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Item No.: 38

Date: 09 2026 MAR



Republic of the Philippines
COURT OF APPEALS
Manila

FIFTH (5th) DIVISION

RAMON C. OÑATE,
Petitioner,

- versus -

HENRY I. ENCARNACION,
Respondent.

CA-G.R. SP No. 186320

Members:

CRUZ, R.A., Chairperson,
PAYOYO-VILLORDON, T.M.B., and
SAN GASPAR-GITO, E.L., JJ.

Promulgated:
10 JUL 2025

X ----- X

DECISION

Cruz, R.A., J.:

THE CASE

This Verified Petition for Review, filed under Rule 43 of the Rules of Court, is an appeal from the Decision¹ dated September 12, 2024 of the Office of the Ombudsman, in OMB-C-A-NOV-23-0113, which found the petitioner guilty of conduct prejudicial to the best interest of the service and simple neglect of duty and imposed on him the penalty of suspension for one (1) year without pay.²

THE ANTECEDENTS

On October 18, 2023, Henry I. Encarnacion (Encarnacion) filed a Complaint³ against Ramon C. Oñate (Oñate), who was then serving as Mayor of the Municipality of Palompon, Leyte, having been elected to the position in 2022. The administrative aspect of the complaint was docketed as OMB-C-A-NOV-23-0113.

Encarnacion, summarizing the offenses on which he based his complaint against Oñate, alleged that the latter, using his position as mayor and conspiring with other officials of the municipality, initiated the updating and passing of a defective Comprehensive Land Use

Plan (CLUP). Specifically, the 2018-2027 CLUP was approved despite the lack of the required Forest Land Use Plan (FLUP) which, Encarnacion asserted, was done to favor Oñate's business interests at Lot 5143 located in Barangay San Joaquin, Palompon.⁴

Through the 2018-2027 CLUP, "the land use of Barangay San Joaquin was conveniently and erroneously classified as [i]ndustrial [z]one."⁵ The 2018-2027 CLUP likewise made use of altered maps which erroneously included some communities and excluded certain barangays, such as San Joaquin, from the coverage of the Palompon Watershed Forest Reserve (PWFR). As a result of the 2018-2027 CLUP, Lot 5143, which was previously part of the PWFR, was no longer covered by it. Encarnacion explained that these changes were made to accommodate DBSN Farms and Agriventures Corporation (DBSN Farms), which was built on Lot 5143. DBSN Farms is owned by Lourdes A. Oñate, the mayor's wife.⁶

Expounding on his claim that Oñate used his position to give undue advantage to DBSN Farms, Encarnacion pointed out that the mayor "deliberately disregard[ed] the environmental transgressions and refus[ed] to take appropriate actions against" the company. By his inaction towards the violations of DBSN Farms, Oñate exhibited manifest partiality.⁷

To illustrate Oñate's inaction, Encarnacion listed down the environmental violations committed by DBSN Farms in its three plants, namely: (1) its breeder farm in Barangay San Joaquin, Palompon; (2) its dressing plant in Barangay Antiplo, Albuera, Leyte; and (3) Zachary Farms in Barangay Lat-osan, Palompon.⁸

Encarnacion recalled that as early as April 3, 2017, the *Sangguniang Barangay* of Barangay Tinag-an, Albuera endorsed a petition to the Department of Environment and Natural Resources (DENR) "calling for concrete action against DBSN Farms for discharging waste into the river and releasing obnoxious odor which poses a significant threat not only to [the] health but also to [the] livelihood of its residents."⁹ The DENR subsequently issued Notices of Violation to DBSN Farms and directed it to pay the corresponding fines.¹⁰

During the time that DBSN Farms was embroiled in controversy for its violations of environmental laws, Oñate, instead of protecting the welfare of his constituents, publicly defended his business interest in DBSN Farms.¹¹ Encarnacion faulted Oñate for failing to create an

independent body to investigate the complaints against DBSN Farms. Worse, instead of acting with a semblance of fairness in dealing with DBSN Farms, Oñate obstructed further investigations into the operations of DBSN Farms. He should, therefore be held liable for his evident partiality towards the company and for deliberately ignoring its violations.¹²

