



Republic of the Philippines
Supreme Court
 Manila

EN BANC

**PHILIPPINE GUARANTEE
 CORPORATION, formerly TRADE
 AND INVESTMENT
 DEVELOPMENT CORPORATION
 OF THE PHILIPPINES,**
 Petitioner,

G.R. No. 256709

Present:

GESMUNDO, *C.J.*,
 LEONEN,
 CAGUIOA,
 HERNANDO,
 LAZARO-JAVIER,
 INTING,
 ZALAMEDA,
 LOPEZ, M.,
 GAERLAN,
 ROSARIO,
 LOPEZ, J.,
 DIMAAMPAO,
 MARQUEZ,
 KHO, JR.,
 SINGH,* *JJ.*

-versus-

**COMMISSION ON AUDIT,
 CHAIRPERSON MICHAEL G.
 AGUINALDO, COMMISSIONER
 JOSE A. FABIA and
 COMMISSIONER ROLAND C.
 PONDOC,**

Promulgated:

Respondents.

March 4, 2025

X ----- *Atanias - Torres* X
DECISION

DIMAAMPAO, J.:

This Petition for *Certiorari*¹ (With Prayer for Issuance of Temporary Restraining Order and Writ of Preliminary Injunction) under Rule 64, in relation to Rule 65, of the Rules of Court, impugns Decision No. 2019-266²

* On leave but left a concurring vote.

¹ *Rollo*, p. 3-28.

² *Id.* at 29-36. Decision No. 2019-266 dated June 25, 2019 was rendered by Chairperson Michael G. Aguinaldo, Commissioner Jose A. Fabia and Commissioner Roland C. Pondoc.

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and the subsequent Resolution³ of respondent Commission on Audit (COA), in COA CP Case No. 2015-775.

The Facts

Pursuant to Executive Order No. 58, Series of 2018,⁴ the Philippine Guarantee Corporation, a government-owned and controlled corporation, was created. It is primarily mandated to perform its development financing role through the provision of credit guarantees in support of trade and investments, exports, infrastructure, and other priority sectors of the economy. It was formerly known as the Philippine Export-Import Credit Agency, the surviving entity in the merger and consolidation of several Philippine Guarantee Programs and Agencies. Presidential Decree No. 1080⁵ established the Philippine Export and Foreign Loan Guarantee Corporation, which succeeded the Philippine Export-Import Credit Agency. Presidential Decree No. 1080 was further amended such that the Philippine Export and Foreign Loan Guarantee Corporation was renamed as the Trade and Investment Development Corporation of the Philippines.⁶

At the time material to this case, Rogelio C. Lombos (Lombos) served as *ex-officio* member of the Board of Directors (Board) of the Trade and Investment Development Corporation of the Philippines (TIDCP), sitting for the Philippine Overseas Construction Board and receiving a *per diem* for every meeting attended.⁷

In the Board meeting of the TIDCP held on June 23, 2003, the Board adopted Resolution No. 1446, Series of 2003,⁸ which approved the grant of compensation in the amount of PHP 20,000.00 per month to members of the corporation's Marketing and Oversight Committee. As Lombos was also a member of the said committee, he received such compensation.

On August 28, 2012, COA Audit Team Leader Gloria O. Lacson and Teodora M. Lacerna, the supervising auditor, issued Notice of Disallowance No. 2012-003,⁹ disallowing the compensation in the amount of PHP 260,000.00 that was paid to Lombos as a member of the Marketing and

³ *Id.* at 37.

⁴ Approving the Merger of the Home Guaranty Corporation and the Philippine Export-Import Credit Agency (Philexim), Transferring the Guarantee Functions, Programs and Funds of the Small Business Corporation, and the Administration of the Agricultural Guarantee Fund Pool and the Industrial Guarantee and Loan Fund to the Philexim, and Renaming the Philexim as the Philippine Guarantee Corporation (2018).

