

CHANROBLES PUBLISHING COMPANY

**SUPREME COURT
FIRST DIVISION**

BALTAZAR G. CAMPOREDONDO,
Petitioner,

-versus-

G.R. No. 129049
August 6, 1999

**NATIONAL LABOR RELATIONS
COMMISSION (NLRC), Fifth Division,
Cagayan de Oro City, THE PHILIPPINE
NATIONAL RED CROSS (PNRC),
represented by GOVERNOR ROMEO C.
ESPINO and DR. CELSO SAMSON,**
Respondents.

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D E C I S I O N

PARDO, J.:

At issue in this case is whether the Philippine National Red Cross (PNRC for short) is a government owned and controlled corporation, or it has been “impliedly converted to a private organization” subject to the jurisdiction of labor tribunals in a complaint filed by petitioner, a former PNRC chapter administrator in Surigao del Norte, for illegal dismissal and damages, as he was forced to “retire” after he was required to reconstitute shortages and unremitted collections in the total sum of P135,927.78.

Having obviously no merit, we dismiss the petition.

All suitors must come to court with clean hands. This is especially true of paid staff of the Philippine National Red Cross. Like its unpaid volunteers, they must be men of unquestioned honesty and integrity, serving in selfless manner to aid the sick and wounded of armed forces in time of war, acting in voluntary relief in time of peace and war, maintaining a system of national and international relief in meeting emergency relief needs caused by typhoons, floods, fires, earthquakes, and other natural disasters, and promoting such service in time of peace and war to improve the health, safety and welfare of the Filipino people.^[1] Paid staff of the PNRG are government employees who are members of the Government Service Insurance System and covered by the Civil Service Law. Unlike government service in other agencies, Red Cross service demands of its paid staff *uberrima fides*, the utmost good faith and dedication to work.

Since 1980, petitioner was employed with the PNRG, and until his early “retirement” on December 15, 1995, he was administrator of the Surigao del Norte Chapter, Philippine National Red Cross.^[2]

In July, 1995, a field auditor of the PNRG conducted an audit of the books of account of the Surigao del Norte Chapter, headed by petitioner and found him short in the total sum of P109,000.00.^[3]

On November 21, 1995, Dr. Celso Samson, Secretary General of the PNRG wrote petitioner requiring him to retribute within seventy two (72) hours from notice, the total sum of P135,927.78, representing cash shortage, technical shortage and unremitted collections.^[4]

On December 15, 1995, petitioner applied for early retirement from the service, and later wrote Dr. Samson requesting for a re-audit by an independent auditor of his accounts. However, Dr. Samson denied the request.^[5]

On May 28, 1996, petitioner filed with the National Labor Relations Commission, Sub-Regional Arbitration Branch X, Butuan City, a complaint for illegal dismissal, damages and underpayment of wages against the Philippine National Red Cross and its key officials.^[6]

On June 14, 1996, respondent Philippine National Red Cross filed with the Surigao del Norte provincial office, Department of Labor and Employment, a motion to dismiss the complaint for lack of jurisdiction over the subject matter of the case because the PNRC is a government corporation whose employees are members of the Government Service Insurance System (GSIS), and embraced within the Civil Service Law and regulations.^[7]

On July 25, 1996, petitioner filed an opposition to motion to dismiss arguing that there was between the PNRC and its duly appointed paid staff, an employer-employee relationship, governed by the Labor Code of the Philippines.^[8]

On October 11, 1996, the Labor Arbiter issued an order dismissing the complaint for lack of jurisdiction, finding that the Philippine National Red Cross is a government corporation with an original charter, having been created by Republic Act No. 95.^[9]

On November 12, 1996, the Labor Arbiter denied petitioner's motion for reconsideration filed on October 14, 1996.^[10]

On November 20, 1996, petitioner filed a notice of appeal and appeal memorandum with the National Labor Relations Commission.^[11]

On March 21, 1997, the National Labor Relations Commission, Fifth Division, issued a resolution dismissing the appeal and confirming the decision of the Labor Arbiter that dismissed petitioner's complaint for lack of jurisdiction.^[12]

Hence, this recourse.

On July 7, 1997, we resolved to require respondents to comment on the petition within ten (10) days from notice.^[13]

On August 7, 1997, respondent Philippine National Red Cross filed its comment.^[14] On November 7, 1997, the Solicitor General filed its comment.^[15]

Resolving the issue set out in the opening paragraph of this opinion, we rule that the Philippine National Red Cross (PNRC) is a government owned and controlled corporation, with an original charter under Republic Act No. 95, as amended. The test to determine whether a corporation is government owned or controlled, or private in nature is simple. Is it created by its own charter for the exercise of a public function, or by incorporation under the general corporation law? Those with special charters are government corporations subject to its provisions, and its employees are under the jurisdiction of the Civil Service Commission, and are compulsory members of the Government Service Insurance System. The PNRC was not “impliedly converted to a private corporation” simply because its charter was amended to vest in it the authority to secure loans, be exempted from payment of all duties, taxes, fees and other charges of all kinds on all importations and purchases for its exclusive use, on donations for its disaster relief work and other services and in its benefits and fund raising drives, and be allotted one lottery draw a year by the Philippine Charity Sweepstakes Office for the support of its disaster relief operation in addition to its existing lottery draws for blood program.

Having served in the Philippine National Red Cross for a number of years since his initial employment, he must know that it is a government corporation with its own charter and that he was covered by compulsory membership in the Government Service Insurance System, which is why he could apply, as he did, for “early” retirement from the service under Presidential Decree No. 1146 or Republic Act No. 1616.^[16]

WHEREFORE, the Court hereby **DISMISSES** the petition, and **AFFIRMS** the ruling of the National Labor Relations Commission. Double costs taxed against petitioner.

SO ORDERED.

Davide, Jr., C.J., Puno, Kapunan and Ynares-Santiago, JJ., concur.

[1] Section 3, Rep. Act No. 95.

- [2] Par. 2, Complaint, Annex “A” Petition, Rollo, p. 15.
- [3] Par. 3, *idem.* Rollo, p. 16.
- [4] Par. 10, *idem.* Rollo, p. 18.
- [5] Pars. 11-12, *idem.* Rollo, pp. 18-19.
- [6] Petition, Rollo, p. 4; Annex “A”, Rollo, pp. 15-21.
- [7] Petition, Rollo, p. 4, Annex “B”, Rollo, pp. 22-35.
- [8] Petition, Rollo, p. 5; Annex “C”, Rollo, pp. 36-39.
- [9] Petition, Rollo, p. 5; Annex “F”, pp. 64-69.
- [10] Petition, Rollo, p. 5; Annex “I”, Rollo, p. 94.
- [11] Petition, Rollo, p. 5, Annexes “J”, “J-1”, Rollo, pp. 95-103.
- [12] Petition, Rollo, p. 5; Annex “L”, pp. 111-114.
- [13] Rollo, p. 116.
- [14] Rollo, pp. 119-134.
- [15] Rollo, pp. 159-176.
- [16] Republic Act No. 8291, enacted on May 30, 1997, expanded the retirement rights of government workers.