 2555
		"M ⁴⁻²¹ "	Filipinas Daewoo Industries Corporation Sales Invoice No. 0328
		"M ⁴⁻²² "	Filipinas Daewoo Industries Corporation Delivery Receipt No. 2550
		"M ⁴⁻²³ "	BOI Certificate of Registration
		"M ⁴⁻²⁴ "	RA Rodriguez Bus Line Type of Registration
		"N ⁴⁻¹ "	Tax Debit Memo
		"O ⁴⁻¹ "	Letter of Filipinas Daewoo Industries Corporation dated Feb. 09, 1998
SB-12-CRM-0090 and SB-12-CRM-0097 (TCC No. 009760)	Antonio P. Belicena	"P ⁴⁻¹ "	TCC No. 009760
	Uldarico P. Andutan, Jr.	"P ^{4-1a} "	Bracketed Portion which shows the transfer of tax credit to Filipinas Daewoo Industries Corporation in the amount of P2,036,423.00
	Raul C. De Vera	"Q ⁴⁻¹ "	Claimant Information Sheet No. 29402
	Rosanna P. Diala	"R ⁴⁻¹ "	Certificate of Registration with MV File No. 0428-51796
		"R ^{4-1a} "	Official Receipt
		"S ⁴⁻¹ "	Certificate of Registration with MV File No. 0428-51797
		"S ^{4-1a} "	Official Receipt
	Ramon A. Rodriguez	"T ⁴⁻¹ "	Certificate of Registration with MV File No. 0428-51798
		"T ^{4-1a} "	Official Receipt

Joseph Cabotaje	"U ⁴ⁿ	Certificate of Registration with MV File No. 0428-51799
	"U ⁴⁻¹ⁿ	Official Receipt
	"V ⁴ⁿ	Certificate of Registration with MV File No. 0428-51800
	"V ⁴⁻¹ⁿ	Official Receipt
	"W ⁴ⁿ	LTFRB Decision 96-7274
	"X ⁴ⁿ	Evaluation Report
	"Y ⁴ⁿ	Letter dated 11 April 2000 with Attachments
	"Y ⁴⁻¹ⁿ	Certificate of Registration with MV File No. 0428-51800
	"Y ⁴⁻²ⁿ	Official Receipt
	"Y ⁴⁻³ⁿ	Certificate of Registration with MV File No. 0428-51799
	"Y ⁴⁻⁴ⁿ	Official Receipt
	"Y ⁴⁻⁵ⁿ	Certificate of Registration with MV File No. 0428-51798
	"Y ⁴⁻⁶ⁿ	Official Receipt
	"Y ⁴⁻⁷ⁿ	Certificate of Registration with MV File No. 0428-51797
	"Y ⁴⁻⁸ⁿ	Official Receipt
	"Y ⁴⁻⁹ⁿ	Certificate of Registration with MV File No. 0428-51796
	"Y ⁴⁻¹⁰ⁿ	Official Receipt
	"Z ⁴ⁿ	Filipinas Daewoo Industries Corporation Sales Invoice No. 0531
	"A ⁵ⁿ	Filipinas Daewoo Industries Corporation Sales Invoice No. 0532
	"B ⁵ⁿ	Filipinas Daewoo Industries Corporation Sales Invoice No. 0533
	"C ⁵ⁿ	Filipinas Daewoo Industries Corporation Delivery Receipt No. 2701
	"D ⁵ⁿ	Filipinas Daewoo Industries Corporation Delivery Receipt No. 2702
	"E ⁵ⁿ	Filipinas Daewoo Industries Corporation Delivery Receipt No. 2703
	"F ⁵ⁿ	Filipinas Daewoo Industries Corporation Delivery Receipt No. 2704
	"G ⁵ⁿ	Filipinas Daewoo Industries Corporation Delivery Receipt No. 2705
	"H ⁵ⁿ	Filipinas Daewoo Industries Corporation Sales Invoice No. 0530
	"K ⁵⁻²²ⁿ	Filipinas Daewoo Industries Corporation Sales Invoice No. 0529
	"I ⁵ⁿ	Memorandum for Transfer of Tax Credit Certificate dated May 18, 1998
	"J ⁵ⁿ	Order of Payment
	"K ⁵ⁿ	Letter of RA Rodriguez Bus Line
	"K ⁵⁻¹ⁿ	Affidavit of Ramon Rodriguez
	"K ⁵⁻²ⁿ	Secretary's Certificate
	"K ⁵⁻³ⁿ	Deed of Assignment
	"K ⁵⁻⁴ⁿ	Affidavit of Ramon Rodriguez
	"K ⁵⁻⁵ⁿ	BOC Certification
	"K ⁵⁻⁶ⁿ	BOC Clearance
	"K ⁵⁻⁷ⁿ	TCC No. 009760
	"K ⁵⁻⁸ⁿ	BOI Certificate of Registration No. 97-325
	"K ⁵⁻⁹ⁿ	RA Rodriguez Bus Line General Terms and Conditions
	"K ⁵⁻¹⁰ⁿ	RA Rodriguez Bus Line Type of Registration

Y. A

		"K ⁵⁻¹¹ "	BOI Filipinas Daewoo Industries Corporation Certificate of Registration
		"K ⁵⁻¹² "	BIR Tax Clearance Certificate
		"K ⁵⁻¹³ "	Filipinas Daewoo Industries Corporation Delivery Receipt No. 2704
		"K ⁵⁻¹⁴ "	Filipinas Daewoo Industries Corporation Sales Invoice No. 0532
		"K ⁵⁻¹⁵ "	Filipinas Daewoo Industries Corporation Delivery Receipt No. 2705
		"K ⁵⁻¹⁶ "	Filipinas Daewoo Industries Corporation Sales Invoice No. 0533
		"K ⁵⁻¹⁷ "	Filipinas Daewoo Industries Corporation Delivery Receipt No. 2703
		"K ⁵⁻¹⁸ "	Filipinas Daewoo Industries Corporation Sales Invoice No. 0531
		"K ⁵⁻¹⁹ "	Filipinas Daewoo Industries Corporation Delivery Receipt No. 2702
		"K ⁵⁻²⁰ "	Filipinas Daewoo Industries Corporation Sales Invoice No. 0530
		"K ⁵⁻²¹ "	Filipinas Daewoo Industries Corporation Delivery Receipt No. 2701
		"S ⁵ "	Tax Debit Memo dated June 5, 1998
		"T ⁵ "	Letter dated May 23, 1998
SB-12-CRM-0091 and SB-12-CRM-0098 (TCC No. 010005)	Antonio P. Belicena	"U ⁵ "	Letter dated May 3, 1999 of Jae-Pyo Cho
		"CCC"	Letter dated May 3, 1999 of Jae-Pyo Cho
	Uldarico P. Andutan, Jr.	"V ⁵ "	Claimant Information Sheet No. 29958
		"W ⁵ "	Filipinas Daewoo Industries Corporation Sales Invoice No. 0430 with unit cost of "P4,373,200.00"
	Raul C. De Vera	"X ⁵ "	Filipinas Daewoo Industries Corporation Delivery Receipt No. 2601
		"Y ⁵ "	Filipinas Daewoo Industries Corporation Sales Invoice No. 0431 with unit cost of P4,373,200.00
	Rosanna P. Diala	"Z ⁵ "	Filipinas Daewoo Industries Corporation Delivery Receipt No. 2602
		"A ⁶ "	Certificate of Registration with MV File No. 0428-53002
	Ramon A. Rodriguez	"A ⁶⁻¹ "	Official Receipt
		"K ⁶ "	Certificate of Registration of MV File No. 0428-53003
	Joseph Cabotaje	"K ⁶⁻¹ "	Official Receipt
		"L ⁶ "	LTFRB Decision 96-7274
		"G ⁷ "	Letter dated 3 April 2000
		"M ⁹⁻²⁹² "	Evaluation Report No. 29958
SB-12-CRM-0092 and SB-12-CRM-0099 (TCC No. 009707)	Antonio P. Belicena	"H ⁷ "	TCC No. 009707
		"H ⁷⁻¹ "	TCC No. 009707 (dorsal)
	Uldarico P. Andutan, Jr.	"I ⁷ "	Claimant Information Sheet No. 29960
		"N ⁷ "	Filipinas Daewoo Industries Corporation Delivery Receipt No. 2603
	Raul C. De Vera	"O ⁷ "	Filipinas Daewoo Industries Corporation Sales Invoice No. 0432
		"P ⁷ "	Filipinas Daewoo Industries Corporation Delivery Receipt No. 2604
	Brandy L. Marzan	"Q ⁷ "	Filipinas Daewoo Industries Corporation Sales Invoice No. 0433
		"R ⁷ "	Filipinas Daewoo Industries Corporation Delivery Receipt No. 2605
	Ramon A. Rodriguez	"S ⁷ "	Filipinas Daewoo Industries Corporation Sales Invoice No. 0434

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Joseph Cabotaje	"T"	Filipinas Daewoo Industries Corporation Delivery Receipt No. 2606
	"U"	Filipinas Daewoo Industries Corporation Sales Invoice No. 0437
	"V"	Filipinas Daewoo Industries Corporation Delivery Receipt No. 2607
	"W"	Filipinas Daewoo Industries Corporation Sales Invoice No. 0438
	"X"	Filipinas Daewoo Industries Corporation Delivery Receipt No. 2608
	"Y"	Filipinas Daewoo Industries Corporation Sales Invoice No. 0439
	"Z"	Filipinas Daewoo Industries Corporation Delivery Receipt No. 2609
	"A"	Filipinas Daewoo Industries Corporation Sales Invoice No. 0440
	"B"	Filipinas Daewoo Industries Corporation Delivery Receipt No. 2610
	"C"	Filipinas Daewoo Industries Corporation Sales Invoice No. 0441
	"D"	Filipinas Daewoo Industries Corporation Delivery Receipt No. 2611
	"E"	Filipinas Daewoo Industries Corporation Sales Invoice No. 0435
	"F"	Filipinas Daewoo Industries Corporation Delivery Receipt No. 2612
	"G"	Filipinas Daewoo Industries Corporation Sales Invoice No. 0436
	"H"	Evaluation Report
	"I"	Computation of Tax Credit
	"J"	Photocopies of Bus
	"K"	Certificate of Registration with MV File No. 0428-53003
	"K-1"	Official Receipt
	"B"	Certificate of Registration with MV File No. 0428-53004
	"B-1"	Official Receipt
	"C"	Certificate of Registration with MV File No. 0428-53005
	"C-1"	Official Receipt
	"D"	Certificate of Registration with MV File No. 0428-53006
	"D-1"	Official Receipt
	"E"	Certificate of Registration with MV File No. 0428-53007
	"E-1"	Official Receipt
	"F"	Certificate of Registration with MV File No. 0428-53008
	"F-1"	Official Receipt
	"G"	Certificate of Registration with MV File No. 0428-53009
	"G-1"	Official Receipt
	"H"	Certificate of Registration with MV File No. 0428-53010
	"H-1"	Official Receipt
	"I"	Certificate of Registration with MV File No. 0428-53012
	"I-1"	Official Receipt
	"J"	Certificate of Registration with MV File No. 0428-53012

		"J ⁶⁻¹ "	Official Receipt
		"L ³ "	LTPRB Decision No. 96-7274
		"M ³ "	Memorandum Request for Transfer of Tax Credit Certificate
		"N ⁸ "	Order of Payment
		"O ⁴ "	Letter of RA Rodriguez Bus Line
		"O ⁵⁻¹ "	Deed of Assignment
		"O ⁵⁻² "	Affidavit of Ramon A. Rodriguez
		"O ⁵⁻³ "	Secretary's Certificate
		"O ⁵⁻⁴ "	BOI Certificate of Registration of Filipinas Daewoo Industries
		"O ⁵⁻⁵ "	Photocopy of the Original of TCC No. 009707
		"O ⁵⁻⁶ "	BIR Tax Clearance Certificate
		"O ⁵⁻⁷ "	BOC Certification
		"J ⁷ "	BOC Clearance
		"K ⁷ "	BOI Certificate of Registration No. 97-325
		"L ⁷ "	RA Rodriguez Bus Line General Terms and Conditions
		"M ⁷ "	RA Rodriguez Bus Line Type of Registration
		"S ⁸ "	Tax Debit Memo dated June 5, 1998
		"T ⁸ "	Letter of Filipinas Daewoo Industries Corporation dated May 23, 1998
		"R ⁸ "	Photocopy of TCC No. 009707
		"R ⁸⁻³ "	Bracketed Portion which reflects the transfer of the amount of P4,177,241.000 in the name of Filipinas Daewoo Industries Corporation on 05.15.98 signed by Antonio P. Belicena
		"U ⁴ "	Letter dated April 3, 2000
SB-12-CRM-0093 and SB-12-CRM-0100 (TCC No. 009705)	Antonio P. Belicena	"V ⁴ "	TCC No. 009705
		"V ⁴⁻¹ "	TCC No. 009705 (dorsal)
	Uldarico P. Andutan, Jr.	"W ³ "	Claimant Information Sheet
		"X ⁴ "	Certificate of Registration MV File No. 0428-53169
	Raul C. De Vera	"X ⁴⁻¹ "	Official Receipt
		"Y ⁴ "	Certificate of Registration MV File No. 0428-53168
	Brandy L. Marzan	"Y ⁴⁻¹ "	Official Receipt
		"Z ³ "	LTPRB Decision No. 90-3897
	Ramon A. Rodriguez	"E ⁴ "	Pilipinas Hino, Inc. Invoice
		"F ⁴ "	Pilipinas Hino, Inc. Delivery Receipt
	Joseph Cabotaje	"G ⁴ "	Pilipinas Hino, Inc. Delivery Receipt
		"A ⁴ "	Evaluation Report
		"B ⁴ "	Computation of Tax Credit
		"C ⁴ "	Letter dated March 29, 2000 of Pilipinas Hino, Inc.
		"D ⁴ "	Letter dated April 3, 2000
		"H ⁴ "	Order of Payment
		"P ⁴ "	Memorandum for Transfer of Tax Credit
		"J ⁹ "	Letter of RA Rodriguez Bus Line
		"J ⁹⁻¹ "	Affidavit of Ramon A. Rodriguez
		"J ⁹⁻² "	Secretary's Certificate
		"J ⁹⁻³ "	Photocopy of TCC No. 009705
		"J ⁹⁻⁴ "	Deed of Assignment
		"J ⁹⁻⁵ "	Pilipinas Hino, Inc. Invoice
		"J ⁹⁻⁶ "	Pilipinas Hino, Inc. Delivery Receipt
		"J ⁹⁻⁷ "	Pilipinas Hino, Inc. Delivery Receipt
		"J ⁹⁻⁸ "	BIR Tax Clearance Certificate
		"J ⁹⁻⁹ "	BOC Certification
		"J ⁹⁻¹⁰ "	BOC Clearance
		"J ⁹⁻¹¹ "	BOI Certificate of Registration No. 94-480
		"J ⁹⁻¹² "	RA Rodriguez Bus Line Type of Registration
		"K ⁴ "	Tax Debit Memo dated June 5, 1998