⁵ Revising Presidential Decree No. 550 Creating the Philippine Foreign Loan Guarantee Corporation So It Will Now Be Entitled the Philippine Export and Foreign Loan Guarantee Corporation (1977).

⁶ Republic Act No. 8494, An Act Further Amending Presidential Decree No. 1080, As Amended, By Reorganizing and Renaming the Philippine Export and Foreign Loan Guarantee Corporation, Expanding Its Primary Purposes, and For Other Purposes (1998).

⁷ *Rollo*, p. 6.

⁸ *Id.* at 84.

⁹ *Id.* at 79-83.

Oversight Committee. According to the COA, this was in violation of Article IX-B, Section 8 of the Constitution. The following persons were declared liable for the disbursement:

Name	Position/Designation	Nature of Participation in the Transaction
Lombos, Rogelio C.	Board Member; Chairman – POCB	Payee
Gumaru, Isabelo G.	Corporate Secretary	Certified expense as necessary and lawful[]
Laragan, Jane L.	Corporate Secretary	Certified expense as necessary and lawful; and [a]pproved disbursement[]
Medina, Marilou A.	VP, CD, & OIC – Financial Services Sector	Certified adequate available funds/budgetary allotment[]
Gabriel, Florencio Jr. P.	EVP – Corporate Services Group	Approved disbursement[] ¹⁰

Lombos and other senior officers¹¹ of the TIDCP appealed before the COA's Office of the Cluster Director,¹² arguing that: *one*, under prevailing laws and jurisprudence, Lombos was not prohibited to receive additional compensation since he did not hold the position of a cabinet secretary, undersecretary or assistant secretary; *two*, the payment of remuneration to Lombos as a member of the Marketing Oversight Committee was duly authorized and allowed by existing laws and jurisprudence; and *three*, Lombos and the officials who approved and certified the disbursement honestly believed that he was entitled to such compensation.¹³

As it happened, the Office of the Cluster Director, Corporate Government Sector, rendered CGS Cluster 2 Decision No. 2015-022,¹⁴ denying the appeal and affirming the disallowance notice.

Ensuingly, the TIDCP lodged a Petition for Review¹⁵ before the COA Commission Proper, echoing its arguments before the Office of the Cluster Director and further avowing that the audit team leader and the supervising auditor failed to observe due process because they issued the disallowance notice without first issuing a notice of suspension.¹⁶

The COA Commission Proper, through the now-challenged Decision, denied the petition and ratified the notice of disallowance. The subsequent bid

¹⁰ *Id.* at 80.

¹¹ *Id.* at 85. Florencio P. Gabriel, Jr., Jane Lim-Laragan, Marilou A. Medina, and Isabelo G. Gumaru.

¹² *Id.* at 85–99.

¹³ *Id.* at 86–87.

¹⁴ *Id.* at 68–78. The October 8, 2015 Decision was penned by Cluster Director IV Mary S. Adelino.

¹⁵ *Id.* at 49–67.

¹⁶ *Id.* at 60.

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for reconsideration¹⁷ was similarly rejected by the COA Commission Proper.¹⁸

Through the present recourse, petitioner Philippine Guarantee Corporation, formerly the TIDCP, ascribes grave abuse of discretion on the part of the COA Proper, arguing that *one*, it erroneously affirmed the findings of the COA Cluster Director, which declared that the grant of allowance in favor of Lombos was irregular;¹⁹ and *two*, it brushed aside the fact that its right to due process was violated when the COA auditors haphazardly issued a notice of disallowance without issuing a notice of suspension.²⁰ Moreover, the Philippine Guarantee Corporation puts forth its good faith in granting Lombos compensation for being a member of the Marketing and Oversight Committee, who, in turn, also acted in good faith in receiving the same. Consequently, even if the notice of disallowance were to be sustained, they cannot be required to refund the same.²¹

The Court's Ruling

The Petition fails to impress.

