

January 28, 1998

MEMORANDUM NO. 11
Series of 1998

T O: Dr. Justiniano L. Seroy 1/30/98 *Shud*
Prof. Climaco D. Espina 1/30/98 *X*
Prof. Jacob Glenn F. Jansalin 1/30/98 *OK*
Ms. Roberta C. Lemos 1/30 *OK*
Mr. Simeon P. Sedrome 1/30 *OK*


R E: Fact-Finding Investigation

With Dr. Justiniano L. Seroy as Chairman and Mr. Simeon P. Sedrome as Secretary, please constitute yourselves into a committee to determine whether there is a prima facie evidence against Dr. Jose Bacusmo and Ms. Ma. Cristina Ramirez for withdrawing the amount of \$1,500 from PRCRTC Dollar Account No. 011-095-87 and other issues as reflected in Memorandum No. 105, s. 1997.

Attached is a copy of Memorandum No. 105, s. 1997 and the answer of Dr. Jose Bacusmo and Ms. Ma. Cristina Ramirez.

Please submit your report and recommendation not later than February 28, 1998.

For compliance.


SAMUEL S. GO
President

November 10, 1997

MEMORANDUM NO. 105
Series of 1997

T O: Dr. Jose L. Bacusmo
Ms. Myrna Ramirez

R E: Involvement in Business Transactions concerning PRCRTC PNB
Dollar Savings Account No. 011-95-87

During the Clarificatory Hearing held in Cebu City on November 6, 1997, Dr. Manuel K. Palomar manifested that Dr. Jose L. Bacusmo and Miss Myrna Ramirez actually withdraw the \$1,500.00 from PNB Ormoc City Branch Office. Dr. Manuel K. Palomar further alleged that the said amount was subsequently deposited in a PNB Time Deposit opened by Dr. Jose L. Bacusmo and Miss Myrna Ramirez. Dr. Palomar presented documents to support his allegation.

In view of the foregoing information you are hereby required to answer within 72 hours upon receipt of this Memorandum why you should not be formally investigated for:

1. Withdrawing government funds from an authorized PNB Dollar Savings Account No. 011-95-87 without following government procedure especially the use of approved voucher before government funds can be withdrawn from the bank.
2. Opening a Time Deposit using government funds without the authority to do so from the ViSCA President.
3. Failure to report to the ViSCA Cashier and Accountant government funds under your custody for proper recording and accounting.

For immediate compliance.

[Signature]
SAMUEL S. GO
President *[Signature]* 11/10/97

November 27, 1997

DR. SAMUEL S. GO
President
ViSCA, Baybay, Leyte

Dear Pres. Go:

In compliance with your Memo No. 105 dated 10 November 1997, we are submitting herewith our instant explanations/justifications on the issues raised in said memorandum. May, we, however be allowed first to narrate as briefly as possible the following environmental milieu surrounding the existence of PRCRTC Dollar Account # 011-095-87, for the better understanding and perception of the matters at issue, viz:

1. Extant from ViSCA records, it appears that on 7 January 1985, in your capacity then as Vice President for Administration and Officer-In-charge, you authorized the Philippine Root Crop Research and Training Center through its Director Dr. Emiliana N. Bernardo to open a separate dollar account at the Philippine National Bank (PNB) of Ormoc City;
2. In 1987 or so, PRCRTC Dollar Account # 011-095-87 in the name of Dr. Manuel K. Palomar and Ms. Anabella T. Bautista was opened at the same PNB branch, Ormoc City. Under what circumstances this particular dollar account came to exist, we are bereft of any personal knowledge;
3. On 1 October 1991, at the behest of Dr. M. K. Palomar and Ms. A. T. Bautista, we accompanied them to PNB Ormoc City, under the belief that the very purpose was about the transfer of signatories of the said PRCRTC dollar account, it appearing that Dr. M. K. Palomar and Ms. A. T. Bautista then were outgoing officers and concomitantly we have to step into their shoes as Director and Administrative Officer, respectively;
4. At the bank, it was only Ms. A. T. Bautista who personally transacted with the bank tellers, handed to us the various forms and eventually requested us to affix our respective signatures, a task of which Ms. A. T. Bautista explained to us as needed to effect a transfer of said signatories appertaining to the dollar account in issue;
5. Thus, on 1 October 1991, Dollar Account No. 700227-2 in the name of PRCRTC by Dr. J. L. Bacusmo and Ms. Maria Cristina U. Ramirez existed and this did not give us any surprise and chagrin believing it formed part and parcel of the purpose above stated;
6. It bears stating here that we were not possessed of any personal knowledge of any variations or purpose of the said transactions with the said bank except that to our firm belief it was all about the change in the signatories affecting the dollar account in issue;

7. Sometime in 1995 or so, we came to know for the first time of an actual withdrawal in the sum of \$ 1,500.00 from the dollar account of Dr. M. K. Palomar and Ms. A. T. Bautista and definitely it was Ms. A. T. Bautista who can sufficiently explain and justify, as the withdrawal slip was requested by the latter on 1 October 1991 and we were merely requested to sign the said withdrawal slip;
8. Stress is laid here that not a single cent of the amount withdrawn ever went to our personal use or benefit, and neither is ViSCA prejudiced for said withdrawal.

As to the first issue re: Withdrawing government funds from an authorized PNB Dollar Savings Account No. 011-09-87 without following government procedure especially the use of approved voucher before governments funds can be withdrawn from the bank.

