



Republic of the Philippines
Supreme Court
Manila

SUPREME COURT OF THE PHILS.
MARIA LOURDES P. A. SERENO
CHIEF JUSTICE

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SECOND DIVISION

**GOVERNMENT SERVICE
INSURANCE SYSTEM, represented by
ROBERT G. VERGARA,**
Petitioner,

G.R. No. 202914

Present:

CARPIO, J.,
Chairperson,
LEONARDO-DE CASTRO,*
BRION,
PEREZ, and
PERLAS-BERNABE, JJ.

- versus -

HEIDI R. CHUA,
Respondent.

Promulgated:

SEP 26 2012

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RESOLUTION

BRION, J.:

Heidi R. Chua (*respondent*) was employed as a Social Insurance Specialist in the Membership Division of petitioner Government Service Insurance System (GSIS), Pasig District Office. One of her duties was to update the Member's Service Profile in the GSIS Membership Database, which includes the salary updates of GSIS members to be used in the determination of the amount for loan applications. For this task, the respondent was assigned a computer terminal that can only be accessed

Designated as Acting Member in lieu of Associate Justice Mariano C. del Castillo, per Special Order No. 1308 dated September 21, 2012.

using her ID and an operator's code to avoid unauthorized alteration and tampering of encoded records.

An administrative complaint charging grave misconduct, dishonesty and conduct prejudicial to the best interest of the service was filed against the respondent in connection with the false alteration by "padding" the salary updates of two (2) applicants, enabling them to receive salary loans in excess of what they were eligible to borrow. The respondent claimed good faith and lack of knowledge of any of the fraudulent scheme. She emphasized that she relied on the documents submitted to her in updating the records of the two (2) applicants.

The GSIS and CSC rulings

The GSIS found the respondent liable and ordered her dismissal from the service. It ruled that the fraudulent scheme could not have been perpetrated without the respondent's participation as terminal operator. The GSIS explained the fraudulent scheme in the following manner:

And as pointed out by the respondent herself, the updating was done at the Pasig District Office while the loans were processed at the Manila District Office. More importantly, the loans of Messrs. Moncawe and San Diego were released by the Manila District Office only minutes after their basic salaries were updated at the Pasig District Office. This indicates that there was [a] **close coordination** between the employee who updated the basic salaries of PPC employees and the person who filed the application because the update should already have been done at the time of the filing of the application. Seen against this backdrop, the role of the employee who updated the basic salaries of the PPC employees assumes a whole new perspective. Clearly, this employee was handpicked to do something to ensure the timeliness of her actions *vis-à-vis* the filing of the loan applications. The respondent was the chosen one and using her computer terminal, she proceeded to do her role to complete the transaction.¹ (emphasis ours)

¹

Rollo, p. 31.

In addition, the GSIS noted that the respondent failed to present evidence that another person could have used her computer terminal to do the false alteration. It reasoned out that, in any event, the respondent knew that allowing another person to use her computer terminal was prohibited by the GSIS rules and regulations under SVP Order No. 02-99. It was also established that the exclusive use of a computer terminal by the designated terminal operator and the use of an operator's code with a tracing capability are security features not previously known to all terminal operators and operator code owners.

The Civil Service Commission (CSC) affirmed the GSIS decision and its conclusion that the respondent intentionally and with bad faith made the salary adjustments in order to allow the release of salary loans in excess of what the concerned applicants were eligible to apply for.

The CA's Ruling

The Court of Appeals (CA) modified the rulings of the GSIS and of the CSC by finding the respondent liable for simple misconduct, conduct prejudicial to the best interest of the service and violation of reasonable office rules and regulations. These violations carry the penalty of suspension for seven (7) months and two (2) days without salary and benefits, and the "reprimand" that a repetition of the same or similar acts shall be severely dealt with.²

In contrast with the GSIS and CSC, the CA found that the respondent merely performed her duties, *i.e.*, to encode information from documents submitted by the applicants after following the routine examination procedure laid down by the GSIS. Under this procedure, she had to

ascertain the genuineness of the documents by checking the authorized signatories. The CA found that the documents subject of the unlawful transactions were processed at the Manila District Office and were merely encoded at the Pasig District Office.

The CA also considered that the respondent had no training in measures against forgery and falsification of documents, and had never been involved in anomalous transactions during her employment with the GSIS.

