

Republic of the Philippines
Supreme Court
Manila

SECOND DIVISION

**LNS INTERNATIONAL
MANPOWER SERVICES,**
Petitioner,

G.R. No. 179792

Present:

- versus -

CARPIO, *J.*, *Chairperson,*
BRION,
DEL CASTILLO,
ABAD, *and*
PEREZ, *JJ.*

ARMANDO C. PADUA, JR.,
Respondent.

Promulgated:
March 5, 2010

X ----- X

DECISION

DEL CASTILLO, J.:

Bare and unsubstantiated allegations do not constitute substantial evidence and have no probative value.

This petition for review on *certiorari*^[1] assails the Decision^[2] dated November 30, 2006 of the Court of Appeals (CA) in CA-G.R. SP No. 90526, which affirmed the Order^[3] dated October 16, 2004 of the Department of Labor and Employment (DOLE), which in turn affirmed the Order^[4] dated April 28, 2004 of the Philippine Overseas Employment Administration (POEA), which held petitioner LNS International Manpower Services (LNS) liable for misrepresentation and non-issuance of official

receipt. Also assailed is the CA Resolution dated September 12, 2007^[5] which denied the motion for reconsideration.

Factual Antecedents

On January 6, 2003, respondent Armando C. Padua, Jr. (Padua) filed a Sworn Statement^[6] before the Adjudication Office of the POEA against LNS and Sharikat Al Saedi International Manpower (Sharikat) for violation of Section 2(b), (d), and (e) of Rule I, Part VI of the 2002 POEA Rules and Regulations Governing the Recruitment and Employment of Land-based Overseas Workers which provides:

Section 2. Grounds for imposition of administrative sanctions:

x x x x

b. Charging or accepting directly or indirectly any amount greater than that of specified in the schedule of allowable fees prescribed by the Secretary, or making a worker pay any amount greater than that actually received by him as a loan or advance;

x x x x

d. Collecting any fee from a worker without issuing the appropriate receipt clearly showing the amount paid and the purpose for which payment was made;

e. Engaging in act/s of misrepresentation in connection with recruitment and placement of workers, such as furnishing or publishing any false notice, information or document in relation to recruitment or employment;

x x x x

Padua alleged that on July 12, 2002, he applied as auto electrician with petitioner LNS and was assured of a job in Saudi Arabia. He paid LNS the amounts of P15,000.00 as processing fees, P6,000.00 for medical expenses, and P1,000.00 for trade test, but he was not issued the corresponding receipts. He further alleged that he signed an employment contract with LNS as a body builder with a monthly salary of US\$370.00.

Padua further alleged that it was another agency, Sharikat, which processed his papers and eventually deployed him on September 29, 2002 to Saudi Arabia. However,

he returned to the Philippines on December 23, 2002 because he was not allegedly paid his salaries and also because of violations in the terms and conditions of his employment contract.

LNS and Sharikat filed their respective Answers.

In its Verified Answer,^[7] LNS averred that it is a sole proprietorship owned and managed by Ludevina E. Casabuena. It admitted that Padua applied for employment abroad but he withdrew all the documents he submitted to LNS on July 27, 2002. As proof, LNS attached the withdrawal letter duly signed by Padua.

LNS alleged that it did not know that Padua applied with Sharikat or that he was eventually deployed by the latter to Saudi Arabia. LNS denied that it endorsed Padua's application papers to Sharikat. LNS claimed that after Padua withdrew his documents, it no longer had any knowledge whether he applied with another employment agency. LNS insisted that the contract of employment submitted by Padua to the POEA clearly indicated that the same was only between him and Sharikat and not LNS.

Thus, LNS claimed that it could not be held liable for non-issuance of receipt or misrepresentation.

For its part, Sharikat admitted that it processed Padua's papers for employment in Saudi Arabia.^[8] However, it argued that it cannot be held liable for any alleged violation of labor standards because its principal in Saudi Arabia faithfully complied with the terms and conditions of Padua's employment.^[9] Sharikat also argued that Padua's contentions are vague and unsubstantiated and deserve no probative weight at all. Aside from his bare allegations, Padua did not present evidence to show that he was not paid his salaries or that he was illegally dismissed.^[10]

In his Reply to Answer of LNS,^[11] Padua admitted signing the withdrawal letter but alleged that he did not actually receive the documents because he was made to understand that the same would be endorsed to Sharikat.

