U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
New Haven Resident Investigative Office
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March 1, 2007

Ms. Mary Consoli, President
Teachers AFL-CIO
Local 5047
1 Padanaram Road
Danbury, CT 06811

Re: Case Number: [redacted]

Dear Ms. Consoli:

This office has recently completed an audit of Teachers Local 5047 Danbury Nurses Unit 47 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 you and Kathleen Lechner on February 21, 2007, 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.

Record Keeping

Title II of the LMRDA establishes certain reporting and recordkeeping requirements. Section 206 requires, among other things, that adequate records be maintained for at least 5 years by which each receipt and disbursement of funds, as well as all account balances, can be verified, explained, and clarified. In general, your records were in good order, but the CAP disclosed that the union's records do not contain adequate documentation regarding the authorization of officer salaries and benefits. The record your organization relied on as the authorization of the president's salary and benefits was an Executive Board meeting on October 9, 2000, which stated that the president's salary should be at Level 3 Step 6 (at that time, the highest day rate for a nurse at Danbury Hospital), plus changes and contract increases, plus benefits of $10,000 per year. However, in the next two collective bargaining agreements, the pay levels and steps were expanded. While the president is still paid at the highest day rate, that rate is now identified as Level 3 Step 11. You were advised to clarify the rate of the

president's pay, and to insure that salary and benefit packages for all paid officers (president and treasurer) are approved by the membership.

In addition, Local 5047 kept no official record of vacation time used by the president, although President Mary Consoli kept a personal record of time used. You were advised to include an official record of vacation time entitlements in the benefit package presented to the membership for approval, and to keep an official record of time used with the payroll records, or on a calendar in the union office.

Deficient Filing

The CAP also 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 Form LM-2, filed by LU 5047 for fiscal year ending December 31, 2005, was deficient in the following areas:

Failure to Report all Receipts

Your organization's LM-2 for 2005 reported receipts of $336,993 in Dues and Agency Fees, and $2,484 in Interest. The records reviewed showed interest receipts of $1,818 from Morgan Stanley, and $172 from NewMil bank, for a total of $1,990. Other receipts, including $1,200 in rental income from sub-letting space on your premises, $151 in insurance rebates, and other miscellaneous small receipts, were not reported on the LM-2. The instructions for Form LM-2 specifically do not allow "netting" of receipts and disbursements. All gross receipts and disbursements must be reported on Form LM-2.

Failure to Itemize Disbursement or Receipt

Local 5047 failed to properly report a major transaction in Schedule 15. A major transaction includes any individual transaction of $5,000 or more or total transactions to or from any single entity or individual that aggregate to $5,000 or more during the reporting period and which cannot properly be reported elsewhere in Statement B. Flynn Graphics received payments in excess of $5,000 (Ck [redacted] $220 + Ck [redacted] $4,960.65) but was not itemized.

LM-2 Schedule 11 (All Officers and Disbursements to Officers)

Local 5047 failed to include some reimbursements to officers and employees in Schedule 11 (All Officers and Disbursements to Officers). All local officers should be listed in Schedule 11, regardless of whether they received salary or other disbursements.

Direct disbursements to officers and employees for reimbursement of expenses incurred while conducting union business must be reported in Column F of Schedule 11 (Disbursements for Official Business). In addition, indirect disbursements made to another party (such as a credit card company) for business expenses incurred by union personnel must also be reported in Column F of Schedule 11. However, indirect disbursements for business expenses incurred for transportation by public carrier (such as an airline) and for temporary lodging expenses incurred while traveling on union business must be reported in Schedules 15 through 19. Any direct or indirect disbursements to union personnel for expenses not necessary for conducting union business must be reported in Column G (Other Disbursements) of Schedule 11.

In 2005, Local 5047 President Mary Consoli received 5 checks for reimbursed expenses totaling $1,927.92, which were not reported on Schedule 11. Negotiations conducted in 2005 resulted in stipends being paid to members who served on the negotiating committee. Stipends paid to union officers, including Vice President Kevin Morgan ($1,600), Treasurer Kathleen Lechner ($1,600), Secretary Barbara Robinson ($1,400), and VP's Jean Fisch ($1,600), Debra Frederick ($1,600) and Terri Hudak ($200) should be reported in Column E (Allowances Disbursed) or Column G (Other Disbursements) of Schedule 11, along with any dues rebate checks paid to officers at the end of the year.

You have agreed to correct the deficiencies in your record keeping, and to file an amended Form LM-2 to correct the reporting deficiencies. The amended Form LM-2 should be filed within 30 days of the receipt of this letter.

I want to extend my personal appreciation to Teachers Local 5047 Danbury Nurses Unit 47 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,

[redacted]
Investigator

cc: Kathleen Lechner, Treasurer