



July 12, 2023

Mr. John Andolina, Treasurer
Longshoremen's Assn., AFL-CIO
Local 1294
106 Smith St.
Albany, NY 12206

Case Number: 110-6026228()
LM Number: 012567

Dear Mr. Andolina:

This office has recently completed an audit of Longshoremen's Local 1294 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 President Mark Winnicki on July 6, 2023, 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.

Recordkeeping Violations

Title II of the LMRDA establishes certain reporting and recordkeeping requirements. Section 206 requires, among other things, that labor organizations maintain adequate records for at least five years by which each receipt and disbursement of funds, as well as all account balances, can be verified, explained, and clarified. As a general rule, labor organizations must maintain all records used or received in the course of union business.

For disbursements, this includes not only original bills, invoices, receipts, vouchers, and applicable resolutions, but also documentation showing the nature of the union business requiring the disbursement, the goods or services received, and the identity of the recipient(s) of the goods or services. In most instances, this documentation requirement can be satisfied with a sufficiently descriptive expense receipt or invoice. If an expense receipt is not sufficiently descriptive, a union officer or employee should write a note on it providing the additional information. For money it receives, the labor organization must keep at least one record showing the date, amount, purpose, and source of that money. The labor organization must also retain bank records for all accounts.

The audit of Local 1294's 2022 records revealed the following recordkeeping violations:

1. Gas Credit Card Expenses

Local 1294 did not retain adequate documentation for gas credit card expenses incurred by Treasurer John Andolina and President Mark Winnicki totaling at least \$6,892.70. The officers did not retain any receipts for gas purchases, and no documentation was retained

identifying the purpose of the expense, or locations required to be traveled for union business.

The union must maintain records which identify dates of travel, locations traveled to and from, and the business purpose for use of a personal vehicle to substantiate the gas purchased with union funds.

As noted above, labor organizations must retain original receipts, bills, and vouchers for all disbursements. The president and treasurer (or corresponding principal officers) of your union, who are required to sign your union's LM report, are responsible for properly maintaining union records.

2. Information not Recorded in Meeting Minutes

During the audit, Mr. Andolina advised OLMS that the executive board did not authorize recurring payments such as donations and electric bills. Also, although approved, authorizations pertaining to dues rebate checks were not maintained with the union's current documents. Article XIII of the ILA Constitution and Rules of Order requires that all payments and expenditures of each local union be made by check upon authorization by resolution of the Local Executive Board. Local 1294 failed to authorize monthly expenses and maintained no minutes of any resolutions. Minutes of all membership or executive board meetings must report any disbursement authorizations made.

Based on your assurance that Local 1294 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

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, Form LM-3, filed by Local 1294 for the fiscal year ended September 30, 2022, was deficient in the following areas:

1. Disbursements to Officers

Local 1294 did not report the proper amounts of payments to officers in Item 24 (All Officers and Disbursements to Officers) Column E, totaling at least \$2,558. It appears the union erroneously reported payments to officers on Line 46 (To Employees) and elsewhere on the form.

The union must report most direct disbursements to Local 1294 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. Cash Reconciliation

It appears that the cash figures reported in Item 25 (Cash) are not the figures according to Local 1294's books after reconciliation to the bank statements. The instructions for Item 25 state that the union should obtain account balances from its books as reconciled to the balances shown on bank statements. It does not appear the union maintains a correct ending balance for the fiscal year in their records.

I am not requiring that Local 1294 file an amended LM report for 2022 to correct the deficient items, but Local 1294 has agreed to properly report the deficient items on all future reports it files with OLMS.

Other Violation

The audit disclosed the following other violation:

Inadequate Bonding

The audit revealed a violation of LMRDA Section 502 (Bonding), which requires that union officers and employees be bonded for no less than 10 percent of the total funds those individuals or their predecessors handled during the preceding fiscal year.

The audit revealed that Local 1294's officers and employees were not bonded at the time of the audit. Local 1294 should obtain bonding coverage for its officers immediately. Please provide proof of bonding coverage to this office as soon as possible, but not later than July 14, 2023.

Other Issues

1. Signing Blank Checks

During the audit, you advised that President Mark Winnicki signed blank checks. Your union's bylaws require that all checks be signed by the president and treasurer. The two-signature requirement is an effective internal control of union funds. Its purpose is to attest to the authenticity of a completed document already signed. However, signing a blank check in advance does not attest to the authenticity of a completed check, and negates the

purpose of the two-signature requirement. OLMS recommends that Local 1294 review these procedures to improve internal control of union funds.

2. Expense Policy

As I discussed during the exit interview with Local 1294 Officers, the audit revealed that Local 1294 does not have a clear policy regarding when officers may use the credit cards for gas purchases. OLMS recommends that unions adopt written guidelines concerning such matters.

I want to extend my personal appreciation to Longshoremen's Local 1294 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,

A large black rectangular redaction box covering the signature of the investigator.

Investigator

cc: Mr. Mark Winnicki, President