



Republic of the Philippines
Court of Appeals
Manila

FIRST (1st) DIVISION

PEOPLE OF THE CA-G.R. CR No. 44284
PHILIPPINES,

Plaintiff-Appellee, Members:

- versus -

Salazar-Fernando, R.A.,
Chairperson

Perez, P.A., and

Lauigan, R.R.R., JJ.

MAIA SANTOS-DEGUITO,
JOHN/JANE DOES A.K.A.
"MICHAEL FRANCISCO
CRUZ," "JESSIE
CHRISTOPHER M.
LAGROSAS," "ALFRED
SANTOS VERGARA," AND
"ENRICO TEODORO
VASQUEZ,"

Accused,

MAIA SANTOS DEGUITO,
ET AL.,

Accused-Appellant.

Promulgated:

February 6, 2023

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DECISION

Lauigan, J.

Before the Court is an appeal¹ filed by the accused-appellant, Maia Santos Deguito (Deguito), assailing the Joint Decision² dated 10 January 2019 of the Regional Trial Court of Makati City, Branch 149 (RTC) in Criminal Case Nos. R-MKT-17-02993-CR, R-MKT-17-02994-CR, R-MKT-17-02995-CR, R-MKT-17-02996-CR, R-MKT-17-02997-CR, R-MKT-17-02998-CR, R-MKT-17-

¹ *Rollo*, pp. 72-178

² *Id.* at 180-205

02999-CR, R-MKT-17-03000-CR and R-MKT-17-04107-CR, finding Deguito guilty beyond reasonable doubt of eight (8) counts of violation of Section 4 (f) of Republic Act (R.A.) No. 9160, also known as the Anti-Money Laundering Act of 2001, as amended by R.A. No. 10365.³

Likewise challenged is the Resolution⁴ dated 20 September 2019 of the RTC, denying the subsequent Motion for Reconsideration filed by Deguito.

THE ANTECEDENTS

Deguito, along with four (4) John Does alias “Michael Francisco Cruz” (Cruz), “Jessie Christopher M. Lagrosas” (Lagrosas), “Alfred Santos Vergara” (Vergara) and “Enrico Teodoro Vasquez” (Vasquez), were indicted for violation of Section 4 (f) of R.A. No. 9160, as amended, under the following Informations:⁵

“R-MKT-17-02993-CR”⁶

That on or about February 9, 2016 in Makati City, Philippines and within the jurisdiction of this Honorable Court, the above-named accused MAIA SANTOS-DEGUITO, who was then the branch manager of Rizal Commercial Banking Corporation (RCBC), Jupiter Branch, a covered person, with JOHN/JANE, DOES a.k.a. “MICHAEL FRANCISCO CRUZ”, “JESSIE CHRISTOPHER M. LAGROSAS”, “ALFRED SANTOS VERGARA” and “ENRICO TEODORO VASQUEZ” conspiring, confederating and mutually aiding one another, did

³ An Act Further Strengthening the Anti-Money Laundering Law, Amending for the Purpose Republic Act No. 9160, otherwise Known as the “Anti-Money Laundering Act of 2001”, As Amended

⁴ *Rollo*, pp 206-213

⁵ In the Order dated 19 October 2017, the RTC noted that Informations in Crim. Case Nos. R-MKT-17-02993-CR, R-MKT-17-02994-CR, R-MKT-17-02995-CR, R-MKT-17-02996-CR, R-MKT-17-02997-CR, R-MKT-17-02998-CR, R-MKT-17-02999-CR and R-MKT-17-03000-CR should have been titled as “Amended Information”, as per discussion in open court in the morning of 19 October 2017. The word “Amended” did not prefix the word “Information”, although there were signs of amendments on the second page of each Informations, *Records*, p. 93 (Vol. II)

⁶ *Records*, p. 62 (Vol. II)

then and there knowingly, willfully, and feloniously facilitate the following transactions: (1) the over-the-counter withdrawal of the amount of **Five Million Nine Hundred Eighty Five Thousand Eight Hundred Eighty Three and Forty Seven/100 US Dollars (US\$5,985,883.47)** from an irregularly opened RCBC account no. 9013-547-047, where the owner "**Michael F. Cruz**" was found to be fictitious, which they allowed/approved despite knowing this irregularity and knowing also that the said amount is a portion of the **Eighty One Million US Dollars (US\$81,000,000.00)** more or less, was involved or was related to the proceeds of an unlawful activity, that is, the violation of the Electronic Commerce Act and/or the Information and Communication Technology Act, the penal law of Bangladesh, wherein on or about February 4, 2016 in Bangladesh, an unauthorized user issued thirty-five (35) Bangladesh Bank (BB) Society of Worldwide Interbank Financial Telecommunications (SWIFT) payment instructions to the Federal Reserve Bank of New York (FRB-NY) involving millions of US Dollars; four (4) of these payment instructions were cleared and credited to the RCBC, Jupiter Branch, savings account of beneficiaries "**Michael F. Cruz**", "**Jessie Christopher M. Lagrosas**", "**Alfred S. Vergara**" and "**Enrico T. Vasquez**", thereby making it appear that the said amount originated from legitimate sources, to the damage and prejudice of complainants.

CONTRARY TO LAW.

R-MKT-17-02994-CR⁷

That on or about February 9, 2016 in Makati City, Philippines and within the jurisdiction of this Honorable Court, the above-named accused **MAIA SANTOS-DEGUITO**, who was then the branch manager of Rizal Commercial Banking Corporation (RCBC), Jupiter Branch, a covered person, with **JOHN/JANE DOES** a.k.a. "**MICHAEL FRANCISCO CRUZ**", "**JESSIE CHRISTOPHER M. LAGROSAS**", "**ALFRED SANTOS VERGARA**" and "**ENRICO TEODORO VASQUEZ**", conspiring, confederating and mutually aiding one another, did then and there knowingly, willfully, and feloniously facilitate the following transactions: (1) the over-the-counter withdrawal of the amount of **Nine Million Seven Hundred Sixty Thousand One Hundred Twenty Four and Fifteen/100 US Dollars (US\$9,760,124.15)** from an irregularly opened RCBC account no. 9013-547-156, where the owner "**Enrico T. Vasquez**" was found to be fictitious, which they allowed/approved despite knowing this irregularity and knowing also that the said amount is a portion of the **Eighty One Million**

⁷ Id. at 66

US Dollars (US\$81,000,000.00) more or less, was involved or was related to the proceeds of an unlawful activity, that is, the violation of the Electronic Commerce Act and/or the Information and Communication Technology Act, the penal law of Bangladesh, wherein on or about February 4, 2016 in Bangladesh, an unauthorized user issued thirty-five (35) Bangladesh Bank (BB) Society of Worldwide Interbank Financial Telecommunications (SWIFT) payment instructions to the Federal Reserve Bank of New York (FRB-NY) involving millions of US Dollars; four (4) of these payment instructions were cleared and credited to the RCBC, Jupiter Branch, savings account of beneficiaries "**Michael F. Cruz**", "**Jessie Christopher M. Lagrosas**", "**Alfred S. Vergara**" and "**Enrico T. Vasquez**", thereby making it appear that the said amount originated from legitimate sources, to the damage and prejudice of complainants."

CONTRARY TO LAW.

R-MKT-17-02995-CR⁸

That on or about February 9, 2016 in Makati City, Philippines and within the jurisdiction of this Honorable Court, the above-named accused **MAIA SANTOS- DEGUIITO**, who was then the branch manager of Rizal Commercial Banking Corporation (RCBC), Jupiter Branch, a covered person, with **JOHN/JANE DOES** a.k.a. "**MICHAEL FRANCISCO CRUZ**", "**JESSIE CHRISTOPHER M. LAGROSAS**", "**ALFRED SANTOS VERGARA**" and "**ENRICO TEODORO VASQUEZ**", conspiring, confederating and mutually aiding one another, did then and there knowingly, willfully, and feloniously facilitate the following transactions: (1) the over-the-counter withdrawal of the amount of **Nineteen Million Nine Hundred Fifty One Thousand Five Hundred Two and Thirteen/100 US Dollars (US\$19,951,502.13)** from an irregularly opened RCBC account no. 9013-547-098, where the owner "**Alfred S. Vergara**", was found to be fictitious, which they allowed/approved despite knowing this irregularity and knowing also that the said amount is a portion of the **Eighty One Million US Dollars (US\$81,000,000.00)** more or less, was involved or was related to the proceeds of an unlawful activity, that is, the violation of the Electronic Commerce Act and/or the Information and Communication Technology Act, the penal law of Bangladesh, wherein on or about February 4, 2016 in Bangladesh, an unauthorized user issued thirty-five (35) Bangladesh Bank (BB) Society of Worldwide Interbank Financial Telecommunications (SWIFT) payment instructions to the Federal Reserve Bank of

⁸ *Id.* at 70

New York (FRB-NY) involving millions of US Dollars; four (4) of these payment instructions were cleared and credited to the RCBC, Jupiter Branch, savings account of beneficiaries "Michael F. Cruz", "Jessie Christopher M. Lagrosas", "Alfred S. Vergara" and "Enrico T. Vasquez", thereby making it appear that the said amount originated from legitimate sources, to the damage and prejudice of complainants."

CONTRARY TO LAW.

R-MKT-17-02996-CR⁹

*That on or about February 9, 2016 in Makati City, Philippines and within the jurisdiction of this Honorable Court, the above-named accused MAIA SANTOS-DEGUITO, who was then the branch manager of Rizal Commercial Banking Corporation (RCBC), Jupiter Branch, a covered person, with JOHN/JANE DOES a.k.a. "MICHAEL FRANCISCO CRUZ", "JESSIE CHRISTOPHER M. LAGROSAS" "ALFRED SANTOS VERGARA" and "ENRICO TEODORO VASQUEZ" conspiring, confederating and mutually aiding one another, did then and there knowingly, willfully, and feloniously facilitate the following transactions: (1) the over-the-counter [withdrawal] deposit of the amount of **Fourteen Million Three Hundred Twelve Thousand One Hundred Eighty Five and Fifty Four/100 US Dollars (US\$14,312,185.54)** to the William So Go's, doing business as Centurytex Trading, irregular RCBC US Dollar Account No. 9016455240 [account], where the know your customer procedure was not followed, which deposit they allowed/approved despite knowing such irregularity and knowing also that the said amount is a portion of the **Eighty One Million US Dollars (US\$81,000,000.00)** more or less, was involved or was related to the proceeds of an unlawful activity, that is, the violation of the Electronic Commerce Act and/or the Information and Communication Technology Act, the penal law of Bangladesh, wherein on or about February 4, 2016 in Bangladesh, an unauthorized user issued thirty-five (35) Bangladesh Bank (BB) Society of Worldwide Interbank Financial Telecommunications (SWIFT) payment instructions to the Federal Reserve Bank of New York (FRB-NY) involving millions of US Dollars; four (4) of these payment instructions were cleared and credited to the RCBC, Jupiter Branch, savings account of beneficiaries "Michael F. Cruz", "Jessie Christopher M. Lagrosas", "Alfred S. Vergara" and "Enrico T. Vasquez", thereby making it appear that the said amount originated from legitimate sources, to the damage and*

⁹ *Id.* at 74

prejudice of complainants."

CONTRARY TO LAW.

R-MKT-17-02997-CR¹⁰

*That on or about February 9, 2016 in Makati City, Philippines and within the jurisdiction of this Honorable Court, the above-named accused **MAIA SANTOS-DEGUITO**, who was then the branch manager of Rizal Commercial Banking Corporation (RCBC), Jupiter Branch, a covered person, with JOHN/JANE DOES a.k.a. "MICHAEL FRANCISCO CRUZ", "JESSIE CHRISTOPHER M. LAGROSAS", "ALFRED SANTOS VERGARA" , and "ENRICO TEODORO VASQUEZ", conspiring, confederating and mutually aiding one another, did then and there knowingly, willfully, and feloniously facilitate the following transactions: (1) the over-the-counter withdrawal of the amount of **Seven Million Two Hundred Thirty Six Thousand One Hundred Fifty Four and Sixty Two/100 US Dollars (US\$7,236,154.62)** from an irregularly opened RCBC account no. 9013-547-055, where the owner "**Jessie Christopher M. Lagrosas**" was found to be fictitious, which they allowed/approved despite knowing this irregularity and knowing also that the said amount is a portion of the **Eighty One Million US Dollars (US\$81,000,000.00)** more or less, was involved or was related to the proceeds of an unlawful activity, that is, the violation of the Electronic Commerce Act and/or the Information and Communication Technology Act, the penal law of Bangladesh, wherein on or about February 4, 2016 in Bangladesh, an unauthorized user issued thirty-five (35) Bangladesh Bank (BB) Society of Worldwide Interbank Financial Telecommunications (SWIFT) payment instructions to the Federal Reserve Bank of New York (FRB-NY) involving millions of US Dollars; four (4) of these payment instructions were cleared and credited to the RCBC, Jupiter Branch, savings account of beneficiaries "**Michael F. Cruz**", "**Jessie Christopher M. Lagrosas**", "**Alfred S. Vergara**" and "**Enrico T. Vasquez**", thereby making it appear that the said amount originated from legitimate sources, to the damage and prejudice of complainants.*

CONTRARY TO LAW.

