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the Integrated Bar of the Philippines and the Office of the Court Administrator, which is directed to circulate them to all courts in the country for their information and guidance.

**SO ORDERED.**

*Sereno, C.J. (Chairperson), Leonardo-de Castro, Bersamin,* and *Perez, JJ.,* concur.

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**FIRST DIVISION**

[A.M. No. P-14-3241. February 4, 2015]
(Formerly OCA IPI No. 11-3672-P)

**MARY-ANN[*] S. TORDILLA, COURT STENOGRAPHER III, REGIONAL TRIAL COURT OF NAGA CITY, CAMARINES SUR, BRANCH 27,** *complainant, vs.* **LORNA H. AMILANO, COURT STENOGRAPHER III, REGIONAL TRIAL COURT OF NAGA CITY, CAMARINES SUR, BRANCH 61,** *respondent.*

**SYLLABUS**

**1. POLITICAL LAW; ADMINISTRATIVE LAW; COURT PERSONNEL; WILLFUL REFUSAL TO PAY JUST DEBT; "JUST DEBTS" INCLUDES NOT ONLY THOSE ADJUDICATED BY A COURT OF LAW BUT ALSO THOSE ADMITTED BY THE DEBTOR.—** Executive Order No.(EO) 292, otherwise known as the "Administrative Code of 1987," provides that a public employee's failure to pay just debts is a ground for disciplinary action. Section 22, Rule XIV of the Rules Implementing Book V of EO 292, as modified by Section 52, Rule IV of the Uniform Rules on Administrative Cases in the Civil Service (Rules), defines "just debts" as those:

[*] "MaryAnn" in some parts of the records.

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(*a*) claims adjudicated by a court of law; **or** (*b*) **claims the existence and justness of which are admitted by the debtor**. Under the same Rules, willful failure to pay just debts is classified as a **light offense**, with the corresponding penalty of **reprimand for the first offense**. The records of this case disclose that respondent had already admitted the existence of her debt to complainant: ***first***, when she executed an affidavit promising to pay complainant; and ***second***, when she willingly settled the amount due. These notwithstanding, the OCA did not adjudge respondent guilty of the light offense of willful refusal to pay just debts for the reason that her alleged debt to complainant was not a claim adjudicated by a court of law. Instead, she was held liable for simple misconduct given that her committed act (or, more properly, her failure to promptly act) nonetheless tainted the image and integrity of the Judiciary. The OCA is mistaken. Clearly, under the Rules, the term "just debts" may refer not only to claims adjudicated by a court of law but also to claims the existence and justness of which are admitted by the debtor, as respondent in this case.

**2. ID.; ID.; ID.; ID.; WHEN THE GRAVAMEN OF THE OFFENSE IS THE UNWILLINGNESS TO PAY JUST OBLIGATION, THE ERRANT EMPLOYEE SHOULD BE HELD LIABLE FOR WILLFUL FAILURE TO PAY JUST DEBT AND NOT SIMPLE MISCONDUCT.—** [T]he OCA's classification of respondent's infraction as simple misconduct – instead, of willful refusal to pay just debts– was therefore erroneous. To expound, while indeed the failure to pay just debts can, broadly speaking, be considered as a form of misconduct since the legal attribution of that term (misconduct) would cover almost every possible "intentional wrongdoing or deliberate violation of a rule of law or standard of behavior," the correct classification of respondent's dereliction should be willful refusal to pay just debts, as it is the latter which specifically constitutes the offense she had committed. When the gravamen of the offense is the unwillingness to pay a just obligation, the more accurate finding would be to hold the errant employee liable for willful failure to pay just debts.

**3. ID.; ID.; ID.; ID.; PENALTY.—** [F]or deliberately failing to settle her debt to complainant for the protracted length of time of six (6) years, respondent is found guilty of the light offense of willful failure to pay just debts. Being her first offense, she

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is thus reprimanded for the same, with a stern warning that a commission of the same or similar acts in the future shall be dealt with more severely.

## R E S O L U T I O N

**PERLAS-BERNABE, *J.*:**

This administrative case stemmed from a letter-complaint[1] filed by complainant Mary-Ann S. Tordilla (complainant) against respondent Lorna H. Amilano (respondent), who are both Court Stenographers III of the Regional Trial Court of Naga City (RTC), before the Office of the Court Administrator (OCA) for dishonesty and willful failure to pay just debts.

### The Facts

According to complainant, sometime in April 2005, eleven (11) stenographers of the RTC decided to attend the 4th National Convention and Seminar of the Court Stenographic Reporters Association of the Philippines (COSTRAPHIL) to be held in Iloilo City from April 13 to 15, 2005,[2] as authorized by OCA Circular No. 99-2004.[3] To cover the expenses incidental thereto, the stenographers solicited funds from the City Government of Naga (City Government). But even before complainant could collect the cash advance from the City Government, she was told that only five (5) of the stenographers, including respondent, would attend the seminar. Further, complainant lamented that she was not even asked by the other stenographers if she wanted to attend the seminar. However, even if she was excluded from attending the seminar, the cash advance intended for her was still received by respondent.[4]

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[1] *Rollo,* pp. 1-2.