At the outset, the Court notes that the present issue is not novel. The Court has already held that *ex-officio* members of the boards of government corporate entities have no right to receive additional compensation or benefits for holding such *ex-officio* positions. In *Suratos v. Commission on Audit*,²² a case involving the disallowance of additional compensation granted to *ex-officio* members of the Board of the Trade and Investment Development Corporation of the Philippines, the Court declared:

Further, since petitioners merely served in an *ex-officio* capacity in the Board, it follows that **they have no right to receive additional compensation or benefits for it, such being part and parcel of their principal office.** To rule otherwise would contravene the constitutional proscription against double compensation.²³ (Emphasis supplied; citation omitted)

The Court reiterated this jurisprudential teaching in *Land Bank of the Philippines v. Commission on Audit*,²⁴ where additional compensation was given to *ex-officio* board members of the state bank. In this case, the Court held:

¹⁷ *Id.* at 38–48.

¹⁸ *Id.* at 37. The December 17, 2020 Resolution of the COA Proper denying the Motion for Reconsideration of the Trade and Investment Development Corporation of the Philippines is contained in *En Banc* Notice No. 2021-007 signed by Commission Secretary Nilda B. Plasas.

¹⁹ *Id.* at 7.

²⁰ *Id.* at 8.

²¹ *Id.*

²² G.R. No. 253584, March 1, 2022 [Unsigned Resolution, *En Banc*].

²³ *Id.* at 6.

²⁴ G.R. No. 224288, September 15, 2020 [Unsigned Resolution, *En Banc*].

At the outset, it is important to point out that the LBP Board of Directors is composed of regular members or those appointed to the position, and *ex-officio* members or those designated to serve by virtue of their office. In the *First ND*, five out of the nine recipients of the disallowed benefits are *ex-officio* members, while only four are regular members. On the other hand, in the *Second ND*, all of the 15 recipients of the disallowed benefits are *ex-officio* members.

The difference in the nature of the position held is significant. Being a regular member means being selected by the proper authority to exercise the functions of an office. On the other hand, being designated as an *ex-officio* member connotes merely the imposition of additional duties, upon a person already in the public service by virtue of an earlier appointment or election. **The *ex-officio* position being actually and in legal contemplation part of the principal office, it follows that the official concerned has no right to receive any other form of additional compensation or benefits for his services in the *ex-officio* position.** To rule otherwise would run counter with the constitutional prohibitions against holding multiple positions in the government and receiving additional or double compensation.²⁵ (Emphasis supplied; citation omitted)

More recently, in *Favila v. Commission on Audit*,²⁶ the Court dealt with the issue on the propriety of compensation given to *ex-officio* members of the board of the TIDCP beyond what was provided for under Section 13 of Presidential Decree No. 1080. In that case, the Court categorically ruled that:

In the same vein, there is nothing in the TIDCORP's Charter — PD 1080 that permits the grant of extra compensation to its BOD and their respective alternates besides a *per diem* of PHP500.00 for every board meeting attended. As such, any form of compensation beyond what is provided in Sec. 13 of Presidential Decree No. 1080 is considered illegal, and in contravention of the constitutional prohibitions against holding multiple positions in the government and receiving additional or double compensation.²⁷

Petitioner's contention that the prohibition against additional compensation is confined to cabinet secretaries, undersecretaries, and assistant secretaries in the Executive Department holds no water.

Avowedly, Lombos, not being a cabinet secretary, undersecretary or assistant secretary, is not covered by the prohibition against additional compensation for appointive public officers under the Constitution.²⁸

The proscription enshrined in Article IX-B, Section 8 of the Constitution belies petitioner's postulation as the prohibition applies to *all* elective or appointive public officers or employees of the government. Verily,

²⁵ *Id.*

²⁶ 931 Phil. 1038 (2022) [Per J. Hernando, *En Banc*].

²⁷ *Id.* at 1045.

