



Republic of the Philippines  
**COURT OF APPEALS**  
 Cebu City  
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**NINETEENTH (19TH) DIVISION**

JED PATRICK E. MABILOG,

CA-G.R. SP No. 11660

*Petitioner,*

- versus -

MANUEL P. MEJORADA,

*Respondent.*

<b>CUSTODIO ACORDA SICAM &amp; DE CASTRO LAW OFFICES</b>	
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**NOTICE OF DECISION**

June 11, 2021

Sir/Madam:

Please take notice that on June 11, 2021, a **DECISION**, copy of which is hereto attached, was issued by the **NINETEENTH (19th) DIVISION** of the Court of Appeals in the above-entitled case, the original of which is now on file in this office.

You are hereby required to inform this Court, within **FIVE (5) DAYS** from receipt hereof of the date you received this NOTICE with copy of the **DECISION**.

Moreover, you are likewise required to inform this court within **FIVE (5) DAYS** from notice of any change of address and/or counsel.

Finally, you are reminded that under Section 5, Rule 15 of the 2019 Amendments to the 1997 Rules of Civil Procedure, a party who files a litigious motion (e.g. motion for reconsideration, etc.) must ensure that it will be received by the other party (proof of said receipt must be filed with the court immediately so that the reglementary periods can be duly computed); the opposing party shall file his or her opposition to said litigious motion within **FIVE (5) CALENDAR DAYS** from receipt thereof, without need of a directive from the Court.

Very truly yours,

**ATTY. ACE VICTOR F. RISMA**  
 19<sup>th</sup> Division Clerk of Court

**Copy Furnished:**

OFFICE OF THE OMBUDSMAN -reg w/rc  
 Ombudsman Bldg., Agham Road, Diliman,  
 1104 Quezon City

THE OFFICE OF THE OMBUDSMAN (VISAYAS) -reg w/rc  
 Department of Agriculture, RO 7 & Compound  
 M. Velez St., Guadalupe  
 6000 Cebu City

ATTY. TEFFANIE MARIE N. QUIBOD -- reg w/rc  
 for petitioner,  
 Custodio Acorda Sicam & De Castro Law Offices  
 15<sup>th</sup> Flr., Citibank Tower  
 8741 Paseo de Roxas cor. Villar St., Salcedo Village  
 1227 Makati City

ATTY. MA. STRELLA C. CALASAGSAG- CANTUBA -- reg  
 w/rc  
 Jalbuna and Cataluña Law Offices  
 Suite 202, 2<sup>nd</sup> Flr., Lolita Bldg., cor. Quezon - Gen. Luna Sts.,  
 5000 Iloilo City

JED PATRICK E. MABILOG -- reg w/rc  
 petitioner  
 c/o ATTY. TEFFANIE MARIE N. QUIBOD  
 Custodio Acorda Sicam & De Castro Law Offices  
 15<sup>th</sup> Flr., Citibank Tower  
 8741 Paseo de Roxas cor. Villar St., Salcedo Village  
 1227 Makati City

MANUEL P. MEJORADA – reg w/rc  
respondent  
No. 2 Kasoy St., Block 11  
Villa San Lorenzo Subdivision, La Paz  
5000 Iloilo City

FIELD INVESTIGATION OFFICE – reg w/rc  
Office of the Ombudsman-Visayas – RO VI  
2/F CAP Bldg., Gen. Luna St.,  
5000 Iloilo City

-Jrd -Rollo - Court Reporter

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Notice of Decision  
CA-G.R. SP11660

Page

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Republic of the Philippines  
Court of Appeals  
Cebu City

NINETEENTH DIVISION

JED PATRICK E. MABILOG,  
*Petitioner,*

CA G.R. SP NO. 11660\*

Members:

-- versus --

MAXINO, J., *Chairperson,*  
BORDIOS, *and*  
RIVAS-PALMONES, JJ.