Ruling of POEA

On April 28, 2004, the POEA issued its Order finding LNS liable for non-issuance of receipt and misrepresentation. As to Sharikat, the POEA found no sufficient evidence to hold it liable for the violations charged. The dispositive portion of the said Order reads:

WHEREFORE, premises considered, We find and so hold respondent LNS International liable for violation of Section 2(d) Rule 1, part VI of the 2002 POEA Rules and Regulations and the penalty of Four (4) months suspension or fine of P40,000.00 is hereby imposed, being its first offense and for violation of Section 2(e) Rule 1, part VI of the 2002 POEA Rules and Regulations, the penalty of Eight (8) months suspension or fine of P80,000.00 is hereby imposed, being its second offense.

The charges against SHARIKAT AL SAIDI INTERNATIONAL MANPOWER are hereby dismissed for insufficiency of evidence.

SO ORDERED. ^[12]

Ruling of the Secretary of DOLE

Only LNS filed its Appeal Memorandum with the DOLE. ^[13] Padua did not appeal from the said POEA Order absolving Sharikat from any liability. Hence, the same is already deemed final as against Sharikat.

On December 16, 2004, the DOLE dismissed the appeal of petitioner and affirmed the ruling of the POEA. The decretal portion of the Order reads:

WHEREFORE, the Appeal, herein treated as Petition for Review, filed by L.N.S. International Manpower Services is hereby **DISMISSED** for lack of merit. The Order dated April 28, 2004 of the POEA Administrator, finding petitioner liable for violation of Section 2 (d) and (e), Rule I, Part VI of the POEA Rules and Regulations, and imposing upon it the penalty of suspension of license for a period of twelve (12) months or, in lieu thereof, the payment of fine in the amount of One Hundred Twenty Thousand Pesos (P120,000.00), is **AFFIRMED**.

SO ORDERED. ^[14]

Petitioner moved for reconsideration, but the motion was denied for lack of merit in an Order dated May 12, 2005. ^[15]

Ruling of the Court of Appeals

Aggrieved, petitioner filed with the CA a petition for *certiorari* but it was dismissed in its November 30, 2006 Decision. The CA opined that the affirmative assertion of respondent that he paid petitioner a placement fee is entitled to great weight than the bare denials of petitioner; and, that respondent was made to believe that petitioner would be solely responsible for the processing of his employment abroad.

Petitioner filed a Motion for Reconsideration which was denied by the CA in its Resolution dated September 12, 2007.

Issue

The lone issue in this petition for review on *certiorari* is whether petitioner is liable for non-issuance of receipt and misrepresentation.

Petitioner contends that the CA gravely abused its discretion in giving credence to respondent's claims which were all anchored on bare allegations. According to petitioner, the CA erred in ruling that its defense is purely denial since the same was corroborated by a document indubitably showing respondent's withdrawal of his application for overseas employment. Considering such withdrawal, petitioner is naturally not bound to issue any receipt and could not as well be responsible for the recruitment of respondent. Petitioner likewise asserts that it never asked or received any payment from the respondent.

Our Ruling

We grant the petition.

As a general rule, factual findings of administrative and quasi-judicial agencies specializing in their respective fields, especially when affirmed by the CA, must be accorded high respect, if not finality.^[16] However, we are not bound to adhere to the general rule if we find that the factual findings do not conform to the evidence on record or are not supported by substantial evidence,^[17] as in the instant case.

The self-serving and unsubstantiated allegations of respondent cannot defeat the concrete evidence submitted by petitioner. We note that respondent did not deny the due

execution of the withdrawal form as well as the genuineness of his signature and thumb mark affixed therein. On the contrary, he admitted signing the same. When he voluntarily signed the document, respondent is bound by the terms stipulated therein.^[18]

We are not persuaded by respondent's contention that he signed the withdrawal form upon representations by LNS that it would endorse his papers to Sharikat. This really makes no sense at all. Why would LNS allow Padua to withdraw his application papers, and even go through the process of making him execute a withdrawal form, if its ultimate intention is to endorse the said papers to Sharikat? If respondent's allegation is to be believed, why then would LNS relinquish its possession over said documents if it will refer them anyway to Sharikat?

Moreover, we are inclined to give more evidentiary weight to the allegation of petitioner that it did not receive any amount from the respondent. This conclusion is more logical considering that it has been duly established that respondent had withdrawn all his documents from LNS. Having withdrawn said documents, there is no more reason for him to pay any fees to LNS. In his Sworn Statement filed before the POEA, respondent alleged that he paid the P15,000.00 processing fees and P6,000.00 medical fees to LNS sometime in August, 2002. This self-serving and unsubstantiated allegation deserves no credence at all considering that even before August, 2002, respondent had already withdrawn his documents from LNS. It has not escaped our notice that the withdrawal form was dated and signed by respondent on July 27, 2002. As such, after said date, there is no more reason for respondent to pay any fees to LNS. Hence, we are not convinced or persuaded by respondent's allegation that he still paid LNS in August 2002 after having withdrawn his documents on July 27, 2002.