²⁸ *Rollo*, pp. 8, 11–13.

the prohibitions specifically applicable to members of the Cabinet and their deputies and assistants are those provided for under Article VII, Section 13 of the Constitution—

SECTION 13. The President, Vice-President, the Members of the Cabinet, and their deputies or assistants shall not, unless otherwise provided in this Constitution, hold any other office or employment during their tenure. They shall not, during said tenure, directly or indirectly, practice any other profession, participate in any business, or be financially interested in any contract with, or in any franchise, or special privilege granted by the Government or any subdivision, agency, or instrumentality thereof, including government-owned or controlled corporations or their subsidiaries. They shall strictly avoid conflict of interest in the conduct of their office.

The spouse and relatives by consanguinity or affinity within the fourth civil degree of the President shall not during his tenure be appointed as members of the Constitutional Commissions, or the Office of the Ombudsman, or as Secretaries, Undersecretaries, chairmen or heads of bureaus or offices, including government-owned or controlled corporations and their subsidiaries.

While the above provision, like Article IX-B, Section 8, serves as a constitutional limit on the exercise of prerogatives of government officials aimed at upholding and preserving integrity in the public service, it does not follow that the prohibition on additional compensation under Article IX-B applies only to officials in the Executive branch.

Petitioner likewise asserts that its right to due process was violated when the COA issued a notice of disallowance without first issuing a notice of suspension.²⁹

The assertion hardly persuades.

The 2009 Revised Rules of Procedure of the Commission on Audit (2009 Revised Rules) state that during an audit, the issuance of a Notice of Disallowance or Charge is *mandatory*. Meanwhile, the issuance of a Notice of Suspension is *optional*, since it may issue for transactions “of doubtful legality, validity, or propriety,” for the purpose of “[obtaining] further explanation or documentation.” Rule IV, Section 4 of the 2009 Revised Rules provides:

Section 4. *Audit Disallowances/Charges/Suspensions* – In the course of the audit, whenever there are differences arising from the settlement of accounts by reason of disallowances or charges, **the auditor shall issue Notices of Disallowance/Charge (ND/NC)** which shall be considered as audit decisions. Such ND/NC shall be adequately established by evidence and the conclusions, recommendations or dispositions shall be

²⁹ *Id.* at 13–16.

supported by applicable laws, regulations, jurisprudence and the generally accepted accounting and auditing principles. **The Auditor may issue Notices of Suspension (NS) for transactions of doubtful legality/validity/propriety to obtain further explanation or documentation.** (Emphasis supplied)

The use of the word “shall” clearly shows the mandatory nature of a Notice of Disallowance. Conversely, the use of the word “may” with respect to the issuance of a Notice of Suspension signifies its non-compulsory nature. Thus, the fact that there was no Notice of Suspension in this case simply signifies that the auditor did not find it indispensable to procure any additional explanation or documentation from the petitioner.

Finally, petitioner avouches that its officials and Lombos, in granting and in receiving the additional compensation, respectively, cannot be made to return or refund such compensation because they did so in good faith, on the premise that the issue of whether or not the Board could grant such benefit was a “difficult question of law”—

52. The attendant facts and circumstances indubitably demonstrate that [petitioner]’s officials granted and Mr. Lombos received the subject benefit in good faith and in the honest belief that the grant thereof was appropriate and authorized.

53. To recapitulate, [petitioner] based its grant of the subject benefit and allowances under Section 7 of [Republic Act No.] 8494 which amended the [Presidential Decree No.] 1080. [Republic Act No.] 8494 authorized the [petitioner]’s Board of Directors to adopt a compensation and benefit scheme, and it does not expressly prohibit Board members from receiving benefits other than the *per diem* authorized by [Presidential Decree No.] 1080 which [Republic Act No.] 8494 further amended.

54. Notably, **this legal determination if the additional authority granted to [petitioner]’s officers is limited by the provision of [Presidential Decree No.] 1080 mentioning the *per diem* posed a difficult question of law.**

....