	"L" ⁹⁸	Pilipinas Hino, Inc. Letter dated May 14, 1998
	"M" ⁹⁸	Investigation Report of Special Presidential Task Force 156
	"QQ-1" ⁹⁸	LTFRB Decision No. 96-7276
	"CC-1" ⁹⁸	LTFRB Decision No. 93-4712
	"L" ⁹⁸⁻¹⁰	LTFRB Decision No. 96-7274
	"Z" ⁹⁸⁻¹⁰	LTFRB Decision No. 90-3897
	"P" ⁹⁸ , "P" ⁹⁸⁻¹⁰ to "P" ⁹⁸⁻¹⁰	BOC Monthly Report for Tax Credit Applied for the Month of August 1997
	"Q" ⁹⁸ , "Q" ⁹⁸⁻¹⁰ to "Q" ⁹⁸⁻¹⁰	BOC Summary of Tax Credits applied/or Consumed for the Month of August 1987
	"R" ⁹⁸ , "R" ⁹⁸⁻¹⁰ to "R" ⁹⁸⁻¹⁰	BOC Summary of Tax Credits applied/or Consumed for the Month of September 1997
	"S" ⁹⁸ , "S" ⁹⁸⁻¹⁰ to "S" ⁹⁸⁻¹⁰	Summary of Tax Credits applied/or Consumed for the Month of October 1997
	"T" ⁹⁸ , "T" ⁹⁸⁻¹⁰ to "T" ⁹⁸⁻¹⁰	BOC Monthly Report for Tax Credit Applied for the Month of January 1998
	"U" ⁹⁸ , "U" ⁹⁸⁻¹⁰ to "U" ⁹⁸⁻¹⁰	BOC Summary of Tax Credits applied/or Consumed for the Month of January 1998
	"V" ⁹⁸ , "V" ⁹⁸⁻¹⁰ to "V" ⁹⁸⁻¹⁰	BOC Summary of Tax Credits applied/or Consumed for the Month of February 1998
	"W" ⁹⁸ , "W" ⁹⁸⁻¹⁰ to "W" ⁹⁸⁻¹⁰	BOC Monthly Report for Tax Credit Applied for the Month of August 1998
	"X" ⁹⁸ , "X" ⁹⁸⁻¹⁰ to "X" ⁹⁸⁻¹⁰	BOC Summary of Tax Credits applied/or Consumed for the Month of August 1998
	"Y" ⁹⁸ , "Y" ⁹⁸⁻¹⁰ to "Y" ⁹⁸⁻¹⁰	BOC Summary of Tax Credits applied/or Consumed for the Month of October 1998
	"Z" ⁹⁸ , "Z" ⁹⁸⁻¹⁰ to "Z" ⁹⁸⁻¹⁰	BOC Summary of Tax Credits applied/or Consumed for the Month of December 1998
	"A" ¹⁰⁰⁰	BOI Certification relative to the BOI registration of RA Rodriguez Bus Line

In its Resolution¹²⁴ dated May 11, 2015, the Court (through the First Division) admitted all the above cited exhibits.

EVIDENCE FOR THE DEFENSE

1. Accused Rosanna P. Diala ("accused Diala"), Senior Tax Specialist of One-Stop Shop Inter-Agency Tax Credit and Duty Drawback Center ("the Center"), DOF, from 1995 to 2008. Former contractual employee of the DOF from 1993 to 1995.

As a Senior Tax Specialist, accused Diala was assigned to the Investment Incentive Group of the Center and it was one of her duties to process applications for tax credit. The evaluation process was described by her in this wise:

First, the applicant would file an application at the receiving section of the Center. Attached to the application would be a Claimant's Information Sheet (CIS) and other required supporting documents.

¹²⁴ Records, Vol. 5, p. 153

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The docket containing the application and all documents attached thereto would then be forwarded to a particular division of employees who handled the specific type of tax credit applied for (e.g. raw materials, domestic capital equipment, and so on).¹²⁵ The group concerned would then check for the completeness of requirements. If complete, the docket would be returned to the receiving center, and the applicant would be directed to pay a processing fee and would receive a claim stub with the application number and due date.¹²⁶

After payment of the fee, the docket would be returned to the specific group which handled the evaluation by way of computation.¹²⁷ The computation involved the allowable tax credit, which was followed by the preparation of an evaluation report.¹²⁸

The draft evaluation report including the attached documents would then be forwarded to the head of the division for the review of the computation. If found to be in order by the supervisor, it would be finalized and everything would be forwarded to the office of the Deputy Executive Director for recommendation of approval.¹²⁹

Once given final approval by the Deputy Executive Director and the Administrator, a TCC would be issued to the applicant.¹³⁰

Accused Diala was part of the group that handled tax credits on domestic capital equipment, net local content, net value earned.¹³¹ Accused Diala encountered the tax credit application of RA Rodriguez Bus Line sometime in 1996 or 1997.¹³² It was forwarded to the domestic capital equipment group. Accused Diala participated in the processing of the application by computing the tax credit on domestic capital equipment for RA Rodriguez Bus Line. She checked if all documentary requirements were present, then she computed the allowable tax credit based on the formula given by the BOL.¹³³ She checked the documents submitted by RA Rodriguez Bus line such as the CIS, sales invoices, delivery receipts, LTO OR/CRs, LTFRB decisions, and other general requirements.¹³⁴

The witness disclosed that applicants were required to submit two sets of documents: one set of originals and one set of photocopies.¹³⁵

After accused Diala signed the Evaluation Report, the same Evaluation Report and the whole docket were forwarded to accused De Vera who was her supervisor or head of her division. She identified her signatures on the

¹²⁵ TSN dated June 21, 2016, p. 14

¹²⁶ *Id.* at 15

¹²⁷ *Ibid.*

¹²⁸ *Id.* at 16

¹²⁹ *Ibid.*

¹³⁰ *Ibid.*

¹³¹ TSN dated June 28, 2016, p. 11

¹³² TSN dated June 21, 2016, p. 17

¹³³ *Id.* at 18

¹³⁴ *Id.* at 19

¹³⁵ *Ibid.*

Evaluation Reports relative to the TCCs subject of these cases, and averred that she had forwarded the same to accused De Vera.¹³⁶

Accused Diala relied on the attestation clause of the CIS which stated that all the documents submitted and/or attached thereto were authentic and genuine. Part of her training at the BOI was that she computed the allowable tax credit based on what were submitted, but she was not trained to verify the authenticity of the documents.¹³⁷ She emphasized that she did not validate the various supporting documents attached to the applications as it was not part of her duties.¹³⁸ However, in the event that she would have found a spurious document submitted by an applicant, she would have disallowed it and not included the same in the computation. If all the documents submitted were fake, the application would be disapproved.¹³⁹ Accused Diala recalled some instances when some applications were partly disallowed, not denied outright, for questionable submissions.¹⁴⁰ She did not know whose duty was it to verify the genuineness of the documents.¹⁴¹ She recalled that it was the practice of the Investment Incentive Group (to which she belonged) that no verifications were done.¹⁴²

It was only in 2000 that a new system, the *process-based* system, was introduced in processing tax credit applications.¹⁴³ Under this system, five divisions were created: Pre-Evaluation and Documentation; Financial Validation; Authentication and Verification; Claim Evaluation; Preparation and Release of Tax Credit Certificate.¹⁴⁴ In particular, the Authentication and Verification Division would verify all the supporting documents from its sources.

Prior to the new system introduced in 2000, the process of evaluating an application for tax credit was that which was taught by the BOI: an *industry-based* system. In this system, there were divisions of seven groups, and the evaluation of a particular application depended on the registered activity of the applicant.¹⁴⁵ There was no Authentication and Verification Division yet in this system. The Center did not verify any documents under this system.¹⁴⁶

What prompted the introduction of the new system was the tax credit scam in 1998.¹⁴⁷ In the scam, BOI-registered firms would defraud the government by submitting spurious documents in their applications for tax credits.¹⁴⁸

¹³⁶ *Id.* at 20-27

¹³⁷ *Id.* at 28

¹³⁸ *Id.* at 29

¹³⁹ *Id.* at 30

¹⁴⁰ *Id.* at 31

¹⁴¹ *Ibid.*

¹⁴² *Ibid.*

¹⁴³ *Id.* at 32

¹⁴⁴ *Id.* at 32-33

¹⁴⁵ *Id.* at 35

¹⁴⁶ *Id.* at 36

¹⁴⁷ *Id.* at 39

¹⁴⁸ TSN dated June 28, 2016, p. 10

Accused Diala processed a thousand applications since joining the Center, and there was a deadline of thirty working days within which to approve the application from the time the same was submitted as per *Administrative Order No. 226*.¹⁴⁹

She denied falsifying the Evaluation Reports; in fact, she computed the allowable tax credit based on original documents submitted by the applicant RA Rodriguez Bus Line.¹⁵⁰

Accused Diala was introduced to accused Rodriguez by accused Cabotaje sometime in 1997.¹⁵¹ She only met him once and nothing happened thereafter.¹⁵²

Accused Diala was familiar with deficiency letters, which inform the applicant that there were lacking documentary requirements.¹⁵³ When confronted with one such deficiency letter penned by accused Andutan, which had a handwritten note addressed allegedly to a certain "Osang," accused Diala denied having participated in the same.¹⁵⁴

The witness denied knowledge of the letters sent by Commercial Motors Corporation to RA Rodriguez Bus Line about the fact that certain documents were not issued by their company.¹⁵⁵ She also denied knowledge of the allegation of Pilipinas Hino, Inc. that the documents attached to the tax credit application of RA Rodriguez were spurious.¹⁵⁶

In requests for transfer of TCCs, accused Diala only handled those which involved tax credits on domestic capital equipment.¹⁵⁷ She identified her signature on the Tax Debit Memos dated July 14, 1997 and September 1997 which dealt with RA Rodriguez Bus Line's requests for transfer of TCC in favor of Commercial Motors Corporation, and Pilipinas Hino, respectively.¹⁵⁸ She also identified her signature on the Tax Debit Memos dated February 9, 1998 and May 18, 1998.¹⁵⁹

On cross-examination, accused Diala admitted that part of her work was that of an evaluator.¹⁶⁰ She was unaware the DOF Manual of Operation which covers the training for evaluating applications.¹⁶¹

2. Accused Raul C. De Vera ("accused De Vera"), Supervising Tax Specialist of the Center, DOF, from 1996 to 1998.

¹⁴⁹ TSN dated June 21, 2016, p. 45

¹⁵⁰ TSN dated June 28, 2016, p. 15

¹⁵¹ *Id.* at 17

¹⁵² *Id.* at 19

¹⁵³ *Id.* at 22-23

¹⁵⁴ *Id.* at 23; Exhibit "DD"

¹⁵⁵ TSN dated June 28, 2016, pp. 24-26

¹⁵⁶ *Id.* at 45-46

¹⁵⁷ *Id.* at 54

¹⁵⁸ *Id.* at 28-29, 47

¹⁵⁹ *Id.* at 59, 64

¹⁶⁰ TSN dated January 16, 2017, p. 8

¹⁶¹ *Id.* at 13

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Accused De Vera's immediate superior was then Deputy Executive Director accused Andutan. Accused De Vera had two functions: one as a tax specialist of revenue operations group at the *Bangko Sentral ng Pilipinas* Compound; and another as Supervising Tax Specialist of the Center. The majority of his functions were at the Center, which consisted of what he claimed was purely a "table audit" (a review of only the documents submitted) to process claims for tax credit applications.¹⁶² Accused De Vera was involved with tasks that were purely accounting by nature. In its time, the Center was a pioneer in the government. Accused De Vera did not receive any trainings for his job, and as such he just adopted prior procedure in the processing of claims by the BOI or other agencies.¹⁶³

In accused De Vera's section or division, there were only two evaluators: accused Diala and accused Marzan.¹⁶⁴ Accused De Vera's role was to review the evaluation reports made by his subordinates, but he confined his review only to the report itself; he presumed that the attachments thereto had already been thoroughly examined by his subordinates.¹⁶⁵ In other words, it was not his function to assess the genuineness and authenticity of documents.¹⁶⁶ He focused only on the mathematical computation aspect.

According to De Vera, applications for tax credit were self-regulating in the sense that they were executed by the claimant/applicant under oath that the documents submitted were authentic and genuine.¹⁶⁷

Once accused De Vera saw that the evaluation report was in order, he signed his approval/recommendation of the same.¹⁶⁸ But if accused De Vera noticed any missing requirements, the files were returned to the evaluator for corrections.¹⁶⁹ The application would subsequently be routed to accused Andutan, and lastly to accused Belicena for his final approval.

