

PORT AUTHORITY OF GUAM

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NEWS RELEASE

Port Pleased With Audit Results

Piti, Guam, January 3, 2022: Port Authority of Guam General Manager Rory J. Respicio said his agency is pleased with the latest public auditor report relative to the issuance of back wages.

“We truly appreciate your acknowledgement that we handled the appeals of these employees properly. In fact, the conclusion states, ‘Our performance audit of the back wages of two reinstated Port employees found that Port’s reinstatements of Employee S & Employee T were generally made in accordance with administrative and judicial review judgments and orders. The legal remedies stipulated in the Agreement to Satisfy Judgment and Settlement Agreement were likewise generally complied by the Port,’” Respicio wrote to Public Auditor Benjamin J. Cruz. “We are grateful for this acknowledgement of how we handled these very complicated settlement agreements regarding the wrongful terminations of these employees.”

The Report was released this weekend and covers two of the seven settlements. Copies of the settlement agreements can be found on the Port’s website at <https://www.portofguam.com/about-us/financial-information-and-statistics/compliance-reports>.

Respicio notes the agency remains in disagreement over the acceptance of the personnel evaluations which were neither approved or disapproved by the former General Manager. “However, one thing remains certain and that is that when the analysis was conducted on the methodology we utilized for the reconstruction of these salaries, it was determined that we had in fact underpaid two reinstated employees,” Respicio said. “As such, this would mean there were no overpayment made, so far to any of the audits conducted.”

Regarding the pay raise freeze mandate and potential violation on retroactive pay raises, Respicio noted that the Port has been informed that Public Law 34-116 does not apply to the autonomous agencies since they do not receive general fund appropriations. “Additionally, we were also being guided by a policy issued by the Consolidated Commission on Utilities (CCU), dated October 2, 2018, which determined that Public Law 34-116 does not apply to the agencies under the CCU’s purview,” Respicio said. “Thankfully, in your final report of February 2021 (OPA Report No. 21-03), you did not include this finding, and as such, we are perplexed that this is again being cited in this draft audit.”

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Respicio added that they also disagree with regard to the incumbent Deputy General Manager's alleged appearance of conflict of interest. "Simply put, the incumbent Deputy General Manager does not have a conflict of interest because he has no personal or financial interest gained by him in his involvement with these personnel matters in his present capacity at the Port," Respicio told the Public Auditor.

The General Manager further added that, just as the agency has done with the prior audit, they will be forwarding the audit along with the Port response to the Attorney General requesting for his review and guidance so that the Attorney General may determine if any post actions are required based on this audit.