

U.S. Department of Labor

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February 25, 2009

Mr. Bernard O'Donnell, President
Longshoremens Local 805
Boston Fish Pier, West Building
Suite 304 A
Boston, MA 02210

LM File Number: 018-084

Case Number: [REDACTED]

Dear Mr. O'Donnell:

This office has recently completed an audit of Longshoremens Local 805 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 February 24, 2009, 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 Longshoremens Local 805's 2007 records revealed the following recordkeeping violations:

1. Expenses (General and Reimbursed)

Local 805 did not retain adequate documentation for expenses incurred by the local totaling at least \$1,400. For example, the local did not have bills/receipts for the \$1,200 paid to Cingular, Verizon, and AT&T toward the business agents cell phones, and \$200 paid to a member to plow the hiring hall lot.

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.

2. Lost Wages

Local 805 did not retain adequate documentation for lost wage reimbursement payments to union officers totaling at least \$1,668. The union must maintain records in support of lost wage claims that identify each date lost wages were incurred, the number of hours lost on each date, the applicable rate of pay, and a description of the union business conducted.

3. Failure to Record Receipts

Local 805 did not record in its receipts record one receipt from a non union group for use of the hiring hall totaling \$165. Union receipt records must include an adequate identification of all money the union receives. The records should show the date and amount received, and the source of the money.

Based on your assurance that Local 805 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 LM-3 filed by Local 805 for fiscal year ending December 31, 2007, was deficient in the following areas:

1. Disbursements To Officers

Local 805 did not report reimbursements to officers totaling at least \$6,034.59 in Item 24 (All Officers and Disbursements to Officers). It appears the local erroneously reported these payments in Item 48 (Office and Administrative Expense) or Item 54 (Other Disbursements).

Local 805 did not report the name of one officer and the total amount of payments to them or on their behalf in Item 24 (All Officers and Disbursements to Officers). The union must report in Item 24 all persons who held office during the year regardless of whether they received any payments from the union.

The union must report most direct disbursements to Local 805 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

The cash figures reported in 25 are not the cash figures according to the union's books after reconciliation to the bank statements. Local 805 did not include in Item 25 (Assets) or Item 43 (Other Receipts) receipts in the Maintenance and Building Account which is administered by Local 805.

4. Cash Disbursements

Local 805 did not report disbursements from the Maintenance and Building account totaling \$13,526 on the LM-3 report. Local 805 reported zero in Item 51 (Contributions, Gifts & Grants) but the audit revealed a total of \$1,253 in contributions and gifts. It appears the local incorrectly reported this amount in Item 54 (Other Disbursements).

Longshoremens Local 805 must file an amended Form LM-3 for fiscal year ending December 31, 2007 to correct the deficient items discussed above. I provided the local's treasurer with a blank form and instructions, and advised that the reporting forms and instructions are available on the OLMS website (www.olms.dol.gov). The amended LM-3 should be submitted to this office at the above address as soon as possible, but not later than March 23, 2009. Before filing, review the report thoroughly to be sure it is complete, accurate, and signed properly with original signatures.

I want to extend my personal appreciation to Longshoremens Local 805 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,

Mark Letizi
District Director

Mr. Bernard O'Donnell
February 25, 2009
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cc: Linda McCullough, Treasurer