Oñate parried the allegations against him, first, by addressing the issues raised in relation to the passage of the 2018-2027 CLUP. He explained that the 2018-2027 CLUP was prepared following "The 12-step Process to Comprehensive Land Use Plan Preparation." The preparation was spearheaded by the Municipal Technical Working Group which was in constant consultation with national government agencies such as the Housing and Land Use Regulatory Board, Department of Agriculture and DENR, as well as the Provincial Government of Leyte.¹³

After its tedious preparation, the 2018-2027 CLUP was subsequently approved by the *Sangguniang Bayan* of Palompon through Municipal Resolution No. 386-070518. It was then submitted to the Provincial Land Use Committee which recommended its approval to the *Sangguniang Panlalawigan* of Leyte. The provincial government approved the 2018-2027 CLUP in its Resolution No. 2018-403.¹⁴ Oñate maintained that the 2018-2027 CLUP, "having been approved by both the Sangguniang Bayan of Palompon, Leyte and the Sangguniang Panlalawigan of the Province of Leyte, is legal, valid and without defect."¹⁵ He added that "it is clear from the approved CLUP and Zoning Ordinance of the Municipality of Palompon that Lot 5143 in Brgy. San Joaquin is indeed situated in an industrial zone."¹⁶

Oñate then refuted the allegations that he deliberately ignored the violations of environmental laws committed by DBSN Farms and that he obstructed any further investigation into the matter. He pointed out that the violations of DBSN Farms have already been ventilated in the proper fora such as the Pollution Adjudication Board (PAB) which has already imposed fines on the company.¹⁷ Additionally, he called attention to the separate juridical personality of DBSN Farms and insisted that there was no justifiable reason to pierce the corporate veil in this case.¹⁸

Oñate also denied inaction on his part and emphasized that as local chief executive, he has been at the forefront of enforcing environmental laws such as those requiring proper solid waste

disposal.¹⁹

It was Oñate's position that the evidence presented by Encarnacion "fall short of the requirement that it must be substantial, competent and derived from direct knowledge."²⁰ Hence, he should not be held liable for the charges lodged against him.

In its September 12, 2024 Decision²¹, the Office of the Ombudsman found Oñate guilty of conduct prejudicial to the best interest of the service and simple neglect of duty.

While the Office of the Ombudsman attached the presumption of regularity to the passage of the 2018-2027 CLUP, it, nevertheless, found that "there is substantial evidence to hold Oñate liable for Conduct Prejudicial to the Best Interest of the Service and Simple Neglect of Duty."²²

In explaining how Oñate committed conduct prejudicial to the best interest of the service, the Office of the Ombudsman stated that:

xxx. The illegal conversion and multiple environmental violations committed by a corporation owned by none other than the Municipal Mayor sends the wrong impression that public officials can flout the law in furtherance of personal interests.

The repeated environmental violations and disregard for land conversion rules perpetrated by Oñate's business enterprise have undeniably tainted the image and integrity of his Office as Mayor.
xxx.²³ (*Citations omitted*)

The Office of the Ombudsman likewise found Oñate guilty of simple neglect of duty because of his "constant disregard of the infractions committed by DBSN Farms."²⁴ The Office of the Ombudsman underscored that:

Not only did Oñate fail to address the environmental concerns raised by the affected residents of Brgy. Tinag-an, but more importantly, DBSN's violations happened under Oñate's watch, nay, in his own backyard so to speak. As mayor, he should have taken decisive actions and proactive steps to deal with DBSN's long standing and publicly known issues with regard to pollution and waste water discharge. Regrettably, Oñate, in his capacity as mayor, did nothing to address or even mitigate the environmental damages caused by DBSN Farms, a business entity that he owns.²⁵

Aggrieved by the foregoing pronouncements of the Office of the Ombudsman, Oñate's resort was to file the present Verified Petition for Review.