MANUEL P. MEJORADA,  
*Respondent.*

Promulgated:

JUN 11 2021

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DECISION

*BORDIOS, L.*

This resolves the petition for review<sup>1</sup> under Rule 43 of the Rules of Court, as amended, of petitioner Jed Patrick E. Mabilog (petitioner) assailing the *Decision* dated 29 August 2017<sup>2</sup> of the Office of the Ombudsman (agency *a quo*) in OMB-V-A-14-0460. Likewise assailed is the *Joint Order* dated 08 February 2018<sup>3</sup> of the agency *a quo*, which denied the petitioner's Joint Motion for

\* This case was unloaded to the *Ponente* to form part of her Initial Case Load per Raffle dated 16 June 2020, pursuant to Office Order No. 08-20-G11 dated 11 June 2020. The *rollo* of this case was transmitted to the office of the *Ponente* on 18 June 2020.

<sup>1</sup> *Rollo*, p. 6.

<sup>2</sup> Penned by Graft Investigation and Prosecution Officer III Rachel T. Cariaga-Favila and approved by Overall Deputy Ombudsman Melchor Arthur II. Carandang on 06 October 2017, *rollo*, p. 51.

<sup>3</sup> Penned by Graft Investigation and Prosecution Officer III Rachel T. Cariaga-Favila and approved by Overall Deputy Ombudsman Melchor Arthur II. Carandang on 01 March 2018, *rollo*, p. 64.

Reconsideration dated 23 October 2017<sup>4</sup> and Supplemental Motion for Reconsideration dated 05 December 2017.<sup>5</sup>

### ANTECEDENTS

This controversy springs from the Complaint-Affidavit dated 11 September 2014<sup>6</sup> (complaint) for Unexplained Wealth, Dishonesty, Grave Misconduct, and Perjury, filed by respondent Manuel P. Mejorada (respondent) against the petitioner before the agency *a quo*. The complaint alleged that the petitioner: (1) acquired an increase of P8,983,082.52 in his net worth within just one year;<sup>7</sup> (2) failed to disclose the sources of his income or explain his sudden wealth which was disproportionate to his regular income;<sup>8</sup> (3) acquired financial interests in private enterprises and held official positions, such as stockholder and director, in private corporations;<sup>9</sup> and (4) provided a false declaration of his assets and liabilities in his Statement of Assets, Liabilities, and Net Worth for the year 2013<sup>10</sup> (2013 SALN).

The respondent's complaint spawned three cases against the petitioner: (1) OMB-V-F-14-0001, for Violation of Republic Act (R.A.) No. 1379;<sup>11</sup> (2) OMB-V-C-14-0617, for Violation of

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<sup>4</sup> *Rollo*, p. 595.

<sup>5</sup> *Rollo*, p. 933.

<sup>6</sup> *Rollo*, p. 73.

<sup>7</sup> *Rollo*, p. 74.

<sup>8</sup> *Rollo*, p. 76.

<sup>9</sup> *Rollo*, pp. 77-80.

<sup>10</sup> *Rollo*, p. 81.

<sup>11</sup> An Act Declaring Forfeiture in Favor of the State Any Property Found to Have Been Unlawfully Acquired by Any Public Officer or Employee and Providing for the Proceedings Therefor dtd. 18 June 1955.

Sec. 3(e)<sup>12</sup> and Sec. 8<sup>13</sup> of R.A. No. 3019,<sup>14</sup> as amended, and Art. 183<sup>15</sup> of the Revised Penal Code (RPC); and, (3) OMB-V-A-14-0460, for Dishonesty and Grave Misconduct.

In his Counter-Affidavit dated 30 January 2015,<sup>16</sup> the petitioner denied the allegations against him and claimed that: (1) the respondent's allegations were pure conjecture and the complaint, like others previously filed by respondent against

<sup>12</sup> Sec. 3(e) of R.A. No. 3019 states:

SECTION 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:

x x x

(c) 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.

<sup>13</sup> Sec. 8 of R.A. No. 3019 states:

SECTION 8. *Prima facie evidence of and dismissal due to unexplained wealth.* — If in accordance with the provisions of Republic Act Numbered One thousand three hundred seventy-nine, a public official has been found to have acquired during his incumbency, whether in his name or in the name of other persons, an amount of property and/or money manifestly out of proportion to his salary and to his other lawful income, that fact shall be a ground for dismissal or removal. Properties in the name of the spouse and dependents of such public official may be taken into consideration, when their acquisition through legitimate means cannot be satisfactorily shown. Bank deposits in the name of or manifestly excessive expenditures incurred by the public official, his spouse or any of their dependents including but not limited to activities in any club or association or any ostentatious display of wealth including frequent travel abroad of a non-official character by any public official when such activities entail expenses evidently out of proportion to legitimate income, shall likewise be taken into consideration in the enforcement of this section, notwithstanding any provision of law to the contrary. The circumstances hereinabove mentioned shall constitute valid ground for the administrative suspension of the public official concerned for an indefinite period until the investigation of the unexplained wealth is completed.