His division would evaluate three to ten applications per day.¹⁷⁰ The Center was created purposely to expedite the issuance of tax credits because applications were required to be approved and TCCs had to be issued within thirty working days.¹⁷¹ In accused De Vera's experience, no spurious applications were found.

The witness disclosed that applications and documents were initially processed by another division, the Records Division, which was a different office. A separate office was responsible for the authentication of documents, which was the Monitoring and Verification Division (MVD). It was created after the Department of Budget and Management had approved the plantilla positions in a Resolution No. 95-0451 dated February 2, 1995. After that, the

¹⁶² TSN dated January 18, 2017, p. 12

¹⁶³ *Id.* at 13-14

¹⁶⁴ *Id.* at 17

¹⁶⁵ *Id.* at 19

¹⁶⁶ *Id.* at 20

¹⁶⁷ *Id.* at 21

¹⁶⁸ *Id.* at 23

¹⁶⁹ *Id.* at 28

¹⁷⁰ *Id.* at 23

¹⁷¹ *Id.* at 27

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Civil Service Commission had authorized the filling up of the positions.¹⁷² The MVD was headed by a certain John Bola.¹⁷³

During times when accused De Vera was unavailable at work, it was a certain Miriam Tasarra, who had the same rank of Supervising Tax Specialist, who signed evaluation reports in De Vera's absence.¹⁷⁴

3. Accused Atty. Brandy L. Marzan ("accused Marzan"), former Senior Tax Specialist of the Center, DOF from 1993 to 1998.

He identified his Judicial Affidavit,¹⁷⁵ which took the place of his direct testimony. Accused Marzan corroborated the procedure by which applications are processed.

Accused Marzan described his training while he was detailed at the BOI. In order to familiarize himself with the evaluation process, accused Diala would give a docket folder containing an application that had already been evaluated with a TCC already issued to the applicant. The training continued when accused Marzan was transferred to the DOF, wherein he was given by the BOI a docket folder of already approved applications for study purposes.¹⁷⁶ The BOI-led training was eleven months.

While accused Marzan was with the BOI, he recalled that there was a list pertaining to the commercial vehicle development program which listed the manufacturers within the coverage of the tax credit incentives.¹⁷⁷ This list was not among the submitted documents forming part of the docket folder, but it was part of the training to check the list.¹⁷⁸

The documents for accused Marzan to check were assigned by his immediate supervisor who was accused De Vera.¹⁷⁹ Accused Marzan would check the completeness of the documents by following the checklist of requirements. The checklist would be prepared by the evaluators. He could not recall who prepared the checklist with respect to RA Rodriguez Bus Line.¹⁸⁰ He did not verify the documents because he relied on what was submitted by the claimant.

When shown a sales invoice,¹⁸¹ which on its face was undated and had no reference number, accused Marzan averred that such appeared regular.¹⁸² He did not take into consideration that the missing reference number was related to the series given by the Bureau of Internal Revenue so that the invoice and the transaction could be tracked for tax purposes. He also did not

¹⁷² TSN dated July 31, 2017, pp. 18-19

¹⁷³ *Id.* at 21

¹⁷⁴ *Id.* at 24

¹⁷⁵ Records, Vol. 6, pp. 40-49

¹⁷⁶ TSN dated October 3, 2017, p. 16

¹⁷⁷ *Id.* at 43

¹⁷⁸ *Id.* at 44

¹⁷⁹ *Id.* at 25-26

¹⁸⁰ *Id.* at 27

¹⁸¹ Exhibit "M9-229"

¹⁸² TSN dated October 3, 2017, p. 48

consider that the sales invoice was undated.¹⁸³ He neither called the attention of his supervisor, nor the manufacturer who issued the invoice to verify the same.

Accused Marzan could not recall any law or rule requiring the evaluators to conduct verification or authentication as to the supporting documents. He averred that there were no guidelines provided, so the evaluators resorted to procedures already in-place.¹⁸⁴

4. Ernesto Q. Hiansen ("Hiansen"), presently Executive Director of the Center, former Deputy Executive Director of the Center from 1998 to 2003.

In 1998, Hiansen was directed to determine the validity of previous issuances of TCCs, to identify if there were cases of irregular issuances, and how the same transpired in the Center.¹⁸⁵ Hiansen discovered that there were irregularities based on fake commercial documents, and he recommended that there be a shift from the old system, which was *industry-based* to the new system, which was *process-based*. Under the process-based system, before a TCC would be issued, the application would undergo processing before different divisions, one of which is the Verification Division and Financial Validation Division. By the time the claim/application was evaluated, there would be an assurance as to the authenticity of its supporting documents.¹⁸⁶

Hiansen's study of the system in-place (industry-based) at the Center spanned from the time the agency was established in 1992 up until around 1999. Significantly, under the old system, there was no official verification process. The Center was accepting applications for tax credits and evaluating the same purely on the basis of whichever documents were submitted.¹⁸⁷ At the time material to these cases around 1997, the system in-place was still using the industry-based method.¹⁸⁸ The process-based system reform occurred sometime late in 1999 to early 2000.¹⁸⁹

5. Lourdes Emilita A. Arante ("Arante"), former Senior Tax Specialist of the Center, DOF.

Arante identified her Judicial Affidavit,¹⁹⁰ which took the place of her direct testimony. She corroborated that applications were evaluated by checking completeness of documents, and that evaluators merely followed the BOI guidelines. She averred that an original set of documents was attached to an application, and that the process-based system was only introduced in 2000.

¹⁸³ *Id.* at 48

¹⁸⁴ *Id.* at 54

¹⁸⁵ TSN dated January 22, 2018, p. 19

¹⁸⁶ *Id.* at 21

¹⁸⁷ *Id.* at 22

¹⁸⁸ TSN dated January 23, 2018, p. 7

¹⁸⁹ *Id.* at 8

¹⁹⁰ Records, Vol. 6, pp. 89-94

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Following the presentation of the witnesses for the defense, accused Andutan and Marzan did not offer any document exhibits. For accused De Vera and Diala, they offered the following exhibits:

Exhibit	Documents
"1"	Resolution No. 95-0451 of the Civil Service Commission dated February 2, 1995 ¹⁹¹
"2"	DBM Letter dated December 26, 1994 ¹⁹²

In an Order¹⁹³ dated February 13, 2018, the Court (through the First Division) admitted the above cited exhibits for accused De Vera and Diala.

On May 25, 2018, the instant cases were re-raffled to the **Seventh Division** due to the voluntary inhibition of Justice Efren N. De la Cruz, the Chairperson of the First Division.¹⁹⁴

Accused De Vera and Diala filed their Memorandum on October 26, 2019.¹⁹⁵ For its part, the prosecution submitted its Memorandum on October 31, 2019.¹⁹⁶

Accused Marzan and Andutan did not file any memorandum despite having received notice to submit the same, and consequently, their inaction was deemed as a waiver on their part.

THIS COURT'S RULING

The *Omnibus Investments Code of 1987* defines a tax credit as "any of the credits against taxes and/or duties equal to those actually paid or would have been paid to evidence which a tax credit certificate shall be issued by the Secretary of Finance or his representative, or the Board, if so delegated by the Secretary of Finance."¹⁹⁷ Jurisprudence explains its significance:¹⁹⁸

Tax credits were granted under [Executive Order No. 226] as incentives to encourage investments in certain businesses. A tax credit generally refers to an amount that may be "subtracted directly from one's total tax liability." It is therefore an "allowance against the tax itself" or "a deduction from what is owed" by a taxpayer to the government. In RR 5-2000, a tax credit is defined as "the amount due to a taxpayer resulting from an overpayment of a tax liability or erroneous payment of a tax due.

¹⁹¹ Records, Vol. 7, pp. 122-124

¹⁹² *Id.* at 125-128

¹⁹³ Records, Vol. 6, p. 131

¹⁹⁴ *Vide:* Order dated June 28, 2018 (Records, Vol. 7, p. 87)

¹⁹⁵ Records, Vol. 7, pp. 141-171

¹⁹⁶ *Id.* at 172-245

¹⁹⁷ Omnibus Investments Code of 1987, Executive Order No. 226, art. 21

¹⁹⁸ *Pilipinas Shell Petroleum Corp. v. Commissioner of Internal Revenue*, G.R. No. 172598, December 21, 2007

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Relative thereto, a tax credit certificate (TCC) is defined as:¹⁹⁹

[A] certification, duly issued to the taxpayer named therein, by the Commissioner or his duly authorized representative, reduced in a BIR Accountable Form in accordance with the prescribed formalities, acknowledging that the grantee-taxpayer named therein is legally entitled a tax credit, the money value of which may be used in payment or in satisfaction of any of his internal revenue tax liability (except those excluded), or may be converted as a cash refund, or may otherwise be disposed of in the manner and in accordance with the limitations, if any, as may be prescribed by the provisions of these Regulations.

At the time pertinent to these cases, qualified enterprises were allowed to avail of tax credits on the purchase of domestic capital equipment pursuant to Article 39 (d) of the *Omnibus Investments Code of 1987*, which read:²⁰⁰

(d) Tax Credit on Domestic Capital Equipment. — A tax credit equivalent to One hundred percent (100%) of the value of the national internal revenue taxes and customs duties that would have been waived on the machinery, equipment and spare parts, had these items been imported shall be given to the new and expanding registered enterprise which purchases machinery, equipment and spare parts from a domestic manufacturer: Provided, That (1) that the said equipment, machinery and spare parts are reasonably needed and will be used exclusively by the registered enterprise in the manufacture of its products, unless prior approval of the Board is secured for the part-time utilization of said equipment in a non-registered activity to maximize usage thereof; (2) that the equipment would have qualified for tax and duty-free importation under paragraph (c) hereof; (3) that the approval of the Board was obtained by the registered enterprise; and (4) that the purchase is made within five (5) years from the date of effectivity of the Code. If the registered enterprise sells, transfers or disposes of these machinery, equipment and spare parts, the provisions in the preceding paragraph for such disposition shall apply.

When the purchase price of the domestic capital equipment is exaggerated or bloated such that it appears to be higher than what was actually paid, this creates a direct proportional effect on the amount subject to tax, which will be used as basis in computing the allowable tax credit: the higher the purchase price claimed by the applicant, the higher amount the applicant would be awarded as tax credit. The one responsible in making it appear that the purchase price was higher than the actual price paid, therefore, profits by pocketing the difference to one's advantage, at the expense of the government.

In these cases, it is undisputed that RA Rodriguez Bus Line submitted applications for tax credit and was granted seven TCCs by the Center. The main contentions for resolution is how the supporting documents attached to its applications came to be – in light of the discovery that the contents of said

¹⁹⁹ *Pilipinas Shell Petroleum Corp. v. Commissioner of Internal Revenue*, C.R. No. 172593, December 21, 2007

²⁰⁰ The cited provision was repealed by Section 20 of Republic Act No. 7716 (1994)

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documents did not match official records on file – and how the same have escaped the watchful eyes of the government.

The prosecution thrusts that the following accused allegedly conspired in violating Section 3 (e) of *R.A. 3019* and *Falsification of Official/Public/Commercial Documents* punishable by Article 171, in relation to Article 172, of the *Revised Penal Code*:

Classification	Participation (former)	Name of Accused	Cases Involved	TCC Nos.
Public Officers of the Center	Undersecretary, Department of Finance, OIC and Administrator of the Center	Antonio P. Belicena (proceedings suspended)	All	All
	Deputy Executive Director	Atty. Uldarico P. Andutan, Jr.	All	All
	Supervising Tax Specialist	Raul C. De Vera	All	All
	Senior Tax Specialist	Atty. Brandy L. Marzan	SB-12-CRM-0092 to 0093 and SB-12-CRM-0099 to 0100	009707 009705
	Senior Tax Specialist	Rosanna P. Diala	SB-12-CRM-0087 to 0091 and SB-12-CRM-0094 to 0098	007598 007953 008549 009760 10005
Private Individuals	President of RA Rodriguez Bus Line	Ramon A. Rodriguez	All	All
	Employee of RA Rodriguez Bus Line	Joseph Cabotaje	All	All

The amount of tax credits awarded to RA Rodriguez Bus Line was computed based on the claimed purchase price of the buses, as evidenced by the sales invoices attached to said company's tax credit applications. However, in his Investigation Report,²⁰¹ SI Golla of the Task Force verified the authenticity of the sales documents submitted by RA Rodriguez Bus Line by comparing the same to the records sent by the bus manufacturers, and it discovered a startling revelation: RA Rodriguez over-priced its purchase of

* At large

** At large

²⁰¹ Exhibit "M"

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buses because the actual prices quoted by the respective manufacturers were *markedly lower* than what was claimed by said business, viz:

Criminal Case Nos.	Tax Credit Application Nos.	TCC Nos.	No. of Buses and Model	Price Claimed Per One Bus by Applicant (as reflected in the sales invoice submitted by RA Rodriguez Bus Line)	Actual Price Per One Bus from the Manufacturer (as reflected in the actual sales invoice obtained from bus manufacturer)	Price Difference Per One Bus ²⁰²
SB-12-CRM-0087 and 0094	97-D-0064	007598	8 Mercedes-Benz Model OH-1318/60	P2,305,730.00 ²⁰³	P1,370,730.00 ²⁰⁴	P935,000.00
SB-12-CRM-0088 and 0095	97-D-0074	007953	2 Hino Model RF821	P3,829,100.00 ²⁰⁵	P2,950,000.00 ²⁰⁶	P870,100.00
SB-12-CRM-0089 and 0096	97-D-0104	008549	7 Daewoo Model BV113L	P3,563,907.00 ²⁰⁷	P2,545,648.00 ²⁰⁸	P1,018,259.00
SB-12-CRM-0090 and 0097	98-D-0038	009760	5 Daewoo Model BV113L	P4,263,907.00 ²⁰⁹	P2,545,648.00 ²¹⁰	P1,718,259.00
SB-12-CRM-0091 and 0098	98-D-0053	010005	2 Daewoo Model BV113L	P4,373,200.00 ²¹¹	P3,100,000.00 ²¹²	P1,273,200.00
SB-12-CRM-0092 and 0099	98-D-0055	009707	10 Daewoo Model BV113L	P4,373,200.00 ²¹³	P3,100,000.00 ²¹⁴	P1,273,200.00
SB-12-CRM-0093 and 0100	98-D-0054	009705	1 Hino Model RF821	P4,510,550.00 ²¹⁵	P2,950,000.00 ²¹⁶	P1,560,550.00

²⁰² Computed as the price claimed minus the actual price based on the submitted sales invoices

²⁰³ Exhibit "B"

²⁰⁴ Exhibit "GG-20"

²⁰⁵ Exhibit "HHH"

²⁰⁶ Exhibit "FFF-1"

²⁰⁷ Exhibit "B"

²⁰⁸ Exhibit "ZZZ-1"

²⁰⁹ Exhibit "H"

²¹⁰ Culled from the Investigation Report dated August 14, 2000 of SI David P. Golla IV, p. 20 (Exhibit "M"), in relation to the Sales Invoice of Filipinas Daewoo Industries Corporation Exhibit ("ZZZ-1") which involves the same Daewoo Bus Model BV113L.

