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**SUPREME COURT
FIRST DIVISION**

**PHILIPPINE SCOUT VETERANS
SECURITY AND INVESTIGATION
AGENCY, INC., RICARDO BONA and
SEVERO SANTIAGO,**

Petitioners,

-versus-

**G.R. No. 124500
December 4, 1998**

**NATIONAL LABOR RELATIONS
COMMISSION and FLORENTINO
LAMSEN,**

Respondents.

X-----X

DECISION

BELLOSILLO, J.:

FLORENTINO LAMSEN was employed as security guard by the Philippine Scout Veterans Security and Investigation Agency, Inc. (PSVSIA). In May 1994 he filed before the Department of Labor a complaint against petitioner PSVSIA, its company manager Severo Santiago, and stockholder Ricardo Bona for illegal deduction and non-payment of overtime pay and service incentive leave pay. A month or so later he amended his cause of action by changing “nonpayment of overtime pay and service incentive leave pay” to

“underpayment of wages and overtime pay.” In his verified position paper to which he attached statements showing the amounts of overtime pay and night differential pay he received for the period covering January 1991 to March 1994, he alleged that despite his long and continuous service of more than thirty-one (31) years with PSVSIA his compensation still remained below the minimum wage provided by law thus: from 1 January 1991 to 7 January 1991, P69.00/day; from 8 January 1991 to 15 February 1991, P69.00/day; from 16 February 1991 to 15 March 1992, P86.00/day; from 16 March 1992 to 30 November 1993, P106.00/day; from 1 December 1993 to 15 December 1993, P118.00/day; and, from 16 December 1993 to 31 March 1994, P118.00/day.

Initially, petitioners moved to dismiss the complaint on the ground that respondent Lamsen was not an employee of PSVSIA but of its affiliate Abaquin Security and Detective Agency. However, when they subsequently filed their position paper, they changed their theory and asserted that the complaint had no factual basis. In support thereof, they submitted photocopies of a random sampling of Lamsen’s payrolls to prove that the said employee had been fully paid his wages and overtime pay in the amounts prescribed by law.

On 31 January 1995 Labor Arbiter Eduardo J. Carpio rendered a decision ordering petitioners PSVSIA, Ricardo Bona and Severo Santiago to pay respondent Lamsen the total sum of P100,730.84 representing underpayment of wages and unpaid overtime pay. Petitioners appealed to the National Labor Relations Commission (NLRC) which on 21 November 1995 rendered a Decision^[1] modifying that of the Labor Arbiter by making the monetary award retroactive to 19 May 1991 instead of 13 March 1991 as ruled by the Labor Arbiter.

In seeking relief from this Court, petitioners allege that respondent NLRC committed grave abuse of discretion amounting to lack or excess of jurisdiction in that after questioning the authenticity of the photocopies of the random samplings of Lamsen’s payroll sheets, it denied them the opportunity to present the original copies of the said documents to show that respondent Lamsen was fully paid his salaries and overtime pay; and, it held petitioners Ricardo Bona and Severo Santiago personally and jointly liable as stockholder and

officer of PSVSIA, respectively, for the unpaid wages and overtime pay of respondent Lamsen, without sufficient basis therefor.

Commenting on the petition, the Office of the Solicitor General (OSG) agreed with petitioners. It observed that if respondent NLRC doubted the veracity of the payroll sheets submitted by petitioners it could simply have ordered them to produce the originals thereof as well as all relevant documents for its proper determination of whether private respondent was truly entitled to additional wages and overtime pay. The OSG also noted that the payroll statements which respondent Lamsen himself submitted together with his position paper showed that he received certain amounts as regular pay, overtime pay and night differential for the years 1991 to 1994. Hence, he is no longer entitled to the full amount of overtime pay computed by the Labor Arbiter at four (4) hours per day for a period of three (3) years totalling P80,565.44. The award, unless corrected, would result in unjust enrichment of private respondent at the expense of petitioners.

We agree with petitioners. Article 221 of the Labor Code provides that in any proceeding before the Commission or any of the Labor Arbiters, the rules of evidence prevailing in courts of law or equity shall not be controlling. It is the spirit and intention of the Code that the Commission and its members as well as the Labor Arbiters use all reasonable means to ascertain the facts in each case speedily and objectively, without regard to technicalities of law or procedure, all in the interest of due process.^[2]

Respondent NLRC questioned the authenticity of the photocopies of random samplings of petitioners' payrolls showing that respondent Lamsen was paid the correct amounts due him as salary and overtime pay when it noted that these documents did not contain his binding signatures. Incidentally, in their appeal to the NLRC, petitioners moved for a reinvestigation and/or opportunity to submit the originals of the payroll sheets of respondent Lamsen which contained his signatures to show that he received his monetary benefits. The NLRC denied the motion, in effect depriving petitioners the opportunity to submit additional evidence to overcome its doubts as to the authenticity and due execution of the payroll sheets of respondent Lamsen. On the other hand, it is significant that the

Commission was silent on the failure of private respondent to show that the amounts already paid to him as overtime pay were lacking in proportion to the amount of overtime work done, thus resulting in underpayment.

Clearly, respondent NLRC committed grave abuse of discretion by strictly applying procedural technicalities in the case before it, in complete disregard of established policy of the Labor Code and jurisprudence. In affirming the doctrine that the Commission and the Labor Arbiters may avail themselves of all reasonable means to speedily ascertain the facts of a controversy,^[3] we uphold the power of respondent NLRC to consider even on appeal such other and additional documentary evidence from the parties if only to support their contentions.^[4] This is in accord with the well settled doctrine that rules of procedure and evidence should not be applied in a very rigid and technical sense in labor cases and that technicality should not be allowed to stand in the way of equitably and completely resolving the rights and obligations of the parties.^[5] Petitioners must therefore be afforded the opportunity to present the originals of respondent Lamsen's payrolls for a proper determination of the factual issue of whether he was underpaid in terms of wages and overtime pay.

We also find that respondent NLRC acted with grave abuse of discretion in holding petitioners Ricardo Bona and Severo Santiago personally and jointly liable with petitioner PSVSIA for the monetary claims of respondent Lamsen, there being no proof that both acted with malice and bad faith against their employee.^[6]

WHEREFORE, the Petition is **GRANTED**. The decision of the National Labor Relations Commission is **REVERSED** and **SET ASIDE**. This case is remanded to respondent NLRC so that it can, as it should, allow petitioners to submit to it the original documents of the payrolls of respondent Florentino Lamsen for a factual determination of whether there was underpayment of salaries and overtime pay, with the directive that the case be resolved with dispatch.

SO ORDERED.

**Davide, Jr., C.J., Vitug, Panganiban and Quisumbing, JJ.,
concur.**

[1] Rollo, p. 16.

[2] Vallende vs. NLRC, G.R. No. 110321, 7 July 1995, 245 SCRA 662.

[3] Imperial Textile vs. NLRC, G.R. No. 101527, 19 January 1993, 217 SCRA 237.

[4] Bristol Laboratories Employees Association vs. NLRC, G.R. No. 87974, 2 July 1990, 187 SCRA 118.

[5] Phil. Singapore Ports Corp. vs. NLRC, G.R. No. 67035, 29 January 1993, 218 SCRA 77.

[6] Seaborne Carriers Corp. vs. NLRC, G.R. No. 88795, 4 October 1994, 237 SCRA 343.

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