<sup>14</sup> Anti-Graft and Corrupt Practices Act dtd. 17 August 1960.

him, was purely for harassment; (2) his income, properties, and business interests were all legitimately acquired, and forming a substantial part thereof was his wife's income as a certified public accountant and a corporate comptroller in Canada; and (3) he had in good faith correctly declared his assets and liabilities and fully explained the sources of his income.

In a Joint Resolution dated 25 August 2017,<sup>17</sup> the agency *a quo* dismissed OMB-V-C-14-0617 for insufficiency of evidence. However, the agency *a quo* ordered the filing of a petition for forfeiture against the petitioner in OMB-V-F-14-0001. Afterwards, the agency *a quo* rendered the assailed *Decision* dated 29 August 2017<sup>18</sup> in OMB-V-A-14-0460, which dismissed the charge of Grave Misconduct against the petitioner but found him Guilty of Serious Dishonesty.

#### The findings of the agency *a quo*

Captioned below are the relevant allegations and defenses of the respondent and the petitioner, respectively, as

<sup>15</sup> ARTICLE 183. *False Testimony in Other Cases and Perjury in Solemn Affirmation.* – The penalty of *arresto mayor* in its maximum period to *prisión correccional* in its minimum period shall be imposed upon any person who, knowingly making untruthful statements and not being included in the provisions of the next preceding articles, shall testify under oath, or make an affidavit, upon any material matter before a competent person authorized to administer an oath in cases in which the law so requires.

Any person who, in case of a solemn affirmation made in lieu of an oath, shall commit any of the falsehoods mentioned in this and the three preceding articles of this section, shall suffer the respective penalties provided therein.

<sup>16</sup> *Rollo*, p. 143.

<sup>17</sup> Penned by Graft Investigation and Prosecution Officer III Rachel T. Cariaga-Bavila and approved by Overall Deputy Ombudsman Melchor Arthur H. Carandang on 06 October 2017, *rollo*, p. 580.

<sup>18</sup> *Rollo*, p. 51.

narrated by the agency *a quo* in the assailed *Decision* dated 29 August 2017,<sup>19</sup> to wit:

Complainant alleges the following:

Respondent reported in his 2013 Statement of Assets, Liabilities and Networth (SALN) the following assets:

- a) Purchase of residential lot amounting to P6,000,000.00;
- b) Investments in the amount of P2,605,192.55; and,
- c) Cash and cash equivalents in the amount of P6,026,478.00.

In his 2013 SALN, respondent reported a Networth of P68,341,622.40. In his 2012 SALN, he reported a Networth of P59,358,539.89. Thus, within one year, respondent's Networth increased by P8,983,082.52, which, by any standard, was grossly disproportionate to his legitimate income as a public official and businessman, as such the increase is within the purview of RA 1379.

That even with his business investments, respondent cannot satisfactorily explain his purchase in cash of 664 square meters residential property, acquisition of new investments and increase in cash and cash equivalents in 2013, amounting to P8,983,082.52. No businessman can generate a net income of almost one-half of his equity investments, as in respondent's case, where his net worth amounted to 45% of his

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<sup>19</sup> *Rollo*, p. 51.

declared stock equities and investments.

Further, respondent did not state in his SALN his wife's work as a Comptroller in Canada. His wife's salary, however, cannot still explain the increase in respondent's Networth since the tax level for corporate compensation in Canada is high, unless respondent can present proof that his wife's income is sufficient to accumulate wealth.