The Petition

This is a petition for review on *certiorari*³ under Rule 45 of the Rules of Court filed by the GSIS to assail the CA's decision⁴ dated February 17, 2012 which modified the decisions of the GSIS and the CSC with regard to the administrative offenses and the penalty imposed upon the respondent, from dismissal from the service to suspension with reprimand.

The Issue

The issues raised in the petition are the determinations of the administrative offense/s the respondent committed and of the proper imposable penalty. The GSIS argues that substantial evidence supports the commission by the respondent of the administrative charges warranting her dismissal from the service. The GSIS asserts that the respondent's participation in the perpetration of the fraudulent scheme in granting and releasing loan proceeds was vital, in that:

² *Id.* at 57.

³ *Id.* at 3-37.

⁴ Penned by Associate Justice Amelita G. Tolentino, and concurred in by Associate Justices Ramon R. Garcia and Leoncia R. Dimagiba; *id.* at 43-58.

(a) The respondent is the owner of the computer terminal used that had access to the GSIS database; she also had knowledge of the operator's code used in the alteration of the members' records in the GSIS database.

(b) There is a presumption of exclusive use and control, which flows from the ownership of the computer terminal under SVP Order No. 02-99.

The GSIS imputes the following errors in the CA's decision, namely:

(a) Applying the presumption of regularity in the grant and release of the subject loan proceeds.

(b) In not finding that the unlawful modification of the records stems from a corrupt fraudulent scheme employed by the respondent and her cohorts, as shown by the evidence of the timing and separate situs of the grant and release of the loan proceeds, and the manipulation of the database to pave way for the payment of excessive loan benefits.

(c) In not giving respect to the factual findings of the GSIS and the CSC, which were supported by substantial evidence.

The Court's Ruling

We deny the petition outright as the CA did not commit any reversible error in ruling on the merits of the case. We find, however, a modification of the penalty imposed to be in order.

The Court, in a Rule 45 petition, is not a trier of facts.⁵ An exception occurs when the findings of fact of the CA are at variance with the findings of the administrative bodies like the GSIS and the CSC; in this exceptional case, the Court reviews the evidence in order to arrive at the correct findings based on the records.⁶

In the present case, the GSIS and the CSC opine that the respondent's act of encoding false information in a computer terminal, to which the respondent has sole access, considered with the haste in the grant and release of the loan applications, was sufficient evidence of her concerted participation in the fraudulent scheme to defraud the GSIS. On the other hand, the CA opines that the above circumstances are not substantial evidence warranting her dismissal from the service, on the ground that the performance of the respondent's assigned tasks enjoys the presumption of regularity.

After our review of the records, we find that the CA did not commit any reversible error when it downgraded the respondent's offense. The GSIS failed to adduce substantial evidence that the respondent was part of the fraudulent scheme that supported the finding of grave misconduct, dishonesty and reasonable violation of office rules and regulations against her, and the imposition of the penalty of dismissal from the service.

The circumstance the GSIS and the CSC found sufficient to hold the respondent administratively liable was the fact that she alone – being the owner of the computer terminal used and having access to the operator's code to effect the alteration – could have done the encoding of the false

⁵ *Civil Service Commission v. Belagan*, 483 Phil. 601, 614 (2004).

⁶ *Castillo v. CA*, 329 Phil. 150, 159-160 (1996); see also *Civil Service Commission v. Belagan*, *supra*, at 614.

salary updates. As the records show, the respondent did not deny that she might have made the false salary updates. What she contests is the sufficing circumstance as substantial evidence to support her participation in the fraudulent scheme against the GSIS.

The records also disclose that:

First. The records do not contain any proof that the respondent's encoding of false salary updates was intentional and had been made in bad faith. We note that the GSIS failed to adduce evidence that the respondent's work in making updates in the GSIS' records was more than "clerical." The fact that the respondent was given her own computer terminal and access codes only proved the delicate nature of her work. The GSIS' use of security features alone does not indicate the true nature of the respondent's work and duties. The records show that the encoding of information in the GSIS database is based on the documents supplied the respondent by the applicants and encoding is done only after a routine examination is made, in accordance with procedures of the GSIS. In other words, the respondent encodes the information supplied to her, so long as it passes through GSIS' established routine examination procedure.

Second. There is no basis to support the GSIS' and the CSC's conclusions that there had been "close coordination" between the respondent and the other perpetrators; there was no evidence to establish a causal link between the fact of encoding (which was part of the respondent's regular assigned task) and the haste in the grant and release of salary loans (which were done in the Manila District Office).