[2] *Id*. at 1.

[3] *Id*. at 3. Signed by Court Administrator (now a member of the Court) Presbitero J. Velasco, Jr.

[4] *Id*. at 1.

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On February 1, 2007, complainant received a demand letter[5] from the Office of the Auditor of Naga City, Camarines Sur asking her to pay the amount of ₱5,914.00 as unliquidated cash advance. When she procured a copy of the Disbursement Voucher,[6] she noticed the signature of respondent under her signature inside Box E of the same.[7] Complainant then confronted respondent and the latter admitted that she received the cash advance on her behalf.[8] Respondent then executed an Affidavit[9] dated March 5, 2008, wherein she expressed her willingness to reimburse the travel expenses claimed by complainant and further promised to refund the unliquidated cash advance she received on or before June 15, 2008.[10] However, she reneged on the same.[11]

Complainant received another demand letter[12] on July 8, 2009, this time from the Office of the City Accountant. As such, she reminded respondent of her obligation but the latter, again, merely promised to pay her.[13] Consequently, the former was prompted to file the present complaint.

In her defense,[14] respondent vehemently denied the charges hurled against her. She explained that complainant backed out of the seminar at the last minute upon learning that the cash advance was not enough to cover the cost of attending the seminar in Iloilo City. Further, she posited that she was authorized to

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[5] *Id*. at 5. Signed by State Auditor III Atty. Eleanor V. Echano.

[6] *Id*. at 4.

[7] *Id*. at 1.

[8] *Id*.

[9] *Id*. at 6.

[10] *Id*. at 1 and 6.

[11] *Id*. at 1.

[12] See Notice of Unliquidated Cash Advance signed by City Accountant Mrs. Paciencia SJ. Tabians; *id*. at 7.

[13] *Id*. at 1.

[14] See Letter dated July 28, 2011; *id*. at 9-12.

receive all cash advances for the claimants as she was then the designated liaison officer of the RTC, as approved by the COSTRAPHIL Chapter President.[15] Respondent also reiterated that complainant was already cleared of any liability by the City Government in connection with her alleged unliquidated cash advance, as attested by a Certification[16] by the City Accountant dated July 28, 2011. Finally, she declared that she already settled the account to prove her honest intent and to put the issue to rest.[17]

**The Report and Recommendation of the OCA**

In a Memorandum[18] dated May 15, 2014, the OCA recommended that respondent be found guilty of simple misconduct and be fined in the amount of ₱1,000.00, with a stern warning that a repetition of the same or similar offense will be dealt with more severely.[19]

The OCA observed that it took respondent six (6) years from receipt of the cash advance, or on July 28, 2011, to liquidate the cash with the City Government. It found that even though respondent cannot be held administratively liable for willful refusal to pay just debts, as her alleged debt to complainant was not a claim adjudicated by a court of law, her act can be construed as simple misconduct since the same tainted the image and integrity of the Judiciary.[20]

**The Issue Before the Court**

Without ruling on any incidental matters, the Court resolves the sole issue in this case is whether or not respondent should

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[15] *Id*. at 9-10.

[16] *Id*. at 12.

[17] *Id*. at 11.

[18] *Id*. at 13-15. Penned by Court Adminstrator Jose Midas P. Marquez and Deputy Court Administrator Jenny Lind R. Aldecoa-Delorino.

[19] *Id*. at 15.

[20] *Id*. at 14.

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be held administratively liable, confined as it is by the adminstrative nature of this case.

**The Court's Ruling**

The Court concurs with the OCA that respondent should be held administratively liable, but disagrees with its conclusion that she should be found liable for simple misconduct and not for willful failure to pay just debts as charged. In this relation, the Court also disagrees with the recommended penalty.

Executive Order No. (EO) 292, otherwise known as the "Administrative Code of 1987," provides that a public employee's failure to pay just debts is a ground for disciplinary action. Section 22, Rule XIV of the Rules Implementing Book V of EO 292, as modified by Section 52,[21] Rule IV of the Uniform Rules on Administrative Cases in the Civil Service (Rules), defines "just debts" as those: (*a*) claims adjudicated by a court of law; **or** (*b*) **claims the existence and justness of which are admitted by the debtor**. Under the same Rules, willful failure to pay just debts is classified as a **light offense**, with the corresponding penalty of **reprimand for the first offense**.[22]

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[21] Section 52. *Classification of Offenses.* - Administrative offenses with corresponding penalties are classified into grave, less grave or light, depending on their gravity or depravity and effects on the government service.

xxx xxx xxx

C. **The following are Light Offenses with corresponding penalties**:

xxx xxx xxx

10. Willful failure to pay just debts or willful failure to pay taxes due to the government

**1st Offense – Reprimand**

2nd Offense – Suspension 1-30 days

3rd Offense – Dismissal

The term "just debts" shall apply only to:

1. Claims adjudicated by a court of law, or

**2. Claims the existence and justness of which are admitted by the debtor.**

xxx xxx xxx (Emphasis and underscoring supplied)

[22] *Manaysay v. Samaniego*, 519 Phil. 244, 246 (2006).