In his 2012 SALN, respondent reported a bank loan from Canada for P21,587,615.00 which stood at P21,183,600.00 in his 2013 SALN. The decrease of just about P400,000.00 from the principal amount of the loan defies financial logic especially that said loan was incurred way back in 2007. The reported loan is just a ploy to make it appear that respondent's net worth was smaller than it really was, for it was impossible that a bank loan obtained in 2007 had not been reduced, but had even increased.

Also, respondent reported that he has financial interests in Mega Pacific Food Services, Inc., Iloilo One Esplanade Realty, Iloilo Happy Haus Donuts, and Global Jami Motors Corporation. The General Information Sheet (GIS) of the Securities and Exchange Commission (SEC) showed that respondent is an incorporator and stockholder, owning 30% share of the capital stock of Iloilo One Esplanade. His business partner, Patrick Allan Sy (Sy), also owns 30% of the capital stock. Sy was also an incorporator and stockholder in the three other aforementioned companies. Respondent appointed Sy as Executive



Assistant and designated as Executive Assistant for Dengue concerns, even if the latter was neither a nurse nor a doctor, to enable the latter to enjoy salaries without performing public duties.

Respondent's financial interests in Iloilo Happy Haus Donut, Mega Pacific Food Services, Inc. and Global Jami Motors Corporation reveal a conflict of interest in the performance of his duties as City Mayor as he is in a position to extract favors and concessions from companies seeking to do business in Iloilo City. As the job of a Mayor requires full attention and devotion, respondent's business interests violated Section 4 of RA 6713 or the Norms of Conduct and Ethical Standards for Public Officials and Employees. Respondent's interests in the One Iloilo Esplanade also showed that he had used his position to give his business unwarranted advantage over other businesses.

x x x

In his counter-affidavit, respondent denies the charges for being malicious and considered as conjectural the allegation that his wealth was manifestly disproportionate to his income, thus, **he explains** that:

a. His family was already deemed financially well-off prior to joining public office; prior to entering government service, he was considered a successful businessman with reasonable business acumen, a trait which he used in developing Iloilo City as an impressive juggernaut of growth and investment.

b. For at least 20 years, his wife worked as a Comptroller of a Canada-based company with an average annual income of about CAD200,000.00 as

shown in her income tax returns (ITR) from 2007-2009. His wife's salary alone allowed them to live a good life.

c. His and his wife's holdings, properties and investments were all properly enumerated in his SALN, which had not been objected to by complainant. His wealth was not merely a product of equity investment, for equity investment refers to the buying and holding of shares of stock in a stock market in anticipation of income from dividends and capital gains.

d. Complainant's assertion that his wealth was manifestly disproportionate to his salary is wrong and misleading for an increase in net worth does not necessarily mean an increase in income. The Judicial Affidavit of his Accountant, *Ma. Irma Lim*, and the ITRs of his wife can satisfactorily explain that the increase in his net worth from 2012 to 2013 is not manifestly disproportionate to his income and can explain his wealth. He signed his SALN in good faith knowing that his assets, liabilities and net worth were properly accounted by a Certified Public Accountant; hence, he cannot be liable with Perjury. The outstanding bank loan from Canada is a housing loan payable in 30 years with minimal interest.

e. As to the appointment of Sy, respondent claims that as Mayor, he has the prerogative to appoint individuals to positions deemed confidential under the Civil Service law, Administrative Code and the Local Government Code. He appointed Sy as his Executive Assistant based on trust and confidence.

#### ISSUE

Whether *substantial evidence* exists to find

respondent guilty of the administrative charges filed against him in connection with alleged irregularities in his wealth and official acts as Mayor.

### RULING

#### Unexplained wealth

x x x

A fastidious examination of respondent's 2012 and 2013 SALNs would show that his Networth increased due to his new acquisitions. Also, besides acquiring new real property and investments, and receiving more cash and cash equivalents in 2013, respondent was able to pay off or reduce the balance of several loans. Only one vehicle appears to have been disposed while unspecified *Notes Payable* constituted an increase in his liabilities.