THE ISSUE

Petitioner Oñate entreats Us to resolve in the affirmative this lone issue:

WHETHER OR NOT [THE OFFICE OF THE] OMBUDSMAN ERRED IN FINDING [THE] PETITIONER GUILTY OF CONDUCT PREJUDICIAL TO THE BEST INTEREST OF THE SERVICE, AND SIMPLE NEGLIGENCE OF DUTY.²⁶

The petitioner argues that the Office of the Ombudsman erred in taking cognizance of the allegations of illegal land conversion and violations of environmental laws which are within the jurisdiction of the Department of Agrarian Reform and the Regional Trial Court (RTC), respectively.²⁷

Oñate believes that the Office of the Ombudsman committed a misapprehension of facts in finding that he neglected his duty as Mayor of Palompon when he supposedly failed to take decisive action on the violations of DBSN Farms. The complaints against DBSN Farms were endorsed by Barangay Tinag-an, Albuera to the DENR. Albuera is a separate and independent municipality in the province of Leyte, over which Oñate does not have any authority.²⁸

The petitioner likewise posits that the respondent "failed to prove his case by substantial evidence." What Encarnacion presented are mere allegations which are neither evidence nor equivalent to proof.²⁹

Oñate also reiterates that it was erroneous to attribute DBSN Farms' violations of environmental laws to him, in his capacity as mayor. DBSN Farms is vested with a separate juridical personality and he could not be made liable for infractions imputable to DBSN Farms' corporate acts.³⁰

OUR RULING

The petition is meritorious.

In administrative proceedings, the complainants carry the burden of proving their allegations with substantial evidence or such "relevant evidence that a reasonable mind might accept as adequate to support a conclusion."³¹

Here, the Office of the Ombudsman concluded that there was substantial evidence to hold Oñate liable for conduct prejudicial to the best interest of the service and simple neglect of duty. However, when the evidence presented by Encarnacion is examined, one would be hard-pressed to abide by the conclusion of the Office of the Ombudsman.

It bears emphasis that in passing upon the questions that the respondent raised in relation to the 2018-2027 CLUP, the Office of the Ombudsman noted that:

xxx. It was the Sangguniang Bayan of Palompon and Sangguniang Panlalawigan who approved the CLUP. These collegial components of the LGU are accorded the presumption of regularity in the performance of their functions, and it is presumed that they evaluated the documents submitted to them before approving the 2018-2027 CLUP. The rule is well-settled that [one] who alleges a fact has the burden of proving it and a mere allegation is not evidence.³² (*Citation omitted*)

Otherwise stated, the Office of the Ombudsman did not find the quantum of evidence required to rebut the presumption of regularity attached to the passage of the 2018-2027 CLUP. In according respect to the 2018-2027 CLUP, the Office of the Ombudsman held that "[i]t is presumed that both Sanggunians thoroughly reviewed the CLUP and approved the same only after being convinced that the CLUP has complied with all the requirements under the pertinent regulations."³³ The Office of the Ombudsman added that there is an "absence of any clear and convincing evidence to the contrary."³⁴ Again, in the words of the Office of the Ombudsman, "[Encarnacion] has not shown any proof that [Oñate] unduly influenced the Sanggunian Bayan and Sangguniang Panlalawigan to approve the CLUP."³⁵

The lack of substantial evidence described above actually spilled over to the other allegations of Encarnacion.

First, the alleged acts and omissions of the petitioner do not

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constitute conduct prejudicial to the best interest of the service. For actions to constitute this particular administrative offense, they do not need to be related to the respondent's official functions. Acts may constitute conduct prejudicial to the best interest of the service as long as they tarnish the image and integrity of the respondent's public office.³⁶

The following acts or omissions have been considered as conduct prejudicial to the best interest of the service: misappropriation of public funds, abandonment of office, failure to report back to work without prior notice, failure to safe-keep public records and property, making false entries in public documents, falsification of court orders, a judge's act of brandishing a gun and threatening the complainants during a traffic altercation.³⁷

