



December 17, 2013

Mr. John Hill, Secretary-Treasurer  
Boilermakers Local 1851  
408 Meadow Street  
Chicopee, MA 01013-2204

Case Number: 110-1117675( )  
LM Number: 009990

Dear Mr. Hill:

This office has recently completed an audit of Boilermakers Local 1851 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 on December 17, 2013, 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 1851's 2013 records revealed the following recordkeeping violations:

1. Meal Expenses

Local 1851 did not require officers and employees to submit itemized receipts for meal expenses totaling at least \$52.80. The union must maintain *itemized receipts* provided by restaurants to officers and employees. These itemized receipts are necessary to determine if such disbursements are for union business purposes and to sufficiently fulfill the recordkeeping requirement of LMRDA Section 206.

Local 1851 records of meal expenses did not include written explanations of union business conducted or the names and titles of the persons incurring the restaurant charges. For example, former Secretary-Treasurer [REDACTED] was reimbursed for \$32.80 that was spent on November 20, 2012 at Village Pizza. The supporting receipt for that transaction did not include a written explanation of the union business conducted. Union records of meal expenses must include written explanations of the union business conducted and the full names and titles of all persons who incurred the restaurant charges. Also, the records retained must identify the names of the restaurants where the officers or employees incurred meal expenses.

2. Lost Wages

Local 1851 did not retain adequate documentation for lost wage reimbursement payments to union officers and members totaling at least \$4,275.71. 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. The OLMS audit found that Local 1851 only retained monthly employer invoices submitted to the local for reimbursement. The invoices did not identify each date lost wages were incurred, the number of hours lost on each date, and a description of the union business conducted.

During the exit interview, I provided a sample of an expense voucher Local 1851 may use to satisfy this requirement. The sample identifies the type of information and documentation that the local must maintain for lost wages and other officer expenses.

Based on your assurance that Local 1851 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 1851 for the fiscal year ended June 30, 2013, was deficient in that:

#### Loans obtained

During the audit year, the local received a loan from the international totaling \$20,000, to help offset the cost of litigation. The local received the loan in \$5,000 increments, paid by check over the course of the audit year. Local 1851 incorrectly reported a zero balance in Item 33 (Loans Payable).

Local 1851 must file an amended Form LM-3 for the fiscal year ended June 30, 2013, to correct the deficient item discussed above. I provided you with a blank form and instructions, and advised you that the reporting forms and instructions are available on the OLMS website ([www.olms.dol.gov](http://www.olms.dol.gov)). The amended Form LM-3 should be submitted to this office at the above address as soon as possible, but not later than January 17, 2014. 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 Boilermakers Local Lodge 1851 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. Steve Lapierre, President