¹⁰ *Id.* at 75

R-MKT-17-02998-CR¹¹

*That on or about February 9, 2016 in Makati City, Philippines and within the jurisdiction of this Honorable Court, the above-named accused MAIA SANTOS-DEGUITO, who was then the branch manager of Rizal Commercial Banking Corporation (RCBC), Jupiter Branch, a covered person, with JOHN/JANE DOES a.k.a. "MICHAEL FRANCISCO CRUZ", "JESSIE CHRISTOPHER M. LAGROSAS", "ALFRED SANTOS VERGARA" and "ENRICO TEODORO VASQUEZ", conspiring, confederating and mutually aiding one another, did then and there knowingly, willfully, and feloniously facilitate the following transactions: (1) the over-the-counter [withdrawal] deposit of the amount of **Fourteen Million Two Hundred Ninety Eight Thousand and Thirty Seven/100 US Dollars (US\$14,298,209.37)** to the **William So Go's**, doing business as Centurytex Trading, irregular RCBC US Dollar Account No. 9016455240 [account], where the Know Your Customer Procedure was not followed, which deposit they allowed/approved despite knowing such irregularity and knowing also that the said amount is a portion of the **Eighty One Million US Dollars (US\$81,000,000.00)** more or less, was involved or was related to the proceeds of an unlawful activity, that is, the violation of the Electronic Commerce Act and/or the Information and Communication Technology Act, the penal law of Bangladesh, wherein on or about February 4, 2016 in Bangladesh, an unauthorized user issued thirty-five (35) Bangladesh Bank (BB) Society of Worldwide Interbank Financial Telecommunications (SWIFT) payment instructions to the Federal Reserve Bank of New York (FRB-NY) involving millions of US Dollars; four (4) of these payment instructions were cleared and credited to the RCBC, Jupiter Branch, savings account of beneficiaries "Michael F. Cruz", "Jessie Christopher M. Lagrosas", "Alfred S. Vergara" and "Enrico T. Vasquez", thereby making it appear that the said amount originated from legitimate sources, to the damage and prejudice of complainants.*

CONTRARY TO LAW.

¹¹ *Id.* at 167

R-MKT-17-02999-CR¹²

*That on or about February 5, 2016 in Makati City, Philippines and within the jurisdiction of this Honorable Court, the above-named accused **MAIA SANTOS-DEGUITO**, who was then the branch manager of Rizal Commercial Banking Corporation Branch, (RCBC), Jupiter Branch, a covered person, with **JOHN/JANE DOES a.k.a. "MICHAEL FRANCISCO CRUZ", "JESSIE CHRISTOPHER M. LAGROSAS", "ALFRED SANTOS VERGARA"** and "**ENRICO TEODORO VASQUEZ**" conspiring, confederating and mutually aiding one another, did then and there knowingly, willfully, and feloniously facilitate the following transactions: (1) the over-the-counter withdrawal of the amount of **Twenty Two Million Seven Hundred and Thirty Five Thousand US Dollars (US\$22,735,000.00)** from an irregularly opened RCBC account no. 9013-547-055, where the owner "**Jessie Christopher M. Lagrosas**" was found to be fictitious; and subsequently (2) the deposit of the very same amount to the irregularly opened RCBC US Dollar A[a]ccount No. 9016455240 of **William So Go**, doing business as Centurytex Trading, which withdrawal and deposit they allowed/approved despite knowing these irregularities and knowing also that the said amount is a portion of the **Eighty One Million US Dollars (US\$81,000,000.00)** more or less, was involved or was related to the proceeds of an unlawful activity, that is, the violation of the Electronic Commerce Act and/or the Information and Communication Technology Act, the penal law of Bangladesh, wherein on or about February 4, 2016 in Bangladesh, an unauthorized user issued thirty-five (35) Bangladesh Bank (BB) Society of Worldwide Interbank Financial Telecommunications (SWIFT) payment instructions to the Federal Reserve Bank of New York (FRB-NY) involving millions of US Dollars; four (4) of these payment instructions were cleared and credited to the RCBC, Jupiter Branch, savings account of beneficiaries "**Michael F. Cruz**", "**Jessie Christopher M. Lagrosas**", "**Alfred S. Vergara**" and "**Enrico T. Vasquez**", thereby making it appear that the said amount originated from legitimate sources, to the damage and prejudice of complainants.*

CONTRARY TO LAW.

¹² *Id.* at 86

R-MKT-17-03000-CR¹³

*That on or about February 9, 2016 in Makati City, Philippines and within the jurisdiction of this Honorable Court, the above-named accused **MAIA SANTOS-DEGUITO**, who was then the branch manager of Rizal Commercial Banking Corporation (RCBC), Jupiter Branch, a covered person, with **JOHN/JANE DOES a.k.a. "MICHAEL FRANCISCO CRUZ"**, "**JESSIE CHRISTOPHER M. LAGROSAS**", "**ALFRED SANTOS VERGARA**" and "**ENRICO TEODORO VASQUEZ**", conspiring, confederating and mutually aiding one another, did then and there knowingly, willfully, and feloniously facilitate the following transactions: (1) the over-the-counter withdrawal of the amount of **Fifteen Million Two Hundred Fifteen Thousand Nine Hundred Seventy Seven and Twenty Six/100 US Dollars (US\$15,215,977.26)** from an irregularly opened RCBC account no. 9013-547-156, where the owner "**Enrico T. Vasquez**" was found to be fictitious, which they allowed/approved despite knowing this irregularity and knowing also that the said amount is a portion of the **Eighty One Million US Dollars (US\$81,000,000.00)** more or less, was involved or was related to the proceeds of an unlawful activity, that is, the violation of the Electronic Commerce Act and/or the Information and Communication Technology Act, the penal law of Bangladesh, wherein on or about February 4, 2016 in Bangladesh, an unauthorized user issued thirty-five (35) Bangladesh Bank (BB) Society of Worldwide Interbank Financial Telecommunications (SWIFT) payment instructions to the Federal Reserve Bank of New York (FRB-NY) involving millions of US Dollars; four (4) of these payment instructions were cleared and credited to the RCBC, Jupiter Branch, savings account of beneficiaries "**Michael F. Cruz**", "**Jessie Christopher M. Lagrosas**", "**Alfred S. Vergara**" and "**Enrico T. Vasquez**", thereby making it appear that the said amount originated from legitimate sources, to the damage and prejudice of complainants.*

CONTRARY TO LAW.

R-MKT-17-04107-CR22¹⁴

*That on or about February 9, 2016, in Makati City, Philippines and within the jurisdiction of this Honorable Court, the above-named accused **MAIA SANTOS-DEGUITO**, who was then the branch manager of Rizal Commercial Banking Corporation (RCBC), Jupiter Branch, a covered person, with **JOHN/JANE***

¹³ *Id.* at 90

¹⁴ *Records*, pp. 10-11 (Vol. I-i)

DOES a.k.a. "MICHAEL FRANCISCO CRUZ," "JESSIE CHRISTOPHER M. LAGROSAS," "ALFRED SANTOS VERGARA" and "ENRICO TEODORO VASQUEZ," conspiring, confederating and mutually aiding one another, did then and there knowingly, willfully and feloniously facilitate the following transactions without performing the corresponding customer due diligence: (1) the over-the-counter deposit of the amount of **Fourteen Million Three Hundred Twenty Three Thousand Two Hundred Sixty Nine and Forty Six/100 US Dollars (US\$14,323,269.46)** to the **William So Go's**, doing business as **Centurytex Trading**, irregular RCBC US Dollar Account No. 9016455240, which deposit they allowed/approved despite knowing such irregularity and knowing also that the said amount is a portion of the **Eighty One Million US Dollars (US\$81,000,000.00)** more or less, was involved or was related to the proceeds of an unlawful activity, that is, the violation of the Electronic Commerce Act and/or the Information and Communication Technology Act, the penal law of Bangladesh, wherein or about February 4, 2016 in Bangladesh, an unauthorized user issued thirty-five (35) Bangladesh Bank (BB) Society of Worldwide Interbank Financial Telecommunications (SWIFT) payment instructions to the Federal Reserve Bank of New York (FRB-NY) involving millions of US Dollars; four (4) of these payment instructions were cleared and credited to the RCBC, Jupiter Branch, savings accounts of beneficiaries **"Michael F. Cruz", "Jessie Cristopher M. Lagrosas", "Alfred S. Vergara" and "Enrico T. Vasquez"**, thereby making it appear that the said amount originated from legitimate sources, to the damage and prejudice of complainants.

CONTRARY TO LAW."

On 20 October 2017, Deguito filed an Amended Motion to Quash,¹⁵ but the RTC denied the same in the Resolution¹⁶ dated 08 November 2017.

On 10 November 2017, Deguito filed a Motion for Reconsideration¹⁷ of the aforesaid Resolution, but the subject motion was similarly denied by the RTC in its Resolution¹⁸ dated 24 April 2018.

¹⁵ *Records*, pp. 100-118 (Vol. II)

¹⁶ *Id.* at 144-145

¹⁷ *Id.* at 155-160

¹⁸ *Id.* at 232-238

During arraignment on 26 April 2018, Deguito entered a plea of “not guilty” to each of the nine (9) counts of violation of Section 4 (f) of R.A. No. 9160, as amended.¹⁹

After the termination of the pre-trial conference, trial on the merits ensued.

The prosecution presented the testimonies of the following witnesses: 1.) **Atty. Rafael A. Echaluse (Atty. Echaluse)**,²⁰ Financial Investigator, Anti-Money Laundering Council (AMLC); 2.) **Nenita M. Cadapan (Cadapan)**,²¹ Bank Officer IV, Bangko Sentral ng Pilipinas (BSP); 3.) **Adolfo Michael L. Estrada (Estrada)**,²² Senior Transportation Development Officer, Central Office License Section, Land Transportation Office (LTO); 4.) **Mohammad Abdur Rab (Rab)**,²³ Joint Director, Bangladesh Financial Intelligence Unit; 5.) **Rayhan Uddin Khan (Khan)**,²⁴ Additional Superintendent of Police, Criminal Investigation Department (CID), Bangladesh Police; 6.) **Md. Jalal Uddin Fahim (Fahim)**,²⁵ Additional Superintendent of Police, CID, Bangladesh Police; 7.) **Andreliza R. Cala (Cala)**,²⁶ Chief, Data Warehousing and Systems Operations Division, Bureau of Internal Revenue (BIR); 8.) **Yolanda R. delos Reyes (delos Reyes)**,²⁷ Social Security Officer, Identity Management Department, Social Security System (SSS); 9.) **Rowena F. Subido (Subido)**,²⁸ Head, Human Resources Group, Rizal Commercial Banking Corporation (RCBC); 10.) **Catherine R. Aquino (Aquino)**,²⁹ Senior Question Documentation Examiner, Truth Verifiers System, Inc.; 11) **Maria Teresa A. Gañac (Gañac)**,³⁰ Branch Operations Head, RCBC, Trinoma

¹⁹ *Id.* at 238

²⁰ *Id.* at 1-55 (Vol. III); *TSN* dated 21 June 2018 (8:30 a.m.), pp. 5-169; *TSN* dated 21 June 2018 (2:00 p.m.), pp. 2-78

²¹ *Records*, pp. 90-100 (Vol. IV); *TSN* dated 28 June 2018, pp. 8-29

²² *Id.* at 80-89

²³ *Id.* at 133-141

²⁴ *Id.* at 145-154; *TSN* dated 05 July 2018, pp. 11-47

²⁵ *Id.* at 155-165; *TSN* dated 05 July 2018, pp. 49-97

²⁶ *Id.* at 211-216; *TSN* dated 10 July 2018, pp. 5-24

²⁷ *Id.* at 218-225; *Id.* at 25-51

²⁸ *Id.* at 286 A-286 I; *TSN* dated 19 July 2019, pp. 31-110

²⁹ *TSN* dated 31 July 2018, pp. 9-71; *TSN* dated 02 August 2018, pp. 4-93

³⁰ *TSN* dated 14 August 2018, pp. 8-28

Business Center; 12.) **Antonio C. Liao, Jr. (Liao)**,³¹ Audit Manager and Unit Head, Internal Audit Group, RCBC; and, 13.) **Dennis Alos (Alos)**,³² Legal Assistant, Department of Foreign Affairs (DFA).

After the prosecution rested its case, Deguito filed a Motion for Leave to File Demurrer to Evidence,³³ attaching thereto her Demurrer to Evidence dated 03 October 2018.³⁴ However, in the Resolution³⁵ dated 25 October 2018, the RTC denied Deguito's Demurrer to Evidence.

On 07 November 2018, Deguito filed a Motion for Reconsideration (Of the Resolution dated 25 October 2018),³⁶ but the subject motion was similarly denied by the RTC in the Order³⁷ dated 19 November 2018.

With the denial of Deguito's Demurrer to Evidence, the defense presented **Deguito**³⁸ and **Riyadh Dain David**,³⁹ Department Head, Information Security and Data Privacy Division, Globe Telecom, as its witnesses.

On 20 December 2018, Deguito filed a Motion for Inhibition⁴⁰ against the Presiding Judge of Branch 149 of Makati City, Cesar O. Untalan (Judge Untalan), but the RTC, in its Order⁴¹ dated 28 December 2018, denied the subject motion.

The prosecution and the defense submitted their respective Memoranda.⁴² Thereafter, the consolidated cases were submitted for decision.