Respondent's 2013 SALN, and adopted by complainant, show that his Networth increased by P8,983,082.52. The documents attached in 2013 SALN, however, show that the increase only amounts to Eight Million Nine Hundred Eighty Three Thousand Eighty Two Pesos and Fifty Two Centavos (P8,981,082.52). The Table below is a summary of the increase and decrease in respondent's 2012 and 2013 SALNs:

2012 SALN	2013 SALN	CHANGE IN NET WORTH	
		Decrease	Increase
	Residential house & Lot, Molo (Asset)		P6,000,000.00

Dodge Durango PW-315 (Asset acquired in 2008)		P600,000.00	
Cash and cash equivalents (Asset)	Cash and cash equivalents (Asset)		P849,110.00
	Investments		P2,605,192.55
Bank Loans- Canada (Liabilities)	Bank Loans- Canada (Liabilities)		P404,015.00
PNB (Liabilities)			P1,232,017.71
BON Realty Development Corporation (Liabilities)	BON Realty Development Corporation (Liabilities)		P883,051.56
Other Bank Loans (Liabilities)	Other Bank Loans (Liabilities)		P607,695.70
	Notes Payable	P3,000,000.00	
	Total	P3,600,000.00	P12,581,082.52
Networth (Increase less Decrease)			P8,981,082.52

To justify the increase in his Networth, respondent heavily banked on his several businesses and his wife's huge income as Comptroller in Canada. He even adduced as evidence his wife's Income Tax and Benefits Returns (ITBR) for 2007-2009 and Tax Reassessments (TR) for 2010-2012. Also, respondent's accountant mentioned *notes payable coming from respondent's mother*.

While the ITBRs and TRs showed that his wife earned a substantial salary in 2007-2009 and 2010-2012, and which tend to prove lawful source of income for

those years or up to 2012, respondent, however, failed to present proof material to the period covered as he *failed to present proof of his wife's lawful source* of income from her employment in Canada for 2013. As it is, for 2011 and 2012, the total income of his wife fall below CAD125,000.00 per year, as shown in the 2011 and 2012 TRs.

Despite opportunities given to respondent to rebut complainant's assertion of unlawful wealth, he still failed to sufficiently explain/answer how he was able to acquire properties, the amount of which are *manifestly out of proportion to his salaries and other lawful income*; thus, there is prima facie evidence of unexplained wealth.

Moreover, it is also significant to note that respondent also failed to present proof of income from the business interests disclosed in his SALNs. While respondent's accountant stated that an increase in Networth may not necessarily reflect an increase in income, such statement may be true, but cannot be taken in his favor due to his failure to present proof of lawful source and to justify the increase in his Networth.

In fine, the confluence of the foregoing circumstances leads to the inevitable conclusion that respondent, in not sufficiently presenting valid proof of his or his wife's lawful incomes to justify his acquisition of wealth amounting to P8,981,082.52 within a span of one year, is indeed guilty of acts of dishonesty and is motivated by bad faith.

Simply, his failure to properly account or explain his sources of income establishes the presence of malicious intent to conceal the truth, causing grave prejudice to the government in the amount of P9,891,082.52. Hence, respondent is found guilty of Serious Dishonesty and meted the supreme penalty of dismissal from the service pursuant to Rule 10 Section 46(A) of the Revised Rules on Administrative Cases in the Civil Service.<sup>20</sup>

x x x

Canada Bank-Loan

Further, the charge of dishonesty relative to the assertion that respondent's loan in a bank in Canada is spurious is dismissed. Save for its claim that the principal amount of the said loan would only decrease by about P400,000.00 after a year defies financial logic, complainant did not present proof to substantiate its said claim.

WHEREFORE, Iloilo City Mayor JED PATRICK E. MABLOG is found guilty of Serious Dishonesty relative to his unlawful acquisition of wealth. x x x

x x x

SO ORDERED.<sup>21</sup>

Aggrieved, the petitioner filed his Joint Motion for Reconsideration dated 23 October 2017<sup>22</sup> as well as a Supplemental Motion for Reconsideration dated 05 December

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<sup>20</sup> *Rollo*, pp. 51-59.

<sup>21</sup> *Rollo*, pp. 61-62.

<sup>22</sup> *Rollo*, p. 595.

2017.<sup>23</sup> Unfortunately, he was denied relief in the *Joint Order* dated 08 February 2018.<sup>24</sup>

Hence, this petition.

