

PRESS RELEASE

Defendants Sentenced in Labor Racketeering Case in the Port of San Juan

Friday, December 8, 2023

For Immediate Release

U.S. Attorney's Office, District of Puerto Rico

SAN JUAN, Puerto Rico – The Court sentenced six defendants for fraudulent and extortionate schemes perpetrated in the Port of San Juan Case. On August 11, 2022, four of the defendants were charged with running a criminal enterprise dedicated to extorting and misleading shipping companies into paying fees for the loading and unloading of cargo at the Port of San Juan—Piers 9, 10, and 11—under the threat of strikes and blockades on the part of union members of the ILA-1740 of the International Longshoremen’s Association, AFL-CIO (“ILA”) and under false representations that companies had to pay a fee in order to be able to use “union-free labor” for the loading and unloading of cargo. The other two defendants were charged with doing “chimpos,” a scheme where the defendants used the union card of another when working at the docks so that it appeared that the union member was working. Because it appeared that the person on the union card was working, the hours worked were fraudulently counted for the non-working union member’s yearly-hour requirement to qualify for healthcare benefits in the employee-benefit plan called Plan de Bienestar UTM-PRSSA.

The Court imposed the following sentences per defendant:

Pedro Pastrana-González: Count 1, RICO—21 months of imprisonment, one year of supervised release, restitution of \$242,042.69

Iara I. Clemente-Rivera,: Count 1, RICO—three years of probation, restitution of \$150,000

Carlos C. Sánchez-Ortiz, a.k.a. “Kaito/Caito/Presidente”: Count 1, RICO—three years of probation, restitution of \$10,000

Jorge I. Batista-Maldonado: Counts 1, RICO—two years of probation, restitution of \$50,000

José A. Fernández-Cruz, a.k.a. "Toñito": Count 6, Conspiracy to Willfully Convert Funds and Falsify Records of the Plan de Bienestar UTM-PRSSA—one year of probation, restitution of \$3,567.17

Carlos A. Hernández-Laguer, aka "Brea": Count 6, Conspiracy to Willfully Convert Funds and Falsify Records of the Plan de Bienestar UTM-PRSSA— one year of probation, restitution of \$3,567.17

Significantly, because of the convictions, under 29 U.S.C. § 1111, all of the defendants are prohibited from serving in any position with decision making authority and other-prohibited capacities in an employee-benefit plan for thirteen years. Furthermore, Carlos C. Sánchez-Ortiz, agreed to be prohibited under 29 U.S.C. § 504 from holding union office for thirteen years. Hence, Carlos C. Sánchez-Ortiz must immediately resign from his positions as president of the union ILA-1740 and the Plan de Bienestar UTM-PRSSA.

U.S. Attorney W. Stephen Muldrow of the District of Puerto Rico; Joseph González, Special Agent in Charge of the FBI San Juan Field Office; Jonathan Mellone, Special Agent-in-Charge, New York Region, U.S. Department of Labor, Office of Inspector General; Megan Underwood, Northeastern Regional Director of the Office of Labor-Management Standards (OLMS); Crystal Coleman, Acting Regional Director, Atlanta Regional Office, U.S. Department of Labor, Employee Benefits Security Administration (EBSA); and Juan A. Vargas, Acting Inspector in Charge, U.S. Postal Inspector, Miami Division made the announcement.

The FBI was in charge of the investigation, in collaboration with the U.S. Department of Labor—Office of Inspector General, U.S. Department of Labor—Employee Benefits Security Administration, U.S. Department of Labor—Office of Labor-Management Standards, the U.S. Postal Inspection Service. Assistance was also provided by the San Juan Municipal Police, the Carolina Municipal Police, the Puerto Rico Police Bureau, and the Puerto Rico Ports Authority.

The investigation was carried out in consultation with attorneys of the Organized Crime and Gang Section of the U.S. Department of Justice.

Assistant U.S. Attorney Victor O. Acevedo-Hernández prosecuted the case.

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