

SECOND DIVISION

[G.R. No. 97945. October 8, 1998]

PRIME MARINE SERVICES, INC., *petitioner*, vs. NATIONAL LABOR RELATIONS COMMISSION, PHILIPPINE OVERSEAS EMPLOYMENT ADMINISTRATION, R & R MANAGEMENT SERVICES INTERNATIONAL, and NAPOLEON CANUT, *respondents*.

D E C I S I O N

MENDOZA, J.:

This is a petition for *certiorari* to set aside the decision, dated February 21, 1991, of the National Labor Relations Commission, dismissing the appeal of petitioner Prime Marine Services, Inc. from the decision of the Philippine Overseas Employment Administration in POEA Case No. (L) 88-10-850, as well as the resolution, dated March 26, 1991, of the NLRC, denying reconsideration.

Private respondent Napoleon Canut was recruited to work as a Tug Master for Arabian Gulf Mechanical Services and Contracting Co., Ltd. (Arabian Gulf) by R & R Management Services International (R & R Management) for a period of 18 months, commencing June 15, 1988. Private respondents employment was, however, preterminated allegedly on the ground that he was incompetent. He was repatriated to the Philippines on September 26, 1988.^{i[1]}

When private respondent reviewed his employment papers, he discovered that while R & R Management had acted as recruitment agency in processing his application, it was actually petitioner Prime Marine Services, Inc., as deployment agent, which had processed his papers and facilitated his going abroad. Further investigation showed that R & R Management was not licensed to recruit workers for overseas employment. Accordingly, private respondent filed a complaint before the Philippine Overseas Employment Agency for illegal dismissal, underpayment of salaries, and recruitment violations against petitioner, R & R Management, and Arabian Gulf.^{ii[2]}

Petitioner denied that there was any employer-employee relationship between it and private respondent. It pointed out that private respondent admitted he had applied with and paid his placement fee to R & R Management. Petitioner likewise denied that it had any part in the processing of private respondents papers and argued that only Arabian Gulf and R & R Management should be held liable to private respondent. For this reason, petitioner filed a cross-claim against R & R Management seeking reimbursement for any amount which petitioner may be held liable for to private respondent.^{iii[3]}

R & R Management, on the other hand, averred that it referred private respondent to petitioner in order for the latter to facilitate private respondents employment abroad and

consequently worked in conjunction with petitioner in processing private respondents deployment.^{iv[4]}

On October 13, 1989, Deputy Administrator Cresencio M. Siddayao of the POEA rendered a decision disposing of the case as follows:

WHEREFORE, in view of the foregoing, Prime Marine Services, Inc., R & R Management Services, Intl and Arabian Gulf Mechanical Services and Contracting Co. Ltd., are hereby ordered, jointly and severally, to pay complainant the following in Philippines Currency at the prevailing rate of exchange at the time of payment:

SR 33,750.00 - representing salaries for the unexpired portion of the contract for 15 months at SR 2,250.00 a month;

350.00 - representing salary differential;

5% percent Attorneys fees of the award.

Furthermore, R & R Management Services International is referred to the Anti-illegal Recruitment Branch of this Office for appropriate action.

Finally, the cross claim of Prime Marine Services, Inc. against R & R Management Services International is dismissed for lack of merit.

SO ORDERED.

Petitioner filed a motion for reconsideration with the National Labor Relations Commission which the latter treated as an appeal. In its decision, dated February 21, 1991, the NLRC affirmed *in toto* the POEAs decision. On March 26, 1991, it denied petitioners motion for reconsideration. Hence, this petition containing the following assignment of errors:

- I. Public respondent NLRC and/or POEA committed grave abuse of discretion when they ignored existing jurisprudence.
- II. Dismissal of the cross-claim (against private respondent R & R Management) constitutes also grave abuse of discretion.

As to its first assignment of error, petitioner contends that the ruling of the NLRC goes against this Courts decision in *Ilas v. NLRC*.^{v[5]}

The contention has no merit. The case of *Ilas* simply held that a recruitment agency cannot be found liable for unpaid wages and other claims of overseas workers who have been recruited by its agent without its knowledge and consent. The Courts ruling denying liability against the recruitment agency (All Seasons Manpower International Services) was based on the following factual findings of the POEA and the NLRC, which the Court affirmed:

All evidence indicate that private respondent [All Seasons Manpower International Services] cannot be held liable for the claims of petitioners.

Firstly, petitioners applied for overseas deployment with CBT/Shiek International through spouses Francisco and Corazon Ngoho, Eddie Sumaway and Erlinda Espeno. They never transacted their business with the office of private respondent.

Secondly, when they worked at Doha, Qatar, their employer was CBT/Shiek International who failed to pay their wages.

Thirdly, in the TEPS provided by Espeno to enable them to travel, it was made to appear that private respondent was their agency/contractor of petitioners and Yacoub Trading Est. is their foreign employer. They were signed by petitioners knowing that private respondent was not their recruiter. Apparently, Espeno conspired with petitioners and Ngoho to enable petitioners to travel to the Middle East, ostensibly under the name of private respondent as agent/recruiter.