²¹¹ Exhibit "W"

²¹² Exhibit "CCC-2"

²¹³ Exhibit "Q"

²¹⁴ Exhibit "CCC-2"

²¹⁵ Culled from Sales Invoice of Filipinas Daewoo Industries Corporation Exhibit "E" which involves the same Daewoo Bus Model BV113L.

²¹⁶ Exhibit "FFF-1"

1
2
3

More than that, it is underscored that the two Hino Buses Model RF821 supposedly bought by RA Rodriguez in connection with TCC No. 009705 were *ghost purchases*. This was confirmed when witness Barroga of Pilipinas Hino cross-checked the chassis and engine numbers of the two buses, and he discovered based on official records the same units were actually sold not to RA Rodriguez Bus Line, but to Genesis Transport and Baliwag Transit.²¹⁷

It was equally significant that the same Investigation Report accomplished by SI Golla also discovered questionable discrepancies in the copies of the registration papers of the buses (e.g. LTO OR/CRs, and LTFRB rulings, among others) submitted by RA Rodriguez Bus Line, in contrast to the official records the Task Force obtained from the LTO and LTFRB.

With the presentation of what appeared to be genuine vehicle registration documents, coupled with the sales invoices stating the alleged value of buses bought by RA Rodriguez Bus Line, the accused public officials of the Center had a basis for computation of tax credits, and the Center subsequently issued the following TCCs in favor of the said bus company, viz:

TCC Nos.	Amount of Tax Credits Awarded to RA Rodriguez Bus Line
007598	P3,311,661.00
007953	P1,374,909.00
008549	P4,478,905.00
009760	P2,036,423.00
010005	P835,448.00
009707	P4,177,241.00
009705	P1,619,597.00

What made the issuance of the TCCs possible on the basis of the falsified documents and over-valued buses is now the kernel of the charges.

The only plausible explanation as to how the same could have slipped past the accused public officials is that there was a grand scheme bolstered by a conspiracy to defraud the government by obtaining TCCs through the submission of falsified documents and/or violation of *R.A. 3019*.

Case law provides that conspiracy exists when two or more persons come to an agreement concerning the commission of a felony and decide to commit it.²¹⁸ In conspiracy, the act of one is the act of all. Conspiracy is present when one concurs with the criminal design of another, indicated by

²¹⁷ Exhibit "C"

²¹⁸ *People v. Macaranas*, G.R. No. 226846, June 21, 2017

71

the performance of an overt act leading to the crime committed.²¹⁹ "When conspiracy is established, the responsibility of the conspirators is collective, not individual, rendering all of them equally liable regardless of the extent of their respective participations."²²⁰

Jurisprudence upholds that conspiracy may be proved by direct or circumstantial evidence. Because direct proof of conspiracy is rarely found, circumstantial evidence is often resorted to in order to prove its existence.²²¹ Conspiracy may be inferred from the conduct of the accused before, during and after the commission of the crime, which are indicative of a joint purpose, concerted action and concurrence of sentiments. It may be deduced from the mode and manner in which the offense was perpetrated.²²²

The evidence presented by the prosecution leads the Court to conclude of the existence of a conspiracy between: (a) accused Diala, Marzan, and De Vera being the Tax Specialists of the Center who ensured that the documents supporting the tax credit applications, and the evaluation reports computing the specific amount of tax credit, would gain favorable action by Deputy Executive Director accused Andutan; and (b) accused Andutan who would finalize the applications, stamp his recommendation for approval, and forward the same to the OIC and/or Administrator of the Center for final approval of the issuance of TCCs.

The necessity for the conspiracy among the accused is explained by the steps of the overall process flow governing the filing/acceptance, review and/or assessment, final approval, and issuance of TCCs. But before briefly outlining said process, it is significant to note that, at the time pertinent to these cases, the system that governed the processing was the "industry-based" system or model, in which the assessment of an application would be handled by that particular industry-group or division of the Center to which the specific type of tax belonged (e.g. if the tax credit applied for involved raw materials, the assessment would then fall on the group assigned to raw materials). The steps involved are:²²³

First. A prospective applicant would file an application for tax credit at the receiving section of the Center, attached to which are the Claimant Information Sheet (CIS) and supporting documents. Two sets of supporting documents were required to be submitted: one original set and one set of photocopies. The docket, containing the application and all supporting documents attached thereto, would then be forwarded to that particular industry-group who handled the specific type of tax credit applied for (e.g. domestic capital equipment).

²¹⁹ *Ibid.*

²²⁰ *People v. Elizalde y Sumaydon*, G.R. No. 210434, December 5, 2016

²²¹ *Ibid.*

²²² *People v. Macaranas*, G.R. No. 226846, June 21, 2017

²²³ TSN dated June 21, 2016, pp. 14-19; TSN dated June 28, 2016, pp. 22-23; TSN dated January 18, 2017, pp. 27-28; TSN dated July 31, 2017, pp. 9, 16

12/1

The industry-group would then go over the contents of the docket to check for the completeness of requirements, such as: the CIS, sales invoices, delivery receipts, LTO Original Receipts and Certificates of Registration (OR/CRs), and LTFRB decisions, among others. If complete, the docket would be returned to the receiving center and the applicant would be directed to pay a processing fee, given a claim stub with the application number, and due date.

Second. After payment of the fee, the docket would be returned to the industry-group in which a tax specialist would evaluate it, and compute the allowable tax credit. An evaluation report would then be made by said tax specialist. At the time, it did not appear that there was a specific division or group whose sole function was to validate or authenticate the genuineness of the documents in the docket.

The evaluation report, including the docket, would subsequently be forwarded to the supervising tax specialist for review.

Third. After its review, if all the documents and reports were found to be in order by the supervising tax specialist, the same would be finalized and forwarded to the Office of the Deputy Executive Director for recommendation of approval. At this stage, there could be a deficiency letter addressed to the applicant which would inform him or her if there were any lacking or missing documentary requirements. In case there were missing or lacking requirements, the documents would be returned to the handling evaluator-tax specialist for corrections, otherwise, the deputy executive director would sign recommending his or her approval. What followed next was the final approval of the OIC/Administrator of the Center.

Fourth. Upon approval by all of the aforementioned officials, a TCC would be prepared and subsequently issued to the applicant.²²⁴ It was required under the rules that the entire process had to be accomplished within thirty (30) working days.

As can be gleaned from the process flow described above, a tax credit application could only be approved if, together with its supporting documents, it would successfully hurdle the initial evaluation by the Tax Specialists of the Center, namely accused Diala, Marzan, and De Vera. Then, the application would necessarily have to be given a recommendation for approval by the Deputy Executive Director accused Andutan before it would be given the final approval by the OIC or Administrator of the Center.

For their part, accused Diala and De Vera vehemently disputed that they were duty bound to verify the supporting documents attached to the applications with offices outside of the Center. The accused invoked the defense that they could reasonably rely on the documents submitted by RA Rodriguez Bus Line because they were only responsible to conduct a "table audit," in which they merely relied on the supporting documents attached to the applications. The accused justified their actions on the fact that each tax

²²⁴ TSN dated June 21, 2016, p. 16



credit application was accompanied by a CIS, which had an attestation clause stating that the documents appended thereto were true and genuine copies. Furthermore, supposedly, there was another office created by the Civil Service Commission which specifically handled the authentication of said documents, namely the Monitoring and Verification Division. Neither were said accused trained as to how to scrutinize documents because their training from the BOI only pertained to mathematical computation of tax credits.

Contrary to the assertions of the accused, the role of the Tax Specialists of the Center was precisely to evaluate or review the documentary requirements of tax applications, which was followed by the drafting of an Evaluation Report. Accused Diala disclosed that:²²⁵

xxx

Q Madam Witness, what is your participation in the processing of the tax credit application of R.A. Rodriguez Bus Line?

A I evaluated by way of computing the application of R.A. Rodriguez for tax credit on domestic capital equipment.

Q How did you evaluate the application for tax credit of R.A. Rodriguez?

A I checked if the documentary requirements are all present and then I computed the allowable tax credit based on the formula that was given to us by the Board of Investment[s].

Q How did you check if the documents are present or complete?

A We have a list of documentary requirements, ma'am.

Q After checking if the documentary requirements were complete, what do you do next?

A If the documentary requirements are complete, I find that the application was in order, I return it back to the receiving section for them to inform the claimant about the payment of processing fee.

Q In this particular case, will you tell us what kind of documents were submitted by R.A. Rodriguez Bus Line in support of its application for tax credit?

A R.A. Rodriguez submitted documents, which are part of our documentary requirements like the Sales Invoice, the Delivery Receipt, LTO Official Receipts, Certificate of Registration, LTPRB Decision, and other general requirements such as the tariff heading, the justification of the

²²⁵ *Id.* at 18-19

equipment as to the registered activity. Part of the application is the Claimant's Information Sheet also.

xxx

The same task fell upon accused Marzan, who was also a Senior Tax Specialist, and he corroborated the statements of accused Diala:²²⁶

xxx

Atty. Villeza:

Q- Mr. Witness, how do you go about the evaluation of the application?

The Witness:

A- We checked the documents submitted such as the Sales Invoices and Delivery Receipts. The decision, the certificate of public convenience as well as the registrations of the mass transport. I am referring to the bus companies which applied for tax credit on domestic capital equipment. This is with respect to the mass transport, ma'am.

xxx

For accused De Vera, he pointed to accused Diala and Marzan the duty to review the correctness and completeness of the Evaluation Report made by said evaluators.²²⁷ More than that, however, being the section supervisor of accused Diala and Marzan, he necessarily had the responsibility of verifying the authenticity of the supporting documents submitted.

Consequently, considering the nature of their functions as Senior Tax Specialists (for accused Diala and Marzan, and especially so for the latter who is a lawyer), and Supervising Tax Specialist (for accused De Vera), their defense of denial is too difficult to accept at face value.

Even assuming *arguendo* that the evaluation by accused Diala, Marzan, and De Vera was merely confined to the "table audit" of the files contained in the tax credit application docket, there were *obvious irregularities and glaring inconsistencies* in the supporting documents themselves which they should have taken notice of; in other words, even without obtaining official records from respective bus manufacturers, LTO, and LTFRB and comparing the same to the information supplied in the supporting documents, there were red flags which should not have escaped their attention, such as:

²²⁶ TSN dated October 3, 2017, p. 20

²²⁷ TSN dated January 18, 2017, pp. 17, 19

12
T

Supporting Documents Relative to TCC No. 007953

Exhibit "HHH"

VEHICLE

PILIPINAS HINO, INC.
 E. OF LOS SANTOS AVE. COR. MADRON ST.
 MARINA DEL MONTE CITY
 TEL. (02) 831-8800 TO 10
 188 FAX (02) 8800-1100

Exh. HHH-1 of 1 Pa
 Page 1 of 1

INVOICE

SHIP TO: (NAME, ADDRESS, CITY, STATE, ZIP)

INVOICE TO: R. A. RODRIGUEZ BUS LINE
 1603 J. Felipe Blvd., San Antonio, Cavite City
 70% Thru PACC; 30% - 6 mos. moratorium
 w/o interest from date of CREDIT APPROVED BY: ZAI

INVOICE DATE: Sep. 3, 1997

CHECKED BY: ASS/PCD

ORDER NO.	ORDER DATE	DATE SHIPPED	QUANTITY	UNIT PRICE	AMOUNT
DESCRIPTION: BRAND NEW HINO BUS MODEL RPB21 MOUNTED WITH AIRCON DELUXE BUS BODY					
ENGINE: HINO EK100, 60cylinder diesel engine, 10000 cc at 2300 RPM					
TRANS: MF03S series, 6-speed overdrive, synchromesh 3rd-6th					
P. AXLE: Reversed Elliptical Beam Capacity 4,500 kgs.					
TIRES: Seven (7) 11-20-16 PR line type set including spares					
CHASSIS NO. ENGINE NO. SS+NO.					
RPB21-41980 EK100-307343 5888K					
-41981 -307344 5988K					
BASE MODEL PRICE					
ADDITIONAL EQUIPMENT					
TOTAL PRICE					
AMOUNT					
CREDITED TRUE AND CORRECT:					
ROBERTO R. GARCIA Marketing					

DEPARTMENT OF FINANCE
 TAX CREDIT AND DEBIT
 CANCELLED
 FOR CREDIT PURPOSES
 DATE: 10/1/97

REMARKS: EXHIBIT HHH

ORIGINAL - Customer's Copy

RECEIVED BY: _____
 PLACE: _____
 DATE: _____
 SIGNATURE: _____

PRINTED BY: _____

This sales invoice lacked a serial number, which deficiency should have already raised the evaluator's suspicions as to the integrity of the document. Commercial invoices are usually numbered for easy reference, especially so when what is the subject of the sale is of considerable value.

such as buses. More importantly, it was required by law that invoices must indicate the serial number and show the date of transaction. Sections and 238 and 239 of the *National Internal Revenue Code of 1977* provide:²²⁸

SECTION 238. Issuance of receipts or sales or commercial invoices. — All persons subject to an internal revenue tax shall, for each sale or transfer of merchandise or for services rendered valued at P25.00 or more, issue duly registered receipts or sales or commercial invoices, prepared at least in duplicate, showing the date of transaction, quantity, unit cost and description of merchandise or nature of service: Provided, however, That in the cases of sales, receipts or transfers in the amount of P100.00 or more, or, regardless of amount, where the sales or transfer is made by a person liable to value-added tax to another person also liable to value-added tax; or, where the receipt is issued to cover payment made as rentals, commissions, compensations or fees, receipts or invoices shall be issued which shall show the name, business style, if any, and address of the purchaser, customer, or client: Provided, further, That where the purchaser is a VAT-registered person, in addition to the information herein required, the invoice or receipt shall further show the taxpayer's identification number of the purchaser.