Notably, the GSIS failed to show proof that she was actually a part of the fraudulent scheme. The records show that all the documents supplied to

the respondent were prepared and executed at the Manila District Office and submitted to her by the applicants. The evidence does not show that she had a hand in the preparation of these documents. Neither is there evidence that she knew the employees working in the Manila District Office or the applicants. In fact, the records show that the liaison officer of the Philippine Postal Corporation, who was found to have been part of the anomalous transactions, barely knew the respondent. The records also show that, prior to this administrative complaint, the respondent was among the top employees in the Pasig District Office in her six (6) years of service and had not been involved in any anomalous transaction. Incidentally, no evidence was adduced establishing that the respondent derived any form of benefit in performing the acts complained of.

Under the circumstances, the CA is correct in ruling that the respondent is liable for simple misconduct, conduct prejudicial to the best interest of the service, and violation of reasonable office rules. The respondent admitted that she failed to follow SVP Order No. 02-99 and by allowing other individuals to use her computer terminal and the operator's code despite her knowledge of the prohibition under the rules. In addition, considering the nature of her work, she should have been more circumspect in observing the GSIS rules to ensure the integrity of the information found in its database. Lastly, the element of corruption by the respondent in violating SVP Order No. 02-99 and in encoding false salary updates was not proven. "Corruption as an element of grave misconduct consists in the act of an official or fiduciary person who **unlawfully** and **wrongfully uses** his station or character to procure **some benefit** for himself or for another person, contrary to duty and the rights of others."⁷ All these, taken together, only amount to simple misconduct.

In these lights, the penalty imposed on the respondent (suspension for seven [7] months and two [2] days without salary and other benefits) requires modification. Section 55, Rule IV of the Revised Uniform Rules on Administrative Cases in the Civil Service (*Uniform Rules*) provides:

Section 55. *Penalty for the Most Serious Offense.* If the respondent is found guilty of two or more charges or counts, the penalty to be imposed should be that corresponding to the **most serious charge** or count and the rest shall be considered as **aggravating circumstances**. [emphases ours; italics supplied]

The respondent was found liable for three administrative offenses under Section 52, Rule IV of the Uniform Rules, these are: **first**, conduct prejudicial to the best interest of the service, which is classified as a grave offense penalized with suspension for six (6) months and one (1) day to one (1) year for the first offense; **second**, simple misconduct, which is classified as a less grave offense with the corresponding penalty of suspension for one (1) one month and one (1) day to six (6) months for the first offense; **and** **third**, violation of reasonable office rules and regulations, a light offense imposing the penalty of reprimand for the first offense.

Applying Section 55, Rule IV of the Uniform Rules, the respondent should be imposed a penalty ranging from suspension without pay for six (6) months and one (1) day to one (1) year. On account of aggravating circumstances that must be recognized because of the two other administrative liabilities – simple misconduct and violation of reasonable office rules and regulations – we consider her suspension for one (1) year without pay to be appropriate.

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Civil Service Commission v. Belagan, supra, at 599 (emphases ours).

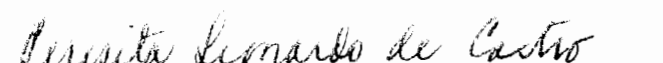
WHEREFORE, premises considered, respondent Heidi R. Chua is ordered **SUSPENDED** for one (1) year without pay, as penalty for the offenses of simple misconduct, conduct prejudicial to the best interest of the service and violation of reasonable office rules. She is **STERNLY WARNED** that a repetition of the same or similar acts shall be dealt with more severely.


SO ORDERED.

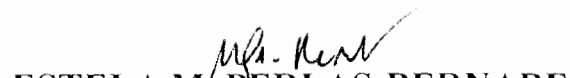

ARTURO D. BRION
Associate Justice

WE CONCUR:


ANTONIO T. CARPIO
Associate Justice
Chairperson


TERESITA J. LEONARDO-DE CASTRO
Associate Justice


JOSE PORTUGAL PEREZ
Associate Justice


ESTELA M. PERLAS-BERNABE
Associate Justice

ATTESTATION

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



ANTONIO T. CARPIO

Associate Justice
Chairperson, Second Division

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution, and the Division Chairperson's Attestation, I certify that the conclusions in the above Resolution had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.



MARIA LOURDES P. A. SERENO

Chief Justice