

RFI005

JUNTA EMPLOYEE ISSUES

17 March 2021

Dear Junta Board

JC_00237_210317_RFI 005 Employee Issues

The Junta has usually employed two workers to perform various maintenance activities for Cabrera Poligono 1.

In around 2017, one of the workers, Paco, retired following a period of ill health. The details of Paco's retirement were never revealed by the Junta in detail. Some reference was made to "negotiations with Paco and some agency" but we understand that no minutes were produced relating to the matter.

In around January 2018 the Junta Treasurer employed a replacement for Paco without consultation with other Junta members or the Homeowners who pay for the workers. The new employee, Damian, was appointed from the Treasurer's own company, VAITIER, which was in the process of scaling back operations.

After acting as VAITIER foreman for many years, Damian was assigned to a manual and relatively unskilled role with the Junta.

We have the following questions for the Junta Board:

Q1: Why was a cheaper worker not contracted to the role?

Q2: At the time of the employment of this ex-VAITIER employee, were any associated VAITIER liabilities for employment, social or pension costs, related to this individual, also transferred from VAITIER to the Junta?

Q3: If any liabilities were transferred, what is the full amount of these liabilities and when will these liabilities become due and payable by the Junta?

Q4: Additionally, could the Junta clarify where this cost would show in the Income and Expenditure account of the Junta when the liability becomes due?

Q5: Can the Junta explain how many candidates were considered for the role taken by this individual, at the time when the role became vacant, and what Junta board members were involved in the selection process?

Q6: Can the Junta provide copies of:

- a) The justification made for this placement
- b) The minutes of the Junta board meeting that authorised this placement

Q7: The Spanish government offers many valuable incentives and subsidies to employers to take on young unemployed people to be trained into new or vacant roles. Can the Junta explain their rationale for favouring the employment of a former VAITIER foreman over a young low cost trainee for whom government incentives and subsidies are available?

In his letter to Cabrera owners on 16 May 2016, the Turre Mayor, Martín Morales noted:

At the Cabrera AGM in November last year, I made a commitment to conduct a limited audit of the accounts. An examination of the payments made to the workmen relating to the period January 2015 to October 2015 revealed discrepancies to the sum of € 7562 and this was one of the topics of the meeting between myself and the delegados of the Junta. At the meeting where the Junta lawyer and the Town Hall Secretary were present, when questioned the treasurer, José Gerez, admitted to defrauding the government by stating he makes payment bank transference to the Junta workers not declaring the correct payments to the social security, hence the discrepancies. As the treasurer of an administrative Junta, responsible for large sums of public money, it was made clear to the treasurer that this is totally unacceptable, and the Town Hall will not ignore these actions. This action also affects the workmen employed by the Junta with regards to their pension entitlements and to all homeowners in Cabrera as you are all part of the Junta. Due to the treasurer admitting to false accounting, a full audit of the accounts will now be ordered by the Town Hall.

Q8: As the Junta Treasurer has some ‘form’ regarding social security payments, we would welcome his written confirmation that he, his company VAITIER, and the Junta Board are not going to saddle the Homeowners with any unforeseen social security liabilities by virtue of the seemingly unauthorised employment of Damian.

Q9: The following expenses were incurred for temporary workers in 2017:

| 2017 | AUTHORISED RELIEF WORKER | VAITIER WORKER - DAMIAN | VAITIER WORKER - JOSE MIGUEL |
|--|--------------------------|-------------------------|------------------------------|
| JUNE | 99 | | |
| JULY | 171 | | |
| AUGUST | 198 | 70 | 54 |
| SEPTEMBER | 180 | 108 | 19 |
| OCTOBER | 153 | 72 | 117 |
| NOVEMBER | 198 | 18 | 36 |
| DECEMBER | 162 | | |
| TOTALS (hours) | 1161 | 268 | 226 |
| COST (incl IVA) | € 19,667.34 | € 5,178.00 | € 3,828.00 |
| Stated Rates (excl IVA) | €14/hr excl IVA | €16/hr excl IVA | €14/hr excl IVA |
| Total Cost of Temporary Workers (incl IVA): | € 28,673.34 | | |

There appears to be full cover for Paco between June and December 2017 from the authorised relief worker. Please could the Treasurer explain why it was necessary to spend an additional €9006.00 of Homeowner funds on two additional temporary workers from the Treasurer’s own company, VAITIER, which was in the process of scaling down operations?

Why were 3 relief workers required over the period August \September 2017 which is normally a Spanish holiday time?

Q10: Over the course of 2017, it is noted that regular monthly payments totalling €22,336.60 were made to the Treasurer's own company SIERRA LEISURE between January and June. Please could the Treasurer provide full details of the need for these payments.

Q11: Over the course of 2017, it is noted that regular monthly payments totalling €25,939.98 were made to the Treasurer's own company VAITIER between July and December and June. Please could the Treasurer provide full details of the need for these payments.

Q12: If you combine the total paid for relief workers with the monies paid to our directly employed labourers [Paco and Diego, (€67,171 including social security)] you will find that the Junta paid out close to €96,000.00 for workmen in 2017.

If all the regular payments to SIERRA LEISURE and VAITIER are added to the €67,171 this results in a total of €115,447.58. Please could the Treasurer provide a full explanation for all this expenditure.

Q13: Please could you provide details of the dates for the full periods that Paco was absent from his duties, stating the start date of his absences and what breaks or returns to work occurred between each absence and the final date of Paco's retirement.

Q14: Please could we have a breakdown of the monies paid to Paco in wages by the Junta and all payments made to Paco by the Social Security Department. In addition, please could you detail any lump sum payment made to Paco on his retirement and any other inducement given to him to retire which was paid by the Junta.

Q15: Would the Junta Treasurer please confirm in writing that all Social Security payments for Damian as part of his employment with VAITIER are fully paid and up to date?

OPEN CABRERA *apologises for asking so many questions around staffing costs, but given the disparities apparent in the accounts, the unexplained funds flowing around the Treasurer's various business interests and, of course, the earlier irregularities in the management of payroll costs that has caused so much concern for the Turre Mayor, any failure or delay in providing satisfactory explanations and supporting details, could easily be interpreted as proof that there is indeed something to hide.*

OPEN CABRERA *is sure that this will not be case, and so look forward to receiving a full and detailed response to the many questions raised, in the very near future.*