With due respect, respondents did not commit the act of illegal withdrawal of government funds, and therefore prima facie-evidence-wise, the same is evidently absent as against them, therefore subjecting them to an investigation is devoid of any legal and factual basis. As narrated in the factual backdrop, they were only made to sign on various documents by Ms. A. T. Bautista with them believing those were nothing but requirements for the change in the signatories respective to the dollar account in dispute, one of the said documents refers to withdrawal of the sum \$ 1,500.00. Otherwise stated, they acted with utmost good faith, fully unaware of any flaw or defect in signing the withdrawal slip, firmly believing it was a part of the main purpose. Furthermore, they did not withdraw same at their own volition and in fact it was not withdrawn from the account which was in their name but that of Dr. M. K. Palomar and Ms. A. T. Bautista. For the bank to effect withdrawal by Dr. J. L. Bacusmo and Ms. M. C. U. Ramirez from an account in which Dr. M. K. Palomar and Ms. A. T. Bautista are the depositors and signatories is highly irregular unless, an authorization was given by the depositors. In this case, it was one of the depositors/signatories who presented the withdrawal slip to the bank teller. As such, the transaction carry in force a withdrawal by the depositors hence the depositors are still accountable for the withdrawn amount.

Besides, in October 1991, they were without knowledge as to the ownership of the money, whether ViSCA, the National government or the very person or agency who sent the money. It is worthwhile stating that the PRCRTC dollar account as of the time of its transaction was not yet listed in the agency books, in the same manner that deposits thereto were also not duly acknowledged with an official receipt by an authorized collecting officer as required under the Government Auditing Code.

As to the second issue, re: Opening a time deposit using government funds without the authority to do so from the ViSCA President.

As above alluded to, the undersigned having signed the various documents at the behest of Ms. A. T. Bautista obsessed with an honest intention and devoid of any malice whatsoever, apropos were never aware that by signing the same, it would lead to opening a new dollar account as well as time deposit. Although they are the present signatories of Certificate of Time Deposit # 699446, they nevertheless cannot recall of having opened such account.

Granting arguendo that they opened the deposit and the withdrawal of \$ 1,500.00 from Dollar Savings Account # 011-95-87 was used to open the time deposit, nevertheless, it appears beyond comprehension and understanding how the time deposit started with \$ 5,000.00 unless the undersigned will lay personal claim to \$ 3,500.00 but of which undersigned have no ill motive of doing so. One can simply lay a conjecture that the same time deposit has been existing prior to 1991 and that supposedly the withdrawn amount was merely added to the deposit of an existing Time Deposit. Clearly, by this process of reasoning, it would stand to reason that the said time deposit was opened by parties other than the present signatories.

As to the third issue, re: Failure to report to the ViSCA Cashier and Accountant governments funds under custody for proper recording and accounting.

Again, with due respect, undersigned cannot be held liable for the alleged failure to report the fund in issue to ViSCA Cashier and to the government accountant.

Firstly, serving as basis the issuance of an authority in 1985 for PRCRTC through Dr. E. N. Bernardo to open a separate dollar account at PNB, Ormoc City, it can be legally inferred that the opening of the dollar account in controversy carries the sanction and authority of the College. Thus, the reason for the undersigned in not actually reporting at least with dispatch and celebrity the existence of the funds.

Secondly, undersigned Dr. J. L. Bacusmo nevertheless was laboring the belief on the legality of the opening of the PRCRTC dollar account. He exerted efforts to locate the authorization issued by you from the PRCRTC Director's file but proved unavailing;

Thirdly, under the same tenets of good faith and bouyed by his duties of exercising at highest level of preserving and protecting the fund at issue, he nevertheless voluntarily took the cudgel of reporting the matter to Auditor Salvador Paril to have the account finally listed in the Agency Books, which information, in turn paved a way for COA to include in its report in 1992 the existence of PRCRTC dollar accounts.

Dr. J. L. Bacusmo and Ms. M. C. U. Ramirez' report also resulted in the opening of investigations and uncovering of the dollar time deposit under PRCRTC. This could be the reason why the Santiago Committee did not find the existence of a probable cause against them for any violation. Good faith thus on their part was well considered by the Ad Hoc Committee.

Fourthly, above stated acts of the herein undersigned, Dr. J. L. Bacusmo, in no uncertain terms clearly demonstrate of his interest above per se to protect the interest of the government, and of which the latter suffered no damage.

Fifthly, for the undersigned to be dragged into the quagmire of any investigation on the matter finds no legal foundation, not to mention to cause a slur on the prestige and honor in their capacity as government employees.

5

We most respectfully petition that our instant explanations/justifications be given due course, in the process, sparing us of any investigative process on the issues brought to fore.

We further pray for such relief which is just and proper in the circumstances.

Respectfully submitted,


DR. JOSE L. BACUSMO

Res. Cert. 1090929 E

01-2-97, Baybay Leyte


MARIA CRISTINA U. RAMIREZ


Res. Cert. No. 1146076 E

Baybay, Leyte

March 14, 1997

SUBSCRIBED AND SWORN to before this 28 day of DECEMBER 1997 at Baybay Leyte, Philippines. Affiants exhibited to me their respective Cpm. Taxes Nos. written below their names.

Doc No. 141
Page No. 59
Book No. 42
Series Of 1997


AVELINO DECENA NY
NOTARY PUBLIC
Until December 31, 1997
P. T. R. 3685449
January 8, 1997
Baybay Leyte