

U.S. Department of Labor

Office of Labor-Management Standards
Puerto Rico Resident Investigator Office
T-Mobile Tower
B7 Tabonuco Street, Suite 1104
San Juan, PR 00968



September 2, 2021

Mr. Juan Santana, President
Union Independiente de Empleados de Aeropuerto
Calle 507 OE-3
Carolina, PR 00982

Case Number: 130-6020519 [REDACTED]
LM Number: 512223

Dear Mr. Santana:

This office has recently completed an audit of Union Independiente de Empleados de Aeropuerto (UITA) under the Compliance Audit Program (CAP) to determine your organization's compliance with the provisions of the Labor-Management Reporting and Disclosure Act of 1959 (LMRDA). As discussed during the exit interview with President Juan Santana, Vice President Maria Serpa, Secretary Danilo Cruz, and Accountant [REDACTED] on August 13, 2021, the following problems were disclosed during the CAP. The matters listed below are not an exhaustive list of all possible problem areas since the audit conducted was limited in scope.

Reporting Violations

The audit disclosed a violation of LMRDA Section 201(b), which requires labor organizations to file annual financial reports accurately disclosing their financial condition and operations. The Labor Organization Annual Report (LM-3) filed by UITA for the fiscal year ended May 31, 2020, was deficient in the following areas:

1. Disbursements to Officers

UITA did not report the names of some officers and the total amounts of payments to them or on their behalf in Item 24 (All Officers and Disbursements to Officers). The union must report in Item 24 all persons who held office during the year, regardless of whether they received any payments from the union. UITA did not include lost time wages paid to officers totaling at least \$1,192.70 in the amounts reported on Item 24 (All Officers and Disbursements to Officers). (\$139.20 for Organizational Secretary Carlos Burgos, \$147.20 for Sub-Secretary Juan Santana Delgado, \$116.00 for Education Secretary Reyna Espinal, \$515.00 for Treasurer Neilly Rodriguez, \$77.20 for Spokesperson Anibal Gonzalez & \$24.10 for Spokesperson Carmen Torres). It appears the union erroneously reported these payments in Item 48 (Office and Administrative Expenses) and Item 49 (Professional Fees). In addition, no payroll withholding payments were reported on Item 54 (Other Disbursements), even though withholdings of at least \$1,630.00 were retained from officers.

The union must report most direct disbursements to UITA officers and some indirect disbursements made on behalf of its officers in Item 24. A "direct disbursement" to an officer is a payment made to an officer in the form of cash, property, goods, services, or other things of value. See the instructions for Item 24 for a discussion of certain direct disbursements to officers that do not have to be reported in Item 24. An "indirect disbursement" to an officer is a

payment to another party (including a credit card company) for cash, property, goods, services, or other things of value received by or on behalf of an officer. However, indirect disbursements for temporary lodging (such as a union check issued to a hotel) or for transportation by a public carrier (such as an airline) for an officer traveling on union business should be reported in Item 48 (Office and Administrative Expense).

2. Office and Administrative Expenses

Under Item 48 (Office and administrative Expenses) UITA should report total disbursements for its ordinary office and administrative expenses, for example, rent, utilities, office supplies, postage, subscriptions, fidelity bond premiums, etc. However, UITA erroneously reported at least \$3,526.80 on Item 48 (Office and Administrative Expenses) that should be reported on Item 24(D) (Gross Salary Before Taxes and Other Deductions) for Christmas Bonuses paid to Officers (\$1,805.40 for President Juan Santana and \$1,721.40 for Vice President Maria Serpa). Moreover, at least \$3,104.06 should be deducted from Item 48 (Office and Administrative Expenses) and be reported on Item 52 (Purchase of Investments and Fixed Assets) (Office-Related Equipment and Furniture). Finally, at least \$16,680 should be deducted from Item 48 (Office and Administrative Expenses) and be reported on Item 54 (Other Disbursements) (Membership/Holiday Parties' Expenses and Payroll Taxes Withheld).

3. Failure to File Bylaws

The audit disclosed a violation of LMRDA Section 201(a), which requires that a union submit a copy of its revised constitution and bylaws with its LM report when it makes changes to its constitution or bylaws. UITA amended its constitution and bylaws in 1993, but did not file a copy with its LM report for that year. UITA has now filed a copy of its constitution and bylaws.

UITA must file an amended Form LM-3 for the fiscal year ended May 31, 2020, to correct the deficient items discussed above. The report must be filed electronically using the Electronic Forms System (EFS) available at the OLMS website at www.olms.dol.gov. The amended Form LM-3 must be filed no later than September 30, 2020. Before filing, review the report thoroughly to be sure it is complete and accurate.

I want to extend my personal appreciation to Union Independiente de Empleados de Aeropuerto for the cooperation and courtesy extended during this compliance audit. I strongly recommend that you make sure this letter and the compliance assistance materials provided to you are passed on to future officers. If we can provide any additional assistance, please do not hesitate to call.

Sincerely,



Investigator