### *ISSUES*

The sole issue submitted for resolution is:

WHETHER OR NOT THE OFFICE OF THE OMBUDSMAN GRAVELY ERRED IN FINDING PETITIONER GUILTY OF SERIOUS DISHONESTY.<sup>25</sup>

### *RULING*

The petition is meritorious.

The petitioner was found Guilty of Serious Dishonesty because he failed to present proof of his wife's lawful income for 2013; the petitioner successfully refuted this finding in his Motion for Reconsideration dated 23 October 2017

The petitioner argued that the main source of his wealth was actually his wife's income as a certified public accountant and corporate comptroller in Canada.

In its assailed *Decision* dated 29 August 2017, the agency *a quo* held that the petitioner failed to prove his claim by failing

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<sup>23</sup> *Rollo*, p. 933.

<sup>24</sup> *Rollo*, p. 64.

<sup>25</sup> *Rollo*, p. 15.

to present his wife's Income Tax and Benefit Returns (ITBR) and/or Tax Reassessments (TR) in Canada for 2013, to wit:

To justify the increase in his Networth, respondent heavily banked on his several businesses and his wife's huge income as Comptroller in Canada. He even adduced as evidence his wife's Income Tax and Benefits Returns (ITBR) for 2007-2009 and Tax Reassessments (TR) for 2010-2012. x x x

While the ITBRs and TRs showed that his wife earned a substantial salary in 2007-2009 and 2010-2012, and which tend to prove lawful source of income for those years or up to 2012, respondent, however, failed to present proof material to the period covered as he *failed to present proof of his wife's lawful source* of income from her employment in Canada for 2013. As it is, for 2011 and 2012, the total income of his wife fall below CAD125,000.00 per year, as shown in the 2011 and 2012 TRs.

Despite opportunities given to respondent to rebut complainant's assertion of unlawful wealth, he still failed to sufficiently explain/answer how he was able to acquire properties, the amount of which are *manifestly out of proportion to his salaries and other lawful income*; thus, there is prima facie evidence of unexplained wealth.

x x x

In fine, the confluence of the foregoing circumstances leads to the inevitable conclusion that respondent, in not sufficiently presenting valid proof of his or his wife's lawful incomes to justify his acquisition



of wealth amounting to P8,981,082.52 within a span of one year, is indeed guilty of acts of dishonesty and is motivated by bad faith.<sup>26</sup>

In his Joint Motion for Reconsideration dated 23 October 2017, the petitioner submitted additional pieces of evidence, including his wife's TR for the year 2013 (2013 TR).<sup>27</sup>

However, the agency *a quo*, in its assailed *Joint Order* dated 08 February 2018, refused to recognize the petitioner's wife's 2013 TR for lack of authentication, thus:

Mabilog's arguments heavily bank on the dismissal of the criminal [case] against him for [Perjury].] x x x

It must be stressed that the present [case] only involve Mabilog's 2013 SALN, where the primary issue is his failure to sufficiently explain how he was able to acquire properties amounting to P8,981,082.52 within a span of one year and that *the amount of said acquisitions are manifestly out of proportion to his salaries and other lawful income.*

The documents submitted purportedly prove Victoria's income in 2013 cannot be given credence considering that they were not authenticated. x x x

x x x

From the evidence on record, there is no way that Mabilog could have acquired his 2013 assets amounting to P8,981,082.52 through his legitimate income. The

<sup>26</sup> *Rollo*, pp. 57-59.

<sup>27</sup> *Rollo*, p. 653.

unescapable [*sic*] conclusion is that he acquired said assets using illegitimate sources of funds, a manifestation of bad faith and intent to conceal the truth, all indicating acts of dishonesty.<sup>28</sup>

The agency *a quo* should have given credence to the petitioner's wife's 2013 TR.

There is no plausible explanation for the agency *a quo* to disregard the petitioner's wife's 2013 TR, as well as the other pieces of evidence appended by the petitioner to his Joint Motion for Reconsideration dated 23 October 2017. It should be pointed out that these pieces of evidence were not differently situated than those already submitted by the petitioner in his Counter-Affidavit dated 30 January 2015, and which the agency *a quo* saw fit to consider when it rendered its assailed *Decision* dated 29 August 2017.