56. Moreover, it must be remembered that the subject [Disbursement Vouchers] were issued way back in 2006 to 2008. During these years, it bears emphasis that there was no definite interpretation yet as to the authority of the [government-owned and controlled corporations] to grant additional compensation aside from *per diem* without any prohibition from its Charter but with express authority to fix the remuneration of its officers.³⁰

Petitioner’s avouchment is out on a limb.

³⁰ Rollo, pp. 17–18.

In *Madera v. Commission on Audit*,³¹ the Court had occasion to lay down the following rules on return of public funds, the disbursement of which was disallowed by the COA:

In view of the foregoing discussion, the Court pronounces:

1. If a Notice of Disallowance is set aside by the Court, no return shall be required from any of the persons held liable therein.
2. If a Notice of Disallowance is upheld, the rules on return are as follows:
 - a. Approving and certifying officers who acted in good faith, in regular performance of official functions, and with the diligence of a good father of the family are not civilly liable to return consistent with Section 38 of the Administrative Code of 1987.
 - b. Approving and certifying officers who are clearly shown to have acted in bad faith, malice, or gross negligence are, pursuant to Section 43 of the Administrative Code of 1987, solidarily liable to return only the net disallowed amount which, as discussed herein, excludes amounts excused under the following sections 2c and 2d.
 - c. Recipients — whether approving or certifying officers or mere passive recipients — are liable to return the disallowed amounts respectively received by them, unless they are able to show that the amounts they received were genuinely given in consideration of services rendered.
 - d. The Court may likewise excuse the return of recipients based on undue prejudice, social justice considerations, and other [bona fide] exceptions as it may determine on a case to case basis.³²

Based on the guidelines set forth in *Madera*, the officers of the petitioner who approved and certified the grant of additional compensation to Lombos cannot be mandated to return said funds if they acted in good faith, consistent with the exercise of the diligence of a good father of the family. Elsewise stated, approving or certifying officers can only be made liable to return the funds upon a clear showing that they had acted in bad faith, malice, or gross negligence. Upon this point, the following set of circumstances may be considered in determining whether or not an officer exercised the diligence of a good father of a family:

To ensure that public officers who have in their favor the un rebutted presumption of good faith and regularity in the performance of official duty, or those who can show that the circumstances of their case prove that they

³¹ 882 Phil. 744 (2020) [Per J. Caguioa, *En Banc*].

³² *Id.* at 817–818.

acted in good faith and with diligence, the Court adopts Associate Justice Marvic M.V.F. Leonen's (Justice Leonen) proposed circumstances or **badges for the determination of whether an authorizing officer exercised the diligence of a good father of a family:**

For one to be absolved of liability the following requisites [may be considered]: (1) **Certificates of Availability of Funds pursuant to Section 40 of the Administrative Code, (2) In-house or Department of Justice legal opinion, (3) that there is no precedent disallowing a similar case in jurisprudence, (4) that it is traditionally practiced within the agency and no prior disallowance has been issued, [or] (5) with regard the question of law, that there is a reasonable textual interpretation on its legality.**³³ (Emphasis supplied; citation omitted)

Madera also echoed the Court's dictum in *Lumayna v. Commission on Audit*³⁴ that an error or mistake, absent improper motive or ill will, is not indicative of bad faith—

In evaluating the presence of good faith in cases involving disallowances, the Court's pronouncement in *Lumayna* is still instructive and remains true even under the foregoing guidelines:

Furthermore, granting *arguendo* that the municipality's budget adopted the incorrect salary rates, this error or mistake was not in any way indicative of bad faith. **Under prevailing jurisprudence, mistakes committed by a public officer are not actionable, absent a clear showing that he was motivated by malice or gross negligence amounting to bad faith. It does not simply connote bad moral judgment or negligence. Rather, there must be some dishonest purpose or some moral obliquity and conscious doing of a wrong, a breach of a sworn duty through some motive or intent, or ill will. It partakes of the nature of fraud and contemplates a state of mind affirmatively operating with furtive design or some motive of self-interest or ill will for ulterior purposes.**³⁵ (Emphasis in the original; emphasis supplied; citation omitted)