Here, the Office of the Ombudsman held that "[t]he repeated environmental violations and disregard for land conversion rules perpetrated by [DBSN Farms] have undeniably tainted the image and integrity of his Office as Mayor."³⁸ With this particular finding, the Office of the Ombudsman itself acknowledged that the actions referred to were committed by DBSN Farms and not by Oñate himself. While the Office of the Ombudsman did find a connection between DBSN Farms and Oñate, the latter being an incorporator/owner of the former, there is merit in the petitioner's contention that the supposed violations of DBSN Farms should not have been attributed to him. DBSN Farms is vested with a separate juridical personality. A corporation has a personality separate and distinct from the persons composing it, as well as from any other legal entity to which it may be related.³⁹ The obligations of a corporation, acting through its directors, officers, and employees, are its own sole liabilities. Therefore, the corporation's directors, officers, or employees are generally not personally liable for the obligations of the corporation.⁴⁰

As a corporation, DBSN Farms has a separate juridical personality. Hence, it is treated as a distinct legal entity from its owners, allowing it to enter into contracts, own property, and be held liable for its actions, separate from the personal liabilities of its shareholders and officers. This principle is fundamental to corporate law and provides owners with limited liability, meaning they are generally not personally responsible for the corporation's acts or omissions.

To buttress its ruling that DBSN Farms' wrongdoings "tainted

the image and integrity of [Oñate's] office as Mayor,"⁴¹ the Office of the Ombudsman cited the case of *Gaite v. Bismonte and Ombudsman*.⁴² However, *Gaite* is not on all fours with the present case. In *Gaite*:

Petitioner clearly committed grave misconduct when he entered into a lease contract with LCC contrary to the express provisions of the LGC and the Municipal Ordinance No. 3. Further, petitioner is guilty of conduct prejudicial to the best interest of the service considering that his questioned act tainted the image and integrity of his office as Mayor.⁴³

Stated differently, the erring mayor in *Gaite* was found to have committed grave misconduct and conduct prejudicial to the best interest of the service after he entered into a lease contract, on behalf of the local government unit (LGU), without the requisite authorization and contrary to the provisions of the Local Government Code and of the LGU's own municipal ordinance. In contrast, the questioned act/s in the present case are not even attributed to Oñate. By that difference alone, the conclusion that the petitioner is guilty of conduct prejudicial to the best interest of the service lacks factual and legal bases.

Second, the allegation of neglect of duty is similarly unsubstantiated.

When public officers take an oath of office, they bind themselves to faithfully perform the duties of the office and use reasonable skill and diligence, and to act primarily for the benefit of the public. In the discharge of duties, public officers must use prudence, caution, and attention which careful persons use in the management of their affairs. Public officers are, therefore, expected to act with utmost diligence and care in discharging the duties and functions of their office. Failure to do so may hold such public officers administratively liable for neglect of duty.⁴⁴

Negligence is the omission of the diligence which is required by the nature of the obligation and corresponds with the circumstances of the persons, of the time, and of the place. Neglect of duty is the failure of public officers to give their attention to a task expected of them. It may be classified as either gross or simple.⁴⁵

Gross neglect of duty or gross negligence pertains to negligence characterized by the want of even slight care, or by acting

or omitting to act in a situation where there is a duty to act, not inadvertently but willfully and intentionally, with a conscious indifference to the consequences, insofar as other persons may be affected. It is the omission of that care which even inattentive and thoughtless individuals never fail to give to their own property. In cases involving public officials, gross negligence occurs when a breach of duty is flagrant and palpable.⁴⁶

On the other hand, simple neglect of duty is the failure to give attention to a task, or the disregard of a duty due to carelessness or indifference.⁴⁷

In the narrative that the respondent kept repeating, the supposed violations of DBSN Farms were brought up with the concerned government agencies, including the courts. The grievance of the *Sangguniang* Barangay of Tinag-an pertaining to the air and water pollution caused by DBSN Farms was endorsed to the DENR and the *Sangguniang Bayan* of Albuera. The Office of the Ombudsman faulted the petitioner for failing to act on such grievance. It must be reiterated, however, that the grievance was brought before the proper fora such as the DENR. It was the DENR which issued Notices of Violation against DBSN Farms and ordered the latter to pay the corresponding fines.