XXX

SECTION 239. Printing of receipts or sales or commercial invoices. — All persons who print receipts or sales or commercial invoices shall, for every job order, secure from the Bureau of Internal Revenue an authority to print said receipts or invoices before printing the same.

No authority to print receipts or sales or commercial invoices shall be granted unless the receipts or invoices to be printed are serially numbered and shall show, among other things, the name, business style, taxpayer account number and business address of the person or entity to use the same.

Within twenty (20) days from the end of every calendar quarter, the printer shall submit to the Bureau of Internal Revenue a report containing the following information:

(1) Names, addresses, taxpayer account numbers of the persons or entities for whom the receipts or sales or commercial invoices were printed during the preceding quarter, and

(2) Quantity of receipts or invoices printed and the serial numbers of the receipts or invoices in each booklet. (Emphasis supplied)

²²⁸ A Decree to Consolidate and Codify all the Internal Revenue Laws of the Philippines [NATIONAL INTERNAL REVENUE CODE OF 1977], Presidential Decree No. 1158, § 238 and 239 (1977)

174

[illegible][illegible]

[illegible][illegible]

Ext. 1234-1 of 1 Page 1

REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF TRANSPORTATION & COMMUNICATIONS
LAND TRANSPORTATION OFFICE
Cebu City

OFFICIAL RECEIPT
OWNER'S COPY
CR No. 0428-51694
TITLE NEW REG.
DATE 24-june-07

1601 J. Felipe Blvd., San Antonio, Cavite City
two thousand five hundred ten only
ATAKOR GEN MARIANO A. VANCE VMA CAMEL
E.N.B 04-7376 exp. 01-07-2002

CR# 39912805-0428 TITLE
DATE 11/27/07

DATE 24-june-07

0428-51694
023066000020E 01-1997
0 15000 7500 del.

the Imperial ARB-19 06-11-08

CHARGES	AMOUNT
1. REGISTRATION FEE NEW REG. '07	2,350.00
2. PLATE	170.00
3. EXHIBITION TAX	10.00
4. LEAD RECORDING FEE	80.00
5. FEE/SLIDE	
6. DOCUMENT FEE	
TOTAL	2,510.00

NEW REGISTRATION

SEE REVERSE SIDE FOR SOME REMINDERS

Ext. 1234-1 of 1 Page 1

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4. LEAD RECORDING FEE	80.00
5. FEE/SLIDE	
6. DOCUMENT FEE	
TOTAL	2,510.00

NEW REGISTRATION

SEE REVERSE SIDE FOR SOME REMINDERS

RECORD OF THE CHARGES
NOTIFIED PHOTOGRAPH
RECORD ON FILE
JUN 28 2007
JESUS G. SALAMON
ADM. OFFICER V
CENTRAL RECORDS DIV.

ANNEX

Exhibits "XXX" and "YYY"

RANDOLPH A. HONRATIGUES
Applicant/s.

CASE NO. BB-7278

Application for issuance of
a Certificate of Public Convenience
to operate a P U S service.

Exh. XXX of 3 Pages
Page 1 of 3

D E C I S I O N

This is an application for the issuance of a Certificate of Public Convenience to operate a P U S service for the transportation of passengers and freight on the liner ATALA - GEN. MARIANO ALVARADO via Carmelo, and vice-versa, with the use of twenty (20) units.

In compliance with the requirements of notice and publication, applicant submitted the affidavit of publication issued by the publisher of the PERDIDO newspaper clipping of the notice as published and the page of the newspaper where said notice appears.

Notwithstanding its publication, no one filed any opposition nor appeared at the hearing to controvert the same, hence, the same is considered uncontested.

From the evidence submitted it shows that applicant is a Filipino citizen; that the applicant is capable to meet the financial and responsibilities incident to the operation of the P U S services; and that the service will promote the public interests in a proper and suitable manner in view of the increase of population and business establishments on the route being applied for.

WHEREFORE, by virtue of Section 18 (a) of Commonwealth Act No. 146, as amended, and Executive Order No. 702 dated June 19, 1967, this Board hereby APPROVES the aforesaid application. Let a Certificate of Public Convenience be issued authorizing the applicant to operate a P U S service for the transportation of passengers and freight on the mentioned line in accordance with

1-7-77

ANNEX II

13

Exh. XXX-YYY-008 ^{ANN}
Page 1 of 3 Pages

One-Stop-Shop Inter-Agency
Tax Credit and Duty Drawback Center

Evaluation Report

Type of Tax Credit	: Domestic Capital Equipment	Form No.	26654
Application Number	: 97 - D - 0104	TCC No.	67-1117
Date Filed	: August 12, 1997	Date Issued	10-31-97
Date Accepted	: August 19, 1997		
Date Due	: October 31, 1997		

I. DATA ABOUT THE APPLICANT

Exh. 24 - Diala
Page 1 of 2 Pages

Name of Firm : R.A. RODRIGUEZ BUS LINE
T.I.N. : 116-549-999
BOICR No. : 84-480
Date of Registration : November 24, 1994
Registered Product : Expanding Operator of Mass Transport (Bus Category)
Law of Registration : E.O. 226
Registered Capacity : 19 units
Name of Rep. : Ramon A. Rodriguez
Position/ Tel. No. : President/Operator/ 431-09-05

II. DOCUMENTS SUBMITTED

1. Delivery Receipts
2. Sales Invoices
3. LTO Certificate of Registration/ Official Receipts
4. LTRFB Decision Case No. 96-7276; 90-3897; 96-8802

Qty	LTRFB Decision	Route
3	96-7276	Ayala-Gen. Mariano Alvarez via Camona
2	90-3897	Imur (Cavite)-Ayala (Makati)
2	96-8802	Cavite City-Plaza Lawton

7 units (Filipinas Darwac-supplier)

III. COMPUTATION OF TAX CREDIT (Pte. See ANNEX "A")

IV. AMOUNT COMPUTED	DUTY	P	2,732,924.21
	TAX		1,745,881.28
		P	4,478,805.49

V. AMOUNT RECOMMENDED	P	4,478,805.00
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ANNEX "

The Evaluation Report made by accused Diala mention of three (3) LTRFB rulings found in the docket, which were: Case Nos. 96-7276, 90-3897, and 96-88802. However, this was the lone LTRFB Decision Case No. 96-7276 attached to the application.

Supporting Documents Relative to TCC No. 007598

Exhibits "T", "T-1", "U", "U-1", "V", "V-1", "W", "W-1", "X", "X-1", "Y", "Y-1", "Z-1"

[illegible]

[illegible]

REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF TRANSPORTATION & COMMUNICATIONS
LAND TRANSPORTATION OFFICE
MANILA

OFFICE OF THE DIRECTOR
14 Feb. 96

TO: DIRECTOR, LAND TRANSPORTATION OFFICE
FROM: DIRECTOR, LAND TRANSPORTATION OFFICE
SUBJECT: [REDACTED]

1. [REDACTED]

2. [REDACTED]

3. [REDACTED]

4. [REDACTED]

5. [REDACTED]

6. [REDACTED]

7. [REDACTED]

8. [REDACTED]

9. [REDACTED]

10. [REDACTED]

11. [REDACTED]

12. [REDACTED]

13. [REDACTED]

14. [REDACTED]

15. [REDACTED]

16. [REDACTED]

17. [REDACTED]

18. [REDACTED]

19. [REDACTED]

20. [REDACTED]

21. [REDACTED]

22. [REDACTED]

23. [REDACTED]

24. [REDACTED]

25. [REDACTED]

26. [REDACTED]

27. [REDACTED]

28. [REDACTED]

29. [REDACTED]

30. [REDACTED]

31. [REDACTED]

32. [REDACTED]

33. [REDACTED]

34. [REDACTED]

35. [REDACTED]

36. [REDACTED]

37. [REDACTED]

38. [REDACTED]

39. [REDACTED]

40. [REDACTED]

41. [REDACTED]

42. [REDACTED]

43. [REDACTED]

44. [REDACTED]

45. [REDACTED]

46. [REDACTED]

47. [REDACTED]

48. [REDACTED]

49. [REDACTED]

50. [REDACTED]

51. [REDACTED]

52. [REDACTED]

53. [REDACTED]

54. [REDACTED]

55. [REDACTED]

56. [REDACTED]

57. [REDACTED]

58. [REDACTED]

59. [REDACTED]

60. [REDACTED]

61. [REDACTED]

62. [REDACTED]

63. [REDACTED]

64. [REDACTED]

65. [REDACTED]

66. [REDACTED]

67. [REDACTED]

68. [REDACTED]

69. [REDACTED]

70. [REDACTED]

71. [REDACTED]

72. [REDACTED]

73. [REDACTED]

74. [REDACTED]

75. [REDACTED]

76. [REDACTED]

77. [REDACTED]

78. [REDACTED]

79. [REDACTED]

80. [REDACTED]

81. [REDACTED]

82. [REDACTED]

83. [REDACTED]

84. [REDACTED]

85. [REDACTED]

86. [REDACTED]

87. [REDACTED]

88. [REDACTED]

89. [REDACTED]

90. [REDACTED]

91. [REDACTED]

92. [REDACTED]

93. [REDACTED]

94. [REDACTED]

95. [REDACTED]

96. [REDACTED]

97. [REDACTED]

98. [REDACTED]

99. [REDACTED]

100. [REDACTED]

IN THE OFFICE OF THE LAND TRANSPORTATION OFFICE
LAND TRANSPORTATION OFFICE
0428 Davite

OFFICIAL RECEIPT
CHANGING SORT
NO. 14 Feb. 96

A.A. RODRIGUEZ BUS LINE
J. FELIX ALVAREZ DAVITE CITY
28 BYU 430
28 VIOLEND and eighty hundred twelve pesos
MARKGORDIN DAVITE
PLAZA LANTON VIA COASERAL RD.
3282899
HIRE
7711/12
91 3059
EXP. 2-4-97
NOV 05 2012
SANDIOAN BAY
FIRST DIVISION

NO VIOLEND and eighty hundred twelve pesos
MARKGORDIN DAVITE
PLAZA LANTON VIA COASERAL RD.
3282899
HIRE
7711/12
91 3059
EXP. 2-4-97
NOV 05 2012
SANDIOAN BAY
FIRST DIVISION

T.A. FLORENDO
D. MAYO
SIN REVERTE BIDE
FOR
SOME REMINDERS

REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF TRANSPORTATION & COMMUNICATIONS
LAND TRANSPORTATION OFFICE
0428 Davite

OFFICIAL RECEIPT
CHANGING SORT
NO. 14 Feb. 96

A.A. RODRIGUEZ BUS LINE
J. FELIX ALVAREZ DAVITE CITY
28 BYU 430
28 VIOLEND and eighty hundred twelve pesos
MARKGORDIN DAVITE
PLAZA LANTON VIA COASERAL RD.
3282899
HIRE
7711/12
91 3059
EXP. 2-4-97
NOV 05 2012
SANDIOAN BAY
FIRST DIVISION

T.A. FLORENDO
D. MAYO
SIN REVERTE BIDE
FOR
SOME REMINDERS

EXHIBIT
PAGE 1 OF 1 PAGES

NOV 05 2012

REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF TRANSPORTATION AND COMMUNICATIONS
LAND TRANSPORTATION OFFICE
Land Transport Office
Metro Manila

Invoice No. 0428-Cavite

DATE 14 Feb 96

TO: SA. RODRIGUEZ BUS LINE

FROM: FELIXE BAYO, CAVITE CITY

ROUTE: MARAGORDON-CAVITE

VEHICLE: KALAKA LAMON VIA ODONTAL RD.

REG. NO. 32828572

DATE 93 3059

EXP. 2-1-97

NOV 05 2012

SANDIGAN BAYA
FIRST DIVISION

SEE REVERSE SIDE
FOR
SOME REMINDERS

REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF TRANSPORTATION AND COMMUNICATIONS
LAND TRANSPORTATION OFFICE
Land Transport Office
Metro Manila

Invoice No. 0428-Cavite

DATE 14 Feb 96

TO: SA. RODRIGUEZ BUS LINE

FROM: FELIXE BAYO, CAVITE CITY

ROUTE: MARAGORDON-CAVITE

VEHICLE: KALAKA LAMON VIA ODONTAL RD.

REG. NO. 32828572

DATE 93 3059

EXP. 2-1-97

NOV 05 2012

SANDIGAN BAYA
FIRST DIVISION

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FOR
SOME REMINDERS

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U.S. DEPARTMENT OF JUSTICE

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED
DATE 08-10-2001 BY 60322 UCBAW/BJS

EXHIBIT NO. 14 Feb. 96

OFFICIAL RECORDING

MAYOR

NO.

A-A RODRIGUEZ BUS LINE

J.F. RIVERA, ESTATE OF J.F. RIVERA

ONE THIRTY-EIGHT HUNDRED TWELVE PAGES

UP BALARA VIA EAST AVE.