³¹ *Records*, pp. 28-55 (Vol. V); and *TSN* dated 14 August 2018, pp. 29-169

³² *TSN* dated 14 August 2018, pp. 4-11

³³ *Records*, pp. 119-125 (Vol. VI)

³⁴ *Id.* at 126-172

³⁵ *Id.* at 228-232

³⁶ *Id.* at 286-293

³⁷ *Id.* at 324

³⁸ *Id.* at 4-49 (Vol. VII); *TSN* dated 05 December 2018, pp. 23-161

³⁹ *TSN* dated 05 December 2018, pp. 7-22

⁴⁰ *Records*, pp. 133-156 (Vol. VIII)

⁴¹ *Id.* at 552

⁴² *Id.* at 553-580 and 657-717

VERSION OF THE PROSECUTION

Bangladesh Bank (BB) is the Central Bank of Bangladesh.⁴³ In a letter⁴⁴ dated 16 February 2016, BB Governor Atiur Rahman (Governor Rahman) sought the assistance of then BSP Governor, Amando M. Tetangco, Jr. (Governor Tetangco), regarding the loss of millions of United States (US) dollars from BB's Account No. 021083190 with the Federal Reserve Bank of New York (FRBNY), where the foreign currency of Bangladesh is kept.

According to the First Information Report (FIR)⁴⁵ prepared by Joint Director Md. Zubair Bin Huda of the Accounts and Budgeting Department of BB, and the Case Report⁴⁶ of Khan, there was an unauthorized intrusion into the IT system and the Society for Worldwide Interbank Financial Telecommunications (SWIFT) facility of BB. As a result, unauthorized SWIFT Payment Instructions (PIs) were issued on 4 February 2016 to FRBNY, in favor of four (4) accounts maintained at Rizal Commercial Banking Corporation (RCBC) - Jupiter Business Center (RCBC Jupiter).⁴⁷ Apparently, BB's system was hacked and the SWIFT PIs were fraudulently issued.⁴⁸

On 6 February 2016, a Saturday, the BB SWIFT Room Back Office discovered the unauthorized SWIFT PIs when it noticed, among others, two (2) SWIFT messages dated 4 February 2016 from FRBNY mentioning "doubtful" payment instructions.⁴⁹ FRBNY did not execute thirty (30) of the thirty-five (35) SWIFT PIs, amounting to a total of USD850,005,262.00, due to lack of beneficiary details. The other five (5) SWIFT PIs, involving a total amount of USD101,001,623.00, were cleared. But the payment for one was blocked and returned because of the discrepancy in the beneficiary's name, *i.e.*, "Shalika Foundation", instead of "Shalika

⁴³ *Id.* at 6

⁴⁴ *Folder of Exhibits*, p. 41 (Vol. I)

⁴⁵ *Id.* at 65-67; *Records*, p. 149 (Vol. IV)

⁴⁶ *Id.* at 68-72

⁴⁷ *Records*, p. 8 (Vol. III)

⁴⁸ *Id.* at 9

⁴⁹ *Id.* at 9

Foundation".⁵⁰ The four (4) SWIFT PIs were cleared since their beneficiary details were complete.

On 05 February 2016, around 4:50 a.m. to 5:12 a.m., RCBC Settlements Department received the SWIFT MT103 via RCBC Swift Payment System from three (3) corresponding banks, namely: Wells Fargo, New York, Citibank New York and Bank of New York – Mellon. Said MT103 instructed payment to the individual dollar accounts of Cruz, Lagrosas, Vergara and Vasquez with RCBC Jupiter (RCBC Jupiter), to wit:

<i>Beneficiary Name</i>	<i>RCBC Account No.</i>	<i>Value in USD</i>	<i>Intermediary Bank</i>
<i>Cruz</i>	<i>9013547047</i>	<i>6,000,029.12</i>	<i>Wells Fargo, New York</i>
<i>Lagrosas</i>	<i>9013547055</i>	<i>30,000,028.12</i>	<i>Bank of New York – Mellon</i>
<i>Vergara</i>	<i>9013547098</i>	<i>19,999,990.00</i>	<i>Wells Fargo, New York</i>
<i>Vasquez</i>	<i>9013547156</i>	<i>25,001,573.88</i>	<i>Citibank, New York City</i> ⁵¹

Also on 05 February 2016, at 3:16 p.m., Lagrosas made an over-the-counter withdrawal amounting to USD22,735,000.00. The transaction was approved by Deguito. On even date, the same amount of USD22,735,000.00 was deposited to Account No. 9016455240, a dollar account under the name of William So Go (Go), doing business as Centurytex Trading (Go Account).⁵² The Go Account was opened only at 3:00 p.m. on 05 February 2016.⁵³

On 08 February 2016, BB requested RCBC, through several SWIFT messages, for a stop payment and refund of the aforementioned funds. It also requested RCBC to freeze or put the funds on hold if they were already transferred to the beneficiary accounts.⁵⁴

⁵⁰ *Id.* at 9 and 94

⁵¹ *Id.* at 48-49 (Vol. V)

⁵² *Id.* at 95 (Vol. III)

⁵³ *Id.* at 49 (Vol. V)

⁵⁴ *Id.* at 92 (Vol. III)

Despite BB's request for a refund to RCBC, withdrawals were still made from the Jupiter Accounts. The details of the withdrawals are as follows:

<i>Name</i>	<i>Transaction</i>	<i>Date</i>	<i>Amount (USD)</i>
Lagrosas	Over-the-counter Withdrawal	05 February 2016	22,735,000.00
	Over-the-counter Withdrawal	09 February 2016	7,236,154.62
Cruz	Over-the-counter Withdrawal		5,985,883.47
Vergara	Over-the-counter Withdrawal		19,951,502.13
Vasquez	Over-the-counter Withdrawal		9,760,124.15
	Over-the-counter Withdrawal		15,215,977.26
TOTAL		USD80,884,641.63⁵⁵	

Except for the amount of USD15,215,977.26 that was withdrawn on 09 February 2016, all the amounts withdrawn were deposited to the Go Account. The details of these deposits are as follows:

<i>Account Holder</i>	<i>Account No.</i>	<i>Bank Branch</i>	<i>Transaction</i>	<i>Transaction Date</i>	<i>Amount (USD)</i>
William So Go	9016455240	RCBC Jupiter	Cash Deposit	05 February 2016	22,735,000.00
			Cash Deposit	09 February 2016	14,323,269.46
			Cash Deposit		14,298,209.37
			Cash Deposit		14,312,185.54
TOTAL:			USD65,668,664.37⁵⁶		

Acting on BB's letter of request for assistance, the AMLC Secretariat conducted its investigation. Based on RCBC Account Opening forms, the Jupiter Accounts were opened on 15 May

⁵⁵ *Id.* at 10

⁵⁶ *Id.*

2015,⁵⁷ but the transaction history of said accounts indicate that they had no financial activity after their opening, and prior to the inward remittances on 05 February 2016.⁵⁸

Deguito was the Business Manager of RCBC Jupiter during the commission of the BB Heist. She allowed the opening of the Jupiter Accounts based on identification documents that were verified to be fictitious. She did not personally witness the alleged clients in filling out the forms and in signing the Customer Relationship Forms and signature cards, violating the face-to-face policy of the AMLA regulations, RCBC Money Laundering and Terrorist Financing Program (MLPP) Manual and BSP circulars. Further, Deguito allowed and facilitated the rush withdrawals of the money remitted to the Jupiter Accounts despite the non-appearance of the supposed account holders, and only upon instructions of Kam Sin Wong (Kim Wong), who is not among the owners of the Jupiter Account. At the time Deguito allowed the subject withdrawals, she already knew that the money was stolen from BB, as there was already a request for stop payment.⁵⁹

RCBC commenced an administrative proceeding against Deguito, and she was dismissed from employment on 21 March 2016 for failure to perform her duties and functions as Business Manager of RCBC Jupiter, and for violation of the following, among others: a.) RCBC's MLPP and Business Center Operations Manual; b.) provisions of Retail Banking Group (RBG) products and services guide as of September 2013; c.) RCBC's Code of Conduct; d.) Article 172 of the Revised Penal Code (Falsification); and, e.) the General Banking Act of 2000, R.A. Nos. 1405 and 6426. Deguito was also found guilty of serious misconduct and/or willful disobedience of RCBC's lawful orders.⁶⁰

VERSION OF THE DEFENSE

In the afternoon of 14 May 2015, Deguito received a phone call from Kim Wong, asking her to meet him at Midas Hotel and

⁵⁷ *Id.* at 11 and 94

⁵⁸ *Id.* at 94; *Records*, p. 46 (Vol. V)

⁵⁹ *Id.* at 97 (Vol. III)

⁶⁰ *Folder of Exhibits*, pp. 172-184 (Vol. I)

Casino (Midas Hotel) along Roxas Boulevard.⁶¹ Kim Wong said that he had friends to refer to Deguito for the opening of accounts with RCBC Jupiter. Kim Wong is a Chinese businessman who became Deguito's client when she was still working at EastWest Bank. Deguito knew him to be a friend of Lorenzo Tan, who was the President of RCBC at that time. Deguito, along with Angela Torres (Torres), the Branch Senior Customer Relationship Officer (SCRO) of RCBC Jupiter, and a Bancassurance Sales Agent, proceeded to Midas Hotel.⁶² Upon reaching Midas Hotel, they proceeded towards the casino area on the first floor to see Kim Wong in his office, but only Deguito was allowed to come in. So, Deguito's companions proceeded to a restaurant on the second floor. Deguito told them to wait for her there.⁶³

Inside his office, Kim Wong led Deguito to five (5) men, who were seated at a round table. Kim Wong introduced them to her as Cruz, Lagrosas Vergara, Vasquez and Ralph E. Picache (Picache). According to Kim Wong, the five (5) men intend to open accounts in RCBC Jupiter as they were expecting to receive loan proceeds. Deguito verified their identities by asking for their identification cards (IDs). They took out their IDs from their respective wallets and handed them to Kim Wong, who, in turn, gave them to Deguito. Deguito carefully checked the IDs and confirmed that the persons in the IDs were the same individuals who were just introduced to her by Kim Wong. She then took photos of their IDs using her mobile phone.⁶⁴

After verifying the identities of the five (5) men, Deguito gave the Customer Relationship Forms and signature cards to Kim Wong. Deguito was then asked to leave, so she proceeded to the restaurant where she left her companions.⁶⁵

Subsequently, Kim Wong arrived at the restaurant while Deguito and her companions were having dinner. He handed to

⁶¹ *Records*, p. 7 (Vol. VII); *TSN* dated 05 December 2018, pp. 55-58

⁶² *Rollo*, p. 96; *Records*, pp. 7-8 (Vol. VII)

⁶³ *Id.* at 96-97; *Id.* at 8-10; *TSN* dated 05 December 2018, pp. 59 and 85-86

⁶⁴ *Id.*; *Id.* at 8-10; *TSN* dated 05 December 2018, pp. 59 and 85-86

⁶⁵ *Id.* at 97 and *TSN* dated 05 December 2018, p. 54

Deguito an envelope containing the account opening forms. Upon receiving the forms, Deguito compared the signatures, birthdays, and addresses in the account opening forms with those in the IDs presented to her by the five (5) men. Deguito then confirmed that these were the same. She also checked and was able to confirm, that the forms were completely and correctly filled-up.⁶⁶

The next day, 15 May 2015, Kim Wong's messenger came to RCBC Jupiter to deliver the amount of USD2,500.00, together with clear and colored copies of the account holders' IDs and written instructions to deposit USD500.00 each to the five (5) accounts. The copies of the IDs received by RCBC Jupiter were clear, colored, and showed both the front and back of the IDs. Deguito compared the photocopies of the IDs with the photos in her mobile phone.⁶⁷ When she confirmed that they were the same, she turned the documents over to Torres, and instructed her to process the opening of the dollar accounts.⁶⁸ As the SCRO, Torres was responsible for checking the Customer Relationship Forms and signature cards to ensure that the information needed was properly filled-up. After ensuring that the documents were in order, she handed them to the New Accounts officer.⁶⁹

After the New Accounts officer encoded the information contained in the documents into the bank's computer system, he gave the documents back to Torres for counterchecking. After that, Customer Information File (CIF) numbers were generated for each account holder, then the documents were given back to the New Accounts officer.⁷⁰

The New Accounts officer generated the account numbers for each account. Subsequently, he submitted the documents to Romeo Agarrado (Agarrado), the Customer Service Head of RCBC Jupiter.⁷¹ The Customer Service Head is responsible for checking and verifying that the documents and information are

⁶⁶ *Id.* and *Records*, pp. 10-22 (Vol. VII)

⁶⁷ *Records*, p. 11 (Vol. VII); *TSN* dated 05 December 2018, pp.61-65

⁶⁸ *Rollo*, pp. 97-98; *Records*, p. 11 (Vol. VII)

⁶⁹ *Id.* at 98; *Id.* at 12

⁷⁰ *Id.*; *Id.* at 13

⁷¹ *Id.*; *Id.*

valid, complete, and without discrepancy before issuing the corresponding passbooks for the accounts. Otherwise, he would indicate his findings in his end-of-day report. It is the Customer Service Head who functions as the checks and balances of the branch. In this case, Agarrado did not report any invalidity, incompleteness, or discrepancy regarding the documents and information submitted for the opening of the five (5) accounts. After the account forms and documents were processed by RCBC Jupiter, Deguito informed Kim Wong that the accounts were opened.⁷²