It is somewhat absurd to expect Oñate to act on complaints which were not brought before his office, and, therefore, over which, he had no authority. Yet, the Office of the Ombudsman still determined that:

xxx Oñate has, for several years as mayor, neglected his duty under the Local Government Code to safeguard and conserve the land, marine and forest resources of the municipality. This series of events portray a pattern of conscious indifference to his mandate to preserve the municipality's environment.

xxx xxx xxx

Indeed, this Office cannot turn a blind eye towards Oñate's constant disregard of the infractions committed by DBSN Farms. Consequently, this Office finds and so holds that Oñate is guilty of Simple Neglect of Duty, defined as the failure of an employee or official to give proper attention to a task expected of him or her, signifying a "disregard of a duty resulting from carelessness or indifference."⁴⁸

This particular conclusion of the Office of the Ombudsman is based on ambiguous premises, to say the least.

During the proceedings before the Office of the Ombudsman, Encarnacion argued that:

xxx. To avoid any insinuations of partiality xxx, it would have been more prudent for Mayor Oñate to establish an entity to conduct an inquiry into the issues raised, particularly considering that he and members of his family have vested interests in the subject properties.

xxx. No independent body was created by Mayor Oñate to investigate the matter. Neither is there a semblance of fairness in his treatment of any further investigation about the issues surrounding the environmental transgressions of DBSN Farms.⁴⁹

The seeming inaction of the petitioner does not necessarily amount to neglect of duty. His behavior should be viewed in the context of the pending complaints against DBSN Farms which have already been filed before the proper authorities such as the DENR and the RTC having jurisdiction over environmental cases. The petitioner's inaction, if it can even be described as that, can very well be deemed as an effort to distance himself from the controversy in which DBSN Farms was mired. As the complaints regarding DBSN Farms' violations have already been submitted to the concerned agencies for appropriate action, Oñate presumably opted to take the back seat in order to avoid the appearance that he was intervening in the cases filed against DBSN Farms. To equate the petitioner's behavior with neglect of duty does not take into consideration the complete picture, as he could have simply been allowing the complaints against DBSN Farms to go through their natural course, without any undue influence or appearance of impropriety from him.

As a matter of fact, the DENR was unhampered and freely proceeded to pass upon the grievances against DBSN Farms. The DENR was able to conduct its verification and inspection which culminated in the issuance of Notices of Violations and imposition of fines on DBSN Farms.

While Oñate's conduct leaves much to be desired, it is still inaccurate to characterize it as negligence, when there is no substantial evidence establishing it as such.

To repeat, in administrative proceedings, the quantum of proof necessary for a finding of guilt is substantial evidence or such relevant evidence as a reasonable mind may accept as adequate to support a conclusion. The complainants carry the burden of proving their allegations with substantial evidence.⁵⁰ When they fail to discharge this burden, they necessarily are unable to make out their case, and it ought to be dismissed.

One final word. The present petition was filed with a prayer for the issuance of a Writ of Preliminary Injunction and/or Temporary Restraining. With Our disposition herein and the ratiocination accompanying it, there is no longer a need to pass upon the propriety of the injunctive reliefs prayed for.

WHEREFORE, premises considered, the Verified Petition for Review is **GRANTED**, and the September 12, 2024 Decision of the Office of the Ombudsman, in OMB-C-A-NOV-23-0113, is **REVERSED** and **SET ASIDE**. The administrative complaint docketed as OMB-C-A-NOV-23-0113 is **DISMISSED** for lack of merit.

SO ORDERED.