In *Gonzaga v. Commission on Audit*,³⁶ the Court particularly laid down the requisites for a finding of good faith on the part of approving officers, viz.:

Approving officers are exempted from returning the disallowed amounts based on good faith if the following requisites concur: (1) **that they acted in good faith believing that they could disburse the disallowed amounts based on the provisions of the law; and (2) that they lacked knowledge of facts or circumstances which would render the disbursements illegal, such when there is no similar ruling by this Court prohibiting a particular disbursement or when there is no clear and unequivocal law or administrative order barring the same.** Good faith

³³ *Id.* at 797–798.

³⁴ 616 Phil. 929 (2009) [Per J. Del Castillo, *En Banc*].

³⁵ *Madera v. Commission on Audit*, 882 Phil. 744, 819 (2020) [Per J. Caguioa, *En Banc*].

³⁶ 906 Phil. 44 (2021) [Per J. J. Lopez, *En Banc*].

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is a state of mind denoting honesty of intention, and freedom from knowledge of circumstances which ought to put the holder upon inquiry; an honest intention to abstain from taking any unconscientious advantage of another, even though technicalities of law, together with absence of all information, notice, or benefit or belief of facts which render transaction unconscientious.³⁷ (Emphasis supplied; citation omitted)

Thus, the Court must look into the nature of participation of the officers concerned and the existence of badges of good faith or circumstances which tend to prove that said officers exercised the requisite diligence in the performance of their duties.

In *Alejandro v. Commission on Audit*,³⁸ the Court explained that the certifying officers' participation in the disallowed transaction were ministerial because they could not have refused to certify to these matters if they were true. The Court ruled that officers who were only performing duties that can be considered ministerial could not be held personally liable for disallowances if they were not involved in policy-making or decision-making concerning the disallowed transaction.³⁹ Also, in *Celeste v. Commission on Audit*,⁴⁰ the Court previously held that officials whose participation is limited to certifying the availability of funds or completeness of supporting documents are presumed to have acted in good faith because they were merely attesting to facts based on their records.⁴¹ More recently, in *Melloria v. Jimenez*,⁴² the Court pronounced that "certifying officers who were merely performing ministerial duties not related to the legality or illegality of the disbursement may be excused from the liability to return the disallowed amounts on account of good faith."

Here, Marilou A. Medina (Medina) certified adequate available funds or budgetary allotment for the disallowed compensation. She could not refuse to certify the availability of funds or budgetary allotment if it were true. Prescinding from the Court's recent pronouncements, the nature of her participation in the transaction is purely ministerial. Insofar as the disallowance in this case is anchored on the illegality of granting compensation to Lombos and not on the availability of funds, Medina acted in good faith. Hence, she cannot be held personally liable for the disallowed amount since she was only performing a ministerial duty and was not involved in policymaking or decision-making as regards the disallowed transaction.

On the other hand, the Court refuses to acknowledge the good faith claim of the other approving and certifying officers, namely, Lombos, Isabelo

³⁷ *Id.* at 85.

³⁸ 866 Phil. 188 (2019) [Per J. Carandang, *En Banc*].

³⁹ *Id.* at 208.

⁴⁰ 904 Phil. 199 (2021) [Per J. Caguioa, *En Banc*].

⁴¹ *Id.* at 214.

⁴² G.R. No. 245894, July 11, 2023 [Per J. Dimaampao, *En Banc*] at 1. This pinpoint citation refers to the copy of the Decision uploaded to the Supreme Court website.

