



17-458

**ABELLA, Lilian D.**

Re: Willful Failure to Pay Just Debts  
D1120003417

X-----X

## NOTICE OF DECISION

Sir/Madam:

This Regional Office promulgated on November 22, 2017, **Decision No. 2017-65** on the above entitled case, copy attached.

Please inform this Office as to the date of your receipt of this Decision within five (5) days from such receipt.

November 22, 2017.

Very truly yours,

  
**ANNABELLE B. ROSELL**  
Director IV

Served on:

**LILIAN D. ABELLA**  
Person complained of  
Provincial Health Office  
Provincial Government of Davao del Sur  
8002 Matti, Digos City, Davao del Sur

Copy Furnished:

**ENGR. CONSTANCIO L. RABAYA JR.**  
Complainant  
DIMAVEMC  
Magsaysay corner Luna St., Zone 3  
8002 Digos City, Davao del Sur

**HON. DOUGLAS R.A. CAGAS**  
Governor  
Provincial Government of Davao del Sur  
8002 Digos City, Davao del Sur

**DIRECTOR MARIA LETICIA G. REYNA**  
Integrated Records Management Office  
Diliman, 1126 Quezon City

**ATTY. ARIEL G. RONQUILLO**  
Assistant Commissioner  
Office of the Legal Affairs  
Civil Service Commission  
Diliman, 1126 Quezon City

LSD: mceem/sol  
11-21-17  
DECISION: ABELLA, Lilian D.\_complaint

marked  
11.27.17  
epw

**Bawat Kawani, Lingkod Bayani**



**ABELLA, Lilian D.**

Re: Willful Failure to Pay Just Debts

D1120003417

X-----X

**Number: 2017-65**

**Promulgated: November 22, 2017**

### DECISION

Digos Market Vendors Multi-Purpose Cooperative (DIMAVEMC) with office address at Magsaysay corner Luna Street, Zone 3, Digos City, Davao del Sur represented by its General Manager, Engr. Constancio L. Rabaya Jr. filed a sworn complaint against Ms. Lilian D. Abella, an employee of the Provincial Health Office, Provincial Government of Davao del Sur, Mati, Digos City, for Willful Failure to Pay Just Debts.

Pertinent portions of the sworn complaint state, as follows:

x x x

*“3. Respondent obtained loans from complainant which, until date has an outstanding unpaid balance of P46,311.20 as reflected in the demand letter, a copy of which is hereto attached as Annex “B” and made part of this complaint.*

*“4. Said demand letter (Annex “B”) was received by respondent on July 13, 2017.*

*“5. Respondent refused and continues to refuse to pay the said indebtedness.”*

x x x

On 3 October 2017, this Office ordered Ms. Lilian D. Abella to submit her counter-affidavit/comment under oath.

On 30 October 2017, Ms. Abella submitted her Answer to this Office and claimed that:

1. *She owes DIMAVEMC the amount of PHP46,311.20;*
2. *She partially paid her indebtedness amounting to PHP15,247.49;*
3. *She had financial difficulties lately due to personal reasons which affected her monthly amortization to DIMAVEMC; and*
4. *She has no intention to stop paying her loan obligation as she continues repaying her monthly amortization.*

The issue in this investigation is whether a *prima facie* case exists to warrant the issuance of a formal charge against Ms. Abella.

At the outset, the complaint against Ms. Abella is predicated on her indebtedness to DIMAVEMC and her alleged unjust refusal to pay it. The act complained of is purely personal on the part of the complainant and the person complained of and there is no showing of injury committed to the government.

“Just debts” is defined as including: (1) claims adjudicated by a court of law; or (2) claims the existence and justness of which are admitted by the debtor. Since the person

**Bawat Kawani, Lingkod Bayani**



complained of acknowledges the existence of the debt, the issue now centers on whether there is willful failure to pay the said debt.

From the records of the case, it appears that Ms. Abella has made installment payment to her loan obligation to DIMAVEMC with the intention to pay continuously her monthly amortization. This shows performance of her responsibility and sincere effort to settle the loan, which negates any notion of willful refusal to pay her just debt.

Moreover, it is prudent to peruse the Memorandum of Agreement (MOA) that DIMAVEMC executed with the Provincial Government of Davao del Sur.

In the MOA, the Provincial Government of Davao del Sur, referred as Second Party, committed to assist in the collection of the amortization payments relative to the salary loan obtained by its employees. Pertinent portions of the MOA disclose as follows:

x x x

*"1. The SECOND PARTY shall strictly observe and follow the provisions embodied in the PROMISSORY NOTE AND DEED OF AGREEMENT;*

*2. The SECOND PARTY shall implement the payroll deduction scheme through its payroll clerks or other equivalent personnel;*

*3. All salary loan amortization deducted by the SECOND PARTY from the salaries of its concerned employees shall be remitted/paid to the FIRST PARTY in the form of one (1) check only payable to "DIGOS MARKET VENDORS MULTI-PURPOSE COOPERATIVE";"*

x x x

Based on the afore-quoted provisions of the MOA, it appears that the Provincial Government of Davao del Sur has the control over the payment of the salary loan obtained by its employees from the DIMAVEMC through a payroll deduction scheme. As the local government unit committed to perform the said obligation, the payment or non-payment of the loan is determined by its action. Thus, the failure to pay any of the amortization cannot be attributed to the employee-borrower since it is the local government unit who will deduct the same and monitor the capability of each employee to pay her or his loan.

Consequently, the administrative charge of willful failure to pay just debt is inexistent as the same is not dependent on the act of the employee-borrower but on the act of her employer, the Provincial Government of Davao del Sur. The proper remedy therefor is to litigate the case before the courts of justice.

Hence, a *prima facie* case against Ms. Lilian D. Abella is not established.

**WHEREFORE**, premises considered, the instant complaint of DIMAVEMC dated September 20, 2017 against Ms. Lilian D. Abella is hereby **DISMISSED** for lack of a *prima facie* case.

Davao City, Philippines

  
ANNABELLE B. ROSELL  
Director IV 