Additionally, an examination of the 2013 TR shows that it was accompanied by an Affidavit of Attestation dated 10 April 2017<sup>29</sup> executed by the petitioner's wife, as well as a Certificate of Authentication dated 27 April 2017<sup>30</sup> issued by the Vice Consul of the Republic of the Philippines in Canada.

Finally, even if it were true that the petitioner's wife's 2013 TR had not been duly authenticated, it must be remembered that administrative agencies are not bound by the technical rules of procedure. Administrative determinations of controversies are quasi-judicial by nature, and there is no

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<sup>28</sup> *Rollo*, pp. 67-68.

<sup>29</sup> *Rollo*, p. 814.

<sup>30</sup> *Rollo*, p. 813.

requirement for strict adherence to the technical rules observed in truly judicial proceedings. Rules of procedure and evidence are relaxed in order to assist the parties in obtaining a just, speedy and inexpensive determination of their respective claims and defenses.<sup>31</sup>

Thus, the agency *a quo* should have given due credence to the petitioner's wife's 2013 TR and, on the basis thereof, reversed its assailed *Decision* dated 29 August 2017 instead of affirming it in the assailed *Joint Order* dated 08 February 2018.

Substantial evidence is the quantum of proof required in administrative cases before the agency *a quo*; no substantial evidence in this case to hold the petitioner administratively liable for Serious Dishonesty

Dishonesty is the disposition to lie, cheat, deceive, or defraud. It connotes untrustworthiness and lack of integrity, and requires a malicious intent to conceal the truth or to make false statements. Since intention is something internal, a person's propensity for dishonesty may only be determined from his conduct and other outward acts.<sup>32</sup>

Case law holds that dishonesty is serious when it: (a) causes serious damage and grave prejudice to the government; (b) directly involves accountable property or money for which a

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<sup>31</sup> See *Magcamil v. Internal Affairs Service-Philippine Drug Enforcement Agency*, G.R. No. 198140, 25 January 2016; see also *The Heritage Hotel, Manila v. Sio*, G.R. No. 217896, 26 June 2019.

<sup>32</sup> See *Ramos v. Rosell*, G.R. No. 241363, 16 September 2020, citing *Villordon v. Avila*, 692 Phil. 388, 396 (2012), *San Diego v. Fact-Finding Investigation Committee, OMB-MOLEO*, G.R. No. 214081, 10 April 2019 & *Bacasas v. Civil Service Commission*, 596 Phil. 858 (2009).

government official or employee is directly accountable, showing their intent to commit material gain, graft, and corruption; (c) exhibits moral depravity on the part of the government official or employee; (d) involves a Civil Service examination, or any irregularity or falsity as to Civil Service eligibility; (e) is committed several times or on various occasions; (f) is committed with grave abuse of authority; (g) is committed with fraud and/or falsification of official documents relating to government employment; and (h) is committed under other analogous circumstances.<sup>33</sup>

In administrative cases before the agency *a quo*, the quantum of proof required is substantial evidence. Substantial evidence is that evidence amounting to more than a mere scintilla, and that which may be reasonably accepted to support a particular conclusion.<sup>34</sup>

Hence, the essential questions in this case are: (1) whether the totality of the evidence on record supports a reasonable conclusion that the petitioner had intended to conceal the truth or make false statements about his wealth in his 2013 SALN; and, (2) whether the qualifying circumstances of serious dishonesty have been established in this case.

After careful review, *We find in the negative.*

<sup>33</sup> See *Fact-Finding Investigation Bureau-Military and Other Law Enforcement Offices v. Jandayan*, G.R. No. 218155, 22 September 2020, citing *Fact-Finding Investigation Bureau (FFB)-Office of the Deputy Ombudsman for the Military and Other Law Enforcement Offices v. Miranda*, G.R. No. 216574, 10 July 2019.

<sup>34</sup> See *In re: Salazar, Jr.*, A.M. Nos. 15-05-136-RTC & P-16-3450, 04 December 2018, citing *Hon. Ombudsman Marcelo v. Bungubung, et al.*, 575 Phil. 538, 557 (2008) & *Dadulo v. Court of Appeals*, 549 Phil. 872, 877 (2007).