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G. Gumaru (Gumaru), Jane L. Laragan (Laragan), and Florencio P. Gabriel, Jr. (Gabriel). None of the badges of good faith obtain in the performance of their duties. They cannot feign ignorance of the fact that only *per diems* are allowed to be given to the members of the corporation's Board under its own charter. So, too, it bears stressing that petitioner's interpretation of Section 7 of Republic Act No. 8494 as the specific authorization contemplated under Article IX-B, Section 8 of the Constitution to grant additional compensation to an *ex-officio* member of its Board, is not reasonable under the attendant circumstances.

This Court concurs with the ruling of the COA insofar as it declared petitioner's approving and certifying officers Lombos, Gumaru, Laragan, and Gabriel solidarily liable to return the disallowed amount.

Anent the liability of Lombos to return the disallowed funds as the *payee*, the Court rules and so holds that he is liable to return the additional compensation he received. As laid down in *Madera*, persons who received the public funds in question may still be held liable to return them in their capacity as payees, regardless of whether or not they were in good faith, thusly:

In *Rotoras v. COA*, the Court held that it will be unjust enrichment to allow the members of the governing boards to retain additional honoraria that they themselves approved and received. Here, the Court ruled that the nature of the obligation of approving officials to return "depends on the circumstances," with the officers' obligation to return expressly determined to not be solidary. This case illustrates how **approving officers may still be held liable to return in their capacity as payees, notwithstanding their good faith or bad faith.**

In the ultimate analysis, the Court, through these new precedents, has returned to the basic premise that **the responsibility to return is a civil obligation to which fundamental civil law principles, such as unjust enrichment and *solutio indebiti* apply regardless of the good faith of passive recipients. This, as well, is the foundation of the rules of return that the Court now promulgates.**

Moreover, *solutio indebiti* is an equitable principle applicable to cases involving disallowed benefits which prevents undue fiscal leakage that may take place if the government is unable to recover from passive recipients amounts corresponding to a properly disallowed transaction.⁴³ (Emphasis in the original; emphasis supplied; citation omitted)

Considering that Lombos actually received additional compensation, his act of good faith or bad faith is entirely immaterial in determining his liability to return the same. Essentially, he should be held accountable to return the funds, notwithstanding his good faith or bad faith, on the ground of the principles of *unjust enrichment* and *solutio indebiti*. Verily, there is no compelling reason for the Court to excuse Lombos's return of the disallowed

⁴³ *Madera v. Commission on Audit*, 882 Phil. 744, 814–815 (2020) [Per J. Caguioa, *En Banc*].

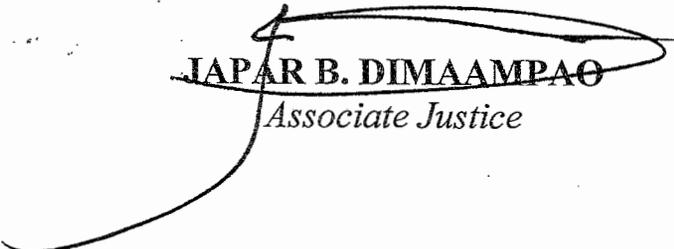
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amount. After all, he is accountable in two capacities: *one*, as the payee, and *two*, as an *ex officio* member of the Philippine Guarantee Corporation Board, which adopted and approved the grant of additional compensation in the first place. He had a direct hand in the grant of additional compensation, which was later disallowed by the COA. This patent conflict of interest and egregious direct participation in illegal disbursements should not remain uncountenanced.

ACCORDINGLY, the Petition for *Certiorari* (With Prayer for Issuance of Temporary Restraining Order and Writ of Preliminary Injunction) is **PARTIALLY GRANTED**. The Decision 2019-266 dated June 25, 2019 and the Resolution dated December 17, 2020 of the Commission on Audit in COA CP Case No. 2015-775 are **AFFIRMED with MODIFICATION**.