On 04 June 2015, Kim Wong called Deguito and asked her to check if deposits were made on the five (5) accounts. Deguito asked him where the funds were coming from, but he simply said, "*galing ibang bansa.*"⁷³ On 01 December 2015, Deguito received another call from Kim Wong, asking her to send to him the bank details of the five (5) accounts, including the remittance/swift code of RCBC Jupiter. In response, Deguito sent him a text message containing the bank account numbers of the five (5) dollar accounts and the remittance/swift code of RCBC Jupiter.⁷⁴

At around 12 noon on 05 February 2016, Deguito received a call from Kim Wong, asking her if funds have been deposited into the Jupiter Accounts.⁷⁵ Deguito inquired from Christine Malbog, RCBC Jupiter's New Accounts officer, if funds were credited to the Jupiter Accounts. Malbog initially informed Deguito that around USD6,000,000.00 was credited to the account of Cruz. A few minutes later, Malbog told Deguito that a total of USD81,001,621.79 was deposited to four (4) of the five (5) accounts. Deguito was surprised that funds were credited to the Jupiter Accounts without the branch receiving any notice from RCBC's Settlements Department. The Settlements Department is the first point of entry for the processing of inward remittances. If the remittances are at least Php1,000,000,000.00, it tags the

⁷² *Id.* at 98-99; *Id.* at 13

⁷³ *Id.* at 99; *Id.* at 14

⁷⁴ *Id.* at 99; *Id.* at 14

⁷⁵ *Id.*

transaction for manual checking. The Settlements Department ensures that the transmitted amount passes the validation criteria in the Pre-Validation System, meaning it ensures that the beneficiary accounts are valid and active, the beneficiary names match the account names, there is complete AML information, the originating country is not in the Office of Foreign Assets Control (ODAC) sanctions list, and the remittance is funded by the correspondent banks.⁷⁶

To ensure the validity of the remittance, Deguito asked Torres to get in touch with the Settlements Department to confirm the legitimacy of the sources of the funds together with a request for copies of the corresponding MT103s.⁷⁷ MT103s are message transfer instructions where all the details of the remittances are stated, including the purpose of the remittance. In this case, however, the Settlements Department did not send copies of the MT103 messages to RCBC Jupiter.⁷⁸

At 2:25 P.M. on 05 February 2016, Torres sent an e-mail to the Settlements Department. At 5:23 p.m. of the same day, Donna Belle A. Pedro of the Settlements Department replied to Torres' e-mail by attaching PDF files of the MT103s. After being informed of the remittance, Deguito told Kim Wong that USD81,000,000.00 had already been credited to the Jupiter Accounts, and the latter told her that all of the funds in the Jupiter Accounts would be withdrawn on that day. Deguito, however, requested Kim Wong not to withdraw the funds. She asked him to keep the funds in RCBC Jupiter for at least a few days. As the Business Manager and Marketing Head of RCBC Jupiter, Deguito was required to maintain a target average daily balance of deposits for the branch. If the funds in the subject accounts remain with the branch even for just a few days, it would increase the branch's average daily balance.⁷⁹

⁷⁶ *Id.* at 100; *Id.* at 16-18

⁷⁷ TSN dated 05 December 2018, p. 81

⁷⁸ *Records*, p. 19 (Vol. VII)

⁷⁹ *Rollo*, p. 101; *Records*, pp. 20-24 (Vol. VII)

Thus, Kim Wong did not withdraw the full amount, but he insisted that the amount of USD22,735,000.00 be withdrawn from the account of Lagrosas, and deposited in the Go Account that will be opened in RCBC Jupiter. In the afternoon of 05 February 2016, RCBC Jupiter received a pre-signed Customer Relationship Form for the opening of the dollar account for Centurytex. It was signed by Go in the Client's Acknowledgment portion. Based on RCBC's policies, the submission of the Customer Relationship Form is necessary only when the client is new and has no existing account with the branch. In this case, the submission of the Customer Relationship Form was no longer necessary for the opening of the dollar account since Centurytex was already an existing client of RCBC Jupiter, being the holder of Regular Peso Savings Account No. 9-010-27020-6. Go had previously accomplished a Customer Relationship Form for the opening of that Peso Account. Centurytex's Peso Account with RCBC Jupiter was active considering that numerous checks under the name of Centurytex were deposited therein⁸⁰

To verify and confirm the opening of the dollar account, Deguito called Kim Wong. The latter made her speak to a person who sounded like, and who Deguito believed was, Go. The person she spoke to agreed to the opening of the dollar account for Centurytex. Later, Deguito asked Torres to verify with Go if he would indeed allow the opening of a dollar account. Torres was able to get Go's approval. Together with the signed Customer Relationship Form, RCBC Jupiter also received pre-signed withdrawal and deposit slips, with a post-it attached to each withdrawal and deposit slip. Written on the post-its were specific instructions to withdraw the USD22,735,000.00 from the account of Lagrosas, and deposit the same amount to the Go Account. Said withdrawal and deposit were processed by the Operations Department of RCBC Jupiter on the same day.⁸¹ The withdrawal was effected on 05 February 2016 at 3:13 p.m.⁸²

⁸⁰ *Id.* at 101-102; *Id.* at 24-26

⁸¹ *Id.* at 102-103; *Id.* at 27

⁸² *Id.* at 103; *Id.* at 27-28

Deguito did not know at that time, but several departments within RCBC were investigating the subject remittances. While the Regional Sales Head of the Service Group, Nancy Quiogue (Quiogue), was investigating the validity of the subject remittances, a "hold" was placed on the remaining funds in the Jupiter Accounts. Until the completion of the investigation, the Settlements Department sustained the hold order. At 6:00 p.m. on 05 February 2016, District Sales Director Nestor Pineda (Pineda) called Deguito to ask her if she could possibly put a hold on the Jupiter Accounts. In response, Deguito told him that the remitted amounts have already been credited to the Jupiter Accounts, so the bank could not simply hold the accounts. Nonetheless, Deguito asked Pineda to send her an official email to document his instructions to serve as her basis in case she had to hold the Jupiter Accounts. However, she did not receive any email from Pineda.⁸³

After speaking with Pineda, Deguito felt uneasy about the supposed "hold" on the accounts. Thus, she called RCBC's Regional Sales Director Brigitte Capina (Capina) for clarification. Capina told Deguito that there was no reason to hold the funds because these were remittances that passed through due diligence from correspondent banks. Pineda, Capina, and outgoing RBG Head, Raul Victor B. Tan, met to discuss the possible risks of continuing with the "hold" of the Jupiter Accounts. The Senior Officers were afraid of liability since banks cannot prevent account holders from withdrawing, transferring, or disposing the funds in their accounts, unless accompanied by a proper court order.⁸⁴

At 6:22 p.m. on 05 February 2016, Quiogue confirmed the validity of the subject remittance by sending an email to all concerned departments saying, "*this is a valid remittance.*" At 7:14 p.m., upon Raul Tan's instruction, Quiogue sent an email to Sabino Maximo Eco (Eco), the Deputy Head of the Operations Group, directing him to lift the hold status on the beneficiary accounts. By stating that "*this is a valid remittance,*" the Settlements

⁸³ *Id.* at 103-104; *Id.* at 28-29

⁸⁴ *Id.* at 104; *Id.* at 30

Department and the other officers confirmed that the transmitted amount passed the Settlements Department's validation criteria.⁸⁵

On 09 February 2016, Kim Wong asked Deguito to pick-up pre-signed withdrawal and deposit slips from Solaire.⁸⁶ Upon receipt of said documents at RCBC Jupiter, Agarrado approved and signed the withdrawal slips. Being the Operations Head of RCBC Jupiter, Agarro's signature was sufficient to process the transactions. Agarrado, nevertheless, asked Deguito to sign the withdrawal slips simply because the account holders were her clients.⁸⁷

The deposit and withdrawal transactions were then processed, even if the account holders were not physically present in RCBC Jupiter. This is because valued clients, or clients who the bank is familiar with, may conduct deposit and/or withdrawal transactions by just sending signed deposit slips. This practice is usually done by the bank, particularly in cases when no physical cash is actually released to a person and taken out of the branch. As in this case, the money withdrawn was not actually received by any person in the branch, but was deposited directly into another account.⁸⁸

It was only after the completion of withdrawal and deposit transactions that Deguito was informed of the emails that were sent by the Settlements Department. Apparently, the Settlements Department received MT199 and MT999 messages from BB, requesting for stop payment and freezing of the Jupiter Accounts. Despite the seeming urgent nature of the emails, however, the Settlements Department only forwarded it to RCBC Jupiter hours after the emails were received and read. Aside from sending the emails, there was no other advice made by the Settlements Department or any responsible officer of RCBC to RCBC Jupiter regarding the messages sent by BB.⁸⁹

⁸⁵ *Id.* at 104; *Id.* at 30

⁸⁶ *Records*, p. 31 (Vol. VII)

⁸⁷ *Rollo*, pp. 105-106 and *Records*, p. 35 (Vol. VII)

⁸⁸ *Id.* at 106; *Id.* at 36

⁸⁹ *Id.* at 106-107; *Id.* at 39-40

Upon reading the emails, Deguito became worried since the subject funds were already withdrawn and deposited to other accounts. When she confronted the other officers of RCBC Jupiter about the emails, she learned that Agarrado had read the emails but did not do anything about them. Deguito then called Capina to seek guidance regarding the emails. Deguito explained that, although the funds have already been withdrawn from the original accounts, they were still with RCBC Jupiter, and they could still do something about it. Capina gave the phone to Raul Tan, who told Deguito, "*hindi natin problema yan. Problema ng Bangladesh yan.*"⁹⁰

On 21 March 2016, after the supposed investigation conducted by RCBC, Deguito's employment as Business Manager of RCBC's Jupiter was terminated.⁹¹

THE RULING OF THE RTC

In the Joint Decision dated 10 January 2019, the RTC found Deguito guilty beyond reasonable doubt of eight (8) counts of violation of Section 4 (f) of R.A. No. 9160, as amended. The RTC acquitted Deguito in Criminal Case No. R-MKT-17-02998-CR on the ground of double jeopardy. The RTC disposed the case, as follows:

WHEREFORE, premises considered, this court hereby finds accused MAIA SANTOS-DEGUITO, GUILTY beyond reasonable doubt, hence this court hereby imposes penalty of imprisonment and fines, as follows:

<i>Criminal Case No.</i>	<i>As Minimum</i>	<i>As Maximum</i>	<i>Fine (US \$)</i>
R-MKT-17-02993-CR	<i>Four (4) yrs</i>	<i>Seven (7) yrs</i>	<i>\$5,985,833.47</i>
R-MKT-17-02994-CR	<i>Four (4) yrs</i>	<i>Seven (7) yrs</i>	<i>\$9,760,124.15</i>
R-MKT-17-02995-CR	<i>Four (4) yrs</i>	<i>Seven (7) yrs</i>	<i>\$19,951,502.13</i>
R-MKT-17-02996-CR	<i>Four (4) yrs</i>	<i>Seven (7) yrs</i>	<i>\$14,312,185.54</i>
R-MKT-17-02997-CR	<i>Four (4) yrs</i>	<i>Seven (7) yrs</i>	<i>\$7,236,154.62</i>

⁹⁰ *Id.* at 107-108; *Id.* at 40

⁹¹ *Id.* at 103; *Id.* at 45

R-MKT-17-02999-CR	Four (4) yrs	Seven (7) yrs	\$22,735,000.00
R-MKT-17-03000-CR	Four (4) yrs	Seven (7) yrs	\$15,215,977.26
R-MKT-17-04107-CR	Four (4) yrs	Seven (7) yrs	\$14,323,269.46

However, accused Maia Santos-Deguito is hereby acquitted under Criminal Case No. R-MKT-17-02998-CR for the simple reason that double jeopardy shall apply when Criminal Case No. R-MKT-17-02996-CR is also promulgated herein.

Cost de-officio.

SO ORDERED.