*First*, it should be observed that the petitioner had openly declared in his 2013 SAIN the increase of P8,981,082.52 in his net worth. The petitioner did not conceal or misrepresent anything in relation to this increase in his net worth. Then, when the administrative cases for dishonesty and grave misconduct were filed against him, he voluntarily submitted his wife's 2013 TR.

The petitioner's conduct in this case negate the findings of malicious intent to conceal the truth or make false statements by the agency *a quo*. His outward acts appear more consistent with an attempt to offer a sincere explanation rather than a desperate effort to conceal any wrongdoings.

*Second*, the petitioner's submission of his wife's 2013 TR proved that the increase in his net worth in 2013 was derived from legitimate sources.

The said 2013 TR shows that the petitioner's wife had a net income of CAD140,944 in 2013. Since that year ended with a currency exchange rate of PHP41.74 to CAD1.00,<sup>35</sup> the petitioner's wife's income of CAD140,944.00 roughly translated to PHP5,883,002.56 in 2013. His wife's income in 2013 already accounted for 65% of the P8,981,082.52 increase in the petitioner's net worth for the same year. Add to that his own income at the time as Mayor of a Highly Urbanized City, and the increase in the petitioner's net worth is placed within the realm of reason.

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<sup>35</sup> <https://freecurrencyrates.com/en/exchange-rate-history/CAD-PHP/2013/yahoo>.

*Finally*, the qualifying circumstances of serious dishonesty have not been established.

The finding of serious damage and grave prejudice to the government was a general conclusion that was not sufficiently explained by the agency *a quo*. In fact, it seems to have been based solely on the amount of the petitioner's alleged unexplained wealth. There is likewise no allegation of moral depravity, grave abuse of authority, or falsification of official documents relating to government employment. Furthermore, this case does not involve accountable property, civil service examinations and/or eligibility, or any other such circumstances. Accordingly, the finding that the petitioner was guilty of serious dishonesty lacks factual basis.

The laws on SALN aim to curtail the acquisition of unexplained wealth. Wealth that is initially seen as unexplained wealth but is properly accounted for later on becomes "explained wealth" which the law does not penalize. Case law holds that public officers or employees become susceptible to dishonesty only when they fail to declare in their SALN an amount of wealth that is manifestly disproportionate to their income, and income from other sources, and they fail to explain or properly account for such wealth. Consequently, absent any intent to commit a wrong, and having accounted for the source of the "unexplained wealth," one cannot be adjudged guilty of dishonesty.<sup>36</sup>

It bears repeating that the petitioner has not concealed or

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<sup>36</sup> See *San Diego v. Fact-Finding Investigation Committee, OMB-MOLEO*, G.R. No. 214081, 10 April 2019, citing *Daplas v. Department of Finance*, G.R. No. 221153, 17 April 2017.

misrepresented anything in his 2013 SALN. It turns out that the increase in his net worth was made possible largely by his wife's income in 2013. Nevertheless, he had dutifully declared the assets acquired using that same income. The petitioner successfully explained that the majority of the increase in his net worth for 2013 can be attributed to his wife's income as a certified public accountant and corporate comptroller in Canada. Accordingly, he cannot be held liable for dishonesty.

WHEREFORE, the petition is GRANTED. The *Decision* dated 29 August 2017, as well as the *Joint Order* dated 08 February 2018, rendered by the Office of the Ombudsman in OMB-V-A-14-0460 are REVERSED and SET ASIDE, and the administrative complaint against the petitioner Jed Patrick E. Mabilog is DISMISSED for lack of merit.

IT IS SO ORDERED.

**ORIGINAL SIGNED**

LORENZA R. BORDIOS  
*Associate Justice*

WE CONCUR:

**ORIGINAL SIGNED**

PAMELA ANN ABELLA MAXINO  
*Associate Justice*

**ORIGINAL SIGNED**

NANCY C. RIVAS-PALMONES  
*Associate Justice*

CERTIFICATION

Pursuant to Article VIII, Section 13 of the Constitution, 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.

**ORIGINAL SIGNED**

PAMELA ANN ABELLA MAXINO

*Associate Justice*

*Chairperson, Nineteenth Division*

**CERTIFIED TRUE COPY**

**ATTY. ACE VICTOR F. RIZMA**  
**DIVISION CLERK OF COURT**