ORIGINAL SIGNED
RAMON A. CRUZ
Associate Justice

WE CONCUR:

ORIGINAL SIGNED
TITA MARILYN B. PAYOYO-VILLORDON
Associate Justice

ORIGINAL SIGNED
EMILY L. SAN GASPAR-GITO
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
RAMON A. CRUZ
Associate Justice
Chairperson, Fifth Division

¹ Penned by Graft Investigation and Prosecution Officer III Mark Angelo M. Dolo, recommended for approval by Assistant Ombudsman (OMB Proper) Pilarita T. Lapitan and approved by Ombudsman Samuel R. Martires, Annex "A" in the Petition, *Rollo*, Vol. I, pp. 51-74.

² *Ibid.* at p. 73.

³ *Rollo*, Vol. III, pp. 818-868.

⁴ *Ibid.* at p. 820.

⁵ *Ibid.* at p. 820.

⁶ *Ibid.* at pp. 823-824.

⁷ *Ibid.* at p. 820.

⁸ *Ibid.* at p. 831.

⁹ *Ibid.* at p. 831.

¹⁰ *Ibid.* at pp. 832-834.

¹¹ *Ibid.* at p. 837.

¹² *Ibid.* at pp. 838-841.

¹³ Oñate's Counter-Affidavit, Annex "C" in the Petition, *Rollo*, Vol. I, p. 83.

¹⁴ *Id.*, pp. 83-85.

¹⁵ *Id.*, p. 85.

¹⁶ *Id.*, p. 86.

¹⁷ *Id.*, pp. 88-89.

¹⁸ *Id.*, p. 92.

¹⁹ *Id.*, pp. 90-91.

²⁰ *Id.*, p. 103.

²¹ *Supra* note 1.

²² *Supra* note 1 at p. 68.

²³ *Supra* note 1 at p. 70.

²⁴ *Supra* note 1 at p. 72.

²⁵ *Supra* note 1 at p. 72.

²⁶ Petition for Review, *Rollo*, Vol. I, p. 21.

²⁷ *Id.*, pp. 21-22.

²⁸ *Id.*, p. 22.

²⁹ *Id.*, p. 22.

³⁰ *Id.*, p. 22.

³¹ *Office of the Ombudsman v. Loving F. Fetalvero, Jr.*, G.R. No. 211450, July 23, 2018, 836 Phil. 557, quoting *De Jesus v. Guerrero III*, 614 Phil. 520, 528-529 (2009).

³² Decision dated September 12, 2024 of the Office of the Ombudsman, Annex "A" in the Petition, *Rollo*, Vol. I, p. 62.

³³ *Id.*, p. 60.

³⁴ *Id.*, p. 61.

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³⁵ *Id.*, p. 61.

³⁶ *Domingo v. CSC and Manalo*, G.R. No. 236050, June 17, 2020, citing *Office of the Ombudsman-Visayas v. Castro*, 759 Phil. 68, 79 (2015).

³⁷ *Domingo v. CSC and Manalo*, G.R. No. 236050, June 17, 2020, citing *Catipon v. Japson*, 761 Phil. 205, 221-222 (2015).

³⁸ Decision dated September 12, 2024 of the Office of the Ombudsman, Annex "A" in the Petition, *Rollo*, Vol. I, p. 70.

³⁹ *Zambrano v. Philippine Carpet Manufacturing Co.*, G.R. No. 224099, June 21, 2017.

⁴⁰ *Bank of Commerce v. Marilyn Nite*, G.R. No. 211535, July 22, 2015.

⁴¹ Decision dated September 12, 2024 of the Office of the Ombudsman, Annex "A" in the Petition, *Rollo*, Vol. I, p. 70.

⁴² G.R. No. 250344, April 28, 2021 (Notice).

⁴³ *Id.*

⁴⁴ *Valderas v. Sulse*, G.R. No. 205659, March 9, 2022.

⁴⁵ *Id.*

⁴⁶ *Id.*

⁴⁷ *Id.*

⁴⁸ Decision dated September 12, 2024 of the Office of the Ombudsman, Annex "A" in the Petition, *Rollo*, Vol. I, p. 72.

⁴⁹ Encarnacion's Complaint, *Rollo*, Vol. III, pp. 838.

⁵⁰ *Valderas v. Sulse*, G.R. No. 205659, March 9, 2022.