In so ruling, the RTC noted that Deguito, with her sixteen (16) years of banking experience and as Vice-President of RCBC, must and should be familiar with the minimum requirements for observance and compliance under the AMLA. The RTC opined that Deguito should have made an inquiry as to the source of the subject remittances involving huge amounts in US dollars in order to shield herself from such violation, instead of simply stating that there was an instruction from the higher officers of RCBC. Deguito did nothing to protect herself and proceeded in implementing these covered transactions with *gusto*. Hence, she must be made liable for violation of the AMLA.⁹²

The RTC further emphasized that the Jupiter Accounts had zero balance, which means Deguito practically closed the same, and such act is a manifestation of her full knowledge of the illegal source of these remittances. Otherwise, Deguito should have stopped, and made inquiries as to the simultaneous closure of the subject accounts. Considering that Deguito appeared to have full and prior knowledge of the true color and origin of said remittances, she released and credited the entire amount, including the initial deposit of USD500.00 for each account, to the Go Account. More, the USD500.00 initial deposits came from Kim Wong, per testimony of Deguito.⁹³ These anomalous money transfers were done exclusively between Deguito and Kim Wong, and with haste. Deguito's co-accused in these cases are all non-

⁹² *Rollo*, p. 194

⁹³ *Id.*

existing and fictitious persons, and she was well aware of this fact.⁹⁴

The RTC found credence in the testimony of Atty. Echaluse that Deguito executed all the dollar deposit and withdrawal transactions within the time frame of less than two (2) hours, *i.e.*, from 9:15 a.m., when she received the remittance messages, to 11:00 a.m., when Agarro received the email for stop payment. The two-hour period could have been sufficient for Deguito to inquire as to the legality of the USD81,000,000.00 remittances, but she failed to do so. As testified to by Subido, Deguito was dismissed from the service. The RCBC found her guilty of implementing and transacting illegal money transfers, in violation of banking laws and rules.⁹⁵

The RTC further declared that Deguito's failure to comply with the established procedures for opening a bank account was the beginning of her violation of the AMLA.⁹⁶ The RTC found Deguito's defense that she had no authority to hold the subject deposits as unworthy of credence. The benchmark of the law for its violation is only Php500,000.00.⁹⁷ Deguito has taken advantage of her position, banking knowledge and experience. Thus, she was able to execute and implement these illegal transactions with ease.⁹⁸ Too, Deguito remedied the documentation of the subject bank transactions to make them appear proper and legally correct.⁹⁹ Similarly, the RTC gave no credence to Deguito's claim that the Jupiter Accounts were opened for the purpose of receiving loan proceeds.¹⁰⁰ Under the principle of command responsibility, Deguito was in charge of RCBC Jupiter at that time.¹⁰¹

⁹⁴ *Id.* at 195

⁹⁵ *Id.* at 196

⁹⁶ *Id.*

⁹⁷ *Id.*

⁹⁸ *Id.* at 197

⁹⁹ *Id.* at 200-201

¹⁰⁰ *Id.* at 203

¹⁰¹ *Id.* at 202

The RTC took particular notice of the cash withdrawal from the account of Lagrosa on 05 February 2016 at 3:16 p.m. amounting to USD22,735,000.00. There was no actual cash out, as the amount was just deposited to the Go Account, which was actually opened at 3:00 p.m. of the same day. This account was opened by Deguito, upon her order, without an initial deposit from Go, and the latter did not authorize the opening of said account. It was all done and executed by Deguito per instruction of Wong. Clearly, Deguito did not only facilitate such illegal bank transactions, she also coordinated with their execution and implementation to ensure easy and prompt credit and transfer to the Go Account.¹⁰² According to the RTC, the fourth element in this case is the foreign law of Bangladesh, specifically, Act No. 39 of 2006, Section 54, which provides for penalty for damage to computer, computer system, etc.¹⁰³

Disgruntled, Deguito filed a Motion for Reconsideration dated 25 January 2019 of the assailed Decision, but the RTC denied the same in the Resolution¹⁰⁴ dated 20 September 2019.

Aggrieved, Deguito filed the present appeal interposing the following errors allegedly committed by the RTC, to wit:

I.

THE TRIAL COURT'S UNDERSTANDING OF A MONEY LAUNDERING OFFENSE IS ERRONEOUS.

II.

THE TRIAL COURT ERRED IN ITS APPRECIATION OF THE FACTS AND THE EVIDENCE.

- A. The element of knowledge was not proven, but was merely presumed by the trial court.*
- B. Maia did not facilitate the transactions.*
- C. The trial court rejected Maia's defenses without reason.*

¹⁰² *Id.* at 201

¹⁰³ *Id.*

¹⁰⁴ *Id.* at 206-213

III.

THE TRIAL COURT ERRED IN TAKING THE CUDGELS FOR THE PROSECUTION THUS VIOLATING MAIA'S BASIC CONSTITUTIONAL RIGHT TO BE TRIED BY A NEUTRAL AND IMPARTIAL JUDGE.

IV.

*THE TRIAL COURT IMPOSED THE WRONG PENALTY ON MAIA.*¹⁰⁵

Echoing the findings of the RTC, the People of the Philippines, through the Office of the Solicitor General (OSG), maintains that the prosecution was able to establish, without reasonable doubt, the guilt of Deguito for the crimes charged. Therefore, there is no reason to disturb the factual findings of the RTC, and its assessment of the credibility of the witnesses.¹⁰⁶

The OSG avers that all the elements of money laundering under Section 4 (f) of the AMLA are present in this case. *First*, Deguito had knowledge that the monetary instrument or property represents, involves, or relates to the proceeds of an unlawful activity.¹⁰⁷ Without her active participation in the account opening process, the subsequent transactions in these accounts would not have been possible. Deguito admitted that she relentlessly heeded the instructions of Kim Wong, a non-account holder, through a mere mobile phone call. Her acts of allowing the withdrawals of the USD81,000,000.00 from the Jupiter Accounts to be deposited to the Go Account is a blatant manifestation of her knowledge about the true nature of the subject transactions.¹⁰⁸

Second, the unlawful activity in this case involves the unauthorized access to BB's IT system, which amounts to "hacking" or "crackling". This constitutes violation of R.A. No.

¹⁰⁵ *Id.* at 73-74

¹⁰⁶ *Id.* at 423

¹⁰⁷ *Id.* at 425

¹⁰⁸ *Id.* at 433

8792, otherwise known as the Electronic Commerce Act of 2000.¹⁰⁹ Deguito caused the withdrawal of the remittances credited to the Jupiter Accounts, and transferred the same to Go's account. These acts constitute transaction of monetary instrument, which relates to the proceeds of the unlawful activity.¹¹⁰

Third, Deguito helped facilitate these money-laundered transactions. On 09 February 2016, a total of five (5) withdrawal transactions and three (3) deposit transactions were processed by Deguito, through the instructions of Kim Wong, using pre-signed withdrawal and deposit slips, which were picked up by the RCBC Jupiter Branch.¹¹¹ Deguito claims that the banking transactions were performed by other bank employees from other departments of the bank, but without her authorization, said transactions would not have been completed.¹¹²

Finally, the OSG counter-argued that the RTC imposed the correct penalty upon her. Deguito was adequately informed of the nature and cause of accusations against her, as all the Informations indicated that she was then the Branch Manager of RCBC Jupiter. Indeed, Deguito deserves a higher penalty since the law imposes a higher liability upon persons who ought to have known and complied with the obligations of covered persons under the AMLA, yet failed to do so.¹¹³

Deguito filed her Reply Brief¹¹⁴ dated 07 September 2022, insisting that the element of actual knowledge is clearly lacking in the present case.¹¹⁵ Purportedly, the RTC relaxed the element of knowledge by accepting a “state of mind”, rather than actual knowledge. Deguito asserts that criminal and penal statutes must be strictly construed.¹¹⁶ Therefore, the RTC cannot be permitted to wield the power to define and punish the crime of money

¹⁰⁹ *Id.* at 434

¹¹⁰ *Id.* at 436-437

¹¹¹ *Id.* at 438-439

¹¹² *Id.* at 440

¹¹³ *Id.* at 442

¹¹⁴ *Id.* at 466-497

¹¹⁵ *Id.* at 496

¹¹⁶ *Id.* at 467

laundering by equating “willfully turning a blind eye” with actual knowledge.¹¹⁷

THE RULING OF THE COURT

The appeal must fail.

Deguito primarily argues that the RTC's understanding of the offense of money laundering is erroneous. As stated in Section 4 of the AMLA, there must be a monetary instrument or property which represents, involves, or relates to the proceeds of an unlawful activity. Moreover, the accused must have knowledge that the monetary instrument or property represents, involves, or relates to the proceeds of an unlawful activity. None of these elements was present when the accounts were opened on 15 May 2015.¹¹⁸ There was no monetary instrument or property to speak of, and there were no proceeds of any unlawful activity because the unauthorized SWIFT PIs to the FRBNY took place only on 04 February 2016. Deguito further asserts that the charges against her have nothing to do with the opening of the accounts. The prosecution has forgotten that a criminal case requires not just a “logical reason,” but proof beyond reasonable doubt.¹¹⁹ And instead of relying on the Webster's Dictionary for the definition of “knowledge”, the RTC should have looked into the intent and spirit of R.A. No. 9160 since the legislative deliberations on the said law were presented in evidence.¹²⁰

Deguito's arguments deserve scant consideration.

The offense of money laundering is defined under Section 4 of R.A. No. 9160, as amended, which reads:

*“SEC. 4. Money Laundering Offense. - Money Laundering is committed by any person who, **knowing** that **any monetary instrument** or property **represents, involves, or relates to the proceeds of any unlawful activity**:*

¹¹⁷ *Id.* at 471

¹¹⁸ *Id.* at 110

¹¹⁹ *Id.* at 110-112

¹²⁰ *Id.* at 117

- (a) ***transacts** said monetary instrument or property;*
- (b) *converts, transfers, disposes of, moves, acquires, possesses or uses said monetary instrument or property;*
- (c) *conceals or disguises the true nature, source, location, disposition, movement or ownership of or rights with respect to said monetary instrument or property;*

xxx

- (f) ***performs or fails to perform** any act **as a result** of which he **facilitates** the offense of money laundering referred to in paragraphs (a), (b) or (c) above.”
(Emphasis and underscoring supplied)*

In this case, the offense of money laundering was committed through facilitation under Section 4 (f) in relation to Section 4 (a) of R.A. No. 9160, as amended. Thus, to successfully prosecute the offense of violation of Section 4 (f) in relation to Section 4 (a) of R.A. No. 9160, the following elements must be proved beyond reasonable doubt: (1) the offender has knowledge that any monetary instrument or property represents, involves, or relates to the proceeds of any unlawful activity; (2) the offender performed or failed to perform any act, as a result of which, he facilitated the offense of money laundering; and, (3) the offender transacts said monetary instrument or property.

All the foregoing elements are present in this case.

Contrary to Deguito's assertion, the element of knowledge was not merely presumed by the RTC. One is deemed to know a particular fact if he has the cognizance, consciousness or awareness thereof, or is aware of the existence of something, or has the acquaintance with facts, or if he has something within the mind's grasp with certitude and clarity. When knowledge of the existence of a particular fact is an element of an offense, such knowledge is established if a person is aware of a high probability of its existence unless he actually believes that it does not exist.

On the other hand, the words "should know" denote the fact that a person of reasonable prudence and intelligence would ascertain the fact in performance of his duty to another or would govern his conduct upon assumption that such fact exists. Knowledge refers to a mental state of awareness about a fact. Since the court cannot penetrate the mind of an accused and state with certainty what is contained therein, it must determine such knowledge with care from the overt acts of that person. And given two equally plausible states of cognition or mental awareness, the court should choose the one which sustains the constitutional presumption of innocence.¹²¹

Here, Deguito attempts to downplay her role in the facilitation of money laundering by claiming that she had no knowledge of any unlawful activity at the time she opened the Jupiter Accounts on 15 May 2016. She repeatedly hammered the view that the unauthorized payment instructions to the FRBNY involving the foreign currency reserve of BB were made only on 04 February 2016, or nine (9) months after the opening of the Jupiter Accounts.

Such argument fails to convince considering that Deguito was the Business Manager of RCBC Jupiter, and not just a mere employee. It was actually the opening of the Jupiter Accounts that set the wheels in motion.

One of Deguito's "major responsibilities" as Business Manager is to ensure compliance with RCBC's Know-Your-Client (KYC) screening process in accordance with the AMLA guidelines.¹²² As correctly pointed out by the RTC, with Deguito's sixteen (16) years of experience in the banking industry, she cannot feign ignorance of the basic provisions of the AMLA and the RCBC's Money Laundering and Terrorist Financing Prevention Program (MLPP). Deguito's rather simplistic explanation that she had no knowledge of any unlawful activity when she caused the opening of the Jupiter Accounts hardly persuades since she is a person of reasonable prudence and

¹²¹ Tan v. People of the Philippines, G.R. No. 134298, August 26, 1999

¹²² Folder of Exhibits, p. 169 (Vol. I)

intelligence who would ascertain the fact in the performance of her duty to another or would govern her conduct upon assumption that such fact exists.¹²³

Deguito contends that the RTC erred in concluding that she had full and prior knowledge of the illegal source of the subject funds. She insists that said conclusion was not based on direct proof of the element of knowledge.¹²⁴

Deguito is mistaken.

To be clear, the element of knowledge under AMLA may be established by direct or circumstantial evidence. Rule VI (C) of the 2016 Revised Implementing Rules and Regulations (RIRR) of R.A. No. 9160, as amended, explicitly states that the element of knowledge in the prosecution of money laundering may be established by direct or circumstantial evidence, to wit:

RULE VI
PROSECUTION OF MONEY LAUNDERING CASES

“Rule 6. Prosecution of Money Laundering Cases. -

xxx

*C. Knowledge. - The element of knowledge may be established by **direct or circumstantial evidence.**” (Emphasis and underscoring supplied)*

True, the hacking incident involving the BB account took place only on 04 February 2016, but Deguito's involvement in this case was not only limited to the opening of the Jupiter Accounts. She actually performed significant acts to arrive at the intended conclusion, which is the movement of funds derived from the hacking incident.