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The records of this case disclose that respondent had already admitted the existence of her debt to complainant: ***first***, when she executed an affidavit promising to pay complainant; and ***second***, when she willingly settled the amount due.[23] These notwithstanding, the OCA did not adjudge respondent guilty of the light offense of willful refusal to pay just debts for the reason that her alleged debt to complainant was not a claim adjudicated by a court of law. Instead, she was held liable for simple misconduct given that her committed act (or, more properly, her failure to promptly act) nonetheless tainted the image and integrity of the Judiciary.

The OCA is mistaken.

Clearly, under the Rules, the term "just debts" may refer not only to claims adjudicated by a court of law but also to claims the existence and justness of which are admitted by the debtor, as respondent in this case. As such, the OCA's classification of respondent's infraction as simple misconduct – instead, of willful refusal to pay just debts – was therefore erroneous.

To expound, while indeed the failure to pay just debts can, broadly speaking, be considered as a form of misconduct since the legal attribution of that term (misconduct) would cover almost every possible "intentional wrongdoing or deliberate violation of a rule of law or standard of behavior,"[24] the correct classification of respondent's dereliction should be willful refusal to pay just debts, as it is the latter which specifically constitutes the offense she had committed. When the gravamen of the offense is the unwillingness to pay a just obligation, the more accurate finding would be to hold the errant employee liable for willful failure to pay just debts.[25]

In this relation, note that the penalty imposed by law is not directed at respondent's private life, but rather at her actuation

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[23] *Rollo*, p. 11.

[24] *Imperial Jr. v. Government Service Insurance System*, G.R. No. 191224, October 4, 2011, 658 SCRA 497, 506.

[25] See *Tan v. Sermonia*, 612 Phil. 314, 322 (2009).

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unbecoming of a public official.[26] As explained in *In re: Complaint for Failure to Pay Just Debts Against Esther T. Andres*,[27] willful refusal to pay just debts, much like misconduct, equally contemplates the punishment of the errant official in view of the damage done to the image of the Judiciary:

> The Court cannot overstress the need for circumspect and proper behavior on the part of court employees. "While it may be just for an individual to incur indebtedness unrestrained by the fact that he is a public officer or employee, caution should be taken to prevent the occurrence of dubious circumstances that might inevitably impair the image of the public office." Employees of the court should always keep in mind that the court is regarded by the public with respect. Consequently, the conduct of each court personnel should be circumscribed with the heavy burden of onus and must at all times be characterized by, among other things, uprightness, propriety and decorum. x x x.

Also, as instructively held in *Tan v. Sermonia*:[28]

> Indeed, when [respondent] backtracked on her promise to pay her debt, such act already constituted a ground for administrative sanction, for any act that would be a bane to the public trust and confidence reposed in the judiciary shall not be countenanced. [Respondent's] unethical conduct has diminished the honor and integrity of her office, stained the image of the judiciary and caused unnecessary interference, directly or indirectly, in the efficient and effective performance of her functions. Certainly, to preserve decency within the judiciary, court personnel must comply with just contractual obligations, act fairly and adhere to high ethical standards. Like all other court personnel, [respondent] is expected to be a paragon of uprightness, fairness and honesty not only in all her official conduct but also in her personal actuations, including business and commercial transactions, so as to avoid becoming her court's albatross of infamy.[29]

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[26] *Grio Lending Services v. Sermonia*, 463 Phil. 14, 17 (2003).

[27] 493 Phil. 1, 11 (2005).

[28] *Supra* note 25.

[29] *Id*.; citations omitted.

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In fine, for deliberately failing to settle her debt to complainant for the protracted length of time of six (6) years, respondent is found guilty of the light offense of willful failure to pay just debts. Being her first offense, she is thus reprimanded for the same, with a stern warning that a commission of the same or similar acts in the future shall be dealt with more severely.

**WHEREFORE,** respondent Lorna H. Amilano, Court Stenographer III, Regional Trial Court of Naga City, Camarines Sur, Branch 61, is adjuged **GUILTY** of willful failure to pay just debts, for which she is hereby **REPRIMANDED**. Further, she is **STERNLY WARNED** that commission of the same or similar acts in the future shall be dealt with more severely.

Let a copy of this Resolution be attached to her 201 file.

**SO ORDERED.**

*Sereno, C.J. (Chairperson), Leonardo-de Castro, Bersamin,* and *Perez, JJ.,* concur.

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**FIRST DIVISION**

[A.M. No. P-15-3298. February 4, 2015]
[Formerly A.M. No. 10-11-120-MTC]

## RE: REPORT ON THE FINANCIAL AUDIT CONDUCTED AT THE MUNICIPAL TRIAL COURT, BALIUAG, BULACAN

**SYLLABUS**

**1. POLITICAL LAW; ADMINISTRATIVE LAW; COURT PERSONNEL; CLERKS OF COURT; DUTIES AND RESPONSIBILITIES.—** Being designated as acting Clerk of Court or OIC, Ms. Miranda had the duties and responsibilities