Fourthly, it turned out that petitioners were recruited for Mabeco Trading and Contracting Establishment, as the foreign principal and not Yacoub Trading Est., which is the principal of private respondent.

Fifthly, in the very compliant filed by petitioners against private respondent they admitted that they applied for overseas employment with the CBT/Shiek International under the management of the Ngohos.^{vi[6]}

In contrast, both the POEA and the NLRC found that petitioner and R & R Management acted jointly in recruiting and deploying private respondent abroad, to wit:

This contention cannot be sustained. *The records show that while complainant applied with respondent R & R, he was however deployed by herein movant Prime Marine and this was not rebutted during the proceedings below.* Consequently, We find no sufficient reason to disturb the questioned decision. We, therefore, quote with approval and adopt as Our own the following findings of the POEA Deputy Administrator.

We find respondent R & R and prime Marine jointly and severally liable with complainants foreign employer, Arabian Gulf Mechanical Services and Contracting Co. Ltd. R & R is the recruiting agency while Prime Marine is the deploying agency. *Complainant alleged that he applied with R & R and the latter admitted that it has facilitated and contributed efforts in conjunction with Prime Marine in sending the applicant complainant abroad under a contract. Prime Marine did not rebut this allegation. It did not even explain or touch on the matter why it appeared as the deploying agent in the Crew Agreement exhibited by complainant.* The foregoing leads us to the inevitable conclusion that there is a collusion between R & R and Prime Marine with respect to complainants application and deployment. Thus, its cross claim against

R & R must necessarily fail because it is held jointly and severally liable with R & R and the foreign employer.^{vii[7]}

Although petitioner denied before the POEA and the NLRC any part in the processing of private respondents papers, it now admits that its general manager after all took part in the deployment of private respondent. However, it claims that its general manager was not authorized to do so and that she was in collusion with private respondent.^{viii[8]}

It is sufficient in order to dispose of this new contention to say that factual findings of administrative agencies are generally held to be binding and even final so long as they are supported by substantial evidence in the record of the case.^{ix[9]} This is especially so where, as here, the agency and a subordinate one which heard the case in the first instance are in full agreement as to the facts.^{x[10]} This rule was, in fact, reiterated in the *//as* case which petitioner invokes:

No rule is more settled than that this Court is not a trier of facts and that the findings of facts of administrative bodies, as public respondent, shall not be disturbed on appeal unless it is shown that it committed a grave abuse of discretion or otherwise acted without jurisdiction or in excess of its jurisdiction. In this case, petitioners failed to discharge their burden to warrant a departure from this rule.^{xi[11]}

It should be pointed out that petitioner belatedly claims that its general manager acted without authority and in collusion with private respondent apparently to bring this case within the ambit of *//as* which held that a recruitment agency is not liable for the unauthorized acts of its agents. This transparent effort to make the present case fit the ruling in *//as* is done without specifying the alleged evidence supporting such claim of collusion. Neither does petitioner even attempt to controvert the express finding of both the POEA and the NLRC that it failed to rebut R & R Managements allegation that both of these firms jointly processed private respondents employment.

As to petitioners second assignment of error, such should be dismissed as its solidary liability with R & R Management and Arabian Gulf for private respondents claims is founded on the fact that both petitioner and R & R Management, and not the latter alone, processed private respondents recruitment and deployment abroad.

There is no question that a private manning agency, such as petitioner, can be held liable for private respondents claims. The Rules and Regulations of the POEA expressly provide that every applicant seeking a license or authority to operate a private employment, recruitment, or manning agency must submit, among others:

d. A verified undertaking stating that the applicant:

. . . .

(3) shall assume joint and solidary liability with the employer for all claims and liabilities which may arise in connection with the implementation of the contract of employment;^{xii[12]}

WHEREFORE, the petition is DISMISSED.

SO ORDERED.

Regalado, Acting C.J., (Chairman), Melo, Puno, and Martinez, JJ., concur.

^{i[1]} *Rollo*, p. 13.

^{ii[2]} *Ibid.*

^{iii[3]} *Rollo*, p. 14.

^{iv[4]} *Ibid.*

^{v[5]} 193 SCRA 682 (1991).

^{vi[6]} *Id.*, p. 685.

^{vii[7]} *Rollo*, pp. 15 & 21 (Italics added).

^{viii[8]} *Id.*, p. 6.

^{ix[9]} *International Container Terminal Services, Inc. v. NLRC*, 256 SCRA 124 (1996).

^{x[10]} *Belaunzaran v. NLRC*, 265 SCRA 800 (1996).

^{xi[11]} 193 SCRA 682, 684-685 (1991).

^{xii[12]} Philippine Overseas Employment Administration Rules and Regulations, Bk. II, Rule II, 1 d(3)(1985); now Bk. II, Rule II, 1 f(3) of the Rules and Regulations Governing Overseas Employment as Amended (1991).