32022585

Mr. 93 4712

EXP. 9-9-99

EXHIBIT PAGE OF

NOV 05 2012

ANDIGAN DAY FIRST DIVISION

SEE REVERSE SIDE FOR SOME REMINDERS

[illegible]

[illegible]

REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF TRANSPORTATION & COMMUNICATIONS
LAND TRANSPORTATION OFFICE
Manila, Philippines

Vehicle No. **0428 Davite**

CR
No. **14 Feb. 95**

OVER-SEAS TRIP PERMIT
No. **0428**

REGISTRATION
No. **0428**

INSURANCE
No. **0428**

SALES TAX
No. **0428**

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SALES TAX

[illegible][illegible]

Supporting Documents Relative to TCC No. 009760

Exhibits "S⁴ⁿ", "T⁴ⁿ", "U⁴ⁿ", "V⁴ⁿ" and "R⁴⁻¹", "S⁴⁻¹", "T⁴⁻¹", "U⁴⁻¹", "V⁴⁻¹"

[illegible]

LAND TRANSPORTATION OFFICE
East Avenue, Quezon City
0428 - Cavite

DATE: Jan 8 1998

CR No. 0428-51800

Owner: E.A. RODRIGUEZ SRS LINA

Address: 1601 J. Felipe Blvd, Cavite City

Vehicle: 1990 Chevrolet five hundred tax only

Engine: 1500

Chassis: 1500

Weight: 1500

Color: Blue

Make: Chevrolet

Model: 1500

Year: 1990

Registration Fee: 150.00

Transfer Fee: 150.00

License Fee: 150.00

Inspection Fee: 150.00

Other Fees: 150.00

Total: 1,110.00

Remarks: See reverse side for some reminders

REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF TRANSPORTATION & COMMUNICATIONS
LAND TRANSPORTATION OFFICE
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The four (4) LTO CRs dated January 8, 1998 all lacked serial numbers, and the five (5) LTO ORs were likewise all unnumbered.

downplay this fact. This would explain his flip-flopping on his answers when he was questioned on this matter:²²⁹

XXX

Prosecutor Agunias:

Okay, Your Honors.

Q- Let's go to M⁹-229. I am showing you an invoice marked as Exhibit M⁹-229, the sales invoice does not reflect a date, and it has no reference number. Is it not a regular (sic) for a sales invoice to not have a reference number?

The Witness:

A- It's not a regular (sic). You take into context, the delivery receipt.

Q- No. I am asking you only of the sales invoice. You are examining the document. Here is the sales invoice. And the sales invoice is undated without a reference number. By itself, is it regular or not?

Atty. Jamilla:

Your Honors, the witness would be incompetent to answer that, because during his testimony, he only said that he is checking or his task is only to check the completeness of the documents. He is not tasked to verify the contents or the documents.

Justice Econg:

Witness may answer.

Prosecutor Agunias:

Q- This is without a reference number, as evaluator, is it not a regular (sic) for a sales invoice as like this not to have a reference number? Yes or no, Mr. Witness?

The Witness:

A- No.

Q- Is this regular?

A- Yes, ma'am.

²²⁹ TSN dated October 3, 2017, pp. 47-48

1.
y.
f.

Q- Is it not the reference number is related to the series that the BIR gave for such sales invoice so that it would be able to track the transaction for tax purposes?

A- I did not take that into consideration.

Q- Also you did not take into consideration the fact that the sales invoice is undated?

A- Yes.

xxx

Even to the naked eye, therefore, these discrepancies become suspect at face value and should not have escaped the "table examination" of the documents attached to the applications. The checklist provided in the application is not a mere ticking of the submission of paper requirements. Moreover, by the very nature of their functions, accused Diala, Marzan, and De Vera ought to have grown familiar with the current retail prices of buses as given by the manufacturers, and compared the same to the listed prices as submitted in the supporting documents. In fact, the stated value or purchase price of the buses would become the basis in the computation of tax credits. Due diligence in examining the correctness of the valuation of the buses, therefore, was very significant.

However, a review of the Evaluation Reports prepared by accused Diala and Marzan, which were subsequently reviewed by their section supervisor accused De Vera, will show that the valuations as claimed by RA Rodriguez were never questioned and accepted at full face value by the evaluators. It is stressed that there were conspicuous fluctuations in the unit prices of several purchases by RA Rodriguez Bus Line involving repeated purchases of the same models of buses, namely: Daewoo Bus Model BV113L and Hino Bus Model RF821. This is abnormal considering that these fluctuations occurred in the span of a few months, viz:

Daewoo Bus Model BV113L		
Date of Transaction	Purchase Price Claimed by Applicant of One Unit (as per sales invoices)	TCC Nos.
May 19, 1997	P3,563,907.00 ²³⁰	008549
December 22, 1997	P4,263,907.00 ²³¹	009760
December 29, 1997	P4,373,200.00 ²³²	010005
January 8, 1998	P4,373,200.00 ²³³	009707

²³⁰ Exhibit "B"

²³¹ Exhibit "H"

²³² Exhibit "W"

²³³ Exhibit "O"

1;
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Hino Bus Model RF821		
Date of Transaction	Purchase Price Claimed by Applicant of One Unit (as per sales invoices)	TCC Nos.
January 3, 1997	P3,829,100.00 ²³⁴	007953
December 23, 1997	P4,510,550.00 ²³⁵	009705

Even if accused Diala and accused Marzan had neglected to ascertain the price of said bus models from the respective manufacturers, it is difficult to ignore that they worked in the same office handling the same applications related to mass transit. Based on prior Evaluation Reports accomplished by them, they therefore had a baseline from which to assess the truthfulness of the valuations of said bus models claimed by RA Rodriguez in subsequent applications. To illustrate, accused Diala and accused Marzan each made Evaluation Reports²³⁶ pertaining to TCC Nos. 010005 and 009707, respectively, which priced the Daewoo Bus Model BV113L at P4,373,200.00, but they ignored the submitted price of the exact same bus model the value of which had already been ascertained by their office merely a few months prior which was just valued at P3,563,907.00. Nonetheless, the Evaluation Reports continued to meet the approval of the evaluators. This reeks of bias and neglect of duty, and especially so for accused De Vera.

While the initial assessment of the tax credit applications and the computation of tax credits devolved upon accused Diala and Marzan, the draft evaluation reports necessarily needed the approval of accused De Vera, the Supervising Tax Specialist of the Center. By the nature of his higher position and the oversight role that was inherent to his job, accused De Vera was equally responsible to evaluate the same supporting documents checked by the subordinates directly under him; in fact, without his approval, the tax application would not have been approved by the senior managers of the Center. Considering that accused De Vera had supposedly fact-checked his subordinates' reports and that he signed off on their correctness, the partiality towards favor RA Rodriguez Bus Line is all too evident.

What strengthens the conclusion that accused Diala and Marzan were clearly remiss in their duties is provided by the fact that they received eleven months of prior training by the BOI prior to assuming their positions. Accused Marzan described how he was trained at his prior detail at the BOI: in order to familiarize the trainee with the evaluation process of tax applications, accused Diala would give him and other trainees sample dockets which had already been approved by the BOI and a TCC had already been issued; and

²³⁴ Exhibit "HHH"

²³⁵ Exhibit "F"

²³⁶ Exhibits "M3-197" and "H3"

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when accused Marzan was transferred to the DOF, he had study materials of more dockets of applications which had already been approved.²³⁷ It was thus misleading for them to continue to claim that there were no established procedures from which they would discharge their duties.


Regarding accused Andutan, the bias exhibited by his subordinates would not have flourished had he been vigilant in his functions. Verily, after the evaluation reports would be finalized by the evaluators and supervising evaluator, it was the responsibility of accused Andutan, the Deputy Executive Director, to again review the same before he would sign his recommendation for approval. Due to his high position in the Center, it was incumbent upon accused Andutan to thoroughly check the presence of *all* the supporting documents that were attached to the application for tax credits, and not merely read the evaluation reports accomplished by the tax specialists. It was thus simply not possible that he could ignore the glaring irregularities tarnishing the supporting documents submitted by RA Rodriguez Bus Line.

Moreover, owing to accused Andutan's high rank in the Center, the giving or withholding of a recommendation for approval was discretionary on his part such that he was under no obligation to sign his recommendation in spite of the review and assessments accomplished by his subordinates. In this regard, accused Andutan was given the discretion to write the applicants if he would find any supporting document lacking from the application. However, accused Andutan was evidently remiss in his duty because the tax applications filed by RA Rodriguez were eventually approved by him. In particular, the docket pertaining to TCC No. 007598 is illustrative:

Exhibit "DD"

²³⁷ TSN dated October 3, 2017, p. 16

Osang Pls. (sic) Handle


REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
Manila
DIRECTOR GENERAL'S OFFICE (TAX CREDIT AND INVESTMENT PROMOTION CENTER)

October 18, 1996

MR. RAMON A. RODRIGUEZ
President
R.A. Rodriguez Bus Line
#1603 J. Felipe Boulevard
San Antonio, Cebu City

EXHIBIT DP
PAGE 1 OF 1 PAGES
NOV 05 2012
SANDIGAN GAYAN
FIRST DIVISION

Sir:

This has reference to your application for tax credit on Domestic Capital Equipment filed on October 13, 1996.

Please be informed that following deficiencies in documentary requirements were found during checklisting:

1. Schedule of Purchased Commodity indicating the Following: Description, Engine No., Chassis No., Invoice No., Invoice date, Amount, DR No., DR date, LTO Reg'n, LTO Reg'n date, MVR No., MVR date, Plate No., Bus No., and Cam No.
2. Original Sales Invoice of 6491 and 6440.
3. Original DR for all purchases made.
4. Documentary Stamp
5. VAT Registration Certificate
6. Additional file of all documents submitted.

Processing of your application is held pending subject to the compliance of the above mentioned requirements.

Very truly yours,


ULMARICO P. ANDUTAN, JR.
Deputy Executive Director, CENTER



ANNEX

RECORDS DIV. 56

This Deficiency Letter dated October 18, 1996, with a handwritten note, "Osang Pls. (sic) Handle," was penned by accused Andutan and addressed to accused Rodriguez informing the latter that there were missing documents, among which were: Sales Invoices Nos. 6491 and 6440. However, the only commercial invoices submitted by RA Rodriguez Bus Line in its application pertinent to this TCC all had serial numbers beginning with series number

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five.²³⁸ The non-existent deficiencies, therefore, cited by accused Andutan were clearly dubious, yet the application was eventually approved by him; and TCC No. 007598 was subsequently issued in favor of RA Rodriguez Bus Line.

With particular respect to the handwritten note addressed to a certain "Osang," accused Diala cannot deny that the same was directly addressed to her. It is emphasized that RA Rodriguez Bus Line was engaged in mass transit, and the existing system adopted by the Center was to review applications based on industry to which the applicant belonged. Since accused Diala was tasked to handle applications from mass transit companies, only she or accused Marzan could have been the subject of the handwritten note. What cements the fact that said note was solely addressed to accused Diala was that she was the one who prepared the Evaluation Report pertaining to the issuance of TCC No. 007598. However, no evidence was presented by accused Diala that she had refused to continue processing the application, despite having been given clear notice that the same was deficient. She cannot thus claim innocence from the tax fraud scheme.

Moreover, although the accused tried to pass the responsibility for authenticating the supporting documents attached to tax credit applications to the Monitoring and Verification Division (MVD), which had allegedly been created by the Civil Service Commission, the fact of the matter was that said MVD was not yet actually functioning at the time pertinent to these cases.

The system followed by the officials at the Center was *industry-based*, which had no separate division for verification and authentication. As such, these tasks devolved upon the evaluators to which specific tax applications were routed. The newer, *process-based* system was only introduced and implemented at the Center sometime late in 1999 to early 2000,²³⁹ at which time the applications had already been approved, and the TCCs subject of these cases had already been issued. Former Deputy Executive Director of the Center (1998 to 2003), Ernesto Q. Hiansen ("Hiansen"), shed light on the matter.²⁴⁰

XXX

Atty. Marzan:

Q You mentioned about reforms that have been initiated, can you tell the Court again, what are these reforms that you have initiated?

A We made a presentation to our executive committee, which is the highest policy[-]making body, and in that report, we cited first and foremost the general findings of the irregularities, and we discovered that majority of those companies whose tax credits were issued on the basis of what we will

²³⁸ Exhibits "B", "D", "E", "H", "J", "L", "N", "P" (Sales Invoices issued by Commercial Motors Corporation pertaining to TCC No. 007598)

²³⁹ TSN dated January 23, 2018, p. 8

²⁴⁰ TSN dated January 22, 2018, pp. 21-22

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call, spurious or fake commercial documents. And we discovered that part of the reasons were witnesses in the internal systems of the One-Stop Center before we joined, sir.

Q And what particular remedy, if any, you initiate and recommend to the executive committee to address this concern of irregularity or spurious document?

A We recommended to the executive committee a shift from the industry[-]based evaluation system, which we have when we took over the new management of the Center. Those were the processing systems in place. And under the industry[-]based system, we point the term they were undergoing table audit, and we shifted to a process[-]based system, so that we introduce stronger verification procedure. In the old system, I will just summarize very quickly. We had a one claim, one evaluator basis. After the Evaluator evaluated the documents, it goes to the division head, and those are for final approval. Under the process[-]based system, we chopped the procedures according to functions. So, before a tax credit is eventually issued, it would have to undergo processing before different divisions. One of that is the verification division, and we also added a financial validation division. The purpose of which was to augment the verification process. So, by the time the claim evaluation division will evaluate the claim, they are at least assured the authenticity of the documents that they are looking at, sir.

Atty. Marzan:

Q Mr. Witness, what would be the cut-off of your examination? What particular year?

A We focused our efforts from 1995 to about June 13, 1998, sir.