There is likewise no basis for the POEA, DOLE, and the CA's conclusion that it was petitioner that endorsed respondent's documents to Sharikat. Other than respondent's self-serving claim, there is no proof whatsoever that petitioner endorsed respondent's application papers to Sharikat. Bare allegations which are not supported by any evidence, documentary or otherwise, sufficient to support a claim, fall short to satisfy the degree of proof needed.^[19] On the other hand, petitioner's denial of these allegations was corroborated by the withdrawal form proffered as evidence, the existence and due execution of which were not disputed by respondent. In addition, if respondent's allegations were to be believed, we find it rather odd that LNS would require him to fill

up the withdrawal form if the intention of LNS was to endorse the papers to Sharikat. If LNS allowed respondent to withdraw all his documents, then there is nothing left for LNS to endorse to Sharikat.

No evidence whatsoever was adduced that LNS was acting as a conduit of Sharikat. Likewise, there is no evidence, other than respondent's unsubstantiated claim, that petitioner endorsed his application to Sharikat. On the contrary, this was belied by the withdrawal letter the existence of which was not even denied by the respondent. In fact, he admitted its due execution and his signature which appeared thereon. There is also no denying that respondent was deployed to Saudi Arabia. In fact, Sharikat admitted in its Answer that it was the one responsible for respondent's deployment to Saudi Arabia. From the foregoing, it is more logical that it was Sharikat to whom respondent eventually paid the corresponding fees. However, for failure to interpose any appeal from the judgment of the POEA insofar as it absolved Sharikat, respondent is thereby bound by it and is considered final as to him.^[20]

In fine, for failure to adduce any shred of evidence of payment made to petitioner, or that petitioner referred or endorsed respondent for employment abroad to another agency, the charges of non-issuance of receipt and misrepresentation against petitioner could not possibly prosper. By the voluntary withdrawal of respondent's application from petitioner, the latter could not have been involved in the recruitment and placement of respondent and consequently could not be held liable for any violation.

WHEREFORE, the petition is **GRANTED**. The Decision of the Court of Appeals in CA-G.R. SP No. 90526 dated November 30, 2006, and its Resolution dated September 12, 2007, are **REVERSED** and **SET ASIDE**. The complaint against petitioner LNS International Manpower Services is hereby **DISMISSED** for lack of merit. Accordingly, the amounts of P40,000.00 and P80,000.00 representing petitioner's appeal bond are ordered **REFUNDED**.

SO ORDERED.

MARIANO C. DEL CASTILLO
Associate Justice

WE CONCUR:

ANTONIO T. CARPIO

Associate Justice

Chairperson

ARTURO D. BRION

Associate Justice

ROBERTO A. ABAD

Associate Justice

JOSE P. PEREZ

Associate Justice

ATTESTATION

I attest that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

ANTONIO T. CARPIO

Associate Justice

Chairperson, Second Division

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution, and the Division Chairperson's attestation, it is hereby certified that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

REYNATO S. PUNO
Chief Justice

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- [1] *Rollo*, pp. 8-25.
- [2] *Id.* at 29-39; penned by Associate Justice Portia Aliño-Hormachuelos and concurred in by Associate Justices Amelita G. Tolentino and Arcangelita Romilla-Lontok.
- [3] *CA rollo*, pp.55-58.
- [4] *Id.* at 37-41.
- [5] *Rollo*, p. 41.
- [6] *CA rollo*, pp. 19-20.
- [7] *Id.* at 21-25.
- [8] *Id.* at 27.
- [9] *Id.* at 28.
- [10] *Id.*
- [11] *Id.* at 30-32.
- [12] *Id.* at 41.
- [13] *Id.* at 42-52.
- [14] *Id.* at 58.
- [15] *Id.* at 66-68.
- [16] *V.V. Aldaba Engineering v. Ministry of Labor and Employment*, G.R. No. 76925, September 26, 1994, 237 SCRA 31, 38-39.
- [17] *Pleyto v. Philippine National Police Criminal Investigation and Detection Group (PNP-CIDG)*, G.R. No. 169982, November 23, 2007, 538 SCRA 534, 554-555.
- [18] *Camacho v. Court of Appeals*, G.R. No. 127520, February 9, 2007, 515 SCRA 242, 261.
- [19] *Cuizon v. Court of Appeals*, 329 Phil. 456, 483 (1996).
- [20] *Pison-Arceo Agricultural and Development Corp. v. National Labor Relations Commission*, 344 Phil. 723, 736 (1997).