

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
New Haven Resident Investigative Office
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September 30, 2008

Mr. Dominic Cutaia, Treasurer
Fire Fighters AFL-CIO
LU 7
30 Sherman Street
West Hartford, CT 06110

LM File Number 543-487
Case Number: [REDACTED]

Dear Mr. Cutaia:

This office has recently completed an audit of Fire Fighters LU 7 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 on September 24, 2008, 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 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 7's 2007 records revealed the following recordkeeping violations:

1. Officer and Employee Expenses

Local 7 did not retain adequate documentation for credit card and reimbursed expenses incurred by President Peter Carozza totaling at least \$2,000. Specifically, while President Carozza provided copies of original receipts for meal expenses while traveling, he did not note on the receipts who was present at the meal, or the union purpose of the expenses. As previously 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.

Reporting Violation

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 LM-2 filed by Local 7 for fiscal year ending December 31, 2007 was deficient in the following area:

1. #48 Other Receipts/#53 General Overhead

Local 7 did not include the total received from fund raisers in the other receipts lines, but netted out the amount paid back to the fund raising companies, and reported only the net amount received. Netting is specifically prohibited in the LM-2 instructions. The total amount received should be reported as a receipt, and the amount paid to the fund raising companies should be reported as a disbursement.

I am not requiring that Local 7 file an amended LM-2 report for 2007 to correct the deficient item, but Local 7 has agreed to properly report the deficient item on all future reports it files with OLMS.

Other Violations

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 7's officers and employees were not bonded for the minimum amount required at the time of the audit. However, the union obtained adequate bonding coverage and provided evidence of this to OLMS during the audit. As a result, OLMS will take no further enforcement action regarding this issue.

I want to extend my personal appreciation to Fire Fighters LU 7 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: Peter Carozza, President