Atty. Marzan:

Q And you said a while ago that you shifted from the so-called industry[-]based to process[-]based. In industry[-]based, to what particular period of time does it was adopted or be utilized by the One-Stop-Shop Center?

The Witness:

A Based on the records that we have seen, it appears that it have (sic) been in placed from the time the One-Stop Center was established in February of 1992. We continued with it when we took over all the way until probably the latter part of 1999 when we have shifted already. Because we had to first understand where the problem originated from, sir.

Q And what would be the problem, Mr. Witness?

A I would say, there was no verification process, sir. So, the office was accepting applications for tax credits and was conducting the

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evaluation purely on the basis or whatever documents were they submitted, sir.

Q And when you took over, among the reforms that you initiated, as you have mentioned a while ago is to conduct verification as to where the documents submitted or coming from?

A The documents have to be authentic before a tax credit can be issued, sir. (Emphasis supplied)

xxx

Evidently, there was no MVD office to speak of at the time pertinent to the cases. As such, the responsibility to evaluate the genuineness and authenticity of the applications and their supporting documents fell upon the accused evaluators-tax specialists, and their superiors who were responsible to fact-check the same. Accused Diala and Marzan were conscious of the lack of verification processes at their level; instead of shrugging it off as a lackadaisical duty on this part, more deliberate consciousness of their duty to validate should have been pounded. After all, the tax credit certificates to be obtained is charged against the government, spilling millions of pesos.

Neither can the accused successfully assail the integrity of the documents obtained by the prosecution. In the first place, it is underscored that the documents reviewed by the accused in their official capacities were based on original documents. In fact, the accused disclosed that applicants were required to submit two sets of files: one set of originals, and another set of photocopies thereof. These sets of documents would later on be docketed per application. After the applications were approved and corresponding TCCs were issued, the individual dockets would conceivably be forwarded to the DOF vault for storage. Presumably, the files remained securely stored at the DOF's vault, until the same were retrieved by the official record custodian pursuant to the investigation and/or litigation of the TCCs subject of these cases. Absent any evidence to the contrary, presumption of regularity in the performance of the duty to safe keep the records applies.

In any case, the prosecution successfully established the authenticity of its documentary evidence.

The *Rules on Evidence* provide the procedure on how to present documentary evidence before the court, in this wise: *firstly*, the document should be authenticated and proved in the manner provided in the rules of court; *secondly*, the document should be identified and marked for identification; and *thirdly*, it should be formally offered in evidence to the court and shown to the opposing party so that the latter may have an opportunity to object thereon.²⁴¹

²⁴¹ *Chua v. Court of Appeals, et al.*, G.R. No. 88383, February 19, 1992. Citation made to *General Enterprises, Inc. v. Lianga Bay Logging Co., Inc.*, No. L-18487 August 31, 1964, 11 SCRA 733, was omitted.

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The authentication and proof of documents are provided in Sections 20 to 24 of Rule 132 of the *Rules of Court*. Only private documents require proof of their due execution and authenticity before they can be received in evidence. This may require the presentation and examination of witnesses to testify on this fact. When there is no proof as to the authenticity of the writer's signature appearing in a private document, such private document may be excluded. On the other hand, public or notarial documents, or those instruments duly acknowledged or proved and certified as provided by law, may be presented in evidence without further proof, the certificate of acknowledgment being prima facie evidence of the execution of the instrument or document involved. There is also no need for proof of execution and authenticity with respect to documents the genuineness and due execution of which are admitted by the adverse party. These admissions may be found in the pleadings of the parties or in the case of an actionable document which may arise from the failure of the adverse party to specifically deny under oath the genuineness and due execution of the document in his pleading. After the authentication and proof of the due execution of the document, whenever proper, the marking for identification and the formal offer of such documents as evidence to the court follow.

The prosecution's exhibits comprising the seven TCCs subject of these cases, including their docket files, were public documents securely held in the custody of the DOF vault located on the Third Floor of the Center, DOF Building, Roxas Blvd. Manila. Witness Salvador, an Administrative Officer of the Office of the Ombudsman, was the one subpoenaed and who retrieved and photocopied the files pertinent to these cases. In order to gain access to the files, there were two keys to the vault, one being held by Special Prosecutor Reynold Sulit of the OSP, and the other in the custody of a DOF official.²⁴² Only with the permission of the DOF, Salvador was given the combination and keys to the vault and was escorted inside the vault premises. Inside the vault itself were the documents and a photocopying machine, and the files would be photocopied on-the-spot by the DOF custodian, following which Salvador would compare the photocopy to the original and certify the same. He would then submit the certified documents to the handling prosecutor of the OSP.²⁴³ This methodical procedure adopted by the prosecution in obtaining the documents undoubtedly strengthens the integrity of its documentary evidence, which procedure the accused have not successfully assailed.

The remaining documentary exhibits of the prosecution consisted of records obtained from the bus manufacturers, the LTO, and the LTFRB. The prosecution was able to authenticate these records by presenting as its witnesses the very same persons who respectively responded to the letters of the Task Force, and supplied the pertinent files sought by it. These witnesses were:

²⁴² TSN dated October 14, 2013, pp. 16-17

²⁴³ *Id.* at 9

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- Memilo L. Mayo, Head of the LTO-Biñan City District Office;
- Nida P. Quibic, Information Technology Officer III and designated Chief Information Systems Management Division, LTFRB, East Ave., Quezon City;
- Roberto R. Garcia, former Vice-President of Operations and Marketing for Pilipinas Hino, Inc.;
- Felipe S. Barroga, former Assistant Vice-President Comptroller, Pilipinas Hino, Inc.; and
- Jose Antonio M. Aquino, Co-Owner and former Vice-President for Production of Filipinas Daewoo Industries Corporation.

Based on the foregoing procedure followed by the prosecution in obtaining its documentary evidence, the same have been sufficiently authenticated in the manner provided by the *Rules of Court*.

At this point, it is not difficult to see that there was a common design to defraud the government in approval of tax credit applications and the resulting issuance of TCCs. What now remains for discussion is the presence, or absence, of the elements of the crimes for which the accused were charged.

Criminal Case Nos. SB-12-CRM-0087 to 0093
(for Falsification of Official/Public/Commercial Documents)

The accused were charged with the violation of Article 171, in relation to Article 172, of the *Revised Penal Code*. In this case, since accused Diala, Marzan, De Vera, and Andutan were all public officials, the relevant provision is Article 171, *supra*, which reads:

Article 171. Falsification by public officer, employee or notary or ecclesiastic minister. - The penalty of prison mayor and a fine not to exceed P5,000 pesos shall be imposed upon any public officer, employee, or notary who, taking advantage of his official position, shall falsify a document by committing any of the following acts:

1. Counterfeiting or imitating any handwriting, signature or rubric;
2. Causing it to appear that persons have participated in any act or proceeding when they did not in fact so participate;
3. Attributing to persons who have participated in an act or proceeding statements other than those in fact made by them;
4. Making untruthful statements in a narration of facts;
5. Altering true dates;
6. Making any alteration or intercalation in a genuine document which changes its meaning;
7. Issuing in an authenticated form a document purporting to be a copy of an original document when no such original exists, or including in

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such a copy a statement contrary to, or different from, that of the genuine original; or

8. Interrelating any instrument or note relative to the issuance thereof in a protocol, registry, or official book.

The same penalty shall be imposed upon any ecclesiastical minister who shall commit any of the offenses enumerated in the preceding paragraphs of this article, with respect to any record or document of such character that its falsification may affect the civil status of persons.

In general, the elements of Article 171, *supra*, are:²⁴⁴

- (1) the offender is a public officer, employee, or notary public;
- (2) he or she takes advantage of his or her official position; and
- (3) that he or she falsifies a document by committing any of the ways it is done.

At the outset, We begin with a discussion of the third element because its absence would obviate the necessity to determine the presence or absence of the first and second elements.

In *Arriola v. People*, the Highest Court pronounced:²⁴⁵

Every criminal conviction requires the prosecution to prove two things: (1) the fact of the crime, that the presence of all the elements of the crime with which the accused stands charged, and (2) the fact that the accused is the perpetrator of the crime. When a crime is committed, it is the duty of the prosecution to prove the identity of the perpetrator of the crime beyond reasonable doubt for there can be no conviction even if the commission of the crime is established. In the case at bench, the State, aside from showing the existence of the crime of falsification of public document, has the burden of correctly identifying the author of such crime. Both facts must be proven beyond reasonable doubt on the strength of the prosecution evidence and without solace from the weakness of the defense. (Emphasis supplied)

After carefully considering the evidence on record, it does not appear that the accused public officials authored, much less had a hand in, the preparation and submission of the falsified documents which were submitted in support of the tax credit applications of RA Rodriguez Bus Line.

As it stood, accused Diala, Marzan, De Vera, and Andutan were respectively the Senior Tax Specialists, Supervising Tax Specialist, and Deputy Executive Director of the Center. By virtue of their positions, from the moment the documents reached their respective desks, the falsifications tainting the supporting documents had already been completed. The only thing left for the accused to do was merely to evaluate the files, as they were, with the purpose of approving or disapproving the applications which would result in the issuance or non-issuance of a TCC. It has not been proven that, while the documents were being respectively processed, reviewed, and evaluated by

²⁴⁴ *Corpus, Jr. v. People*, G.R. Nos. 212656-57, November 23, 2016

²⁴⁵ G.R. No. 217680, May 30, 2016

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the accused, they altered or doctored the data contained in the files in order that the applicant would obtain a more favorable outcome. Without such proof that the accused authored or took part in the falsifications, it is difficult to pin the crime on them.

Although jurisprudence presumes that the person in possession of a falsified document is the falsifier thereof, this only applies when the possessor stands to profit or had profited from the use of the falsified document.²⁴⁶ Clearly, RA Rodriguez Bus Line, including its owner, stood to benefit or profit from the use of the falsified documents. However, the same conclusion cannot be said for the accused, absent any evidence to the contrary. It may even be pointed out that the accused could not profit from the transfer or utilization of the TCCs as they were never named by the transferor as the transferees/beneficiaries thereof.

From these circumstances, the third element of the crime has not been proven to exist. With the absence thereof, any further discussion on the first and second elements of the crime will be rendered academic. Consequently, the accused public officials should be acquitted of the crime of falsification under Article 171 in relation to Article 172 of the *Revised Penal Code* for failure of the prosecution to establish all of the essential elements of the crime.

Criminal Case Nos. SB-12-CRM-0094 to 0100
(for Violation of Section 3 [e] of Republic Act No. 3019)

Section 3 (e) of *R.A. 3019* provides:

SEC. 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:

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(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.

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The essential elements are:²⁴⁷

²⁴⁶ *Eugenio v. People*, G.R. No. 168163, March 26, 2008

²⁴⁷ *Lim v. Deputy Ombudsman for the Military and Other Law Enforcement Officers*, G.R. No. 201320, September 14, 2016; *Fuentes v. People*, G.R. No. 186421, April 17, 2017

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- (a) the offender must be a public officer discharging administrative, judicial, or official functions (or a private individual acting in conspiracy with such public officers);
- (b) he or she must have acted with manifest partiality, evident bad faith or gross inexcusable negligence; and
- (c) his or her action caused undue injury to any party, including the government, or gave any private party unwarranted benefits, advantage or preference in the discharge of his or her functions.

The accused were all public officials of the Center at the time relevant to these cases.

It is undisputed that accused Diala, Marzan, De Vera, and Andutan were all public officials of the Center at the time the offenses were alleged to have been committed,²⁴⁸ specifically: accused Diala and Marzan were Senior Tax Specialists; accused De Vera was the Supervising Tax Specialist; and accused Andutan was the Deputy Executive Director.

The fact that the applications filed by RA Rodriguez Bus Line were approved and corresponding TCCs were issued in its favor established the second element of the offense.

Section 3 (e) of *R.A. 3019* may be violated through any of the following modes: manifest partiality, evident bad faith, or gross inexcusable negligence. *Sison v. People* elaborates:²⁴⁹

"Partiality" is synonymous with "bias" which "excites a disposition to see and report matters as they are wished for rather than as they are." "Bad faith does not simply connote bad judgment or negligence; it imputes a dishonest purpose or some moral obliquity and conscious doing of a wrong; a breach of sworn duty through some motive or intent or ill will; it partakes of the nature of fraud." "Gross negligence has been so defined as negligence characterized by the want of even slight care, acting or omitting to act in a situation where there is a duty to act, not inadvertently but wilfully (sic) and intentionally with a conscious indifference to consequences in so far as other persons may be affected. It is the omission of that care which even inattentive and thoughtless men never fail to take on their own property."

The irregularities attendant to the supporting documents of the tax credit applications filed by RA Rodriguez Bus Line betrayed an unlawful

²⁴⁸ Pre-Trial Order dated June 17, 2013 (Records, Vol. 2, p. 364)

²⁴⁹ G.R. Nos. 170339, 170398-403, March 9, 2010, which cited *Fonacier v. Sandiganbayan*, G.R. No. 50691, December 5, 1994

scheme to facilitate the approval of said applications with the end goal of causing the issuance of TCCs in favor of said bus company, which approved higher amounts of tax credits than what would have been awarded had the supporting documents shown the lower, actual prices of the buses purchased by RA Rodriguez Bus Line.