¹²³ Tan v. People of the Philippines, G.R. No. 134298, August 26, 1999

¹²⁴ Rollo, p. 117

To elucidate, the opening of the spurious accounts was not only preparatory, but directly connected to the crimes for which Deguito was convicted. Liao, the Audit Manager and Unit Head of the Internal Audit Group of RCBC, conducted an investigation on the subject transactions, and testified on the participation of Deguito in the opening of the Jupiter Accounts and the Go Account, to wit:

41. Q: *You previously identified the specimen signature cards for the Go Jupiter Accounts and Trinoma Account. What are your findings vis-à-vis the signatures of Go on the IDs submitted and the specimen signature cards for the Go Jupiter Accounts and Trinoma Account?*

A: *I found that the signatures in the Postal IDs and Driver's License attached to the Go Dollar Account, and the signature in the signature card for the Trinoma Corporate Account **differ** from the signatures on the signature cards for the Jupiter Accounts.*

42. Q: *Who was the Business Manager at the time the Go Jupiter Accounts were opened?*

A: *Ms. Maia Santos - Dequito was the Business Manager of Jupiter BC at that time the Go Jupiter Account was opened.*

43. Q: *How did you know that she was the Business Manager at the time the Go Jupiter Account was opened?*

A: *The face of the CRF shows that accused Deguito signed the same as Relationship Manager below the "Relationship Manager Details" portion.*

44. Q: *What is the significance of the accused's signature in the "Relationship Manager Details" portion, if you know?*

A: *This indicates that accused Deguito had a **direct contact** with the client.*

xxx

50. Q: *You mentioned that you have examined the documents with regard to accounts under the name of William So Go and other*

accounts. What are these other accounts?

A: Aside from the accounts under the name of William So Go, I and the Audit Team also examined documents, which happened to be all dollar accounts with regard to the accounts under the name of Michael F. Cruz, Jessie Christopher M. Lagrosas, Alfred S. Vergara, Enrico T. Vasquez, and Ralph Picache.

51. Q: What particular documents did you examine with regard to the accounts of Michael F. Cruz (Cruz), Jessie Christopher M. Lagrosas (Lagrosas), Alfred S. Vergara (Vergara) and Enrico T. Vasquez (Vasquez)?

A: We requested the signature cards, CRFs and the IDs presented on the opening of the dollar accounts of Michael F. Cruz, Jessie Christopher M. Lagrosas, Alfred S. Vergara and Enrico T. Vasquez.

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55. Q: What was your findings with regard to the Cruz Account?

A: I found that the CRF of Cruz Account was dated 15 May 2015, which is also the supposed date of the opening of the account, while the driver's license presented was issued at a later date, which is 5 June 2015.

56. Q: What else did you find out in your investigation regarding the Cruz account, if any?

A: I, together with the audit team, also learned that the ID presented on the Cruz account which is the driver's license, does not exist in the Land Transportation Office database. This was confirmed by our audit verification with LTO.

57. Q: Going to Lagrosas Account, if I show you the CRF, signature card and the ID presented for the that account, will you be able to identify them?

A: Yes.

xxx

67. Q: What were your findings on these four (4) Dollar Accounts of Cruz, Vergara, Lagrosas and Vasquez?

A: I found out that the CRFs were all dated 15 May 2015 and that on all the CRFs and signature cards, accused Deguito affixed her signature thereto.

68. Q: How did you know that accused Deguito signed all the CRF and signature cards?

A: Her signature was affixed above the stamped name Maia Santos - Deguito on the CRFs and signature cards.

69. Q: How did you know that this is her signature?

A: During our audit at Jupiter BC, we came across with a lot of documents signed by her, thus I am familiar with her signature.

70. Q: What is the significance of her signature on the CRF and signature cards?

A: The signature of accused Deguito in the account opening forms which are the CRF and signature cards signifies that she had verified the authenticity of the said form and that proper KYC procedures were conducted. Although, on our audit we found out that KYC procedures were not followed.

71. Q: In your audit investigation, what were your specific findings with regard to accused Deguito in relation to the opening of these accounts?

A: Accused Deguito, being then Business Manager of RCBC Jupiter BC, did not comply with Code of Conduct: Knowledge, Understanding and Compliance (E.4) of CBC with regard to Anti-Money Laundering Act (AMLA) Regulations, due to the following reasons:

1. She did not establish true identity of the clients and just relied on the referrer;
2. She did not witness actual signing of clients on CRF and Specimen Signature Cards;
3. She dealt with apparent gamblers and suspicious individuals with unknown addresses and negative employment verification.

72. Q: What else, if any?

A: She also failed to comply with the Anti-Money Laundering and Terrorist Financing Prevention Program (MLPP) of RCBC applicable at that time, specifically Validation Guidelines on her failure to establish validity of IDs presented, particularly:

- a. Discrepancies on date of issuance and signatures not noted;
- b. Submitted photocopy not authenticated against the originals;
- c. Unclear photocopies of IDs. xxx¹²⁵ (Emphasis and underscoring supplied)

Clearly, the opening of the Jupiter Accounts and the Go Account was marred by blatant irregularities. It bears mentioning that with banks, the degree of diligence required is more than that of a good father of a family considering that the business of banking is imbued with public interest due to the nature of their functions. The stability of banks largely depends on the confidence of the people in the honesty and efficiency of banks. Thus, the law imposes on banks a high degree of obligation to treat the accounts of its depositors with meticulous care, always having in mind the fiduciary nature of banking.¹²⁶ If only Deguito, who had sixteen (16) years of banking experience, exercised such diligence, and performed her functions as Business Manager of RCBC Jupiter, no anomaly or irregularity would have happened.

Atty. Echaluse, the Financial Investigator of the AMLC, was tasked to investigate on the stolen funds from BB.¹²⁷ He emphasized the importance of the KYC screening process that Deguito should have conducted in this case. Atty. Echaluse further narrated that in the course of his financial investigation, he discovered that the holders of the Jupiter Accounts were fictitious persons, who never entered the premises of RCBC

¹²⁵ Records, pp. 37-44 (Vol. V)

¹²⁶ Cagungun v. Planters Development Bank, G.R. No. 158674, October 17, 2005

¹²⁷ Records, p. 6 (Vol. III)

Jupiter when they opened their respective accounts on 15 May 2015, to wit:

“ATTY. AZCUETA: (To the witness)

Q: You also mentioned during the cross that one of the functions, and even in your Judicial Affidavit that one of the functions of accused De Guito is to solicit account. What entails account solicitation, if you know?

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WITNESS:

Solicitation entails the process of on-boarding clients, meaning, the supposed bank officer, in this case **De Guito**, **should have exercised the usual KYC process**. She should have checked whether these account holders are in the watch list so that she may be able to assess the risk of this client if they would be of high risk with the bank or not; and, similar procedure, Sir.

Q: What's KYC, Sir?

WITNESS:

KYC is Know-Your-Customer. It's one of the basic requirements in anti-money laundering prevention. You must exercise due diligence in knowing exactly who you're dealing with.

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Q: Atty. Echaluse, did you come to know whether these four (4) guys Vergara, Vasquez, Cruz and Lagrosas personally appeared at RCBC Jupiter Branch?

A: Sir, **they were fictitious persons** and in fact these **accounts were created by Maia De Guito and it was under her control**. It was from the very start, the accounts were made by her so they were all under her control. Everything was fabricated by Maia De Guito.

Q: So, you are certain that these accounts, allegedly, in the names of these four (4) guys, these four (4) people never entered the branch of RCBC in Jupiter?

A: *They never entered.* In fact, that's one Atty. Azueta was asking earlier, Sir, what's on-boarding. I was explaining on-boarding. On-boarding also means face-to-face with client. *There was no face-to-face with Lagrosas, Vergara, Cruz and Vasquez because they were fictitious.*¹²⁸

It is interesting to note that Deguito readily admitted that on 14 May 2015, she received a phone call from Kim Wong, requesting her to meet him at Midas Hotel.¹²⁹ Deguito, along with Torres and a Bancassurance Sales Officer, proceeded to Midas Hotel, but only Deguito was allowed to enter the office of Kim Wong. Inside his office, Deguito was introduced to Cruz, Lagrosas, Vergara, Vasquez and Picache. Kim Wong told Deguito that said persons intend to open an account with RCBC Jupiter, as they were expecting to receive loan proceeds. Deguito asked for their IDs, and took photos of the same using her mobile phone.¹³⁰ She handed the Customer Relationship Forms and signature cards to Kim Wong,¹³¹ then she was asked to leave the office.¹³² As a result, she was not able to witness the actual filling-up and signing of the account opening forms by the potential account holders.¹³³ After a while, Kim Wong proceeded to the restaurant where Deguito and her companions were having dinner, and he merely handed to her an envelope containing the duly accomplished account opening forms.¹³⁴ Notably, Deguito affixed her signature as “Relationship Manager” below the “Relationship Manager Details” portion of the Customer Relationship Forms. Her signature also appears on all the signature cards.

The following day, 15 May 2015, the messenger of Kim Wong brought to RCBC Jupiter the amount of USD2,500.00 with colored photocopies of the IDs of Cruz, Lagrosas, Vasquez, Vergara and Picache.¹³⁵ It was Deguito who handed the subject documents to the New Accounts officer that paved the way to the

¹²⁸ TSN dated 21 June 2018, pp. 48-52

¹²⁹ Records, p. 7 (Vol. VII)

¹³⁰ Id. at 8-9 (Vol. VII)

¹³¹ Id. at 10

¹³² TSN dated 05 December 2018 (8:30 a.m.), pp. 53-54

¹³³ Id. at 54

¹³⁴ Records, p. 10 (Vol. VII)

¹³⁵ TSN dated 05 December 2018 (8:30 a.m.), pp. 64-65

opening of the Jupiter Accounts.

It is beyond dispute that Deguito disregarded the validation procedures for individual customers pursuant to BSP Circular No. 706, which provides:

§ **X806.1.c.** *Minimum validation procedures - Validation procedures for **individual customers** shall include but is not limited to the following:*

1. *Confirming the date of birth **from a duly authenticated official document**;*
2. *Verifying the permanent address **through evaluation of utility bills, bank or credit card statement or other documents showing permanent address or through on-site visitation**;*
3. ***Contacting the customer by phone, email or letter** (such as sending of "thank you letters"); and,*
4. ***Determining the authenticity of the identification documents through validation of its issuance by requesting a certification from the issuing authority or by any other means.** (Emphasis and underscoring supplied)*

xxx

§ **X806.1.e.** *Face-to-face contact - No new accounts **shall be opened and created without face-to-face contact and personal interview between the covered institution's duly authorized personnel and the potential customer** xxx*

Deguito conveniently turned a blind eye on the red flag indicators in this case. As a consequence, the only identification document submitted by Cruz, Lagrosas, Vasquez and Vergara turned out to be bogus. Tellingly, LTO Senior Transportation Development Officer Estrada verified that Vasquez's Driver's License No. N02-99-154410 and Cruz's Driver's License No. N02-12-115400 do not exist in the LTO's current file of licensed drivers.¹³⁶ Likewise, Chief Cala of the Data Warehousing and Systems Operations Division of the BIR confirmed that Lagrosas' TIN 755-265-123-000 is invalid, and does not exist in the database

¹³⁶ Records, Vol. III, pp. 83-84

of the BIR.¹³⁷ More, Social Security Officer delos Reyes verified that there is no Alfred Santos Vergara with SSS No. 33-0024132-9 in their system.¹³⁸

Moreover, the Court did not fail to note that in determining the purpose of opening the Jupiter Accounts, Deguito contented herself with Kim Wong's statement that the account holders are expecting to receive loan proceeds. Apart from asking for their IDs, there is nothing on record to prove that Deguito interviewed the account holders at all. In fact, Deguito testified that it was Kim Wong who answered all her questions on behalf of the account holders. A cursory reading of the Customer Relationship Forms of Cruz,¹³⁹ Vasquez,¹⁴⁰ Vergara¹⁴¹ and Lagrosas¹⁴² evince that their only source of funds is “[s]alary”. Additionally, Deguito merely relied on the account holders' declaration in the Customer Relationship Forms that they are “Managers/Executives” without conducting employment verification. What is more, the subsequent investigations conducted by the AMLC and the RCBC revealed that based on bank statements or the Transaction History of the Jupiter Accounts, there was no financial activity after the opening of said accounts, or prior to the inward remittances on 05 February 2016.

In light of the foregoing disquisitions, the Court is convinced that the circumstances established in this case form an unbroken chain leading to one fair reasonable conclusion - that as far back as the opening of the Jupiter Accounts, Deguito had knowledge that the Jupiter Accounts were opened solely for the purpose of receiving proceeds derived from an unlawful activity. To recapitulate, in the prosecution of money laundering cases, the element of knowledge may be established by direct or circumstantial evidence. The absence alone of direct evidence against an accused does not *per se* compel a finding of innocence.¹⁴³

¹³⁷ *Id.* at 214 (Vol. IV); *TSN* dated 10 July 2018, p. 22

¹³⁸ *Id.* at 221-222; *Id.* at 45-46

¹³⁹ *Folder of Exhibits*, p. 10 (Vol. II)

¹⁴⁰ *Id.* at 25

¹⁴¹ *Id.* at 40

¹⁴² *Id.* at 51

¹⁴³ *People v. Adalia*, G.R. No. 235990, January 22, 2020

In the instant case, the unlawful activity referred to is the unauthorized access into BB's IT system, which resulted to unsanctioned SWIFT payment instructions to FRBNY amounting to millions of US dollars. It is pertinent to note that the prosecutions of money laundering and the unlawful activity shall proceed independently. Any person may be charged with and convicted of both money laundering and the unlawful activity.¹⁴⁴ Similarly, Rule VI (A) of the RIRR of R.A. No. 9160, as amended, provides that, “[t]he elements of money laundering are separate and distinct from the elements of the unlawful activity. The elements of the unlawful activity, including the identity of the perpetrators and the details of the commission of the unlawful activity, need not be established by proof beyond reasonable doubt in the case for money laundering.”