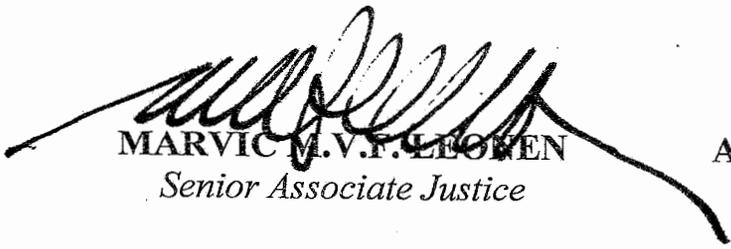
Having acted in good faith, Marilou A. Medina is **EXCUSED** from returning the disallowed amounts in Notice of Disallowance No. 2012-003.

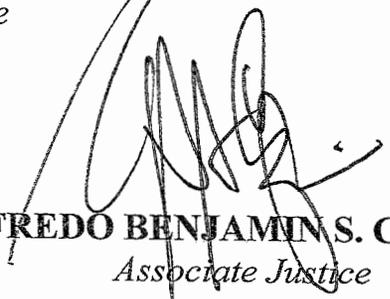
SO ORDERED.

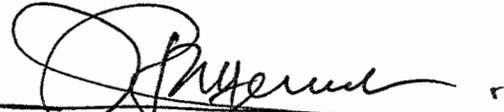

JAPAR B. DIMAAMPAO
Associate Justice

WE CONCUR:


ALEXANDER G. GESMUNDO
Chief Justice

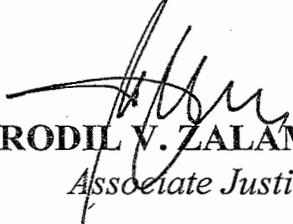

MARVIC M.V.F. LEONEN
Senior Associate Justice

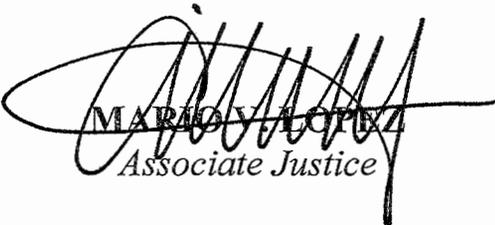

ALFREDO BENJAMIN S. CAGUIOA
Associate Justice


RAMON PAUL L. HERNANDO
Associate Justice

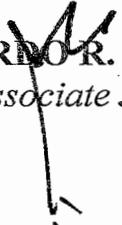

AMY C. LAZARO-JAVIER
Associate Justice


HENRI JEAN PAUL B. INTING
Associate Justice

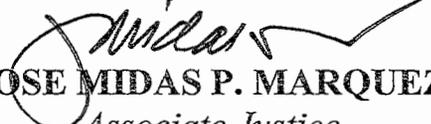

RODIL V. ZALAMEDA
Associate Justice


MARIO V. LOPEZ
Associate Justice

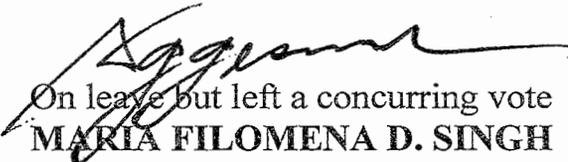

SAMUEL H. GAERLAN
Associate Justice


RICARDO R. ROSARIO
Associate Justice


JHOSEP V. LOPEZ
Associate Justice

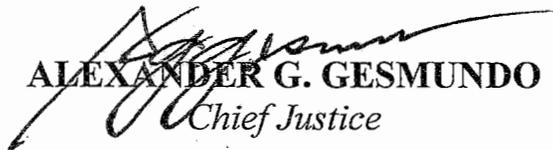

JOSE MIDAS P. MARQUEZ
Associate Justice


ANTONIO T. KHO, JR.
Associate Justice


On leave but left a concurring vote
MARIA FILOMENA D. SINGH
Associate Justice

CERTIFICATION

Pursuant to Article VIII, Section 13 of the Constitution, I certify that the conclusions in the above *Decision* had been reached in consultation before the case was assigned to the writer of the opinion of this Court.


ALEXANDER G. GESMUNDO
Chief Justice