As previously discussed, by the very nature of their functions, it was precisely the responsibility of the evaluators-tax specialists of the Center to review, assess, and verify the completeness and authenticity of the supporting documents submitted by applicants. Although it may not have been explicitly required for said evaluators to conduct an extensive, in-depth verification of each supporting document submitted by the applicant by writing the bus manufacturers, LTO, and LTFRB, among others, as in the case of mass transit businesses, the assessors were at the very least charged with carefully inspecting the files submitted or attached to the applications. Had the accused public officials done their due diligence in their respective jobs, they would have easily picked out the obvious irregularities on the supporting documents, which were, among others: undated commercial documents lacking serial numbers, unnumbered LTO OR/CRs, and so on. It bears stressing that even an ordinary, prudent person untrained as a tax specialist could have easily caught the missing details tainting the supporting documents. Furthermore, at the very least, it was elementary on the part of the accused to obtain a basic quotation from the bus manufacturers as to the current values of different makes and models of buses because said value became the basis by which tax credits were computed. The accused nonetheless failed to do so, and they accepted the claimed valuations at full face value. This strengthens the conclusion that they were evidently biased in favor of RA Rodriguez Bus Line, especially considering that the prices claimed by said company exhibited conspicuous variations in the span of just a few months. Worse, there was an instance of a ghost purchase of buses by RA Rodriguez Bus Line, yet the application was still approved by the accused. There was even no compulsion on the part of the accused public officials to approve every application submitted, as in fact they had the power to require the applicant to cure deficiencies or disapprove the application altogether. With the fact that all seven applications were approved, and corresponding TCCs issued to RA Rodriguez, it goes to show that there was a manifest partiality accorded to said bus company.

The third element was established by the approval by the accused of anomalous documents which overpriced the buses bought by RA Rodriguez Bus Line, which became the basis for the computation of tax credits, and thus had a direct proportional effect on the amount of

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tax credits ultimately awarded to the applicant.

In the case of *Fonacier vs. Sandiganbayan*,²⁵⁰ the Supreme Court declared that the third element of the offense is satisfied when the questioned conduct causes undue injury to any party, including the government, or gives unwarranted benefit, advantage or preference. Proof of the extent or quantum of damage is not thus essential; it should be sufficient that the injury suffered or the benefit received can be perceived to be substantial enough and not merely negligible.

Because the accused approved the supporting documents attached to the tax credit applications, which contained invoices over-pricing the acquisition cost of the buses acquired by RA Rodriguez Bus Line, this resulted in a direct proportional increase in the amount of tax credits awarded to said company. Consequently, unwarranted benefit was given to RA Rodriguez Bus Line. This unwarranted benefit was only possible through the accused public officials' manifest partiality in evaluating the supporting documents attached to the tax credit applications, reviewing the evaluation reports, and recommending for approval the issuance of the subject TCCs. Given the disparity in the actual prices of the buses and the bloated amount claimed by RA Rodriguez Bus Line, and in one case a ghost purchase of buses, it can then be perceived that those who authored the falsification tremendously benefited from the difference. In these cases, the ones responsible for allowing the authors of the fraud to prosper were the gatekeepers of the Center who were charged with guarding the coveted TCCs, but failed to do so: accused Diala, Marzan, De Vera, and Andutan.

The following table best illustrates the price disparities in the actual prices of the buses as opposed to the over-valued amount claimed by RA Rodriguez Bus Line:

No. of Buses and Model	Price Claimed Per One Bus by Applicant (as reflected in the sales invoice submitted by RA Rodriguez Bus Line)	Actual Price Per One Bus from the Manufacturer (as reflected in the actual sales invoice obtained from bus manufacturer)	Price Difference Per One Bus ²⁵¹
8 Mercedes-Benz Model OH-1318/60	P2,305,730.00 ²⁵²	P1,370,730.00 ²⁵³	P935,000.00
2 Hino Model RF821	P3,829,100.00 ²⁵⁴	P2,950,000.00 ²⁵⁵	P870,100.00

²⁵⁰ G.R. No. L-50691, December 5, 1994

²⁵¹ Computed as the price claimed minus the actual price based on the submitted sales invoices

²⁵² Exhibit "B"

²⁵³ Exhibit "GG-20"

²⁵⁴ Exhibit "HHH"

²⁵⁵ Exhibit "FFF-1"

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7 Daewoo Model BV113L	P3,563,907.00 ²⁵⁶	P2,545,648.00 ²⁵⁷	P1,018,259.00
5 Daewoo Model BV113L	P4,263,907.00 ²⁵⁸	P2,545,648.00 ²⁵⁹	P1,718,259.00
2 Daewoo Model BV113L	P4,373,200.00 ²⁶⁰	P3,100,00.00 ²⁶¹	P1,273,200.00
10 Daewoo Model BV113L	P4,373,200.00 ²⁶²	P3,100,00.00 ²⁶³	P1,273,200.00
2 Hino Model RF821	P4,510,550.00 ²⁶⁴	P2,950,000.00 ²⁶⁵	P1,560,550.00

Additionally, one can only imagine how much benefit was reaped by RA Rodriguez Bus Line in connection with its ghost purchase of the two Hino Buses Model RF821 in connection with TCC No. 009705.

Since the exaggerated amounts mentioned above were used as the basis in the computation of tax credits, the unwarranted benefit in favor of RA Rodriguez Bus Line was all too real.

In fine, all of the elements of Violation of Section 3 (e) of *R.A. 3019* obtain.

All told, the prosecution duly established all the elements of Violation of Section 3 (e) of *R.A. 3019*, which pertain to *Criminal Case Nos. SB-12-CRM-0094 to 0100*. On the other hand, it remains to be proven that all of the elements obtain in *Criminal Case Nos. SB-12-CRM-0087 to 0093* for Falsification of Official/Public/Commercial Documents under Article 171 in relation to Article 172 of the *Revised Penal Code*.

Consequently, the conviction of accused Diala, Marzan, De Vera, and Andutan is warranted. There being conspiracy present, said accused are all equally liable pursuant to the rule that when conspiracy is established, the responsibility of the conspirators is collective, not individual, rendering all of them equally liable regardless of the extent of their respective participations.²⁶⁶

²⁵⁶ Exhibit "B"

²⁵⁷ Exhibit "ZZZ-1"

²⁵⁸ Exhibit "H"

²⁵⁹ Culled from the Investigation Report dated August 14, 2000 of SI David P. Golla IV, p. 20 (Exhibit "M"), in relation to the Sales Invoice of Filipinas Daewoo Industries Corporation Exhibit ("ZZZ-1") which involves the same Daewoo Bus Model BV113L.

²⁶⁰ Exhibit "W"

²⁶¹ Exhibit "CCC-2"

²⁶² Exhibit "O"

²⁶³ Exhibit "CCC-2"

²⁶⁴ Culled from Sales Invoice of Filipinas Daewoo Industries Corporation Exhibit "E" which involves the same Daewoo Bus Model BV113L.

²⁶⁵ Exhibit "FFF-1"

²⁶⁶ *People v. Elizalde y Sumagdan*, G.R. No. 210434, December 5, 2016

WHEREFORE, judgment is rendered as follows:

- 1) In *Criminal Case No. SB-12-CRM-0087*, for failure of the prosecution to prove the guilt of accused Atty. Uldarico P. Andutan, Jr., Raul C. De Vera, and Rosanna P. Diala beyond reasonable doubt, they are **ACQUITTED** of violation of Falsification of Official/Public/Commercial Documents under Article 171 in relation to Article 172 of the *Revised Penal Code*.
- 2) In *Criminal Case No. SB-12-CRM-0088*, for failure of the prosecution to prove the guilt of accused Atty. Uldarico P. Andutan, Jr., Raul C. De Vera, and Rosanna P. Diala beyond reasonable doubt, they are **ACQUITTED** of violation of Falsification of Official/Public/Commercial Documents under Article 171 in relation to Article 172 of the *Revised Penal Code*.
- 3) In *Criminal Case No. SB-12-CRM-0089*, for failure of the prosecution to prove the guilt of accused Atty. Uldarico P. Andutan, Jr., Raul C. De Vera, and Rosanna P. Diala beyond reasonable doubt, they are **ACQUITTED** of violation of Falsification of Official/Public/Commercial Documents under Article 171 in relation to Article 172 of the *Revised Penal Code*.
- 4) In *Criminal Case No. SB-12-CRM-0090*, for failure of the prosecution to prove the guilt of accused Atty. Uldarico P. Andutan, Jr., Raul C. De Vera, and Rosanna P. Diala beyond reasonable doubt, they are **ACQUITTED** of violation of Falsification of Official/Public/Commercial Documents under Article 171 in relation to Article 172 of the *Revised Penal Code*.
- 5) In *Criminal Case No. SB-12-CRM-0091*, for failure of the prosecution to prove the guilt of accused Atty. Uldarico P. Andutan, Jr., Raul C. De Vera, and Rosanna P. Diala beyond reasonable doubt, they are **ACQUITTED** of violation of Falsification of Official/Public/Commercial Documents under Article 171 in relation to Article 172 of the *Revised Penal Code*.
- 6) In *Criminal Case No. SB-12-CRM-0092*, for failure of the prosecution to prove the guilt of accused Atty. Uldarico P. Andutan, Jr., Raul C. De Vera, and Atty. Brandy L. Marzan beyond reasonable doubt, they are

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ACQUITTED of violation of Falsification of Official/Public/Commercial Documents under Article 171 in relation to Article 172 of the *Revised Penal Code*.


- 7) In *Criminal Case No. SB-12-CRM-0093*, for failure of the prosecution to prove the guilt of accused Atty. Uldarico P. Andutan, Jr., Raul C. De Vera, and Atty. Brandy L. Marzan beyond reasonable doubt, they are **ACQUITTED** of violation of Falsification of Official/Public/Commercial Documents under Article 171 in relation to Article 172 of the *Revised Penal Code*.
- 8) In *Criminal Case No. SB-12-CRM-0094*, accused Atty. Uldarico P. Andutan, Jr., Raul C. De Vera, and Rosanna P. Diala are each found **GUILTY** beyond reasonable doubt of violation of Section 3 (e) of *Republic Act No. 3019*, and are hereby sentenced to suffer an indeterminate penalty of imprisonment of **SIX (6) YEARS and ONE (1) MONTH** as minimum to **TEN (10) YEARS** as maximum. Additionally, said accused are sentenced to suffer perpetual disqualification to hold public office.
- 9) In *Criminal Case No. SB-12-CRM-0095*, accused Atty. Uldarico P. Andutan, Jr., Raul C. De Vera, and Rosanna P. Diala are each found **GUILTY** beyond reasonable doubt of violation of Section 3 (e) of *Republic Act No. 3019*, and are hereby sentenced to suffer an indeterminate penalty of imprisonment of **SIX (6) YEARS and ONE (1) MONTH** as minimum to **TEN (10) YEARS** as maximum. Additionally, said accused are sentenced to suffer perpetual disqualification to hold public office.
- 10) In *Criminal Case No. SB-12-CRM-0096*, accused Atty. Uldarico P. Andutan, Jr., Raul C. De Vera, and Rosanna P. Diala are each found **GUILTY** beyond reasonable doubt of violation of Section 3 (e) of *Republic Act No. 3019*, and are hereby sentenced to suffer an indeterminate penalty of imprisonment of **SIX (6) YEARS and ONE (1) MONTH** as minimum to **TEN (10) YEARS** as maximum. Additionally, said accused are sentenced to suffer perpetual disqualification to hold public office.
- 11) In *Criminal Case No. SB-12-CRM-0097*, accused Atty. Uldarico P. Andutan, Jr., Raul C. De Vera, and Rosanna P. Diala are each found **GUILTY** beyond

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reasonable doubt of violation of Section 3 (e) of *Republic Act No. 3019*, and are hereby sentenced to suffer an indeterminate penalty of imprisonment of **SIX (6) YEARS and ONE (1) MONTH** as minimum to **TEN (10) YEARS** as maximum. Additionally, said accused are sentenced to suffer perpetual disqualification to hold public office.

- 12) In *Criminal Case No. SB-12-CRM-0098*, accused Atty. Uldarico P. Andutan, Jr., Raul C. De Vera, and Rosanna P. Diala are each found **GUILTY** beyond reasonable doubt of violation of Section 3 (e) of *Republic Act No. 3019*, and are hereby sentenced to suffer an indeterminate penalty of imprisonment of **SIX (6) YEARS and ONE (1) MONTH** as minimum to **TEN (10) YEARS** as maximum. Additionally, said accused are sentenced to suffer perpetual disqualification to hold public office.
- 13) In *Criminal Case No. SB-12-CRM-0099*, accused Atty. Uldarico P. Andutan, Jr., Raul C. De Vera, and Atty. Brandy L. Marzan are each found **GUILTY** beyond reasonable doubt of violation of Section 3 (e) of *Republic Act No. 3019*, and are hereby sentenced to suffer an indeterminate penalty of imprisonment of **SIX (6) YEARS and ONE (1) MONTH** as minimum to **TEN (10) YEARS** as maximum. Additionally, said accused are sentenced to suffer perpetual disqualification to hold public office.
- 14) In *Criminal Case No. SB-12-CRM-0100*, accused Atty. Uldarico P. Andutan, Jr., Raul C. De Vera, and Atty. Brandy L. Marzan are each found **GUILTY** beyond reasonable doubt of violation of Section 3 (e) of *Republic Act No. 3019*, and are hereby sentenced to suffer an indeterminate penalty of imprisonment of **SIX (6) YEARS and ONE (1) MONTH** as minimum to **TEN (10) YEARS** as maximum. Additionally, said accused are sentenced to suffer perpetual disqualification to hold public office.

Let the cases be **ARCHIVED** as to accused Antonio P. Belicena, Ramon A. Rodriguez, and Joseph Cabotaje, who have remained at large up to the present. Meantime, let an alias warrant of arrest issue against them.



SO ORDERED.


MA. THERESA DOLORES C. GOMEZ-ESTOESTA

Associate Justice
Chairperson

WE CONCUR:


ZALDY V. TRESPES

Associate Justice


GEORGINA D. HIDALGO

Associate Justice

ATTESTATION

I attest that the conclusions in the above Decision were reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.


MA. THERESA DOLORES C. GOMEZ-ESTOESTA

Chairperson, Seventh Division

CERTIFICATION

Pursuant to Article VIII, Section 13 of the Constitution, and the Division Chairman's Attestation, it is hereby certified that the conclusions in the above Decision were reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.


AMPARO M. CABOTAJE-TANG