In this case, the unauthorized SWIFT payment instructions to FRBNY in favor of the beneficiary accounts in RCBC Jupiter amount to "hacking" or "crackling", which is a punishable act under R.A. No. 8792, otherwise known as the Electronic Commerce (E-Commerce) Act of 2000, specifically Section 33 (a), which provides:

Section 33. Penalties. - The following Acts, shall be penalized by fine and/or imprisonment, as follows:

*(a) **Hacking or crackling** with refers to **unauthorized access** into or interference in a **computer system/server or information and communication system**; or any access **in order to** corrupt, alter, **steal**, or destroy using a computer or other similar information and communication devices, **without the knowledge and consent of the owner of the computer or information and communications system**, including the introduction of computer viruses and the like, **resulting in** the corruption, destruction, alteration, **theft** or loss of electronic data messages or electronic documents shall be punished by a minimum fine of One Hundred Thousand pesos (P 100,000.00) and a maximum commensurate to the damage incurred and a mandatory imprisonment of six (6) months to three (3) years; xxx (Emphasis and underscoring supplied)*

¹⁴⁴ Rule VI (A) of the RIRR of R.A. No. 9160

Significantly, “hacking” or “crackling” is among the predicate offenses of money laundering, as defined under Rule III (T) (11) of the RIRR of R.A. No. 9160, as amended, thus:

T. Unlawful activity refers to any act or omission or series or combination thereof involving or having direct relation to the following:

xxx

(11) Violations under Republic Act No. 8792, otherwise known as the Electronic Commerce Act of 2000; xxx (Emphasis and underscoring supplied)

Relevantly, “felonies or offenses of a similar nature that are punishable under the penal laws of other countries” are among the “unlawful activities” defined under Rule III (T) (34) of the RIRR of R.A. No. 9160, as amended. It bears mentioning that “hacking or crackling” under the E-Commerce Act of 2000 has a counterpart provision in the 2006 Information and Communication Technology Act of the Bangladesh (Act No. 39 of 2006),¹⁴⁵ viz:

54. *Penalty for damage to computer, computer system, etc. - If any person, without permission of the owner or any person who is in charge of a computer, computer system or computer network,*

(a) *accesses or secure access to such computer, computer system or computer networks for the purpose of destroying information or retrieving or collecting information or assists other to do so;*

(b) *downloads, copies or extracts any data, computer database or information from such computer, computer system or computer network including information or data held or stored in any removable storage medium;*

xxx

56. *Punishment for hacking with computer system. - (1) If any person -*

a) *with the intent to cause or knowing that he is likely to*

¹⁴⁵ Folder of Exhibits, pp. 29-49 (Vol. IV)

cause wrongful loss or damage to the public or any person, does any act and thereby destroys, deletes or alters any information residing in a computer resource or diminishes its value or utility or affects it injuriously by any means;

b) damage through illegal access to any such computer, computer network or any other electronic system which do not belong to him;

then such activity shall be treated as hacking offence.¹⁴⁶

The fact that the BB's IT system was hacked was established by the letter¹⁴⁷ dated 16 February 2016 of BB Governor Rahman, informing BSP Governor Tetangco that on 04 February 2016, payment instructions in the amount of USD81,000,000.00 were made to the FRBNY in favor of beneficiaries with accounts in RCBC. BB sent SWIFT messages to RCBC to stop the payment and refund the same to BB's account with FRBNY.¹⁴⁸ Bangladesh Police Khan gave a detailed account on how BB's IT system was hacked, and how its foreign currency reserve with FRBNY made its way to the Jupiter Accounts on 05 February 2016 without the knowledge and consent of BB, to wit:

33. Q: *What have you discovered in your investigation?*

A: *On 4 and 5 February, 2016, unknown hackers and their associates attempted to steal about USD 1,926.01 (sic) million from the account of Bangladesh Bank maintained into Federal Reserve Bank (FRB) of New York (NY) **by generating and transmitting 70 (Seventy) unauthorized Payment Instructions (PIs) using SWIFT system maintained by Bangladesh Bank.***

34. Q: *How did the hackers do it, if you know?*

A: ***They made fake messages and transmitted them to FRB of NY, where Foreign Currency Reserve of Bangladesh is kept.**¹⁴⁹*

¹⁴⁶ *Id.* at 43-A to 43-B (Vol. IV)

¹⁴⁷ *Id.* at 41 (Vol. I)

¹⁴⁸ *Id.*

¹⁴⁹ *Records*, pp. 152 (Vol. IV)

xxx

38. Q: What else, if any, did you find out about the unauthorized processing and transmission worth USD 101 million?

A: The forensic investigation reveals that on 19 January 2016 or earlier date, unknown hackers intruded into Bangladesh Bank server, while on 26 January 2016 Shalika Foundation, an NGO of Sri Lanka opened a USD bank account at Pan Asia Banking Corporation Ltd. On 1 February 2016, William So Go's USD account was opened at RCBC, Jupiter Street, Makati City, Manila, Philippines.

39. Q: How did the unknown hackers process and transmit the USD 101 million?

A: On 04 February, 2016 from 2036hrs to 0359hrs (BST) 5 Feb 2016, hackers logged in at 2036hrs to the SWIFT system and performed different activities till at 0359hrs of 5 February 2016 and thereby 70 Payment Instructions (PI) were transmitted to FRB New York for payments in total USD 1,926,013,799 to five accounts at RCBC in Philippines, where only one (first one) PI with worth USD 20 million landed in Sri Lanka.¹⁵⁰

Joint Director Rab of Bangladesh Financial Intelligence Unit and Fahim of the Bangladesh Police corroborated Khan's testimony on the unlawful activity involving BB's account with FBRNY. DFA Legal Representative Alos testified, and brought before the RTC, the authenticated copies of Act No. 39 of 2006, Act No. 5 of 2012, Act No. XLV of 1860 of Bangladesh.

Without doubt, the prosecution was able to prove beyond reasonable doubt that the inward remittances credited to the Jupiter Accounts on 05 February 2016 were proceeds derived from hacking or crackling, an unlawful activity, which is punishable by R.A. No. 8792 and Act No. 39 of 2006 of Bangladesh.

It is next urged by Deguito that when the remittances were

¹⁵⁰ *Id.* at 152-153

credited to the Jupiter Accounts on 05 February 2016, she took steps to ensure that said remittances were in order and that the funds came from legitimate sources. Purportedly, Deguito instructed Torres to communicate with RCBC's Settlements Department to request for copies of the corresponding MT103 confirmations. When Pineda, one of Deguito's superiors, called her later that day to ask if she could possibly put a hold on the Jupiter Accounts, Deguito took steps to clarify the matter and to confirm the validity of the inward remittances.¹⁵¹ Deguito denies that she had the authority to stop the transactions. She faults the RTC for ignoring the fact that the subject remittances were credited to the beneficiary accounts via Straight Through Process. The processing of withdrawal and deposit slips belongs to the Operations Department of RCBC Jupiter. Too, there was no reason for her to stop the transactions on 05 February 2016 and 09 February 2016 because at the time they were being processed by the Operations Department, there were no stop payment instructions yet, and she was not aware of the emails sent by RCBC's Settlements Department on the recall of funds. She only read the subject emails at past noon on 09 February 2016, after all of the withdrawal and deposit transactions had been effected.¹⁵²

Again, Deguito tries to downplay her participation in the anomalous transactions by pinning the blame on RCBC's Operations Department, Settlements Department and other employees of RCBC Jupiter. As previously conveyed, Deguito is the Branch Manager of RCBC Jupiter. As testified to by Subido, the Head of RCBC's Human Resources Group, the Business Manager is the “overall head” and “control officer” of a Business Center, to wit:

“COURT:

Q *Okay, Ma'am, in that regard, is the Business Manager of the branch prohibited to do the operational work?*

WITNESS:

A *It's not, that's why I am clarifying myself because at that time... if I may, Your Honor, to explain the Hierarchy at that*

¹⁵¹ *Rollo*, pp. 130-132

¹⁵² *Id.* at 134-146

time? Alright, so we have a Branch Business Center Manager and a Customer Service Head in the branch. Now, for all intends (sic) and purposes, the Hierarchy is the Business Center Manager reports to a District etc. on the cell site and the Customer Service Head reports into like a District Service etc. but at some point in the Hierarchy, they all report to a Retail Bank Head. So, technically speaking during that time, the **Business**

WITNESS: (continuation)

... Center Manager is the overall head of a Business Center.

COURT:

Q Which includes his or her work in the operations of the branch?

A Yes, Your Honor.

Q So, it does not prohibit?

A It does not, as what Attorney has mentioned there is a check and balance, so that's the purpose of the Customer Service Head at that time in 2016.

Q As I said, Ma'am, there is no prohibition for the manager to do the operational work?

WITNESS:

A Yes, there is **no prohibition at that time.**

COURT:

Q So, she can do what an Operations Manager is doing?

A It depends, Your Honor, on what you meant by she can do what an Operations Manager doing but **the Customers Service Head is supposed to be the Control Officer.** So, technically speaking, if the Control Officer is present during that time, he should be the one doing the check and balance. The Business Center Manager brings in the accounts and then the Customer Service Head supposedly checks the accuracy of the documents, something like that.

COURT:

Q Supposed a Business Manager does everything, Ma'am for the account?

WITNESS:

A Well, as we have mentioned in the Notice.

Q What Notice?

A I mean the Notice of Decision. We have mentioned that at the onset Ms. Deguito did not perform the Know Your Customer Policy. So, those are the things that at the onset, the Branch Manager should be able to do, like face to face, making sure that the accounts are in proper order, etc. Because, as I said, you are the solicitor of the account, right, so at the onset you are supposed to do the KYC or the Know Your Customer, Your Honor. So, If I am Ms. Deguito and then I solicit my

WITNESS: (continuation)

accounts, I will have to make sure that all the documents are in place and at that time, obviously, all of the Customer Relationship Forms, all of these documents will be given to the branch in the CSH - Customer Service Head, then iba-validata nya ngayon iyon, Sir, kung tama iyon. So, in other words, it's the responsibility of the Branch Center Manager when soliciting accounts to make sure that the Know Your Customer Rule is observed and it is indicated in the Job Description.

COURT:

Q You mean, Ma'am, in this particular case, that Rule was not observed?

A That Rule was not observed. That's correct, Your Honor."¹⁵³

Being the “overall head” and “control officer” of RCBC Jupiter, Deguito cannot feign ignorance of the blatant irregularities in the inward remittances credited to the Jupiter Accounts, and pretend as if her hands were tied that she cannot do anything to rectify them. It cannot be overemphasized that it was Deguito who solicited the Jupiter Accounts, and the account opening forms were all signed by her, indicating her imprimatur, before endorsing them to the New Accounts officer. Such

¹⁵³ TSN dated 19 July 2018, pp. 66-70

actuations are far from being ministerial.

As to the inward remittances, Liao testified that on 5 February 2016, at around 4:50 a.m. to 5:12 a.m., RCBC Settlements Department received the SWIFT MT103 via RCBC SWIFT Payment System from Wells Fargo New York, Citibank New York and, and Bank of New York - Mellon. The MT103 instructed payment to the Jupiter Accounts. At around 12:33 p.m. to 12:39 p.m. on even date, the total amount of USD81,001,621.79 was credited to the Jupiter Accounts via Straight Through Process. At 3:16 p.m. on the same day, there was a cash withdrawal from Lagrosas' account amounting to USD USD22,735,000.00, and the same amount was deposited to the Go Account, which was opened only at 3:00 p.m. on that day.¹⁵⁴

Another interesting point, Deguito admitted that she opened a US dollar account in the name of Go without seeing the latter, and only upon the instruction of Kim Wong. For the second time, Deguito caused the opening of a new account without complying with the required face-to-face contact, as mandated by BSP Circular No. 75 and the RIRR of R.A. No. 9160, as amended. And again, it was later verified that the driver's license that was used to open the Go Account does not exist in LTO's data base.¹⁵⁵ Too, it is inescapable to notice that even Kim Wong was neither present during the opening of the Go Account, much less armed with a Special Power of Attorney (SPA). Quoted hereunder is Deguito's incredible testimony:

“Q The new accounts. Sino ang may instruction para buksan ang Dollar Account ni Mr. William Go?

A Ako po.

Q Anong basehan ng order mo para magbukas ng Dollar Account ni Mr. William Go?

A I got the authority from Mr. William Go to set up a Dollar Account for him plus nung sinabi ko po sya kay Angela Torres na bubuksan ng account si William Go ng Dollar, she called William Go to verify even before

¹⁵⁴ *Records*, pp. 48-49 (Vol. V)

¹⁵⁵ *Id.* at 84 (Vol. IV)

setting the account. So, dalawa kaming nakausap nya authorizing the bank to open Dollar Account for him.

