



December 9, 2023

Mr. Kevin Rose, President/BA
Longshoremen's Assn.(ILA), AFL-CIO
Local 1413-1465
P.O. Box 2065
New Bedford, MA 02740

Case Number: 110-6027437()
LM Number: 019054

Dear Mr. Rose:

This office has recently completed an audit of Longshoremen's Assn., AFL-CIO Local 1413-1465 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 Secretary-Treasurer Onix Vazquez and you on November 29, 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 1413's FY 2022 records revealed the following recordkeeping violations:

1. Reimbursed Expense

Local 1413 did not retain adequate documentation for a reimbursed expense to President Rose totaling at least \$239.

As noted above, labor organizations must retain original receipts, bills, invoices, and vouchers for all disbursements which may be used to verify the accuracy of the LM report for a minimum of 5 years. 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. Vazquez advised OLMS that the membership authorized two scholarships of \$1,000 each at the September 2022 membership meeting. Article VII, Section 4 of the constitution requires that the Recording Secretary keep an accurate account of meetings in a permanent minute book. However, Local 1413 maintained no minutes of that meeting and no record of authorization of the scholarships. Minutes of all membership or executive board meetings must report any disbursement authorizations made at those meetings.

3. Lack of Salary Authorization

Local 1413 did not maintain records to verify that the secretary-treasurer stipend was the authorized amount of \$50 a month and therefore was correctly reported in Item 18 (Payments to Officers) of the LM-4. The union must keep a record, such as meeting minutes, to show the current salary authorized by the entity or individual in the union with the authority to establish salaries.

Based on your assurance that Local 1413 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-4 filed by Local 1413 for the fiscal year ended September 30, 2022, was deficient in the following areas:

1. Assets

The audit revealed that Local 1413 did not report the total assets relating to its Scholarship Fund and property owned by the labor organization on its LM report in Item 14. The LM-4 Instructions for Item 14 states to include the total value of all the labor organization's assets at the end of the year including cash on hand and in banks, property, loans owed to

the labor organization, investments, office furniture, automobiles, and anything else owned by the labor organization. The Scholarship Fund and the property located at 173 Acushnet Ave, New Bedford, MA 02740 are assets of the union and the value should be reported in Item 14.

2. Delinquent Filings

A review of Local 1413's annual financial reports indicate the union has been consistently delinquent in their filing for at least three years, most recently with the filing of fiscal year ending September 30, 2022. The president and treasurer or corresponding principal officers of your organization are required to file an annual financial report with the OLMS within 90 days after the end of the union's fiscal year according to Section 207(b) of the LMRDA. Therefore, your union's report should be filed by December 29th. The LMRDA does not provide for any extension of time for filing the report.

3. Failure to File Bylaws

The audit disclosed a violation of LMRDA Section 201(a), which requires that a union submit a copy of its revised constitution and bylaws with its LM report when it makes changes to its constitution or bylaws. Local 1413 amended its constitution and bylaws in 2021 but did not file a copy with its LM report for that year.

As agreed, Local 1413 will file a copy of its current constitution and bylaws with OLMS as soon as possible but not later than December 29, 2023, when the next LM report is due.

I am not requiring that Local 1413 file an amended LM report for 2022 to correct the deficient items, but Local 1413 has agreed to properly report the deficient items on all future reports it files with OLMS.


Other Issues

Expense Policy

As I discussed during the exit interview with Secretary-Treasurer Vazquez and you, the audit revealed that Local 1413 does not have a clear policy regarding the types of expenses personnel may claim for reimbursement. OLMS recommends that unions adopt written guidelines concerning such matters.

I want to extend my personal appreciation to ILA Local 1413-1465 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,


Investigator

cc: Mr. Onix Vazquez, Secretary-Treasurer