Q *Kahit na walang initial deposit?*

A *It can happen. Yes, Your Honor.*

Q *So, ibig mong sabihin, Ms. Witness, you can open an account even without initial deposit, tama?*

A *It can happen, Your Honor.*

Q *Kaya nga tama bang sabihin iyon?*

WITNESS:

A *Tama po.*

Q *Sa inyong branch?*

A *Yes, Your Honor.*

Q *Case to case basis, Your Honor. I cannot speak for other branch but in RCBC it happened.*

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Q *You mentioned earlier that there is no need for William Go to fill-up a CRF because there's an existing Peso Account, correct?*

A *Yes, **I did not see him during the time na inopen yung Peso Account niya**, but we would talk about it.¹⁵⁶*

The only person who could have corroborated Deguito's testimony was Torres. Unfortunately, she was not presented as a witness in this case. It would be the height of naivete or credulity for this Court to simply accept Deguito's self-serving testimony that it was possible to open an account without face-to-face contact, without filling-up and signing account opening forms, and without initial deposit. This is not only against normal banking practice, but a blatant violation of the AMLA and banking laws, rules and regulations. What is clear is that Deguito hastily opened the Go Account, which was the ultimate recipient of the proceeds of the hacking incident. Notably, Liao presented, identified and formally offered in evidence the withdrawal slip on Lagrosas' account dated 05 February 2016, and a similarly dated

¹⁵⁶ TSN dated 05 December 2018, pp. 76-77

deposit slip to the Go Account, both for the amount of USD22,735,000.00.

Further on the point, the following circumstances should have already raised a red flag to induce Deguito, in her capacity as the Business Manager of RCBC Jupiter, to exercise Enhanced Due Diligence, and report the same to her supervisors, to wit: 1.) the funds originated from the Central Bank of Bangladesh, a sovereign entity; 2.) the funds were credited to individual accounts that had no financial activity since they were opened nine (9) months ago, signaling unusual pattern of transactions involving large sum of US dollars; 3.) the account holders never set foot in RCBC Jupiter; and, 4.) based on the Customer Information Forms of the owners of the Jupiter Accounts, there was no apparent economic or lawful purpose to receive funds from the foreign currency reserve of Bangladesh.

Enhanced Due Diligence is the examination of the background and purpose of all complex, unusually large transactions, all unusual patterns of transactions, which have no apparent economic or lawful purpose, and other transactions that may be considered suspicious.¹⁵⁷ Apart from her uncorroborated claims, there is nothing on record to prove that Deguito exercised even the slightest form of diligence.

On 09 February 2016, Deguito continued facilitating the movement of funds from the Jupiter Accounts to the Go Account. As testified to by Liao, at around **9:15 a.m.** on 09 February 2016, RCBC Settlements Division received MT999 SWIFT from BB, requesting for stop payment and to freeze the Jupiter Accounts. This, notwithstanding, RCBC Jupiter processed five (5) withdrawals from the Jupiter Accounts in the total amount of USD58,158,641.63 between **10:24 a.m. to 11:37 a.m.** on even date. At around **10:59 a.m. to 11:30 a.m.** of the same day, RCBC's Settlements Department sent four (4) emails to RCBC Jupiter for the recall of USD75,000,000.00 funds. The emails contained three (3) MT999 SWIFT from Bangladesh Bank and one MT199 SWIFT from Wells Fargo New York.¹⁵⁸

¹⁵⁷ Rule 9 of the RIRR of R.A. No. 9160, as amended

¹⁵⁸ *Records*, p. 50 (Vol. V)

From the withdrawn amount, USD15,215,977.26 was credited to another account. Between **12:02 p.m. to 12:03 p.m.**, also on 09 February 2016, three (3) deposit transactions, in the total amount of USD42,933,664.37, were credited to the newly opened Go Account. USD20,000,000.00 of which were subsequently transferred to another account.¹⁵⁹ At this point in time, RCBC Jupiter was already notified by RCBC's Settlements Department regarding BB' request for stop payment or to freeze the Jupiter Account. Nonetheless, Deguito affixed her signature on each of the pre-signed withdrawal and deposit slips, but in her defense, she offered the excuse that said act was merely ministerial and meaningless. This is unacceptable. Being the Business Manager of RCBC Jupiter, her signature on official bank documents bore weight to her subordinates in the branch, and it cannot be regarded as inconsequential. To the Court's mind, in signing the Customer Relationship Forms, signature cards, withdrawal and deposit slips, Deguito was wielding influence over the employees of RCBC Jupiter. For any subordinate employee, his or her supervisor's signature on any official document is an assurance that the same was verified to be correct, valid and legal. Additionally, Deguito's contention that she belatedly read the subject emails is too convenient to warrant consideration.

Evidently, Deguito's acts constitute a “transaction of the monetary instrument which relates to or involves the proceeds of an unlawful activity.” Rule III of the RIRR of R.A. No. 9160, as amended, defines “transaction” as any act establishing any right or obligation, or giving rise to any contractual or legal relationship between the parties thereto. It also includes any movement of funds by any means with a covered person.

The haste by which Deguito transacted the subject funds indicates her intention to speedily move the same. And what is even more glaring, the owners of the Jupiter Accounts were not present in RCBC Jupiter when the withdrawals were made. Just like the 05 February 2016 transactions, it was only upon verbal instructions of Kim Wong, who was communicating with Deguito

¹⁵⁹ *Id.* at 53 (Vol. V)

through the phone.¹⁶⁰ No other RCBC employee had access to Kim Wong,¹⁶¹ as everything was coursed through Deguito. To emphasize, Kim Wong was not among the holders of the Jupiter Accounts. Deguito testified in this wise:

Q.148: You mentioned that you just received the signed deposit and withdrawal slips from Kim Wong, without the account holders being present in the branch. If that is the case, why were the withdrawal and deposits processed?

A. 148: It is an established practice in the banking industry that valued clients, or clients who the bank are familiar with, may conduct deposit or withdrawal transactions by just sending signed deposit slips. Especially in cases of no cash-out transactions.

Q. 149: What do you mean by "no cash-out transactions"?

A. 149: No cash-out transaction is when the money withdrawn is not actually received by any person in the branch. Rather, it is deposited directly into another account. This means no physical cash is actually released to a person and taken out of the branch.

Q. 150: If at all, how is that established banking practice you mentioned applicable in this case?

A. 150: Kim Wong is a valued client whom I've known since 2008. I've transacted with him many times, and he has referred several high value clients to me. Likewise, as I mentioned, I know him to be a friend of RCBC President Lorenzo Tan. Kim Wong was also the one who referred the accounts to me. He was the one dealing with me directly regarding the five (5) accounts. The transactions were also no-cash transactions since no actual cash was released by the bank to a person in the branch, but the same amount was actually deposited to another account mentioned by Kim Wong.¹⁶²

Deguito's claim that Kim Wong is a valued client of RCBC finds no support in the records. In fact, it was not even shown

¹⁶⁰ TSN dated 05 December 2018 (8:30 a.m.), p. 108

¹⁶¹ *Id.* at 109

¹⁶² *Records*, p. 36 (Vol. VII)

that Kim Wong maintains an account with RCBC Jupiter. What was established is that Kim Wong is a valued personal client of Deguito.

It is truly perplexing to think that a Business Manager of one of the biggest banks in the country would simply to accede to all the instructions of Kim Wong. Deguito acted on these instructions without consulting the account holders of the Jupiter Accounts. Except on their alleged meeting at Midas Hotel on 14 May 2015, there was no other instance when Deguito spoke with Cruz, Lagrosas, Vasquez or Vergara. Such acquiescence of Deguito resulted in several violations of the AMLA, its RIRR and banking regulations.¹⁶³

On another point, Deguito's insistence that Judge Untalan was biased against her for propounding approximately three hundred forty (340) questions during her cross-examination, as compared to the prosecution's one hundred forty-three (143) questions,¹⁶⁴ is bereft of merit.

The mere imputation of bias, partiality and prejudgment will not suffice in the absence of clear and convincing evidence to overcome the presumption that the judge will undertake his noble role to dispense justice according to law and evidence and without fear or favor.¹⁶⁵ Here, there is no showing that Judge Untalan had an interest, personal or otherwise, in the prosecution of Deguito's case. He is therefore presumed to have acted regularly and in the manner that preserves the ideal of the "cold neutrality of an impartial judge." On the whole, the Court finds that the questions propounded by Judge Untalan were merely for clarification purposes. It is a judge's prerogative and duty to ask clarificatory questions to ferret out the truth. Questions that clear up dubious points and bring out additional relevant evidence are within judicial prerogative. The mere fact that the presiding judge

¹⁶³ *Id.* at 286 A (Vol. IV)

¹⁶⁴ *Rollo*, pp. 164-165

¹⁶⁵ Re: Letters of Lucena B. Rallos, for Alleged Acts/Incidents/Occurrences Relative to the Resolution(s) Issued in CA-G.R. SP No. 06676 by Court of Appeals Executive Justice Pampio Abarintos and Associate Justices Ramon Paul Hernando and Victoria Isabel Paredes, IPI No. 12-203-CA-J, December 10, 2013

asked clarificatory questions during the trial does not make him a biased judge.¹⁶⁶

Lastly, Deguito theorizes that the RTC imposed the wrong penalty upon her. She argues that the penalty under subsection (e) of Section 10 of R.A. No. 10365 is applied only if the party charged with money laundering is a “covered person” and the penalty would be imposed on its directors, officers or personnel who knowingly participated in the commission of the crime of money laundering. This penalty would only apply if it was RCBC, as a covered person, that was charged with money laundering, with the penalty being imposed on its directors, officers or personnel who knowingly participated in the commission of the said crime. She claims that she was charged and tried in her personal capacity. Therefore, it would be unfair if she would be penalized as a “personnel” of a covered person when RCBC, the actual “covered person,” was not even charged or accused of money laundering. If at all, the maximum imposable fine for the violation for which Deguito was convicted is Php24,000,000.00, and not USD94,304,069.37.¹⁶⁷

We do not agree.

Section 14 (e) prescribes the penalty for violation of Section 4 of R.A. 9160, as amended, when the same is committed by covered persons, its directors, officers or personnel who knowingly participated in the commission of crime of the money laundering thus:

SEC. 14. Penal Provisions. – (a) Penalties for the Crime of Money Laundering. The penalty of imprisonment ranging from seven (7) to fourteen (14) years and a fine of not less than Three million Philippine pesos (Php3,000,000.00) but not more than twice the value of the monetary instrument or property involved in the offense, shall be imposed upon a person convicted under Section 4 (a), (b), (c) and (d) of this Act.

¹⁶⁶ People v. Ugang, G.R. No. 144036, May 7, 2002

¹⁶⁷ Rollo, pp. 173-176

The penalty of imprisonment from four (4) to seven (7) years and a fine of not less than One million five hundred thousand Philippine pesos (Php1,500,000.00) but not more than Three million Philippine pesos (Php3,000,000.00), shall be imposed upon a person convicted under Section 4(e) and (f) of this Act.

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(e) The penalty of imprisonment ranging from four (4) to seven (7) years and a fine corresponding to not more than two hundred percent (200%) of the value of the monetary instrument or property laundered shall be imposed upon the covered person, its directors, officers or personnel who knowingly participated in the commission of the crime of money laundering. (Emphasis and underscoring supplied)

A perusal of the nine (9) Informations filed against Deguito reveals that she was then the Branch Manager of RCBC Jupiter when the acts complained of were committed. As the Business Manager of RCBC Jupiter, Deguito is considered an “officer or personnel” of a covered person pursuant to Section 14 (e) of R.A. No. 9160, as amended. As a matter of fact, on 21 March 2016, Deguito was terminated from employment “for her participation in money laundering activities while at the discharge of her functions as the Business Manager of RCBC's Jupiter BC.”¹⁶⁸ Clearly then, the RTC committed no reversible error in imposing a fine corresponding to the value of the monetary instrument laundered by Deguito, in accordance with Section 14 (e) of R.A. No. 9160, as amended.

In light of the above conclusions, there is no doubt that the prosecution was able to prove that Deguito is guilty of eight (8) counts of violation of Section 4 (f) of R.A. No. 9160, as amended. Thus, the Court finds no need to further discuss the other issues raised by the parties.

¹⁶⁸ *Id.* at 286 A (Vol. IV)

WHEREFORE, the appeal is hereby **DISMISSED**. The Joint Decision dated 10 January 2019 and the Resolution dated 20 September 2019 of the Regional Trial Court, Branch 149 of Makati City in Criminal Case Nos. R-MKT-17-02993-CR, R-MKT-17-02994-CR, R-MKT-17-02995-CR, R-MKT-17-02996-CR, R-MKT-17-02997-CR, R-MKT-17-02999-CR, R-MKT-17-03000-CR and R-MKT-17-04107-CR, finding accused-appellant **MAIA SANTOS-DEGUITO GUILTY** beyond reasonable doubt for eight (8) counts of Violation of Section 4 (f) of R.A. No. 9160, as amended, are **AFFIRMED**.

SO ORDERED.

ORIGINAL SIGNED
RAYMOND REYNOLD R. LAUGAN
Associate Justice

WE CONCUR:

ORIGINAL SIGNED
REMEDIOS A. SALAZAR-FERNANDO
Presiding Justice

ORIGINAL SIGNED
PABLITO A. PEREZ
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
REMEDIOS A. SALAZAR-FERNANDO
Presiding Justice
Chairperson, First Division